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The "two-stage" effect of the COVID-19 crisis on external FAPs trade in France

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Introduction

In the context of an open economy and globalised free trade, the Covid-19 crisis was an unprecedented shock to international trade. Major, unpredictable and sudden restrictions were put in place in many countries in the wake of the pandemic. Even within the European Union (EU), trade restrictions (at borders) were observed. Fisheries and Aquaculture Products (FAPs) are particularly traded worldwide, and France is the world's 5th largest importer of FAPs by value, according to FAO (2021).

Objectives

The COPECO project has sought to understand the motivations and behaviours of French households regarding their FAPs consumption through several reports and digests. More specifically, the work will focus on fresh FAPs and the species most consumed within this category in France, in order to determine whether dependence on imports of these products has changed following the COVID-19 crisis.

Methodology

Data from COMEXT and reports from EUMOFA and FranceAgriMer were used to identify trends in the trade of FAPs in Europe during the pandemic, with a focus on French imports.

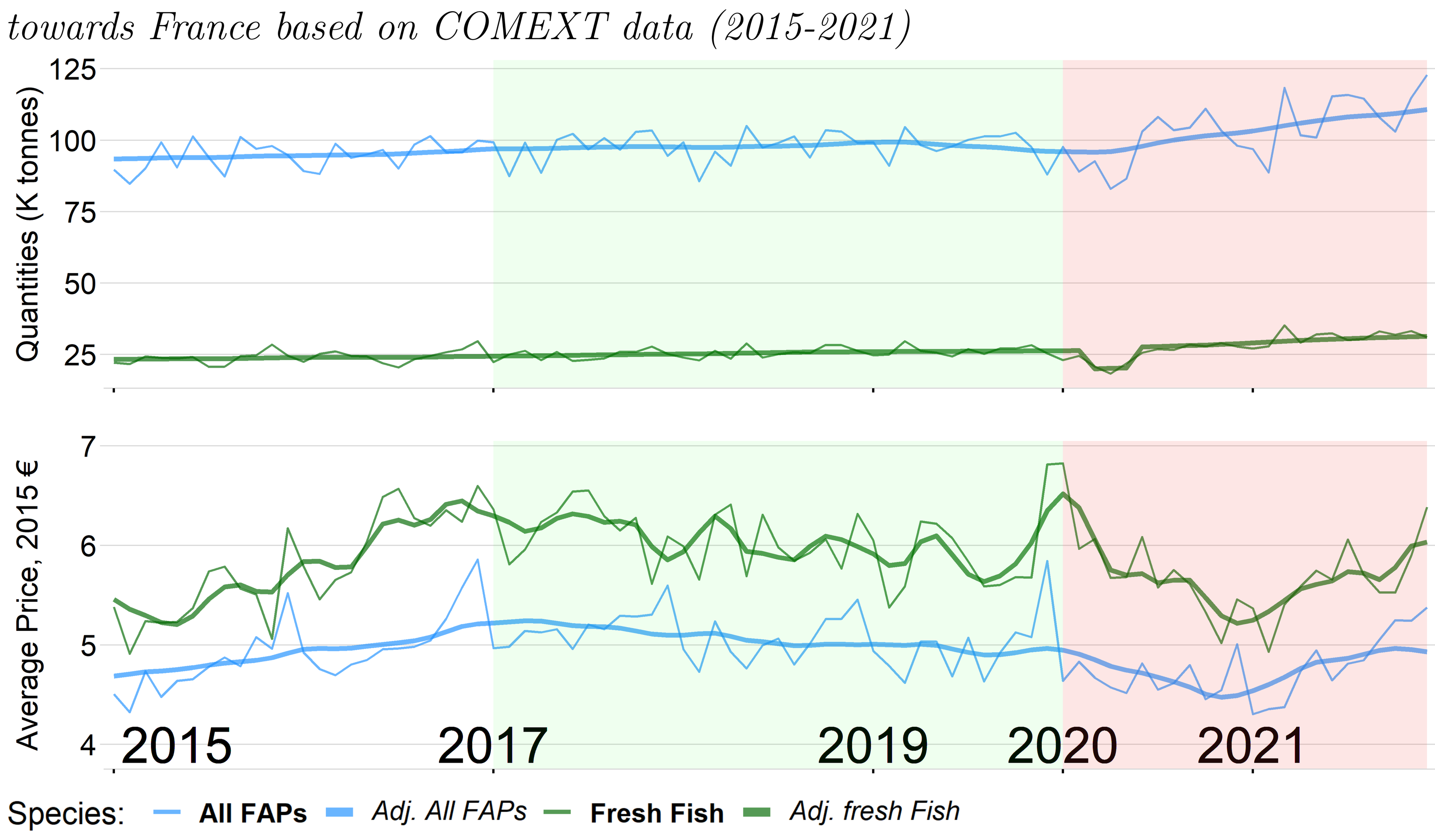
Results

FAPs trade trends before and during the crisis :

According to FranceAgriMer, in 2020, compared with the 2018-19 average, imports of FAPs remained stable in volume and fell by 2 % in value thanks to a sharp drop in import prices. Over the same period, imports of fresh FAPs fell in volume (7 %) and value (12 %).

From 2005 to 2015, according to monthly COMEXT data, for all FAPs and fresh fish, average imports remained stable in volume (around 93 and 22 K tonnes resp.) and in price (around 4.18 and 4.78 €/Kg). From 2015 onwards (Fig. 1), while import volumes remained relatively stable, prices for FAPs and fresh fish (included in FAPs) imports fluctuate more (rising from 2015 to 2017, then falling until 2019, particularly for fresh fish).

Figure 1 :*Evolution of monthly imports in volume and price/Kg of FAPs and fresh fish towards France based on COMEXT data (2015-2021)*



Source : COPECO 2023, according to COMEXT data

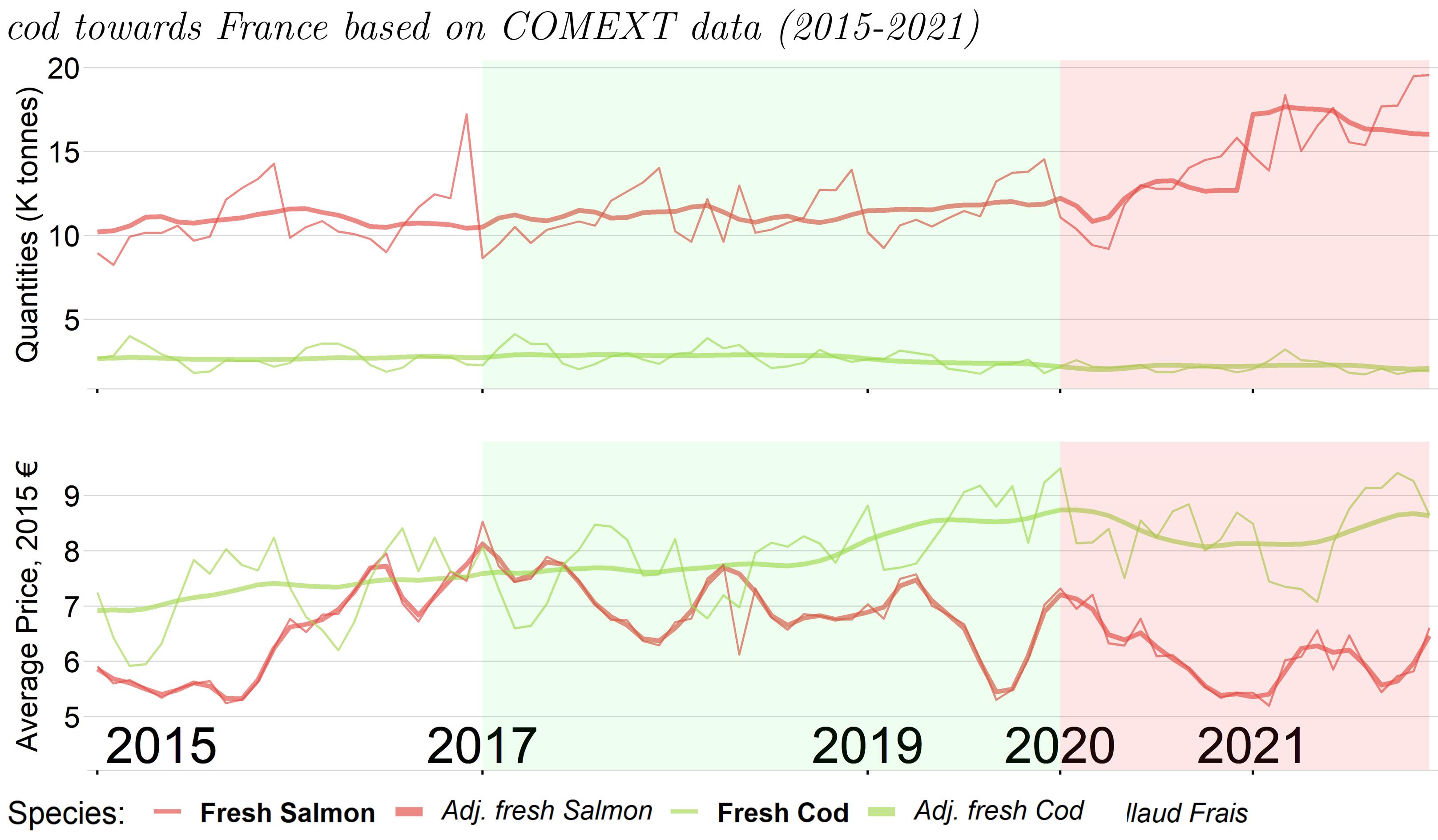
The impact of the COVID-19 crisis on imports of both FAPs and fresh fish takes place in 2 distinct phases : in the first phase, the shock is reflected in a very sharp and sudden drop (-25%) in volumes and a more spread-out fall in prices. In the second phase, volumes adapt and return to normal, with prices rising gradually over several months in 2021.

Focus on fresh salmon and cod :

Before 2015, monthly import volumes of fresh salmon and cod were around 9 and 2 K tonnes respectively, for an average of €4.81 and €5.83/Kg. Between 2017 and 2019, the trend is upward for salmon import volumes (from 11 to 11.7 K tonnes) and downwards for prices (from €7.28 to €6.6/Kg). For cod, the trends are opposite : a decrease in quantities (from 2.8 to 2.4 K tonnes) and an increase in prices (from €7.64 to €8.52/Kg) (Fig. 2).

During the COVID crisis, there will initially be a dip in the volume of salmon imports and a fall in prices. From mid-2020, salmon imports increased in volume, with a simultaneous acceleration in the downward trend in its import price (which had already begun in 2017). As a result, imports of fresh salmon have fallen back in value terms. For cod, there has been much less change in imported volumes as a result of the COVID-19 crisis. However, one can observe a slight upward trend in the price of imported cod since 2015. Between 2020 and 2021, the volume of fresh salmon imported rose from 12.4 to 16.8 K tonnes and prices from €6.27 to €5.93/Kg. For fresh cod, the change appears to be less obvious (from 2.1 to 2.2 K tonnes and from €8.41 to €8.34/Kg).

Figure 2 :*Evolution of monthly imports in volume and price/Kg of fresh salmon and cod towards France based on COMEXT data (2015-2021)*



Source : COPECO 2023, according to COMEXT data

The hegemony of salmon on a European scale : salmon is one of the main species consumed fresh between 2017 and 2020 by households in France, Spain and Italy (which are large FAPs consumers with a long history of production). According to EUMOFA, its consumption at home is growing (following the COVID-19 crisis), even exceeding the consumption levels observed for the emblematic national species of these countries.

Conclusion

Trades were disrupted very briefly following the restrictions generated by the pandemic, with a slight reduction in the value of the French trade deficit due to lower import prices. However, the situation of trades picked up very quickly after this 'shock', particularly for fresh salmon, where import volumes rose sharply in France (COPECO) as well as in several European countries. It would appear that Norway (Europe's main salmon producer) has managed to compensate for the closure of non-EU markets by (lastingly ?) postponing its salmon exports to the major FAPs-consuming countries in Europe. Further insights could undoubtedly be gained by analysing the effects of the way the processing industry operates (during and after the health crisis) and of the 'reopening' of out-of-home catering outlets.

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