

Fish Market in Luxembourg



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Manitoba



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THE GRAND-DUCHY OF LUXEMBOURG

Executive summary

Despite the small size of its population, Luxembourg's consumer market is extremely appealing as the country had the highest standard of living in the European Union (EU) and the second highest per capita GDP¹ in the world in 2020. This makes Luxembourg a fertile ground for discretionary spending, especially in healthy foods, due to Luxembourg's wealthy and educated population, well-versed in healthy lifestyles. With consumer expenditure expected to double by 2040 in absolute dollar terms versus 2020 levels, support for discretionary spending will continue.

Luxembourg may very well be the perfect testing place for fish exports when pursuing a new market, such as the EU, where consumption of fish and seafood is estimated at 24.35 kg per capita. Positioned at the heart of Europe, Luxembourg represents an exceptional entry point to the Blue Banana European corridor², a market of millions of affluent consumers and an area with bountiful goods, people, and money. Due to its small size and its unique multicultural community, Luxembourg is a promising place for experimentation with sustainable food innovations, both local and international.

Luxembourg's fish market has been forecasted to grow between 2020 and 2025, both in volume (2.7 per cent) and in retail value (4.4 per cent). Manitoba businesses, freshwater fish processors and Northern communities can profit from this opportunity. Moreover, they can benefit from the CETA³ agreement with zero tariffs for fish exports and the preference Luxembourgers have for freshwater fish in traditional dishes. In addition, anti-corruption legislation is in place to tackle corrupt practices, allowing operations without undue pressure in a favourable regulatory landscape with a low bureaucratic burden and a high degree of business freedom.

Key demographics and economic indicators⁴

Country name: Grand Duchy of Luxembourg

Head of State: Grand Duke Henri

Head of Government: Xavier Bettel

Government Type: Unitary parliamentary constitutional monarchy

Capital: Luxembourg City

Legislature: Chamber of Deputies, a unicameral legislature of sixty members

Judiciary: Superior Court of Justice (Luxembourg), which includes the Court of Appeal and the Court of Cassation

Location: The Grand Duchy of Luxembourg is a landlocked country in Western Europe. It is bordered by Belgium to the west and north, Germany to the east, and France to the south. ⁵ Luxembourg is one of the smallest countries in Europe, and ranked 167th in size of all the 194 independent countries of the world. The country is about 2,586 square km in size, and measures 82 km long and 57 km wide. It lies between latitudes 49° and 51° N, and longitudes 5° and 7° E.

Economic indicators: Luxembourg is the 99th economy in the world in terms of GDP (\$66.9 billion U.S.).

Population: 633,622 people (March 2021)

GDP growth: -1.3 per cent (2020) and 4.8 per cent (2021)⁶

GDP per capita: \$112,045 (PPP, 2020 est.)

GDP per capita rank: 2nd (nominal, 2020 estimated)

Inflation: 2.5 per cent (November 2021)

¹ Gross Domestic Product

² Discontinuous corridor of urbanization spreading over Western and Central Europe, with a population of around 111 million.

³ Comprehensive Economic and Trade Agreement between the EU and Canada

⁴ Wikipedia.org

⁵ Wikipedia.org

⁶ <https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts>

Consumption and the market

Consumer Trends

In 2020, consumption of fish and seafood in Luxembourg was estimated at 24.35 kg per capita. This is less than half the amount that Portugal consumes per capita (56.8 kg). As Luxembourg has been receiving substantial immigration from Portugal, it is expected that the demographics will continue to change and positively impact the consumption of fish in Luxembourg. As of 2018, the at-home consumption of fishery and aquaculture products was quite high. Close to 80 percent of people surveyed indicated that they ate fishery or aquaculture products at home at least once per month. Of these, 50 percent of respondents ate fish or seafood at home once per week.⁷

Luxembourg has no access to the sea. As a result, traditional fish dishes are based on what swims in freshwater rather than in the sea. Trout, pike, and crayfish are some of the most common fish that can be found and served in Luxembourg's restaurants. *Hiecht mat kraiderzooss* is a fish specialty that consists of poached pike finished with a green sauce that is flavored with a splash of Riesling wine. This fish delicacy is usually served as an entrée, while typical accompaniments include boiled potatoes, a green salad, and a glass of fine Luxembourg Riesling wine.

F'rell am rëisleck is a traditional fish specialty hailing from Luxembourg, consisting of freshwater trout smothered in a creamy Riesling wine sauce. After the fish has been fried in melted butter, it is covered with a mixture of Riesling wine, crème fraîche, shallots, and spices and herbs such as chervil, tarragon, chives, parsley, paprika, salt, and pepper, before it is baked to perfection. It is typically enjoyed as a main course with a side of potato fritters or steamed potatoes and garnished with freshly chopped parsley. Trout-based delicacies are available in most fine-dining restaurants in Luxembourg.

Another traditional fish specialties of Luxembourgish cuisine, *Friture de la Moselle*, consists of various species of small fish that are battered and fried until golden and crispy. The fish are traditionally sourced from the Moselle River. After seasoning the fish with salt and pepper, they are first soaked in lemon juice, then coated with a batter of flour and eggs, and finally, deep-fried. *Friture de la Moselle* are typically served only with lemon wedges on the side, and the traditional way of eating the fish is by using one's fingers⁸.

Current market size and forecast 2020 to 2025

The Grand-Duchy is a very attractive consumer market despite the small size of its population, with consumer expenditure expected to double by 2040 in absolute dollar terms versus 2020 levels. Due to its small size and its unique multicultural community, Luxembourg is a promising place for experimentation with sustainable food innovations, both local and international.

The fish market has been forecasted to grow between 2020 and 2025, both in volume (2.7 per cent) and in retail value (4.4 per cent) as per Table 1. By 2025, the retail volume is expected to surpass 1,550 tonnes with a retail value of \$1 million.

Table 1. Market size and forecasted volume CAGR for the Luxembourg fish market

Type of Meat	2020 Market Size by Retail Value RSP ⁹ (CAD million [†])	2020 Market Size by Total Volume (000 tonnes)	Forecasted Volume Growth 2020-2025 CAGR %	Forecasted Retail Value Growth 2020-2025 CAGR %
Fish	\$0.78	8.8	2.7%	4.4%

Source: Euromonitor [†]Exchange rate 1 CAD = 0.77 USD.

⁷ www.statista.com

⁸ https://www.tasteatlas.com/

⁹ Retail Sale Price RSP is the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement.

Luxembourg's fish production and trade balance

Total fisheries production measures the volume of aquatic species caught by a country for all commercial, industrial, recreational and subsistence purposes. In Luxembourg, there is some commercial fishing for domestic consumption and much private fishing for sport¹⁰. Luxembourg is a net importer of fish. This is something expected from a land-locked country reliant on the supply of fish mainly from other members of the EU.

Luxembourg's fish imports

Luxembourg's imports of frozen and fresh fish increased by 5.4 and 4 per cent in value, respectively, between 2016 and 2020 as shown in Table 2. Luxembourg's overall fish imports increased at a compound annual growth rate (CAGR) of 1.6 per cent from 2016 to 2020.

Table 2. Luxembourg's imports of Frozen, Fresh and Chilled Fish 2016-2020 (in Canadian dollars).

Description	Total		2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	CAGR
	2016-2020 (\$)	%						
Total	469,825,155	100.00%	87,830,870	91,399,148	99,297,919	97,662,963	93,634,255	1.61%
fish, fresh or chilled	185,009,698	39.38%	32,682,751	35,773,728	39,717,294	38,649,337	38,186,588	3.97%
fish fillets and other fish meat	160,704,357	34.21%	31,186,056	32,149,550	33,884,850	33,215,848	30,268,053	-0.74%
fish, dried, salted or in brine; smoked fish; flours, meals and pellets of fish	93,038,277	19.80%	18,318,293	17,753,110	18,708,957	19,342,272	18,915,645	0.81%
frozen fish	23,641,211	5.03%	4,055,359	4,203,280	5,215,210	5,161,318	5,006,044	5.41%
live fish	7,431,612	1.58%	1,588,411	1,519,480	1,771,608	1,294,188	1,257,925	-5.66%

Source: Global Trade Tracker December 2021.

Table 3. Top 10 global suppliers of fish to Luxembourg in 2016-2020 (in Canadian dollars).

Country	Total		2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	CAGR
	2016-2020	%						
World	469,825,154	100.00%	87,830,870	91,399,148	99,297,918	97,662,962	93,634,256	1.61%
Belgium	150,253,115	31.98%	27,839,354	28,720,787	31,333,762	30,936,314	31,422,898	3.07%
France	139,153,047	29.62%	28,163,637	29,740,708	29,081,240	26,193,440	25,974,022	-2.00%
Netherlands	75,308,670	16.03%	11,326,488	12,641,144	16,887,867	18,090,117	16,363,054	9.63%
United Kingdom	26,295,273	5.60%	4,815,520	5,446,020	6,001,257	5,369,675	4,662,801	-0.80%
Portugal	24,809,624	5.28%	4,954,684	4,411,187	4,884,657	5,449,446	5,109,650	0.77%
Germany	21,398,176	4.55%	4,889,137	4,087,572	4,229,398	3,821,689	4,370,380	-2.77%
Denmark	14,762,924	3.14%	1,091,174	1,135,721	4,117,448	5,084,048	3,334,533	32.22%
Sweden	10,023,056	2.13%	3,553,601	3,939,474	1,188,079	836,889	505,013	-38.60%
Greece	4,449,955	0.95%	693,372	749,911	794,568	1,048,101	1,164,003	13.83%
Spain	1,797,181	0.38%	230,304	211,869	322,339	547,842	484,827	20.45%

Source: Global Trade Tracker December 2021.

¹⁰ <https://www.fao.org/fishery/docs/>

Belgium, France and the Netherlands, all members of the EU, are the top three suppliers of fish with 78 per cent of the imports in value. Luxembourg, along with Belgium and the Netherlands form the Benelux, a politico-economic union and formal international intergovernmental cooperation with a customs union since 1944. This union explains the long-term commercial relations among the countries, as well as the market share.

Table 4. Quantity of fish meat imported by Luxembourg in 2016-2020 (in kilograms).

Description	2016-2020		2016	2017	2018	2019	2020
	KG	%	KG	KG	KG	KG	KG
Total	31,695,078	100.00%	6,500,645	6,399,559	6,565,319	6,342,606	5,886,949
fish, fresh or chilled	12,482,428	39.38%	2,527,408	2,523,587	2,565,023	2,562,855	2,303,555
fish fillets and other fish meat	11,270,975	35.56%	2,258,246	2,300,823	2,362,090	2,214,211	2,135,605
fish, dried, salted or in brine; smoked fish; flours, meals and pellets of fish	4,177,561	13.18%	990,674	826,685	769,478	832,448	758,276
frozen fish	2,484,501	7.84%	445,522	467,785	556,881	520,800	493,513
live fish	1,279,613	4.04%	278,795	280,679	311,847	212,292	196,000

Source: Global Trade Tracker December 2021.

In 2020, COVID-19 has affected the amounts of fish imported into Luxembourg as restaurants had to shut down for a considerable amount of time during the year. Fish is particularly consumed more in restaurants than at home, as it requires above to average skills to prepare it to perfection.

Canadian fish products exports to Luxembourg

In 2020, Manitoba exported fish for over \$49 million, with the US, Finland and France being the top three destinations with 75, seven and five per cent of the total value, respectively.¹¹ The Freshwater Fish Market Corporation alone, based in Winnipeg, processed 12.8 million kilograms of fish in 2020, 7.2 percent less than the previous year as a result of the pandemic.¹² However, exports to Luxembourg from Canada and Manitoba were negligible during the 2016-2020 period. Only B.C. exported to Luxembourg for a total of \$203,000 in 2019.¹³

The CETA agreement has introduced zero tariffs to imports of fish into Luxembourg, placing Manitoba and the rest of Canada in a great position to enter that market with freshwater fish.

The inland commercial fishery is an important industry in northern Manitoba and one of the few primary economic opportunities available to residents in the many remote and northern communities. It fosters economic growth, job creation and broad-based prosperity to these communities, that are predominantly Indigenous (First Nations and Métis), where the fishery is the primary commercial means of economic development.

Manitoba's freshwater fish (walleye, northern pike, lake trout), by virtue of the lakes from which the fish is caught, is an abundant and healthy sustainable resource of premium quality. All species are wild-caught from clean pristine lakes in northern regions with regulators and governments ensuring the resource is monitored and contributing to maintaining long-term sustainable fish populations. This has been the case for Lake Erie's walleye, allowing quotas to increase 20 per cent in both 2019 and 2020, with the consequent increase of walleye supply into Canadian freshwater fish facilities for further value-added processing.

¹¹ Source: Global Trade Tracker January 2022

¹² Freshwater Fish Marketing Corporation Annual Report

¹³ Source: CATSNET December 2021.

Luxembourg's fish exports

Table 5. Luxembourg fish exports to the rest of the world (in Canadian dollars)

Description	2016-2020 \$	%	2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	CAGR
Total	58,273,882	100.00%	10,523,123	11,302,676	13,615,053	13,227,490	9,605,540	-2.26%
fish, fresh or chilled	28,491,587	48.89%	5,276,302	5,707,551	6,140,295	6,346,023	5,021,416	-1.23%
fish fillets and other fish meat	19,155,889	32.87%	3,200,143	3,595,661	4,928,365	4,660,168	2,771,552	-3.53%
fish, dried, salted or in brine; smoked fish; flours, meals and pellets of fish	5,087,328	8.73%	1,003,075	1,022,331	1,097,329	1,131,890	832,703	-4.55%
live fish	4,523,615	7.76%	803,064	780,812	1,252,043	858,978	828,718	0.79%
frozen fish	1,015,463	1.74%	240,539	196,321	197,021	230,431	151,151	10.97%

Source: Global Trade Tracker December 2021.

In 2020, Luxembourg exported fish worth 9.6 million dollars, a contraction of 27.38% from 2019's total fish export of 13.2 million. Almost half of the exports were fresh or chilled fish. The main destinations are bordering countries – Germany, Belgium and France – with 36.27, 33.05 and 22.97 per cent in value respectively during the 2016-2020 period as shown in Table 6.

Table 6. Top five export destinations of fish from Luxembourg in 2016-2020 (in Canadian dollars).

Country	2016-2020	%	2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	CAGR
Total	58,273,883	100.00%	10,523,125	11,302,676	13,615,052	13,227,490	9,605,540	-2.26%
Germany	21,115,569	36.24%	3,879,811	3,885,093	4,759,763	4,598,316	3,992,586	0.72%
Belgium	19,262,178	33.05%	3,466,738	4,103,568	4,844,374	4,216,989	2,630,509	-6.67%
France	13,383,292	22.97%	2,471,262	2,502,783	3,017,259	3,120,108	2,271,880	-2.08%
Azerbaijan	3,767,569	6.47%	490,964	656,661	824,128	1,183,912	611,904	5.66%
Netherlands	333,775	0.57%	9,800	40,242	124,187	66,964	92,582	75.32%

Source: Global Trade Tracker December 2021.

Table 7. Fish exported from Luxembourg to the rest of the world in 2016-2020 (in kilograms).

Description	2016-2020		2016	2017	2018	2019	2020
	KG	%	KG	KG	KG	KG	KG
Total	3,314,236	100.00%	605,476	654,372	781,506	740,672	532,210
Fish, fresh or chilled	1,476,529	44.55%	270,016	304,058	322,129	332,022	248,304
Fish fillets and other fish meat	877,985	26.49%	150,551	170,436	211,783	214,383	130,832
Live fish	742,382	22.40%	135,849	136,029	201,122	147,785	121,597
Fish, dried, salted or in brine; smoked fish; flours, meals and pellets of fish	160,089	4.83%	32,915	30,225	37,279	35,606	24,064
Frozen fish	57,251	1.73%	16,145	13,624	9,193	10,876	7,413

Source: Global Trade Tracker December 2021.

Balance between imports and exports

In conclusion, exports represent approximately 10 per cent of the imports, making Luxembourg a net importer of fish. Exports can be attributed to fresh and frozen fish mainly sold to neighboring countries.

Supply chain dynamics

Luxembourg has an excellent road system, communications network, and power supply system. The government spends a higher percentage of its GDP on infrastructure than any other European nation. There are 5,166 km of paved roads, including 166 km of expressways. The nation's railways are fully electrified, and provide a main method to transport goods to and from Luxembourg. The Moselle River has canals, which link it to the Rhine River. This waterway (37 km in total)¹⁴ provides links between Luxembourg and ports on the North Sea. The Grand Duchy has a small merchant marine fleet with 56 commercial vessels. The nation's main port is the river port of Mertert, which, along with the smaller port of Bech-Kleinmacher, handle over two-million tons of freight annually.¹⁵

Luxembourg Findel Airport is the nation's only international airport, but it has become a major air terminal. The airport is five miles from the capital. The government has engaged in a continuing effort to expand the airport's capacity. The Grand Duchy's largest airline, Cargolux, is among Europe's top 10 air cargo carriers. The state-owned airline provides three per cent of the government's annual revenue.

Distribution channels

Grocery stores, supermarkets or hypermarkets are the most frequently used purchase channels for consumers buying fishery or aquaculture products in Luxembourg. Close to 85 per cent of Luxembourgers buy fish through these channels, while just one per cent purchase it online. Some of the main supermarket chains in Luxembourg include:

- Cactus is Luxembourg's largest supermarket chain with 40 stores nationwide, ranging from hypermarkets to small minimarts.
- Auchan is a French chain that specializes in hypermarket-style stores with a range of food items.
- Delhaize, one of the biggest names in Belgian supermarkets also has outlets throughout Luxembourg, along with stores under several different banners, include Proxy, Delhaize, and AD.
- Cora is another Belgian retailer with two hypermarkets in Luxembourg, as well as smaller supermarkets under the banner Smatch and Match.

The above may have a reputation for being on the expensive side, and the ones below are the discount supermarket chains:

- Lidl is the German discounter with a handful of outlets across Luxembourg and plans to expand that number.
- Colruyt is one of Belgium's biggest supermarket chains, with a handful of stores in the country. It is cheaper than most of their competitors, and the outlets still offer a wide range of products.
- Aldi is another popular German discount retailer, offering a similar product range to Lidl, stocking fresh products alongside varying non-food items.

Another niche offers specialty grocery stores that focus on health foods and organic produce. Many are independently-owned, and include:

- Naturata, operated by a cooperative of local organic farmers and producers, is Luxembourg's premier bio supermarket with branches across the country selling organic and ethically-produced goods.
- Ouni is Luxembourg's first packaging-free organic grocery store and a good alternative for the eco-friendly shopper.
- Naturalia is a French chain that offers a mix of health foods and organic groceries.

¹⁴ <https://www.worlddata.info/europe/luxembourg/transport.php>

¹⁵ <https://www.nationsencyclopedia.com/economies/Europe/Luxembourg-INFRASTRUCTURE-POWER-AND-COMMUNICATIONS>.

Canada-Luxembourg trade relation implications

The Comprehensive Economic and Trade Agreement (CETA) has opened up the EU market to Canadian businesses that now stand on a quasi-equal footing with European local businesses, with approximately 98 per cent of trade tariffs removed.¹⁶ All tariff lines for fish and seafood will be duty-free by 2024. Before CETA, EU tariffs for fish and seafood averaged 11 per cent and were as high as 25 per cent.

But while the EU is Canada's fourth largest export market, Canada only accounts for two per cent of their agri-food imports for a total of 4.3 billion in 2020. Manitoba accounts for six per cent of the Canadian share. That means there is a huge opportunity for export growth. Luxembourg is Canada's 15th largest market in the EU for exports, despite being the second smallest state in the EU by population. Luxembourg's per capita GDP is the second highest in the world. Therefore, Luxembourg is a natural market for premium-quality specialty seafood products, and the reduction of tariffs on these products makes selling to Luxembourg simpler and more lucrative.

Market access regulations

The CETA Agreement has simplified procedures for clearing goods through customs by making specific commitments to enhance transparency and make information available online for small and medium enterprises. In the Annex 5-e – "Recognition of sanitary and phytosanitary measures," the equivalencies and mutual recognitions between Canadian and EU regulations are shown.

The following must be met when exporting fish to Luxembourg:

- Fish and seafood exports must come from an approved establishment in Canada.
- Catch certificate must be issued by the Department of Fisheries and Oceans to demonstrate the product has been caught legally.
- Labelling requirements have to be met, as per new EU regulations that came into force in December 2014.
- A health certificate from the Canadian Food Inspection Agency must accompany shipments
- Maximum Residue Levels must be respected, as per EU requirements.

¹⁶ <https://www.tariffinder.ca/en/search/export/LU/0303/0303130010>

Key contact organizations

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Agent-co.com

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1470 Luxembourg

Luxembourg

Tel: (011-352) 66 18 34 103

Ameva International

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Tradeatlas

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www.canada.ca

www.bestfoodimporters.com

Others:

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