

Export Market Development Guidebook

Abalone - HS Code (030781, 030783, 030787, 030789) in the
UK

June 2021

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Australian Government
Australian Trade and Investment Commission



A hand is shown holding several fresh clams over a bowl of water. The clams are light-colored with distinct ridges on their shells. The background is a soft, out-of-focus blue and white, suggesting a kitchen or market setting. The entire image has a semi-transparent purple overlay.

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Introduction

Project Background & Objectives

In December 2020, Austrade was allocated AUD42.9 million in funding to boost its support for Australian agri-food exporters.

Austrade focuses its services primarily on impact and reach. As part of its services, Austrade aims to increase assistance to an additional 2,000 agri-food exporters each year, as well as work with industry bodies to deliver specific advice to exporters about opportunities in existing and new markets.

Euromonitor International is collaborating with Austrade in delivering such services via the provision of enhanced market intelligence reports that help Australian exporters make informed decisions.

The key objectives of the research are as follows:

- Understanding market volume and dynamics
- Evaluating the role played by local production versus trade
- Assessing the different channel/customer preferences and wider implications these have on demand for Australian products
- Understanding the distribution landscape in terms of key players operating within the different channels
- Understanding pricing dynamics across different channels and their impact on demand for Australian products
- Evaluating the competitive environment to assess Australian products' positioning
- Assessing import and trade regulations

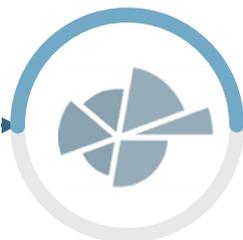
Overview of the research methodology implemented

PROJECT ALIGNMENT & KICK-OFF



- Project alignment discussion on processes, objectives, goals, communication responsibilities/frequency, reporting needs and timeline
- Knowledge transfer

TEMPLATE PRODUCTION AND DATABASE ACCESS



- Development of research templates and an initial draft reporting template
- Central sweep of publicly available sources, including **governmental and quasi-governmental sources**, as well as **trade associations, industry publications and analyst groups** tracking agricultural trade and market conditions

PRIMARY RESEARCH & TRADE DATA COLLECTION



- **Trade data extraction**
- Retail audits to understand distribution landscape (six stores in one key city)
- **Discussions with key players** including, but not limited to importers, distributors, retailers, and industry associations

• N* = 6 interviews

ANALYSIS & REPORTING



- **Triangulation of results** to create a consensus output
- Multi-layer **quality control**
- **Delivery of the final report** (including the presentation pack, ie a highly visual executive summary of key findings)
- Austrade review, commentary, and report refinement and finalisation

List of stores audited and companies interviewed in the UK

For the purpose of this research, Euromonitor International conducted detailed store audits in May-June 2021 and trade interviews with the following companies:



Stores Audited in London*

Barney's Seafood, retailer/wholesaler

Seahawk Marine, retailer/wholesaler

Wing Yip, retailer/wholesaler

Loon Fung, retailer/wholesaler

Selfridges, retailer

Harrods, retailer



In-Depth Trade Interviews Conducted*

Seafish, government body

Jersey Marine Resources, government body

Guernsey Marine Resources, government body

Cornwall Inshore Fisheries & Conservation Authority, trade association

The Fish Society, retailer

Fine Food Specialist, retailer

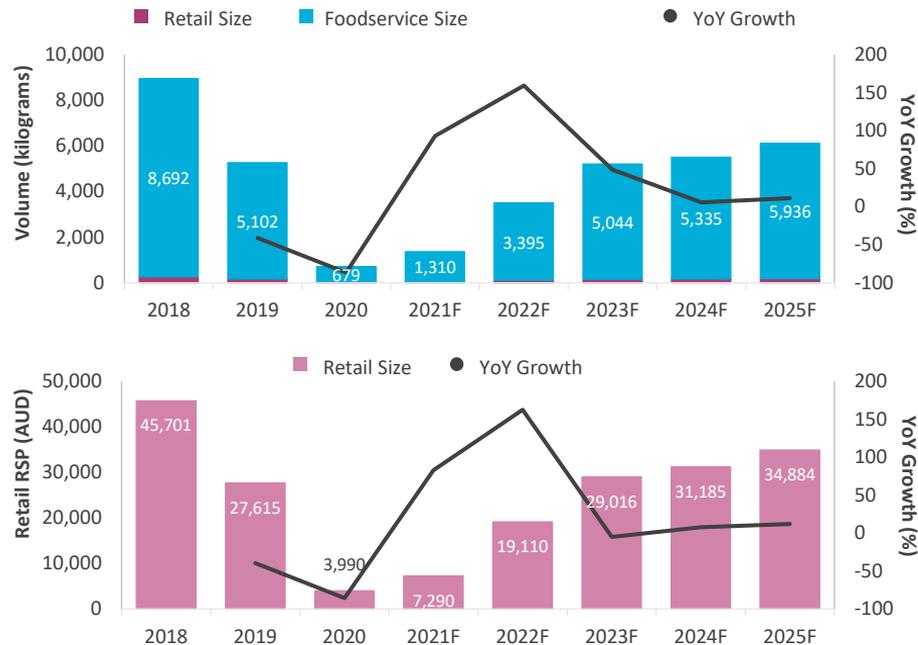
Source: In total, 40 stores were audited and 22 interviews conducted. The list here includes the biggest players in the market and which provided the most relevant information to the research.

Market Volumes and Dynamics

Abalone consumption in the UK is very small and almost non-existent in the retail channel. The high prices of abalones and limited consumer awareness (mainly Chinese-origin consumers eat abalones) are the main constraints on the market size.

Abalone consumption in the UK is mainly limited to the foodservice channel

Abalone Consumption in the UK 2018-2025



Source: Euromonitor International estimates per information gathered from trade interviews

Note: Abalone covers HS Codes 030781, 030783, 030787, 030789



Abalone

Total consumption:
700 kilograms, 2020

- Abalone consumption in the UK is very small and almost wholly driven by Chinese foodservice and Chinese-origin consumers (mainly salted products that come in cans). The market is wholly supplied by import. Australia is the primary source of import, although products from New Zealand and Chile were also found during store audits. There is also sporadic import of fresh/chilled abalone from France, but volumes are small and supplies are unreliable.
- Consumer interest in food is driving demand for “authentic” Chinese food, and consumers have become more adventurous. The rise in Chinese high net worth tourists and business consumers has also fuelled demand for premium ingredients, although COVID-19 flattened this in 2020 and, due to lockdowns, abalone consumption dropped significantly over the past year but is expected to record growth in the forecast period and reach around 5,900kg by 2025.

Local Production Dynamics

Local production of abalone is non-existent in the UK despite sporadic attempts to farm this mollusc. The recent rise in sea temperatures is leading people to re-examine the abalone farming option.

UK has non-existent local commercial production of abalone

- There are **no domestically produced abalone sold in the UK, either caught or farmed**. The native **Green Ormer**, an abalone sub-species, is found in the Channel Islands, close to the French coast, but there are strict limitations on harvesting them. Ormer can only be gathered in season, and only for personal consumption; **export or commercial sales are strictly forbidden in order to preserve stocks**, following catastrophic overfishing in the 20th century.
- However, there have been **sporadic attempts to farm abalone**, most recently in Cornwall. This was abandoned as coastal temperatures were too unpredictable, but the recent rise in sea temperatures is leading people to re-examine this. Portland Harbour in Dorset funded a feasibility study in 2018, attracted by the high price that abalone commands. Any successful tries to farm abalone would primarily be **destined for markets in France**, as there is currently limited interest in the UK. However, locally produced abalone would have one significant advantage – it would be a fresh product. UK consumers prefer to buy fresh shellfish, especially when the price points are as high as they are for abalone.



Abalone

Production CAGR, 2021-2025: 0%

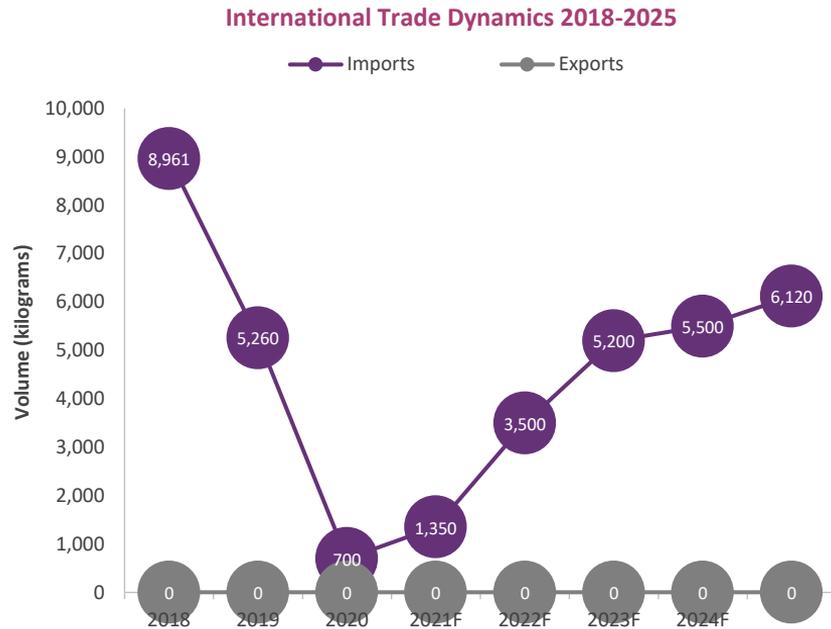


Note: Frozen Golden Abalone

Trade Dynamics

Limited demand for abalone in the UK is wholly supplied by import. Already limited demand for abalone was further reduced by the COVID-19-imposed lockdowns, as foodservice is the main channel for abalone sales.

Absence of local production makes UK wholly dependent on imports



Source: Euromonitor International estimates per Comtrade and insights from trade interviews.

Note: Abalone covers HS Codes 030781, 030783, 030787 and 030789.

Import and export forecasts are made without extensively analysing trade and non-trade barriers. The forecasts are based on historic performance and prospects for local production as gathered from trade discussion. Exports of abalone are non-existent despite UN Comtrade showing a slight export level. As was indicated during trade interviews with various market players and trade associations, there is no local production or export. Also, analysing Comtrade data shows a strangely low price per kg for export products.

© Euromonitor International



Abalone

45.9% CAGR Imports, 2021-2025
0.0% CAGR Exports, 2021-2025

- The UK market is wholly supplied by imports, as there is no local commercial production. **Historically, import levels have been erratic, reflecting the very low base of abalone sales.**
- In 2020, import levels collapsed in the UK as a direct result of the COVID-19 pandemic. Abalone consumption is almost entirely through the UK's foodservice industry, and **the closure of hospitality outlets as part of lockdown cut demand.** Other virus-related factors, including restrictions on tourism and supply line issues, also affected import levels.
- Import levels are set to recover from 2021. Despite significant numbers of Chinese restaurants being forced out of the market by the pandemic, demand is anticipated to be positive.

Australia is the only source of abalones for the UK market

Australia

700 kilograms (100%), -69.3% CAGR 2018-2020

AUD16,482 (100%), -74% CAGR 2018-2020

- Australia was the only country in 2020 which exported abalones to the UK. Nevertheless, **export levels significantly decreased over 2018-2020 due to COVID-19** and imposed restrictions on foodservice channel operations.
- **Denmark and France used to export abalones sporadically to the UK**, but the last time it was observed was 2018 and at a very small level.



Note: Key Australian abalone brand found in the UK market



“All of our abalone is sourced from Australia, but we’re currently struggling to find any. Supply has been disrupted in the last year due to COVID-19 and it was difficult for us also planning our orders as we were not sure about lockdown lengths”

- Manager, Royal China Restaurant Group

“Australian products are typically great, and we’d definitely be interested in taking them, but we’re currently sourcing from Chile because it’s what’s available”

- Manager, seafood wholesaler/retailer

Australian imports dominate the UK market for abalone in all its formats – the country is regarded as the primary source, although new competing countries are emerging. The struggle in 2020 has been sourcing abalone, largely as a result of COVID-19 obstacles and disrupted supply chains. As a result, buyers are looking beyond Australia to establish reliable supply lines and have more options available.



Channel and Consumer Preferences

Abalone sales in the UK are limited to specialist seafood and oriental shops, as well as a few online players. Consumer awareness of abalone remains negligible in the UK.

Availability of abalone in the retail channel is very limited, preventing a larger market size

Limited availability further weakens retail demand



Note: Canned Australian abalone

Abalone is almost invisible in physical retail channels in the UK, with a very **limited presence** in a number of **specialist oriental food retailers** and **specialist fish sellers**. These **usually sell canned products**, kept behind the counter because of their high prices. It is worth noting that during store visits a number of sales staff in these outlets reported that they no longer sold these canned abalone due to **weakening demand** for the format.

Main buyers of abalone in the retail channel – consumers of Chinese origin

Based on the insights gathered through store audits, **consumers of Chinese origin** are the **main and almost only buyers of the abalone** produce in the **UK retail channel**. The main reason for this is that UK consumers are mainly unaware of this mollusc, not to mention how to cook it.

Chinese consumers are **choosing abalones based on their size, the bigger the better**.



Note: Chinese consumer shopping

Online sales – new channel for abalone



Note: E-commerce sales of abalone

One specialist fish retailer noted that shops are **reluctant to stock frozen abalone** because of its **high price** and **highly erratic demand patterns**. As a result, **e-commerce** has become one of the most important **sales channels** for **abalone** in the UK. Retailers such as The Fish Society and The Artisan Food Company **position** it as a **gourmet delicacy**, while still primarily **targeting foodservice buyers**. Abalone remains very much a **premium product** in the UK.

Australian products dominate the UK abalone market, but retail is diminutive

E-commerce

Oriental specialists

Fish merchants

Product Offer

- E-commerce sells the widest range of abalone; however, the offering is still rather limited. Frozen abalone makes up the largest part of sales. Most of the sites are foodservice-facing, although also operate in B2C. Canned abalones are also available, mainly through online oriental specialists. Dried/smoked products are typically boxed in 8oz or 16oz packs and can be bought online directly from China.
- The market is wholly supplied by import as there is no local production.

- Abalone is primarily bought by Chinese and British Chinese consumers. Due to such a narrow consumer base there is very limited availability in oriental specialist stores (grocery stores focused on authentic products from the Far East). Typically, the offer is a can of around 420g net. However, many retailers reported that they no longer sold these products as demand was falling.

- Even within highly specialist fish merchants, which typically run limited retail operations alongside their principal wholesale businesses, abalone has a negligible presence. Low demand and a high price are strong disincentives for these operators (which are primarily B2B but also operate in B2C) to stock them. Frozen shelled abalone is the only format available in this channel. Identically to other channels, supply is wholly imported.

Australian Brands Positioning

- Australian abalone dominates the market, even though frozen abalone from Chile and New Zealand was also detected during store visits. Nevertheless, there is no consumer perception of provenance of abalone in the UK due to overall low consumer awareness of this product.

- Australian products dominate this channel as well as other channels.

- Country of origin is of little interest to consumers, and Australian abalone was not detected in this channel. Reportedly, the main purchase trigger for B2B consumers is the size of the abalone, the larger the better.

There are limited, if any, marketing efforts to sell abalone across retail channels in the UK

E-commerce

Oriental specialists

Fish merchants

Shelf Spacing/Marketing

- E-commerce retailers typically have a single type of frozen or possibly canned product unit to choose from. No special marketing campaigns are organised to promote or advertise sales of abalone.
- Australia is generally mentioned as a source country for the produce.

- Abalone in oriental specialists is almost all canned produce, but not all of these retailers sell the product. Typically limited to a single SKU, abalone is generally kept behind the counter to save shelf space, with consumers having to ask for it. This reflects very narrow specialisation and awareness of the product, as well as the very high price of abalone in the UK.

- Abalone has a very limited presence in this channel, which is facing both B2B and B2C. Spacing is not an issue and, when available, abalone needs to be requested. There is no differentiation by country, reflecting the very limited offer – where available, there is generally a single SKU.

Procurement

- E-commerce retailers are typically part of a larger company, usually a wholesaler that sources its own abalone from suppliers in other countries. The market is supplied wholly by import.

- Most oriental specialists use specialist wholesalers and importers like Birmingham's Wing Yip, and place orders as part of a larger supply. There is no distinction by country of product origin, although most of the UK's canned supply is Australian.

- Procurement is typically conducted directly from the importers or manufacturers outside the UK.



Canned Australian abalone – e-commerce



Frozen abalone – Chile, fish merchant



Fish merchant/wholesale



Abalone use – Chinese cuisine



E-commerce – gourmet positioning



E-commerce – frozen New Zealand abalone

Fresh Frozen Abalone
Grade 1kg

A common name for certain types of sea shells.
Grade should be cut in half lengthwise, and sashimi.

Abalone demand currently limited to narrow band, but gourmet trends can lift sales

Consumption almost entirely dependent on Chinese foodservice



Note: Typical braised abalone dish

According to multiple respondents, the very limited market for abalone in the UK is **almost entirely consumed by Chinese restaurateurs**. These buyers place almost no importance on the origin of the abalone. Instead, the most **important factor** is the **size of the unit**, with the largest possible shellfish being the most desirable.

The shellfish is almost entirely used in Chinese cuisine, typically braised to tenderise it. The **high price** of the product, the **unfamiliarity of most consumers** with it and a **preference for fresh seafood** wherever possible all limit demand for abalone.

Within Chinese foodservice, a gourmet position offers potential

UK consumers are becoming increasingly sophisticated, with a small (and **wealthy**) part of the consumer base **seeking new experiences**. At the same time, **Chinese restaurateurs** in the UK have begun to **reinvent themselves as gourmet destinations**, offering more complex, “authentic” Chinese food to consumers. **Abalone**, as a **traditional delicacy**, features as an **ingredient in very high-end Chinese restaurants**.



Note: Abalone at London's A. Wong, the first Michelin two-star Chinese restaurant outside Asia

Sushi may offer additional sales of abalone



Note: Awabi – abalone sushi

Although Chinese food is the main driver of abalone sales in the UK, there has been **some interest in other East Asian cuisines** in the last few years. Sushi is one of the main benefactors of this – consumption has become so normalised that UK supermarkets typically offer some form of it. Although **abalone is currently not visible in Japanese foodservice in the UK**, consumers being open minded to it may offer opportunity.

Abalone is rather a niche delicacy in the foodservice sector

Chinese Restaurants

Product Preferences

- Historically, the Chinese foodservice sector in the UK used canned abalone. Nevertheless, in recent years, the rise of frozen produce has seen a shift to this format, which more closely resembles fresh abalone.
- Given the very limited supply lines to the UK, buyers take what is available. The most important triggers are the price and, above all, the size of the abalone.
- Chinese foodservice buyers, wherever possible, prefer the largest abalones they can find, and typically buy them by the unit rather than by weight.

Australian Brands Positioning

- There is no real preference within foodservice for Australian or any other country of origin for abalone in the UK. However, according to trade interviews with wholesalers, there is an understanding that most abalone is sourced from Australia.

Fine Dining Restaurants

- These foodservice outlets will always attempt to get the best possible abalone in terms of size and, if possible, freshness. Clients of this foodservice channel usually belong to high-income groups and can afford to pay higher prices. As a result, there is a goal to deliver them seafood of the highest quality, and fresh (if possible). Nevertheless, fresh abalones are rarely available, and only in 2018 live and chilled abalone were recorded to be imported from France and Denmark; however, availability was extremely limited.

- There is no real perception of country of origin, especially in 2020 when supply line issues and high prices made these outlets source abalone where they could. However, a number of respondents said that their abalone was Australian, as was most of the supply in the market.

Foodservice mainly uses frozen abalone procured through specialist wholesalers

Chinese Restaurants

Procurement

- Seasonality has almost no influence on this channel. The category is supplied wholly by import, and restaurants typically use frozen and canned abalone that is available year-round. The current struggles with supply reflect the events of 2020 and particularly the supply disruptions caused by COVID-19, rather than seasonal issues.
- Procurement is typically carried out via specialist wholesalers which also function as importers. Chinese restaurants will not reach out to producers themselves, although a number of respondents mentioned that they were exploring multiple options as they are currently unable to fulfil even the limited demand for abalone that they have.

Fine Dining Restaurants

- Fine dining restaurants are almost wholly supplied by imported frozen abalone, although these outlets prefer buying fresh or chilled, if available. Seasonality does not play a role here either due to the frozen nature of the product.
- The procurement route is also identical to other foodservice players using abalone – these outlets depend on specialist seafood wholesalers that are foodservice-facing.

Distribution

Narrow retail presence limited to oriental specialists



W. WING YIP PLC

Oriental retail and wholesale specialist

Contact:

375 Nechells Park Road, Nechells,
Birmingham, B7 5NT

Tel: + 44 0121 327 6618

HOO HING LTD

Oriental retail and wholesale specialist

Contact:

Hoo Hing Commercial Centre
Freshwater Rd
Chadwell Heath
Romford
Essex, RM8 1RX

Tel: + 44 0208 548 3636

LOON FUNG LTD

Oriental retail and wholesale specialist

Contact:

111 Brantwood Road
London, N17 0DX

Tel: + 44 0208 365 1536

BARNEY'S SEAFOOD LTD

Fish wholesale/retail

Contact:

55 Chamber Street
London, E1 8BL

Tel: + 44 020 7481 2177

E-commerce – primary channel for abalone availability



ABALONE → DIRECT



ABALONE DIRECT LTD

E-commerce abalone specialist –
<https://abalone-direct.co.uk>

Contact:

10 The Old Crown
Market Street
Nailsworth, GL6 0BX

Tel: + 44 07895 963444

FINE FOOD SPECIALIST LTD

E-commerce hub for ingredients –
www.finefoodspecialist.co.uk

Contact:

Unit 337, Distribution Block B,
New Covent Garden Market,
London, SW8 5EQ

Tel: + 44 0207 627 2553

THE FISH SOCIETY

Online fish specialist –
<https://www.thefishsociety.co.uk/>

Contact:

Unit 13, Henley Business Park,
Guildford, GU3 2DX

Tel: + 44 01428 687768

ARTISAN FOOD COMPANY

Online gourmet specialist –
<https://theartisanfoodcompany.com>

Contact:

New Covent Garden Fruit Market,
Nine Elms Lane, London, SW8 5HH

Tel: +44 0203 355 2932

Upmarket Asian restaurants – primary route for abalone into the UK market



A. WONG



HAKKASAN
GROUP

PARK CHINOIS

A. WONG

Chinese foodservice

Contact:

70 Wilton Rd, Pimlico, London,
SW1V 1DE

Tel: + 44 0207 828 8931

ROYAL CHINA GROUP

Chinese foodservice chain

Contact:

40-42 Baker Street, Marylebone,
London, W1U 7AJ

Tel: +44 207 486 3898

HAKKASAN GROUP LTD

Foodservice/club chain with
Cantonese focus cuisine –
international group of restaurants

Contact:

3, 24-30 Great Titchfield St,
London, W1W 8BF

Tel: + 44 0207 297 8901

PARK CHINOIS

Chinese foodservice

Contact:

17 Berkeley St, London, W1J 8EA

Tel: +44 020 3327 8888

Abalone usually accounts for a very small share of business for most seafood importers, which also act as wholesalers in most cases

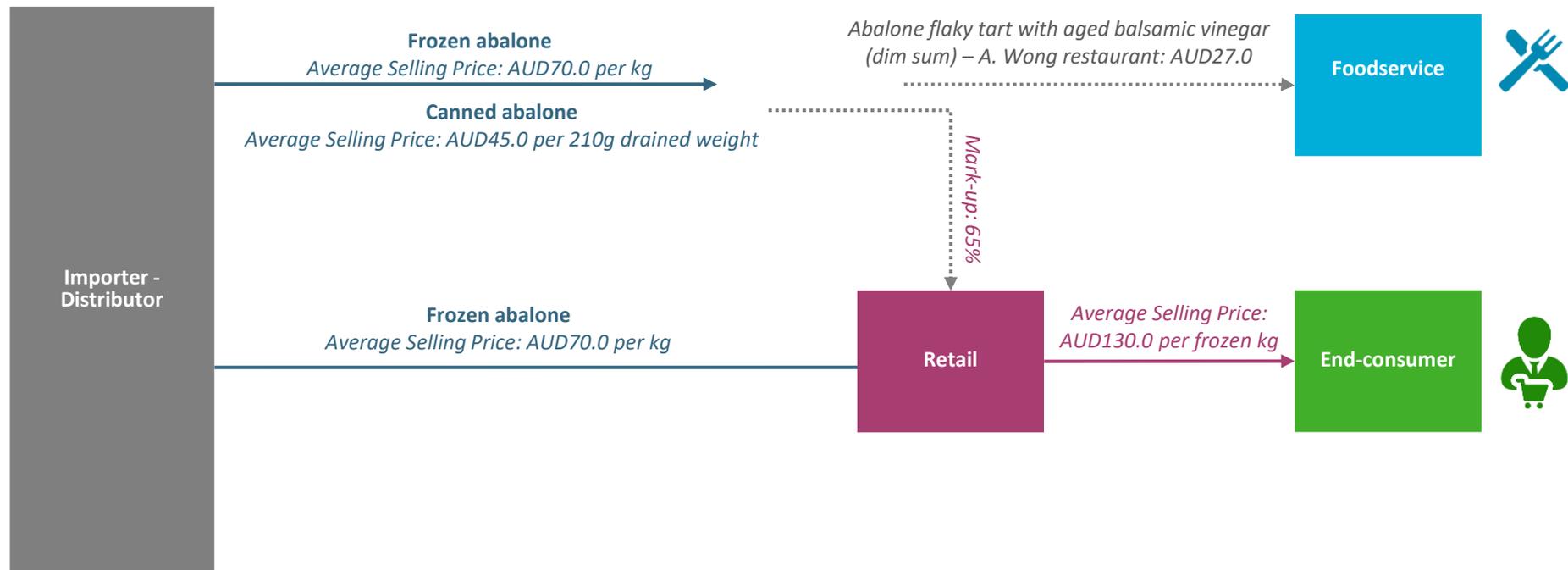
Company	Type	Contact Details	Website
Barney's Seafood Ltd	Importer and distributor, primarily for foodservice, but part of business is also B2C	55 Chamber Street London E1 8BL Tel: +44 020 7481 2177	http://www.barneys-seafood.co.uk/
Seahawk Marine Ltd	Importer and distributor, primarily for foodservice, but part of business is also B2C	Broadleigh House, Woodmarsh, North Bradley, Trowbridge, Wiltshire BA14 Tel: + 44 1225 768461	https://seahawk.co.uk
Abalone Direct Ltd	Importer and distributor of Australian abalone	10 The Old Crown Market Street Nailsworth, GL6 0BX Tel: + 44 07895 963444	https://abalone-direct.co.uk
S&J Shellfish	Wholesale specialist of shellfish	Unit A2CN Lea Road Industrial Estate, Waltham Abbey, EN9 1AE Tel: +44 01992 676543	https://sjshellfish.com/

Pricing

The high price of abalone and the fact that it is found only in frozen or canned format disincentivise higher consumption of this mollusc in the UK.

The abalone market is 100% imported with marked variation in pricing

Imported Products Supply Chain



Source: Euromonitor International estimates as per store audits and trade interviews

Note: Please note that average price includes tariffs and local taxes.

Retail prices are erratic, reflecting the limited sources of abalone

E-commerce

Fish specialist

Oriental specialist

Price Competition

- **Canned abalone – AUD45.0 per 210g drained weight**
- **Frozen abalone – AUD230.0 per kg**

- **Frozen abalone – AUD40.0 per kg for Chilean abalone**
- **Fresh/chilled abalone from France** has appeared in the UK sporadically in the last 10 years, but in very small amounts. Prices are high – typically around AUD120.0 per kg of live (unshelled) abalone. From first appearance, this might seem cheaper than frozen sashimi grade, however it must be noted that it is unprepared for use.

- The market is wholly supplied by imports. Although these players carry very wide selections of frozen seafood, most often during the store audits abalone was not detected, and, when available, presence was limited to canned format.
- **Canned abalone – AUD64.0 per can (210g drained weight)**

Australian Brands Price Positioning

- The greatest range is in frozen, from AUD129.0 to AUD308.0 per kg for frozen sashimi grade. The market is dominated by Australian abalone. Chilean and New Zealand products are cheaper but have limited presence.

- No visible Australian presence detected, but likely to reflect e-commerce prices.

- When available, abalone in this channel was all of Australian origin.

Competitive Environment

The marketplace for abalone products in the UK is limited in terms of players at various supply chain levels: suppliers, distributors, retailers or even foodservice players using this kind of mollusc in their dishes.

The competitive landscape is dominated by specialist wholesalers, mainly targeting the foodservice channel

Supplier	Importance*	Unique Value Proposition
Barney's Seafood	1	<ul style="list-style-type: none"> Only supplier with physical retail presence of frozen abalone in Billingsgate Market, London's principal fish wholesale/retail hub. London is, by a distance, the UK's primary market. Product offering limited to frozen form.
Abalone Direct	2	<ul style="list-style-type: none"> Specialist abalone online retailer (as well as importer) with national reach. Main product is canned Australian abalone.
The Fish Society	3	<ul style="list-style-type: none"> Unlike other suppliers, The Fish Society is focusing primarily on B2C rather than sales to foodservice. Strong premium positioning, and good customer service in terms of product advice and preparation. Product offering limited to frozen abalones.
Artisan Food Company	4	<ul style="list-style-type: none"> London-based supplier with a focus on sales to foodservice. Nevertheless, seeking opportunities to grow retail presence. Strong link with chefs, which it uses as marketing leverage. Product offering limited to frozen abalones.
W. Wing Yip plc	5	<ul style="list-style-type: none"> The UK's largest oriental distributor and retailer – in-store fish counters, large frozen produce offering. Basically, offers widest access to principal consumer base.

Note: * Importance or ranking is based on observations made during store audits and product offering at place. It is not viable to derive market share as the abalones market is so small and there are no active suppliers.

Limited abalone offer in the UK may offer potential for growth through a wider offering

Canned Australian abalone, from Abalone Direct



Clean, Australian produce

“Our abalone is grown in pure, uncontaminated Australian sea water” – supplier is seeking to trade on favourable perception of Australian produce in the UK.

Frozen Chilean abalone, Barney’s Seafood



Value proposition

Barney’s sources frozen abalone from Chile, and can retail it at markedly lower prices as a result. However, open to sourcing from other importing countries.

Frozen Australian abalone, Artisan Food Company



Top end of the market

Artisan Food Co claims its abalone is sushi grade, although it sells only frozen produce. Sourced from Australia, holds markedly higher price points than other suppliers.

Import and Trade Regulatory Landscape

*The majority of the UK's import and trade regulations still conform to EU requirements after Brexit.
There are currently no quotas on abalone imports into the UK.*

There are no requirements for labelling or packaging in the UK that could be considered overextensive when compared to other markets



EU packaging conformity is a trust builder for UK consumers, despite Brexit

- The UK left the EU in January 2021. However, **packaging regulations remain in line** (for now) with **EU regulations**, as the UK has retained much EU law.
- The key requirements are laid out in **Regulation No. 1169/2011**, the Food Information to Consumers (FIC) Regulation, and associated legal standards for the labelling and composition of food products.
- Basically, this means that abalone labels and packaging must include the following: **name of the food, a list of ingredients, allergen information, quantitative declaration of ingredients, net quantity, storage conditions and date labelling, name and address of manufacturer and country of origin or place of provenance.**
- These **regulations are not anticipated to change post-Brexit**, and have been critical to building consumer trust in new food products in the UK.

Source: Legislation.gov.uk



Labelling requirements can be helpful, as consumers pay more attention to certification

- UK labelling regulations are tied in with Regulation No. 1169/2011, the Food Information to Consumers (FIC) Regulation – basically, to sell food and drink products, the **label must be clear and easy to read, permanent, easy to understand, easily visible and not misleading.**
- However, there are also other **optional labelling systems** that can strengthen Australian brand equity in the UK. These are typically related to sustainability. In the case of abalone, **Marine Stewardship Council (MSC) is becoming increasingly important to UK consumers**, as are other certifications, including the numerous organic certifications or the recyclability of packaging. In addition, there is also traffic-light labelling to indicate the health profile of a product. UK consumers have become increasingly attentive to these issues, and a rapidly growing cohort of consumers make them a primary purchase decision.

Transportation is not an issue, given the limited amount and non-fresh nature of the abalone market



Transportation Requirements

Transportation speed is not an issue in the absence of fresh abalone

- The market for abalone in the UK is currently **limited to canned or frozen produce**, although there have been sporadic imports of fresh abalone from France in very low amounts in recent years. As a result, transportation into the UK is **most commonly by sea for canned products**, and **by air for the very small amounts of frozen abalone** brought into the UK.
- The **average lead time** for transportation from key ports in Australia to ports in the UK varies by method but, broadly speaking, **sea transportation takes 40-50 days**, and **air transport** is likely to take the courier **around five days, including paperwork**.

Source: Euromonitor International as per EU regulations and trade interviews



Documentation and Customs Processes

EU regulations remain in place

- **Australia** is one of a number of non-EU countries **authorised to export bivalve molluscs**, echinoderms, tunicates and marine gastropods to the UK. All consignments should be clearly and **indelibly labelled** showing the **country of origin** and the **approved establishment number in accordance with Annex II of Regulation (EC) No 853/2004**.
- **To import fish to the UK from another country, a catch certificate validated by the competent authority of the country where the fishing vessel is registered or licensed is required.** The format of catch certificates will ask for specific information such as vessel details, species and commodity code and weight. For fish that has been stored or processed, a processing statement completed by the exporter may also be needed and documents showing how the fish was stored prior to export.
- To import live fish and shellfish into GB (England and Wales) from a non-EU country, goods must be **accompanied by an animal health certificate using the correct template for imports from non-EU countries**. The certificate must confirm that the goods meet the animal health requirements for entry into England and Wales.

Seaports dominate for canned and frozen seafood imported into the UK

The UK's Ports of Entry



Southampton, Hampshire

Southampton is a key gateway into the wealthy markets of the south of England. It has 14,500 sq m of refrigerated storage facilities and is within reach of numerous seafood wholesalers in Southampton and the neighbouring port of Portsmouth.

Immingham Dock, Grimsby

Immingham remains the port with the largest tonnage capacity in the UK, able to handle 55 million tonnes of cargo annually. Of potentially greater interest is its proximity to Hull and Grimsby, the two most important hubs for seafood handling, processing and distribution in the UK.

Port of London, London

Trade through the port reached 51.2 million tonnes in 2018, and by 2035 is expected to grow to up to 80 million tonnes. The port consists of over 70 independently owned terminals and port facilities, with a full range of relevant storage facilities. The port has some of the best rail, road and sea links to the rest of the UK.



7% of total UK imports



11% of total UK imports



12% of total UK imports

Tariffs and quotas set to shift post-Brexit

The UK's Tariffs & Quotas



HS Code: 030781, 030783, 038787

10.0% Standard Tariff Rate

There are currently no quotas on abalone imports into the UK. In terms of tariffs, the UK Global Tariff is the schedule of tariffs that have been applied to goods entering the UK from 1 January 2021.

The UK announced a trade agreement with the EU on 24 December meaning there will be zero tariffs on seafood of EU or UK origin traded between the UK and the EU.

The UK is set to agree a free trade deal with Australia that will cut tariffs on imports to zero after 15 years. Currently, abalone is subject to a third country rate of 10%

Source: Euromonitor International as per UK regulations

Conclusion

Higher penetration of abalone into the foodservice sector should be a key priority for exporters of this mollusc to raise consumer awareness and increase the market size in the UK.



OPPORTUNITIES

UK consumer sophistication continues to rise

- Abalone has a negligible presence in the UK market. However, **UK consumers** have **become increasingly open to international cuisines** in recent years, and there has been an explosion in foodservice choice that has brought many food products into the mainstream. **Abalone's position** as an **important regional delicacy** makes it a **potential target for development**.
- The most **promising point of entry is the higher-income consumer class**, due to abalone's high price. Getting abalone into high-end foodservice, where the ingredient can be presented in its best possible light, offers a rapid stepping stone to broader use. Although mass retail consumption seems a long way off, strengthening abalone's foodservice presence will build consumer awareness.
- **Australia**, with its **strong UK connections** and **high level of consumer trust**, has a marked **competitive advantage** in developing this market.



CHALLENGES

Low awareness and expensive price – main disincentives

- **Consumer awareness of abalones**, outside households of Chinese origin, is often limited.
- **Abalones are expensive** compared to other fish types, further restricting wider consumer acceptance.
- **Supply being largely limited to frozen or canned is also a key challenge as consumers prefer buying fresh, native products** like oysters, clams or mussels for that price, for which the UK is well known.

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Thank you

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