

Export Market Development Guidebook

Rock Lobster (HS Code 030631, 030621, 030611, 030691) in
the UK
June 2021

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Australian Government
Australian Trade and Investment Commission



Euromonitor
Consulting



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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

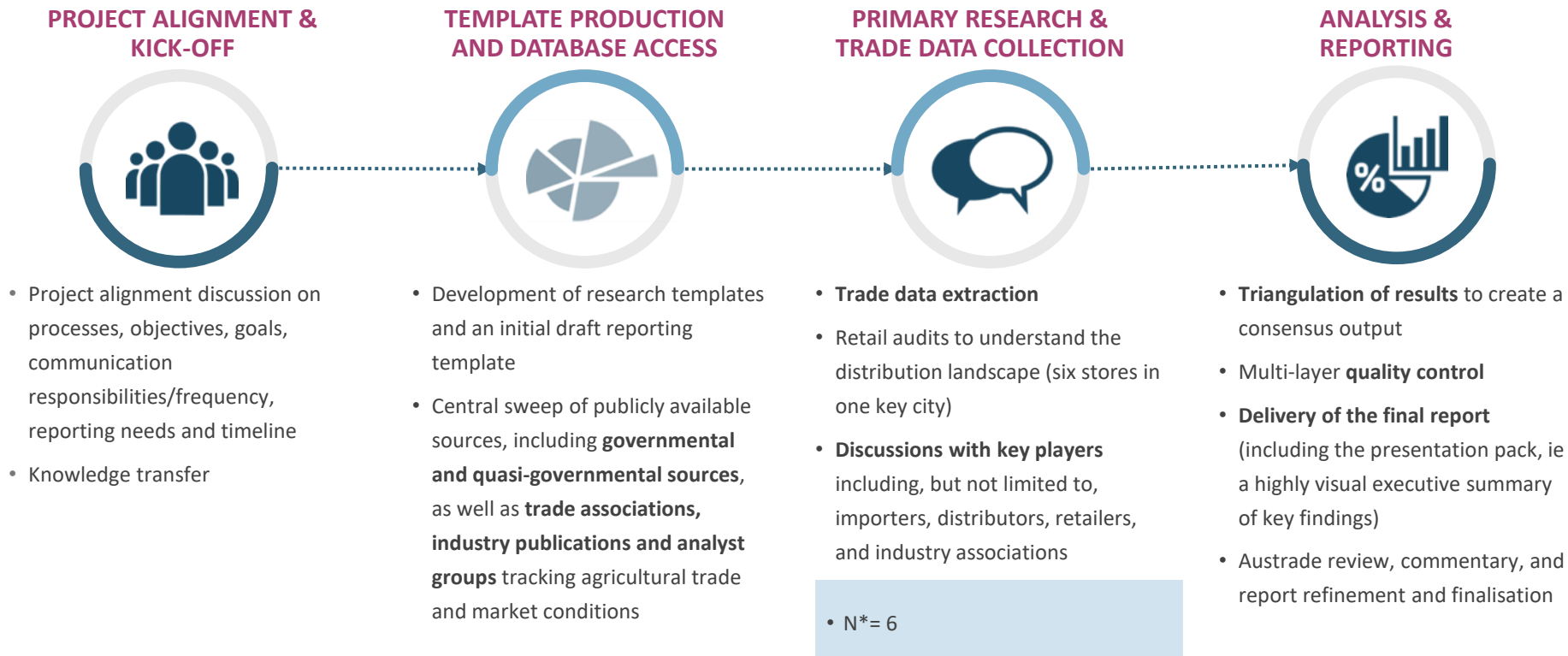
Austrade primarily focuses its services on impact and reach. As part of its services, Austrade aims to increase assistance to an extra 2,000 agri-food exporters each year, as well as working with industry bodies to provide specific advice to exporters about opportunities in existing and new markets.

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

The key objectives of the research are as follows:

- Understanding market volumes 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 method applied



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

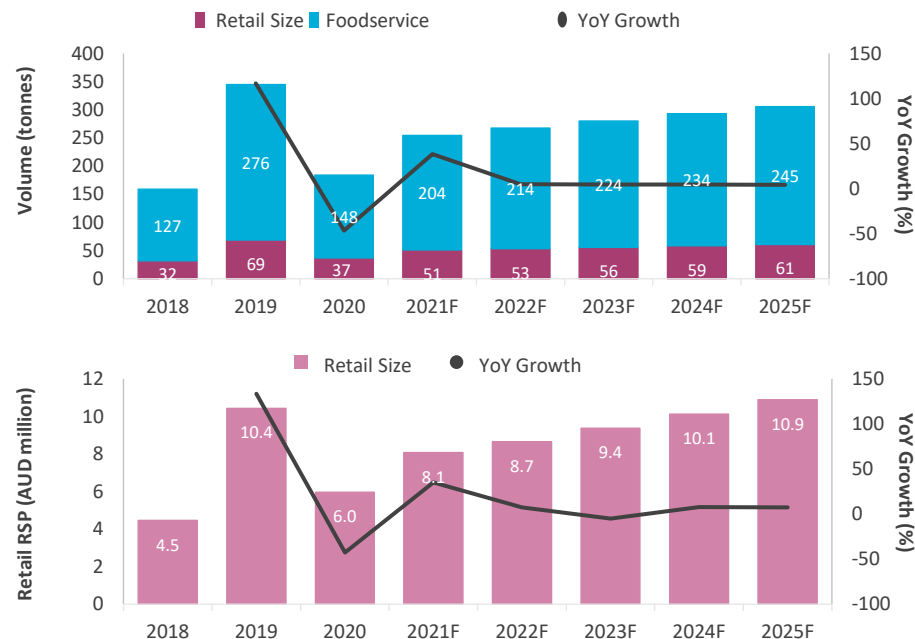
*Note: *In total, 40 stores were audited and 18 interviews conducted. The list here includes the biggest players in the market and those which provided the most relevant information to the research.*

Market Volumes and Dynamics

Foodservice is the main channel for rock lobster sales. As a result, 2020 witnessed rock lobster consumption drop due to COVID-19 lockdowns. Nevertheless, with the reopening of economies, consumption of rock lobster should see positive growth over the forecast period.

Consumption of rock lobster in the UK remains limited and will not surpass the 2019 level during the forecast period

Rock Lobster Consumption in the UK 2018-2025



Source: Euromonitor International estimates as per information gathered from trade interviews

Note: Rock lobster covers HS Codes 030631, 030621, 030611 and 030691.



Rock Lobster

Total consumption: 184 tonnes, 2020

- **Rock lobster is a relatively small part of the UK shellfish market**, with **UK consumers typically choosing the native lobster** above what is locally known as crayfish or spiny lobster. **Most of the UK catch is exported to the lucrative markets of France and Spain**, although a very limited amount of fresh rock lobster does find its way into the domestic foodservice market.
- **Foodservice sales in the UK** significantly outweigh retail sales (80% vs 20% in 2020, respectively). Most foodservice sales are supplied by frozen tails, typically imported from the Caribbean and South Atlantic regions. **Asian restaurants are the main buyers of frozen lobster tails in the UK**, and most retail sales also go into Asian-origin households.
- Foodservice consumption slumped in 2020 as a result of quarantine measures placed on the UK's restaurants; volumes were also hit by supply line issues related to the pandemic. **The comparatively small size of the market has made historic growth patterns erratic**; however, increasingly sophisticated foodservice should support demand over the forecast period.

Local Production Dynamics

The UK produces limited but very high-quality rock lobster that is almost all destined for export. This may change in the near future partially due to Brexit-imposed bureaucratic challenges, which might push local fishermen to sell rock lobster in the UK.

Limited local production is of high quality and fresh, but the major part is destined for export

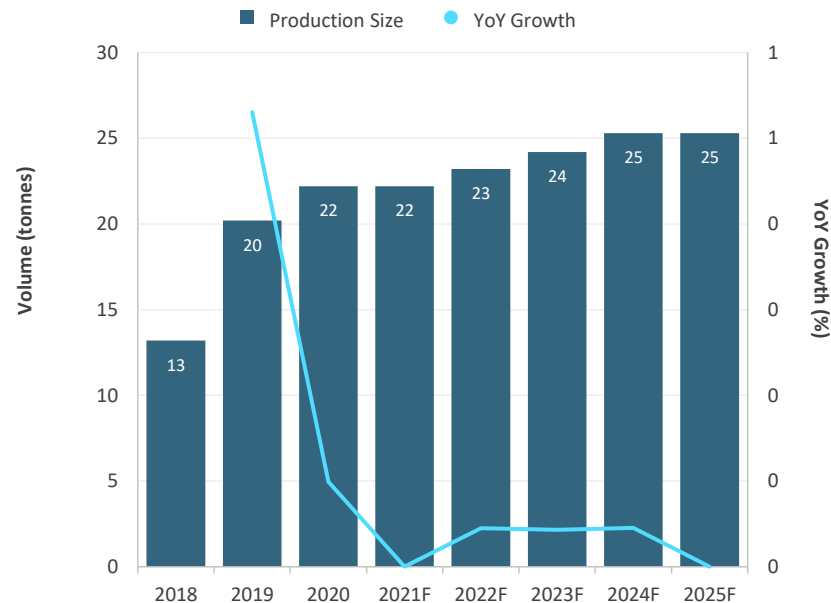
- UK rock lobster is highly sought after in the EU and is perceived to be of high quality. There is a comparatively low catch in the UK; after being heavily overfished in the 20th century, there is no formal fishery for rock lobster, which tends to be landed as a by-catch. **The limited size of the catch and its high quality mean that it is all sold fresh, and almost all of it is exported to the EU.**
- **There has been research into farming rock lobster, but as yet there has been no successful attempt.** However, recent years have seen an uptick in yield. This may be a result of warming sea temperatures, a scenario that could make aquaculture of the lobster more viable.
- However, **Brexit has upended domestic production**, and led to a scenario that **may reduce UK dependence on imports of frozen rock lobster** as supply destined before for exports may now be directed towards the domestic market (especially live rock lobsters).



Rock Lobster

Production CAGR,
2021-2025: 3.3%

Rock Lobster Production in the UK 2018-2025

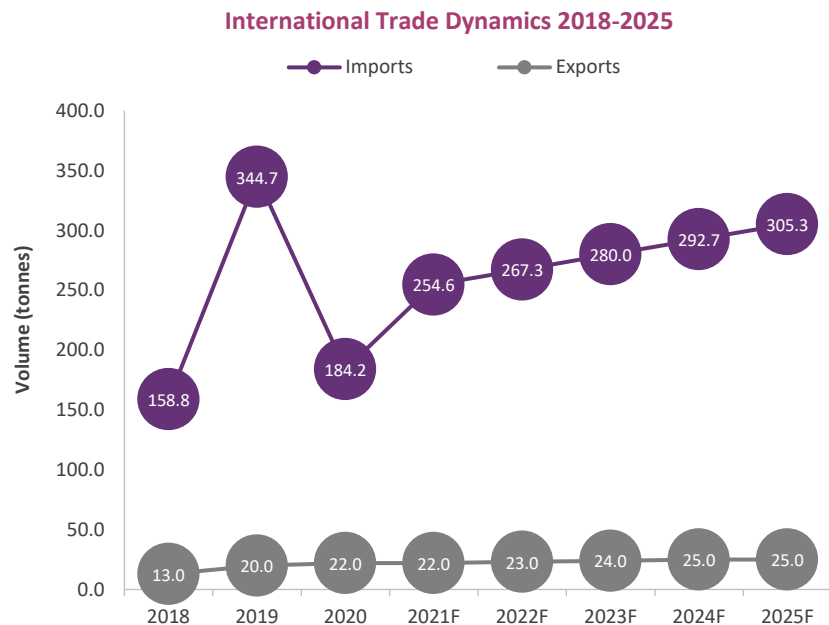


Source: Euromonitor International estimates as per information gathered from trade interviews

Trade Dynamics

Mainly frozen rock lobster is consumed in the UK, which all comes from the Caribbean or South Atlantic regions. Meanwhile, almost all locally caught fresh rock lobster is destined for export to markets such as France or Spain.

The UK market is dependent on imports of frozen rock lobster tails



Source: Euromonitor International estimates as per Comtrade for import and trade interviews for export
 Note: Rock lobster covers HS Codes 030631, 030621, 030611 and 030691.

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.



Rock Lobster

4.6% CAGR Imports, 2021-2025
 3.2% CAGR Exports, 2021-2025

- UK imports of rock lobster are **based almost entirely on frozen lobster tails sourced from a variety of Caribbean or South Atlantic producer markets**. Demand was consistent over the review period, supported by steady demand from the foodservice sector.
- However, **imports may face rising pressure from domestic producers** which traditionally have almost all their rock lobster sold into the EU. **Brexit has put an end to frictionless trade for the UK**, with delays at customs on both sides of the English Channel making the export of live lobsters virtually unviable. UK producers may therefore look to build a larger presence in the UK, which is a comparatively narrow marketplace.

Re-exports from EU countries make up the majority of the UK's rock lobster imports

Belgium

83.9 tonnes (45.6%), 127.9% CAGR 2018-2020

AUD1.2 million (29.7%), 90.0% CAGR 2018-2020

- Rock lobster imported from Belgium consists wholly of **re-exported frozen lobster tails originating from the Caribbean region**
- Key cargo hubs shipping into the UK include Zeebrugge and Antwerp

Denmark

54.3 tonnes (29.5%), -32.9% CAGR 2018-2020

AUD0.7 million (17.5%), -41.5% CAGR 2018-2020

- Similarly to Belgium, rock lobster imported from Denmark consists of **re-exported tails mainly arriving in Denmark from the Caribbean and South Atlantic regions**
- Principal shipping hubs include Copenhagen and Esbjerg

France

27.4 tonnes (14.9%), 20.7% CAGR 2018-2020

AUD0.9 million (21.4%), -6.2% CAGR 2018-2020

- Rock lobster imported from France appears to consist wholly of **re-exported frozen lobster tails originating from the Caribbean and South Atlantic regions**
- Principal shipping hubs include Calais and Dieppe

St Helena*

16.9 tonnes (9.2%), -32.5% 2019-2020

AUD1.3 million (30.8%), 24.8% 2019-2020

- St Helena is a **rock lobster producer nation**, with fisheries shipping **high-quality frozen rock lobsters** from the South Atlantic directly to the UK
- These are perceived to be **better quality**, or at least **more reliable in terms of production, than Caribbean**, and include a significant amount of **non-farmed rock lobster**

Source: Euromonitor International estimates as per Comtrade.

Note: * 2019-2020 growth rate provided instead of 2018-2020 CAGR as St Helena was not among the top five importers in 2018.



“We’ve never handled Australian rock lobster – pretty much everything comes from the Caribbean”

- Manager, seafood wholesaler/retailer

“No real view on Australian lobster – everything we sell is frozen, so people don’t care where it’s from”

- Manager, seafood wholesaler/retailer

There is no visible presence of Australian rock lobster in the UK, and no major player interviewed as part of the research could offer an opinion on the competitive positioning of Australian rock lobsters. However, there is widespread awareness of Australian production and, as usual, a broadly favourable perception of Australian produce in general and nothing particular on rock lobsters.



Channel and Consumer Preferences

There is low availability of rock lobster in retail, in general, in the UK. Most of the rock lobster sold in the retail channel is in frozen form.

Availability of rock lobsters in the retail channel is limited and mainly in frozen form

Limited retail availability



Note: Retail dominated by frozen rock lobster

Rock lobster, overall, has a **limited presence in the UK retail channel**. **Fresh lobster is mostly bought by high-end restaurants**. Retail buyers of fresh rock lobster typically need to place an order in advance, as fresh produce is usually not available. **Retail sales are therefore almost wholly limited to frozen rock lobster tails** sold through Oriental specialists and fish specialists with a strong frozen offer.

Narrow consumer cohort for rock lobster

Like foodservice buyers, the **main retail consumers of rock lobsters are Asian-orientated households buying frozen tails**. The broader UK consumer base is largely unaware of these product types and how to cook them. Rock lobsters' absence from modern retail channels like supermarkets further limits product demand. It is worth noting that **a few respondents in Oriental shops (contacted during the research) mentioned that they had been unable to source rock lobster for their freezers due to COVID-19 disrupting supply chains** and, for the time being, were not offering the product.



Note: Chinese lobster dish

Australian rock lobster lacks presence in specific retail channels in the UK

E-Commerce

Fish Specialists

Oriental Specialists

Product Offer

- E-commerce is mostly limited to frozen rock lobster tails, although a few UK fish sellers may ship (after what is exported, if available) live or cooked fresh rock lobster sourced from the UK and sold online.
- This channel is therefore almost **wholly supplied by import**, with Caribbean and South Atlantic produce either imported directly or through EU shipping hubs. Tails are typically sold by unit.

- Fish specialists carry a **very limited range** of rock lobsters, with consumers typically having to place an order. However, **the channel is the only one where fresh rock lobster will be found, when available.**
- If there is any fresh local rock lobster available after export, it is supplied by local producers, but mainly frozen from the Caribbean or South Atlantic region is found. Fresh lobster is typically sold loose by the kilo, while frozen tails typically come in a 4.5kg box and are either sold by the box or by the piece.

- No Oriental specialists had rock lobster in stock during store audits. However, most respondents who did not sell rock lobsters during visits stated that it was something **they had carried before and planned to do again, depending on price and availability.**
- The range is limited to frozen lobster, with no emphasis on country of origin, and it is typically sold by the piece.

Australian Brands Positioning

- Australian rock lobster is limited or almost non-existent in the e-commerce channel in the UK.

- There was no Australian rock lobster identified during visits to fish specialists conducted during the research in the UK.

- There was no Australian rock lobster visible in the Oriental specialists channel either when visited during the research.

Retail channel mainly sources frozen rock lobster tails from wholesale importers

E-Commerce

Fish Specialists

Oriental Specialists

Shelf Spacing/Marketing

- E-commerce retailers typically have a single frozen offer of rock lobster.
- **The country of origin** is usually stated under product description but **does not play a crucial role in consumer decision-making**.

- Rock lobster has a very **limited presence** in this channel. It was mainly found in the **bigger outlets that are both B2B and B2C**.
- When available, frozen rock lobster needs to be requested (as it is not displayed in aisles), and for fresh an order needs to be placed. There is no differentiation by country, reflecting the very limited offer.

- **The product range** in this channel is **limited to frozen lobster tails**.
- Moreover, it is usually available as a **single SKU**, offered in **glass-fronted freezer displays**. This reflects the very narrow demand for rock lobster in the UK.

Procurement

- **E-commerce retailers are often also wholesalers** with a foodservice alignment. This means that they may source from suppliers in other countries but are also likely to rely on large frozen seafood specialists like Seamark or Seahawk Marine. The market is supplied wholly by import.

- Procurement is typically conducted directly from **wholesale importers** or **UK-based fish distributors for fresh rock lobster**.

- Most Oriental specialists use specialist frozen seafood suppliers based in commercial fish hubs like Billingsgate Market. These suppliers are primarily wholesalers but operate a small retail business as well. There is no distinction by provenance.



Frozen rock lobster sold by piece, usually on request



Frozen rock lobster tails sold in bulk at fish specialist store



UK production of fresh rock lobsters mainly exported



Lobster tails - Oriental foodservice key channel



Homarus spp is most widespread, even in frozen form at Oriental specialists



Premium position of Homarus spp in fish market



Consumer interest in new foodservice trends and places is set to rise post-pandemic

Oriental cuisine – the main driver for rock lobster sales in foodservice



Note: Japanese grill of rock lobster

The Oriental foodservice channel is the main driver of rock lobster sales in the UK. These are mainly frozen rock lobster tails, although even within this channel **restaurants are more likely to offer *Homarus* spp**, either frozen or fresh. Other specific cuisines that use rock lobster include West Indian.

New food trends could suit rock lobster sales growth

Food trends in the UK, and in particular London, are fast-changing. Prior to lockdown, lobster rolls began to appear in some foodservice outlets, often with a North American theme. Most use *Homarus* spp, but there is **clearly opportunity for rock lobster to meet the same demand**. Many lobster rolls focus on the lobster's country of origin, with them mainly being from Maine in the US.



Note: Fraq's lobster rolls

Rock lobster is mainly used in Oriental-style or fine dining restaurants

Oriental Restaurants

Product Preferences

- The **Oriental foodservice** sector in the UK is a **key buyer of lobsters**, generally choosing *Homarus* spp but also frozen rock lobster tails.
- **Country of origin does not play a significant role in product selection.** Given the limited supply of rock lobsters into the UK and their high prices, buyers take what is available and shop by price. This foodservice channel typically procures rock lobsters by the unit or the box containing several of them.

Fine Dining Restaurants

- London has become a destination for global high net worth individuals, and a culture of prohibitively-priced fine dining restaurants has sprung up to cater to these types of individuals. **Lobster** is perceived as a **very high status delicacy** and is in line with the tastes of this consumer base.
- These foodservice outlets typically seek to source **fresh domestic rock lobster**. If frozen rock lobster is purchased, the country of origin does not play an important role in product selection.

Australian Brands Positioning

- There is no real preference within foodservice for Australian or any other country of origin rock lobster. There was no Australian rock lobster identified in retail or wholesale that would co-operate with the foodservice channel during the research period.

- This channel mainly cares about the freshness of the product and not the country of origin. No visible preference for Australian rock lobster was seen in this channel during the research.

Fine dining restaurants are dependent on rock lobster's seasonality – as local fresh rock lobsters that are not exported are available only for a few months in the year

Oriental Restaurants

Procurement

- Oriental restaurants rely on frozen rock lobster tails. As such, seasonality is less important. The main purchase trigger for these outlets is price.
- These outlets are wholly dependent on local distributors to source these products. These may be fish specialists, or Oriental wholesalers like Wing Yip, which has a nationwide group of outlets and a massive selection of frozen shellfish.

Fine Dining Restaurants

- These outlets are most likely to use locally sourced fresh rock lobster (if it is available after what is exported) and, as such, seasonality is crucial. The UK rock lobster season runs from the end of June to late September, and rock lobster is not typically found in the channel outside these dates.
- These restaurants are far more likely to procure directly from rock lobster fishermen, especially if they are located on the coast. Wealthy tourist towns such as Salcombe and Padstow have a wide selection of fine dining venues that are supplied in this way. Otherwise, local distributors such as W Harvey meet demand.

Distribution

Key retail channels for rock lobsters are mainly Oriental and fish specialists



The speciality
frozen seafood
company



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

Tel: + 44 0208 548 367

SEAHAWK MARINE LTD

Fish wholesaler with retail outlet

Contact:

Broadleigh House, Woodmarsh,
North Bradley, Trowbridge,
Wiltshire BA14 0SA

Tel: + 44 01225 768461

BARNEY'S SEAFOOD LTD

Fish wholesale/retail

Contact:

55 Chamber Street
London, E1 8BL

Tel: + 44 020 7481 2177

E-commerce – emerging channel for rock lobster, widest variety



W. HARVEY & SONS

Leading UK distributor of fresh rock lobster -
<https://crabmeat.co.uk/>

Contact:

The Coombe
 Newlyn
 Penzance
 Cornwall
 UK
 TR18 5HF
 Tel: + 44 01736 362734

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: + 44 020 7627 2553

THE FISH SOCIETY

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

Contact:

Unit 13, Henley Business Park,
 Guildford, GU3 2DX
 Tel: + 44 0142 868 7768

ARTISAN FOOD COMPANY

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

Contact:

New Covent Garden Fruit Market,
 Nine Elms Lane, London, SW8 5HH
 Tel: +44 020 3355 2932

Upmarket Asian restaurants could be a route for rock lobster in the UK



A. WONG



HAKKASAN
GROUP



PARK CHINOIS

A. WONG

Chinese foodservice

Contact:

70 Wilton Rd, Pimlico, London,
SW1V

Tel: + 44 020 7828 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: + 44 020 7297 8901

PARK CHINOIS

Chinese foodservice

Contact:

17 Berkeley St, London, W1J 8EA

Tel: +44 020 3327 8888

Rock lobsters usually account for a very small share of business for most key seafood importers and distributors

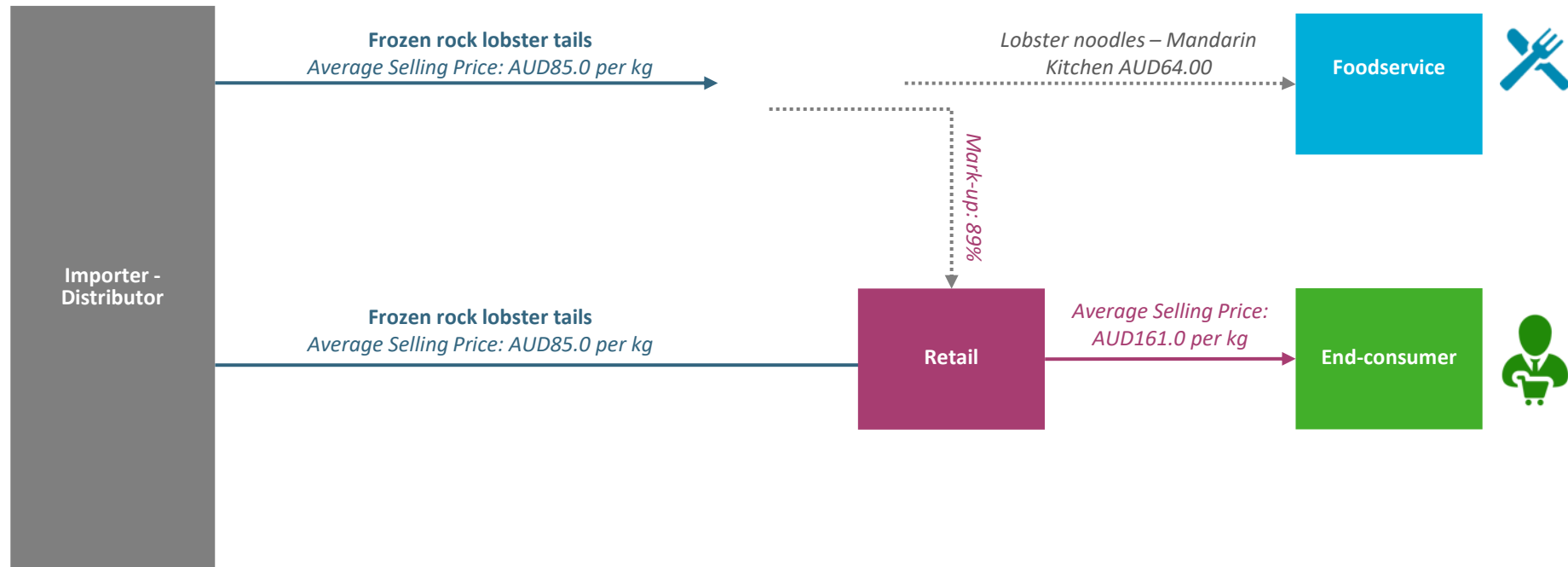
Company	Type	Contact Details	Website
Barney's Seafood Ltd	Importer and distributor, mainly for foodservice, but part of its business is also B2C	55 Chamber Street London E1 8BL Tel: +44 020 7481 2177	http://www.barneys-seafood.co.uk/
Seahawk Marine Ltd	Importer and distributor, mainly for foodservice, but part of its business is also B2C	Broadleigh House, Woodmarsh, North Bradley, Trowbridge, Wiltshire BA14 Tel: + 44 1225 7684 61	https://seahawk.co.uk
Direct Seafoods Ltd*	Importer/distributor, mainly to foodservice	Unit 14-15 Bermondsey Trading Estate, Rotherhithe New Road, London, SE16 3LL Tel +44 0207 358 1617	https://www.directseafoodslondon.co.uk/
S&J Shellfish*	Wholesale shellfish specialist	Unit A2CN Lea Road Industrial Estate, Waltham Abbey, EN9 1AE Tel: +44 0199 2676 543	https://sjshellfish.com/
<i>Note: *These players do not currently offer rock lobsters but they are among the biggest foodservice suppliers in London and are open to new product additions to their portfolios</i>			

Pricing

The high unit prices of rock lobster in comparison to native lobster species are among the constraints on its market growth in the UK. Frozen rock lobster tails are usually more expensive per kg than fresh rock lobsters, as the latter are sold with shell and many other non-eatable pieces.

Frozen rock lobster tails – an expensive delicacy which is hard to find in retail or foodservice in the UK

Imported Products Supply Chain

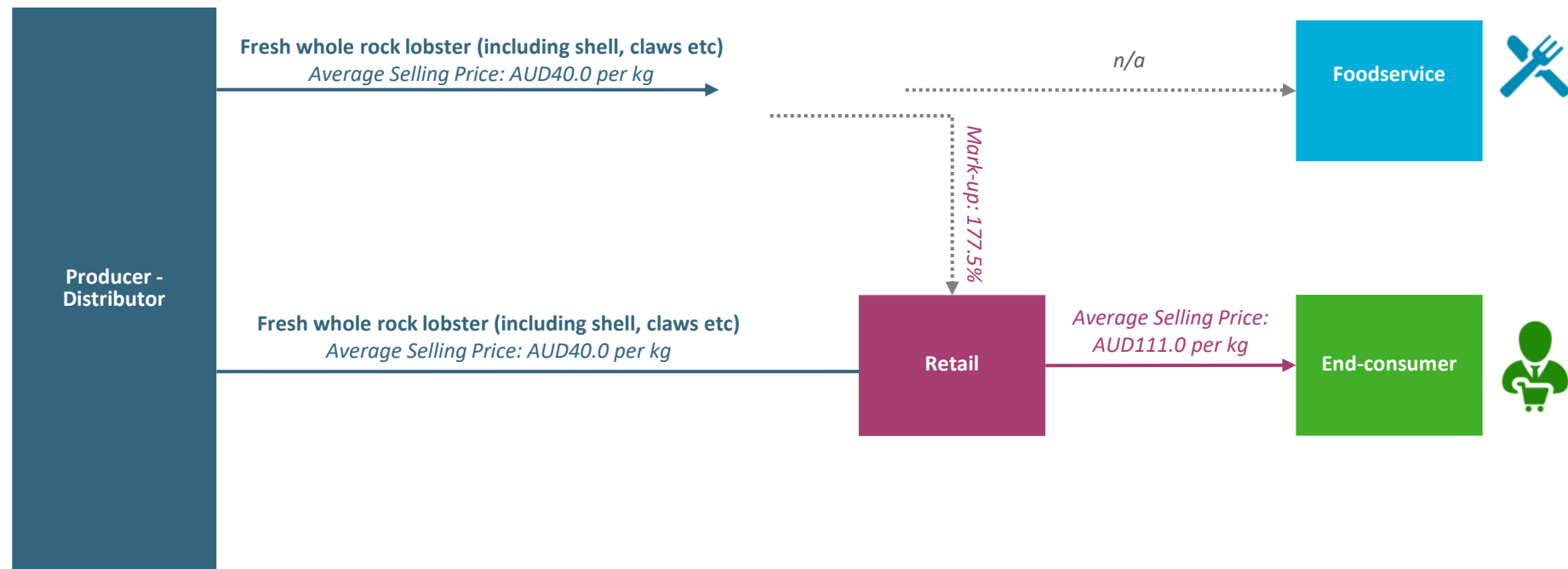


Source: Euromonitor International estimates as per trade interviews and store audits

Note: Average selling prices include tariffs and local taxes, eg retail taxes

Fresh rock lobster usually sold by piece (average size around 1kg) which includes non-eatable pieces

Locally-produced Products Supply Chain



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

Note: Average selling prices include tariffs and local taxes, eg retail taxes

Oriental and fish specialists selling frozen rock lobster tails at the lowest price

E-Commerce	Fish Specialists	Oriental Specialists
<p>Price Competition</p> <ul style="list-style-type: none"> • Channel almost wholly supplied by import and has widest range of products • Frozen rock lobster tails – AUD214.0 per kg • Fresh domestic-caught rock lobster – AUD111.0 for a single whole fresh rock lobster 	<ul style="list-style-type: none"> • Frozen rock lobster tails – AUD123.0 per kg • Fresh domestic-caught rock lobster – AUD111.0 for a single whole fresh rock lobster 	<ul style="list-style-type: none"> • Frozen rock lobster tails – AUD123.0 per kg
<p>Australian Brands Price Positioning</p> <ul style="list-style-type: none"> • No Australian rock lobsters were identified during the research 	<ul style="list-style-type: none"> • No visible presence of Australian rock lobsters during the research 	<ul style="list-style-type: none"> • No Australian rock lobsters were identified during the research

Competitive Environment

The competitive environment in rock lobsters in the UK is limited to just a few suppliers of this produce. Most of the suppliers in the market play several roles: importer, wholesaler and, in some cases, even retailer to the end-consumer.

There are very few suppliers of rock lobster in the UK

Supplier	Importance*	Unique Value Proposition
Seahawk Marine Ltd	1	<ul style="list-style-type: none"> Large shop in Billingsgate Market (London's principal fish wholesale/retail hub) as well as national distributor of seafood. London is the main market. Product offering is limited to frozen rock lobster tails.
W Harvey & Sons	2	<ul style="list-style-type: none"> UK's leading supplier and exporter of domestically caught rock lobster – very strong ties to Cornish and south-west fisheries, the prime source for these products.
The Fish Society	3	<ul style="list-style-type: none"> Unlike other suppliers, The Fish Society focuses mainly on B2C rather than sales to foodservice. Strong premium positioning, with good customer service in terms of product advice and preparation. Product offering is limited to frozen rock lobster tails.
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 is limited to frozen rock lobster tails.
W. Wing Yip plc	5	<ul style="list-style-type: none"> UK's largest Oriental distributor and retailer – in-store fish counters, large frozen produce offering. Basically, offers widest access to principal consumer base. Although no rock lobster detected in store check, staff asserted that it had been carried in the past.

Note: *Importance or ranking is based on observations made during store audits and product offering at place, as well as insights from trade interviews

Limited current assortment may offer room for market growth with new product introductions

Frozen rock lobster tail,
by The Fish Society



Premium positioning

The Fish Society positions itself as a premium seller, selling to both businesses and consumers, but with a strong emphasis on the latter. Prices are among the highest in the online channel.

Frozen rock lobster tail,
by Seahawk Marine



Focus on bulk selling

Although Seahawk operates a retail outlet, the bulk of its business is wholesale. This is reflected in its retail offer, which is limited to a 4.5kg box of frozen rock lobster tails, rather than the single tail that characterises the rest of the UK market.

Whole cooked rock lobster, by W Harvey
& Sons



Domestic rock lobster

Harvey's is the main supplier of fresh rock lobster to businesses and consumers in the UK, as well as having strong export links with the key markets of France and Spain. The company offers to ship live or cooked whole rock lobster and can also pack the rock lobster on demand.

Import and Trade Regulatory Landscape

The majority of the UK regulations still conform to the EU directives after Brexit. The UK government's inability to set limits on catches in a post-Brexit agreement means that EU fishermen will be allowed to haul in unlimited amounts of non-quota species like rock lobster for the rest of 2021.

There are no requirements for labelling or packaging in the UK that could be considered as overextensive 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 food 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 in 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 rock lobsters, **Marine Stewardship Council (MSC) certification is becoming increasingly important to UK consumers**, as are other **certifications** including the numerous **organic** certifications or the **recyclability of packaging**. 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 use them to make **purchase decisions**.

Transportation is not an issue, due to the non-fresh nature of the imported rock lobster market



Transportation Requirements

Transportation speed is not an issue in the absence of fresh imported rock lobsters

- The market for rock lobsters in the UK is currently **limited to frozen tails and fresh local produce**. As a result, transportation into the UK is **most commonly by sea for frozen products**, and **by land for the very small amounts of fresh rock lobster** sold in the UK rather than shipped to the EU.
- 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**.



Documentation and Customs Processes

EU regulations remain in place

- **Australia** is one of several non-EU countries **authorised to export fishery products, including rock lobster**, to the UK. Importantly, there is no restriction on farmed rock lobster. 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 as well as documents showing how the fish was stored prior to export.

Source: Euromonitor International as per EU regulations and trade interviews

Seaports have available infrastructure for frozen and fresh seafood handling/storage, usually within reach of seafood wholesalers

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. 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 expects this 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 in 2020



11% of total UK imports in 2020



12% of total UK imports in 2020

Post-Brexit position of tariffs and quotas still not clear as negotiations go on

The UK's Tariffs & Quotas



HS Code: 030631, 030621, 030611, 030691

10.00%

Standard Third
Country Tariff Rate

There are currently no quotas on rock lobster 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.

Although 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, UK producers of rock lobster have lost the frictionless trade that allowed them to exploit lucrative EU demand for high-quality rock lobster. This has seen a huge rise in delays at customs, making the sales of live rock lobster hard to operate. EU fishermen will be allowed to haul in unlimited amounts of non-quota species like rock lobster for the rest of 2021, which might negatively affect local producers.

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

Source: Euromonitor International as per UK regulations

Conclusion

Exporters should seek to develop a foothold in foodservice for Australian rock lobster to raise product awareness, before attempting to push into a wider retail presence.



OPPORTUNITIES

The foodservice channel offers the biggest potential for rock lobster sales

- Rock lobster is a comparatively unknown shellfish for the general UK consumer and consumer education is needed. Other shellfish, such as homarus spp and nephrops spp are quite popular in the country, so there is potential to grow rock lobster consumption by building consumer awareness, increasing product availability in various forms and working closely with key exporting countries such as Australia.
- The foodservice channel should be the main focus for increasing rock lobster presence in the UK. **Australian exporters could look for partnerships with large foodservice groups (especially Oriental and street-food-style vendors of North American focus)** to build consumer awareness and bring the products to the wider market.
- **Australia**, with its **strong UK connections** and **high level of consumer trust**, has a marked **competitive advantage** in developing this market.



CHALLENGES

Native lobster varieties are preferred due to higher awareness

- Rock lobster is mainly sold in frozen tails form at specialist retail places or, on rare occasions, appears on restaurant menus for very high prices. **UK consumers are reluctant to pay high unit prices for frozen fish.**
- Due to **Brexit** and ongoing disagreements between the UK and the EU on fishery matters, **more fresh local rock lobster production might appear in the UK** market over the forecast period. This would further **increase competition** for the already limited market in the UK.

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Thank you

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