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Market dynamics of the Mediterranean Bass & Bream Industry

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2

Abstract:

The market for seabass and seabream is concentrated in the Mediterranean and surrounding countries. Within this area Turkey and Greece are the main producers and exporters. Spain and Italy have also relevant volumes of domestic production, but it is not enough for satisfying the internal demand. Other relevant markets in terms of demand are France, Portugal, the UK and Germany. A simultaneous equation model is used to describe the dynamics of equilibrium in the long term showing significant differences across groups of countries in the factors affecting demand and supply according to the role played in the international market place. Countries can be grouped according to whether they are exporters or importers and the former according to the relevance of the domestic production. Models are consistent within groups. Imports contribute to increase the elasticity of demand in the main consuming countries. This effect benefits consumers who have more products available at cheaper prices. However, it is an inconvenient for the domestic farming industries operating with less or non elastic supply functions. Demand turns from elastic to inelastic as the volumes of imports decrease along countries. On the other side, supply is more elastic in Turkey and Greece where production is mainly driven by exports. The supply and production functions also confirm the high dependence on fish meal and fish oil which results in inefficiencies when the price of the feed increases. This work is part of the MedAID project funded by the European Commission (H2020, G.A. no. 727315).