

UK processing sector remains stable

UK authority Seafish has published its 2014 Seafood Processing Industry Report, which provides an overview of the size and structure of the industry.

It includes processing units, employment levels, regional distribution, types of processing activity and the species being processed, among others.

The survey results, which include processing of all seafood species including salmon, reveal that UK-wide employment has increased slightly, despite slightly fewer units. The growth of the salmon industry over the past few years is evidenced by a 28% increase in employment in salmon processing units since 2012.

Despite an overall reduction in the number of units, the largest (101+ FTEs) and smallest (1-10 FTEs) size bands bucked this trend with 29% and 10% increases since 2012, respectively. Increased concentration of the industry into very large units is evident, with the 101+ FTEs size band accounting for 65% of industry employment in 2014, compared to 58% in 2012.

At the same time the increase in the number of smaller units suggests there have been several young businesses entering the processing sector.

The report also includes the latest available financial data from 2012, revealing that sea fish processing turnover increased by 16% from 2008; however, operating costs increased by 20%, resulting in lower profitability.

The higher cost of raw materials is thought to be the main reason for the reduced profitability, with increasing costs generally not fully passed on to customers. Despite this, there is evidence of strong investment in fixed capital assets, such as equipment and premises, with the value of tangible fixed assets increasing by 49% from 2010 to 2012, indicative of a recovery in confidence following a period of economic uncertainty.

Hazel Curtis, chief economist at Seafish, said, "The supply of raw materials, regulatory and trade developments such as exchange rate movements, skill shortages, securing finance and retailer pressure on suppliers create problems for many businesses in the seafood processing industry.

At the same time, growing demand for seafood and signs of economic recovery underpin industry confidence in the long-term sustainability and profitability of seafood processing in the UK."

- In 2014, there were 403 fish processing units in the UK providing a total of 19,511 FTE jobs
- In 2014 there were 333 sea fish processing units in the UK, providing a total of 14,305 FTE jobs. Between 2012 and 2014 the number of seafood processors declined by 3% and the number of FTE jobs declined by 4%
- In 2014, there were 62 salmon processing units in the UK, providing 4,648 FTE jobs

- Total sea fish annual industry turnover was an estimated £4.2 billion in 2012, a 16% increase since 2008 in nominal terms. For context, UK consumers purchased £6.2 billion worth of seafood in 2012
- The Gross Value Added (GVA) of the sea fish processing industry was an estimated £766 million in 2012, a nominal increase of 2% from 2008 to 2012

The full 2014 Seafood Processing Industry Report and data tables are available to download from the Seafish [website](#).

Source : <http://www.worldfishing.net/news101/products/fish-processing/uk-processing-sector-remains-stable#sthash.NtOgmEqG.dpuf>(27/05/15)