

Entering the European market for reef fish

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Reef fish are, generally, a niche market product in Europe. Their main markets are in the ethnic and food service industries. They also have a special place on cruise ships with American guests who, like many ethnic populations, are more familiar with these fish and favour them. While the market is small, there are still opportunities. Knowing what is expected of you as an exporter of reef fish and how to get your reef fish to the right markets through the right channels will help you gain advantage over your competitors. Read on to learn more.

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1. What requirements must reef fish comply with to be allowed on the European market?

We recommend that you first read our study on [European buyer requirements in the Fish and Seafood sector](#) in order to gain a fuller understanding of the general requirements for fish and seafood before learning about the requirements unique to reef fish. In this section, we will provide you with all the information you need about specific mandatory requirements, additional buyer requirements and niche market requirements you must to comply with when exporting reef fish to Europe.

What are mandatory requirements?

Work according the European food safety principles

If you want to export reef fish products to Europe, it is important to meet the legal requirements of the European Union. A food safety assurance plan, like a Hazard Analysis and Critical Control Points (HACCP) plan, is mandatory to guarantee that no unsafe or misleading fish products will enter the European market.

Most reef fish are sold through ethnic food stores, where the requirements for fish are relatively low and there are usually no additional requirements needed. Sustainability certifications like [Marine Stewardship Council](#) (MSC) or [Aquaculture Stewardship Council](#) (ASC) and food safety certifications like [International Food Standard](#) (IFS) and [British Retail Consortium](#) (BRC) are not demanded in this market.

For ethnic food stores, it is not expected that demands will change in the next few years as the first criterion for buyers is a good price, where certification schemes make the fish more expensive. However, there are also channels where more requirements are requested. Luxury restaurants or cruise lines ask more of their suppliers than the ethnic retail market.

Tips:

The Food and Agriculture Organisation (FAO) website shows the [seven basic principles of HACCP](#). Visit the website to know more about these basic principles.

There are organisations specialised in training companies in implementing a food safety assurance plan like HACCP. You can visit the [SGS](#) website to read more about HACCP learning possibilities.

Read the [CBI Fish & Seafood Buyer Requirements study](#) to learn more about European food safety principles.

Catch certificates do more than deter IUU fisheries

Catch certificates are essential for getting any wild-caught product on the European market. They offer evidence that the product did not come through illegal unregulated or unreported (IUU) fishing activities. This is particularly important for exporters of reef fish. Reef fish are often solitary animals and almost always caught by small scale fisheries. Though exported volumes are relatively small, one shipment will still involve catches from many vessels, each of which should have the associated catch certificates. All vessels and catches must be registered.

IUU fishing, according to the European Union, [is any fishing that is done in forbidden areas, uses illegal methods or goes unreported](#). IUU fishing has a negative effect on the sustainable management of global (and local) fish stocks and creates unfair competition against those that fish legally and responsibly.

The European Union requires that you can prove that your reef fish products do not come from IUU fisheries. Your wild fish products need to be sent with a catch certificate that has been approved by your competent authority. When exporting reef fish, this may add a significant amount of time, infrastructure and organisation because each batch might require a separate certificate. A schooling fish, on the other hand, can be caught in large numbers, with larger volumes of fish falling on the same certificate.

Though catch certificates are a requirement for all wild fish, they also take on additional importance for your customers. Because the supply of reef fish has so many vessels involved, and because of the risks involved with handling IUU sourced fish, European importers may demand additional evidence that you have full control of your supply chain.

The catch certificate must contain [all the information specified in the specimen shown in Annex II of the European IUU legislation](#). Catch certificates are not only used to check if your products come from legal fisheries. European countries use these documents more and more to check if your products comply with the European hygiene rules. According to these rules, all reef fish need to be frozen, processed or transported on board of authorised vessels/factories.

The competent authority is the government department in your country that the European Union finds the most capable (competent) of monitoring the seafood and fisheries products to be sent to the European Union. The European Union enters into an agreement with this department, giving them responsibility for the mandatory control measures before export.

Usually, the competent authority is the ministry department that regulates aquaculture and fisheries. In Peru, for example, the competent authority is the [Organismo Nacional de Sanidad Pesquera \(SANIPES\)](#); in Costa Rica it is [The National Animal Health Services \(SENASA\)](#) and in Senegal it is the Directorate of Fish Processing Industries. In Bangladesh, it is the [Department of Fisheries](#) in the Ministry of Agriculture, Fisheries and Rural Development, and in Vietnam, it is the [Quality Department of the Department of Fisheries \(NAVIQAD\)](#) in the

Ministry of Agriculture.

Your competent authority is appointed to authorise factories or vessels with on board processing facilities for trade with the European Union. These factories or vessels will be put on the DG SANTE list of establishments from developing countries authorised to trade with the European Union. If there are establishments on your catch certificate that are not registered on this DG SANTE list, it is likely that your consignment will be rejected at the European Union border.

Tips:

Check the [DG SANTE list of non-European Union countries authorised establishments](#) if your (vessel) factories are registered for the European Union, and see if your competitors are listed.

Send your catch certificate to your buyer so that they can check that everything is correct; this will prevent potential problems at the European border.

What additional requirements do buyers often have?

Ethnic markets are often more familiar with reef fish and there is a high preference for whole reef fish or reef fish steaks. This preference is based on tradition and traditional ways of cooking reef fish. Ethnic populations often want to 'see' their fish and prepare the fish product in the traditional way that traces back to their ethnic origins.

For more mainstream markets such as restaurants and cruise ships, buyers often prefer safe and convenient products. Boneless reef fish fillets or portion cuts are preferred above whole fish and your establishment needs to be accredited for food safety. The most commonly requested food safety certification schemes for seafood products are IFS ([International Featured Standards](#)) and/or BRC ([British Retail Consortium](#)).

By having a food safety accreditation, you can show your buyer that you have good working procedures to which controls can be applied. You show that food safety hazards can be prevented, eliminated or reduced to acceptable (critical) levels and you are able to trace your raw materials and packing materials back to their source.

Tips:

Think about the market segment you want to focus on and fulfil the additional requirements needed to become more successful on that market.

Invest in the IFS and BRC food safety schemes as they are not only a must for the European market, but also for other markets around the world.

Get your fisheries and factory audited by an accredited certification body. Check [the list](#) of accredited certification bodies to see which one could assist you.

What are the requirements for niche markets?

Northern European Supermarkets

If you want to do business with Northern European supermarkets, you will need to invest in getting your products certified by the Marine Stewardship Council (MSC) and your processing establishment certified with MSC's Chain of Custody standard. For reef fish species, this is challenging because there is often not much information available about the relevant fish stocks and the stocks are not managed properly.

Fisheries Improvement Projects (FIP) work with the seafood industry to promote sustainability in (reef)fish sourcing and help fisheries achieve (MSC) certification. Ongoing FIPs on groupers and snappers are striving to increase or improve sustainable production. In the end, if there is the possibility to obtain a sustainability certification for your products, it will be easier to enter this market.

Tips:

Check the MSC supply chain certification guide to [get an overview what to expect from the Chain of Custody certification process](#).

[Sustainable Fisheries Partnership \(SFP\)](#) is one of the organisations that could help you getting your fish more sustainable. At the moment there is one active [SFP project](#) that focuses on Indonesian grouper and snapper fisheries.

2. Through what channels can you get reef fish on the European market?

Often, reef fish come to the European market together with other exotic fish species in mixed consignments. It is mainly specialised importers that will import your reef fish products, either by air (fresh products) or container vessel (frozen products) to Europe. They will then sell the fish to the relevant segments. The most relevant European end market segments for reef fish are wholesale and the ethnic retail market. Other important market segments, particularly in Southern Europe, are specialised fishmongers and street markets.

How is the end market segmented?

The importance of one segment over the other can vary significantly from one part of Europe to the other. While in Southern Europe, street markets and specialised fish shops have quite a strong position in the market, in North Western Europe, ethnic supermarkets take account for a much larger part of reef fish purchases, in comparison.

Reef fish species are less interesting for mainstream supermarkets in (Northern) Europe, where sustainability is very important. Reef fish species are consumed more frequently by ethnic populations, where people are familiar with eating fish like grouper and snapper.

In the frozen end market reef fish are often sold whole and Individually Quick Frozen (IQF), or they are sold as frozen steaks or fillets. In the fresh end market reef fish are most of the time sold whole fresh.

A big part of imported reef fish will be used to supply cruise ships focusing on American customers. Americans are more familiar with reef fish than Europeans. They want to see their 'American' cuisine on their holidays and therefore add an additional market.

In the section below, we will focus on the ethnic retail market in Europe and the specialised fish markets in Southern Europe.

Ethnic (retail) market

The ethnic retail market can be divided into small to medium-sized shops in and around larger cities and medium-sized ethnic food retail chains.

Small to medium-sized shops in and around larger cities with large ethnic populations are often family owned. The profile of the shop usually matches the ethnic background of the shop owner and the predominant ethnic group in the area. Shops outside the larger cities often offer a more multi-ethnic range of products to meet the wish of a broader range of ethnic consumers. Examples of small to medium sized ethnic shops are [Angkor-Store](#), [DS Asia Supermarket](#) and [Thien-Hung](#).

Beside small and medium-sized shops, there are a few different medium-sized ethnic food retail chains with numerous stores. These chains work on a national basis. Examples of medium-sized ethnic food retail chains are [Amazing Oriental](#) and [Tanger markt](#) in the Netherlands, [Paris Store](#) in France and [Go Asia](#) in Germany.

Reef fish products are mainly sourced via importers and wholesalers. Importers are often more experienced in sourcing reef fish products and are specialised in importing the fish products into Europe. For the ethnic market, reef fish are just one out of many items. Reef fish found in ethnic market are most of the time frozen whole IQF or frozen steaks IQF.

Specialised fish market

In Europe, you can find food markets where people can buy all kind of products, including fish. However, there are also specialised fish markets. These fish markets are often located near the coast or in the bigger cities of Europe and mostly sell fresh and refreshed fish (fish imported frozen and defrosted for sale). An example of a specialised fish markets is [Mercamadrid](#), in Madrid, Spain.

Specialised fish markets, despite being accessible to the general public and selling mainstream products, also cater towards the restaurant industry, cruise ships and ethnic groups. They often have a wider range of seafood options gathered from direct European landings or from imported fish. By engaging with European wholesalers and importers that supply the smaller companies with a presence on the specialised fish market, your more niche products can find a way onto your desired markets.

Tips:

Check the website [Dutchfish.nl](#) to find specialised importers/wholesalers for reef fish.

Check the [Conxemar](#) website to find fish importers/wholesalers in Spain.

[Learn more about regional fish and seafood consumption](#) differences in our study on the European demand for fish and seafood.

[Read this study](#) to learn more about the European ethnic retail market.

Through what channels does a product end up on the end market?

Although there are many channels through which reef fish ends up on the end market, the most important ones are those that supply wholesalers and ethnic retailers. Let us take a closer look at those by looking at figure 1. Figure 1 shows how products move along the supply chain from an exporter in a developing country to the wholesale and ethnic retailer in Europe. Below the figure, we will explain the role of each actor in the supply chain.

Figure 1: Main trade flows for fresh and frozen reef fish products

Source: Seafood Trade Intelligence Portal, 2020

In Figure 1, actors in the dark boxes buy, own and sell the product. Actors in the light box are service providers and rarely involved in sales transactions. They provide a service to a buyer or seller. Agents, like [Seafood Expertise](#) in Indonesia, play a crucial role in the reef fish trade. Though buyers will visit potential suppliers regularly, they need someone there to ensure quality requirements are met, the best suppliers are selected and the best prices secured. Some importers want to do business more directly but quality control often remains outsourced.

Fresh fish consignments are exported on ice by air in polystyrene boxes. It is important to keep the temperature of the fish products close to zero degrees Celsius to maintain high quality and longer shelf life for your reef fish products.

For frozen consignments, it is much cheaper to send your products to Europe in reefer containers. Together you can decide what shipping line and what reefer container you want to use together with your buyer. It is important to load your container in the right way to prevent freezing problems. Your frozen products require air to circulate freely, so it is important to not stow your cartons above the maximum red line of the reefer container. An incorrect airflow can mean that your products do not stay cold enough.

At the European border, the competent authority checks all product groups in the container. Most of the time it will be an administrative check, but products are regularly checked on organoleptic aspects (colour, smell, taste and structure) or (in lesser amount) sent to a laboratory for biological or chemical tests. If no abnormal results are found in the above checks, the container can enter European territory for further distribution.

The most common importer that you will be dealing with in Europe is the one that imports whole frozen reef fish products for ethnic supermarkets and in lesser amount the European wholesale (broadline wholesalers, specialised seafood wholesalers and Asian wholesalers). These companies usually also specialise in importing other exotic fish species. There are dozens of such importers within the European Union.

In wholesale, there are importers who sell full container loads, and those who even sell at the master carton basis. The importer (which, in some cases is also the wholesaler) takes care of all logistics from the moment that the container arrives in Europe, until the container or master carton reaches the customer.

There is also a significant group of importers who sell fresh reef fish to European wholesalers and fish mongers. Most of the time, fish are sold whole on ice. Trade is very dynamic due to the relatively short shelf life.

Examples of importers who supply frozen reef fish species to European wholesalers (and ethnic supermarkets) are [Mooijer Volendam](#), [Hoogendijk import export BV](#) and [Bonesca](#) in the Netherlands and [Serfish](#) in Spain. Importers of fresh reef fish species are [Open Seas](#) in the Netherlands, [Comptoirs Océaniques](#) in France and [Cantero Trade](#) in Spain.

Tips:

If you export a mixed container with fish to the European Union, do not forget to put all different fish products at the opening of this container. In this way competent authorities in Europe can easily check the different products in the container without completely emptying the container (and thereby negatively influencing the cold chain).

Put enough cold packs or ice in the fish boxes to guarantee the cold chain when in transit to Europe. Although fresh fishery products are transported in refrigerated trucks and aircraft, extra cooling is desirable for these reef fish products to maintain their quality.

Get [other helpful advice on getting your product to market](#) in our tips for organising your Fish & Seafood exports to Europe.

What is the most interesting channel for you?

The ethnic market is the most interesting market for reef fish products. Customers buying in these shops are more familiar with reef fish products and it is easier to meet the requirements of this relatively small but interesting market.

Your client would normally be an importer who takes care of all logistics and customer service for the ethnic market. You will only be responsible for placing your consignment on a container vessel/airplane. Examples of important Dutch importers are [Seafood Connection](#), [Dayseaday](#) and [Hayat](#).

Tip:

Visit websites of sector associations [Adepale](#) (France) or [VIV](#) (Netherlands) in which reef fish importers have organised themselves. Here you can find member lists that will allow you to quickly have an overview of the relevant buyers. Be sure to study the companies in detail before you approach them. You only have one chance for a first impression.

3. What competition do you face on the European reef fish market?

Though reef fish are not a huge market, there are a lot of countries, and companies in them, that you are competing with. As the market is very specialised, however, there are few other products that are in direct competition. As sustainability is important in the European market, companies that are able to prove their efforts through certification or their involvements in an FIP are often able to stand out.

Which countries are you competing with?

There are many countries offering reef fish for the European market. Especially countries with large coastlines located in the tropical sea area are often familiar with a wide range of reef fish. Below, we will highlight four important countries that are exporting reef fish to Europe.

Indonesia

Indonesia is one of the most important suppliers of reef fish. Indonesia is the world's largest island nation, with more than 17,000 islands between the Indian and Pacific Oceans. Indonesia has over 600,000 fishing vessels where most of them are small scaled targeting reef fish.

Reef fish from Indonesian vessels are sold by Indonesian producers and prepared for export. As in other developing countries, good relationships between suppliers and importers are very important.

Indonesia benefits from a preferential tariff system that provides tariff reductions on various products that are exported to Europe. This Generalised System of Preferences (GSP) helps developing countries use trade to grow their economy and alleviate poverty. Indonesia benefits from a GSP tariff preference. Reef fish species originating from Indonesia have reduced import tariffs if combined with a GSP Certificate of Origin Form-A (table

1).

Table 1: Third country import duty reef fish products with and without GSP tariff preference in 2020

HS-code	Product	Standard third country import duty	Third country duty under GSP
03028990	Fresh or chilled, other fish, excluding fillets, livers, roes and other fish meat	15.0%	5.2%
03038990	Frozen, other fish, excluding fillets, livers, roes and other fish meat	15.0%	5.2%
03044990	Fresh or chilled fillets of other fish	18.0%	14.5%
03048990	Frozen fillets of other fish	15.0%	7.9%

Source: European Commission Trade Helpdesk, 2020

In July 2016, negotiations started for a Free Trade Agreement (FTA) between Indonesia and the European Union. At the moment, the European Union and Indonesia are still in negotiation and no FTA is expected in the short term.

India

The rich marine water resources from India make fish products a significant export product group. Part of the over 250,000 traditional and motorised crafts fish for reef fish for inland consumption and trade. The Indian mainland coast is around 6,100 km long. Including Islands the coastline spans 7,517 km.

Like Indonesia, India benefits from a GSP tariff preference. Reef fish species originated from India have reduced import tariffs if combined with a GSP Certificate of Origin Form-A (table 1).

Mexico

Mexico is a country with a great diversity and richness of seafood species, created by factors such as its geographical location between important oceans (Pacific Ocean, and the Gulf of Mexico and Caribbean Sea in the Atlantic Ocean) and the length of its coastline, reaching almost 11,500 kilometres. In total, over 76,000 fishing vessels are registered in this country, catching over 1.4 million tonnes of fish.

Mexico was the first country in Latin America that signed an Economic Partnership, Political Coordination and Cooperation Agreement (Global Agreement) with the European Union, which came into force in the year 2000. Reef fish originating from Mexico have no import tariffs.

Mexico, though it does not produce the same volumes as some of the Asian countries, has a market presence for its reef fish products. With better infrastructure and a more stable currency than many Asian producers, European importers often think of Mexico as a safer option for sourcing reef fish. This is an advantage that many

Latin American countries have over their Asian counterparts.

Vietnam

Another player on the reef fish market is Vietnam. Vietnam is one of the earliest developing countries to start exporting seafood products to Europe. As such, existing Vietnamese suppliers and European importers have built up relationships with each other. Labour is affordable and factories are set up to process raw materials into products preferred by the European consumers. Vietnam has a coastline of 3,444 km along the Gulf of Thailand, Gulf of Tonkin and the Pacific Ocean.

Vietnam benefits from having GSP tariff preference. Reef fish species originating from Vietnam have reduced import tariffs if combined with a GSP Certificate of Origin Form-A.

The European Union and Vietnam signed a Free Trade Agreement in June 2019. This agreement was expected to take effect during the summer of 2020. Through this agreement, around 99% of the import tariffs will be eliminated. Vietnam will become more competitive when reef fish species are exported to the European Union with a 0% tariff.

The European Union gave Vietnam a “yellow card” warning on fish and seafood in October 2017, when Vietnam failed to fight against Illegal, Unreported and Unregulated (IUU) fisheries. If the country cannot show progress in its efforts to fight IUU fishing, the European Union could award Vietnam a “red card”, which would ban the import of fish and seafood from Vietnam into Europe. Since October 2017, Vietnam has been working on fisheries management and imposes harsh punishments on those vessels conducting IUU fishing practices.

In November 2019, inspectors from the European Union were sent to Vietnam to review the situation following the yellow card and the findings were that improvements had been made. However, there are still some problems Vietnam needs to solve before the European Union will withdraw the yellow card. A new inspection should take place within six months from the previous one.

Tips:

Build up a good relationship with your buyers. Do not focus on quick wins but go for long term benefits.

Use the [European Union trade helpdesk](#) to check the tariffs that you would have to pay when exporting reef fish species to the European Union. Compare your tariffs with those paid by your competitors from other origins to understand how competitive your product is.

Compare the price of your reef fish product with prices from other origins to understand how competitive your prices are. International web shops like [Alibaba](#) could help you by getting an idea of these prices.

Which companies are you competing with?

There are hundreds of exporters of reef fish around the world. Here, we will discuss the examples of JMJ exports from India, PT Dharma Samudera Fishing Industries from Indonesia and Tin Think Co. LDT from Vietnam. Each of these companies is an important player in its respective country and exports reef fish products to Europe.

PT Dharma Samudera Fishing Industries

PT Dharma Samudera Fishing Industries is one of the bigger processors and exporters of reef fish in Indonesia. This company was established in Jakarta in 1973. This company is processing in compliance with HACCP and

BRC.

Take a look at the [PT Dharma Samudera Fishing Industries](#) website to learn more about the reef fish products they sell.

Intan Seafood

Intan Seafood is another processor and exporter of reef fish in Indonesia. This company is processing in compliance with HACCP and BRC.

Intan Seafood is active in Indonesian fisheries improvement projects for snapper, grouper and other demersal fish in Indonesia. One of the improvement projects focusses on the [North Java Sea snapper and grouper handline and dropline fisheries](#).

On the [Intan Seafood](#) website, the company shows the different seafood products it processes and exports throughout the world.

JMJ Exports

JMJ exports is one of the suppliers from India selling fresh chilled reef fish to Europe. MJM Exports purchases its products directly from boats, fishermen and domestic open auctions. Seafood is brought into the processing plant using temperature-controlled transport.

JMJ exports has a factory and office in Mylaudy and has a total staff of 62 people. Annual turnover lays around €3-4 Million. This company is HACCP approved.

On the website of the [JMj exports](#) you can find what kind of products it produces and exports throughout the world.

Tin Think Co., LTD

Tin Think Co., LTD was founded in 2002. This company produces and sells snappers and groupers. This company is processing in compliance with HACCP.

You can find on the [Tin Think Co., LTD](#) website what kind of reef fish products they sell.

Tips:

Look at your management team. Do you have some fresh highly educated team members who can support you to make your company future proof and to take it to the next level?

Look at the websites of some of the major reef fish exporters in different origins to better understand how they present themselves and who are managing the companies. Think about how you can present your unique selling points to your potential buyer.

At trade shows, do not just look for buyers, also try to engage with your competitors and ask them about the challenges and opportunities they are confronted with. See what you can learn from them.

Which products are you competing with?

Ethnic groups consciously choose reef fish because of tradition. There is some competition between reef fish products and other traditional seafood products for ethnic groups. Examples of other traditional seafood

products are tuna, mackerel, pomfret, cobia and milkfish.

For restaurants selling reef fish products, there will be a wide range of other seafood products that can compete with these coastal fish species. Think about other exotic fish species like tuna and swordfish, but also non exotic fish species like salmon and seabass. Important factors that influence competition are seasonality, availability, sustainability and quality.

4. What are the prices for reef fish products on the European market?

Consumer prices of different reef fish products in the different European countries give you an impression of the price level in Europe.

Table 2: Examples of consumer prices for fresh and frozen reef fish products in 2019

Country	Segment	Chilled, smoked or frozen	Product description	Price per kilogram (euros)
Netherlands	Ethnic Supermarket	Frozen	Skin - on IQF steaks bulk snapper (100-250 grams) 20% glaze	€10.99/kg
Germany	Metro	Fresh	Skin - on grouper fillet (200 grams)	€31.49/kg
Spain	Pescaderias corunesas	Fresh	All presentation forms. Price based on whole grouper weight	€48.00/kg

Source: Seafood Trade Intelligence Portal, 2020

The price of reef fish species differs a lot between species and presentation form. In the frozen segment there are reef fish species wholesale prices between €2-20/kg. In the fresh markets reef fish prices can go up to €50.00/kg

For red snapper, the colour is an important characteristic that determines the price. The deeper the red colour is the higher the sales prices are.

There is a steady market for reef fish. Prices show minimal fluctuation and prices are not expected to change a lot in the short or the long term.

The margins in the value chain vary a lot depending on product quality. For low-end products, margins can be as low as 5% for each company, with a wholesale margin as low as 10%. For high-end products, these margins can be as high as 20-25% for fishermen and processors, and up to 50% for importers and wholesalers.


In figure 2, you can find the price breakdown pie chart for frozen red snapper fillets from Indonesia

(€20.00-25.00/kg end consumer price). This breakdown shows that 20-25% of the end consumer price goes to the fishermen, 10-15% to the reef fish processor/supplier, 2-3% for transportation to Europe, 10-15% to the European importer and 45-50% to the European wholesaler/retailer.


The study has been carried out on behalf of CBI by [Seafood Trade Intelligence Portal](#).

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