

Global Seafood Market Trends



31st INFOFISH Governing Council Meeting
20-23 December 2016
Kuala Lumpur, Malaysia

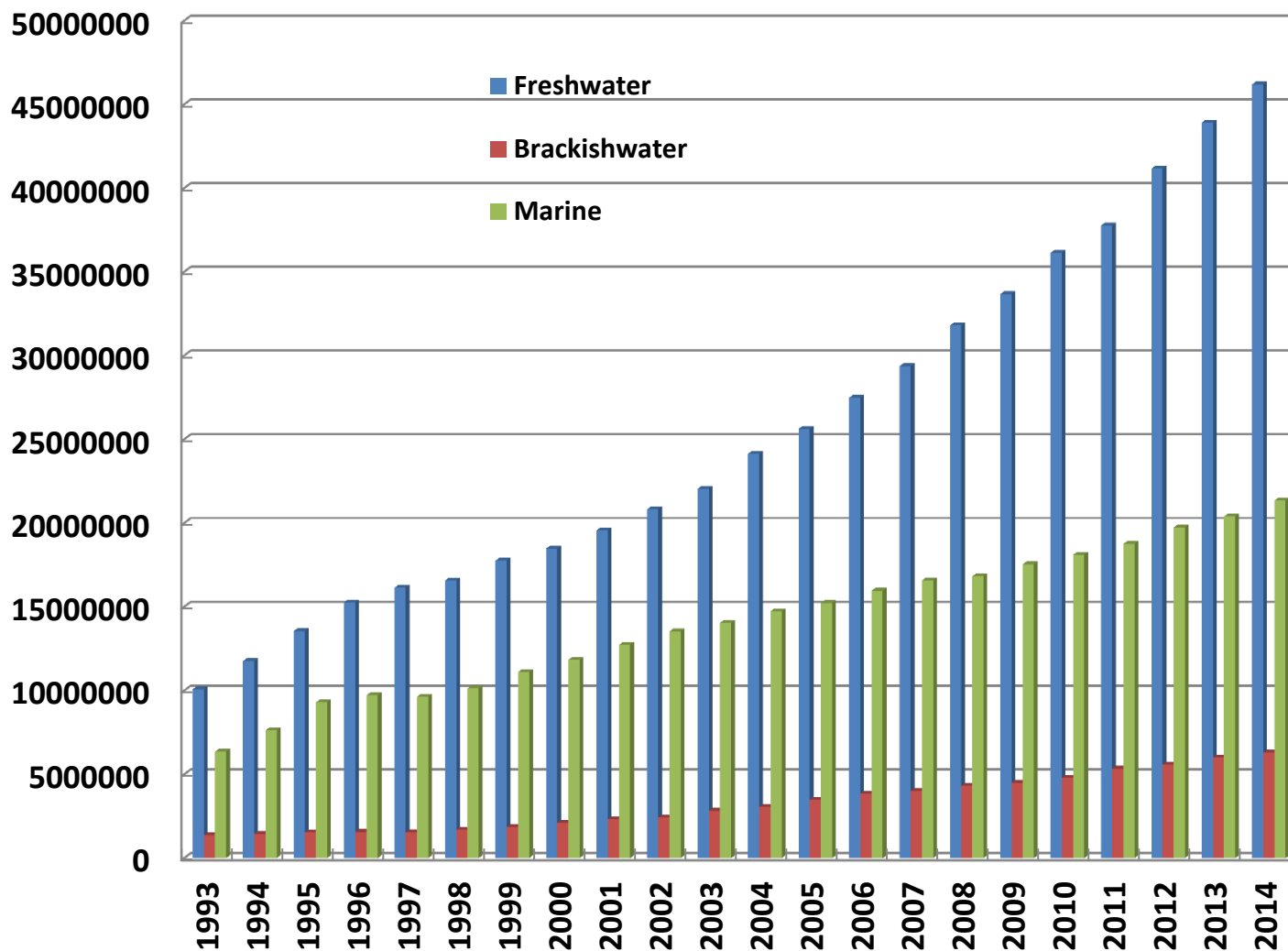




Trends in International Fishery Trade

- Sustained by a strong world consumer demand, global total production of fishery products is forecast to reach 175 million MT in 2016, 2.3%, or 4 million MT, more than in 2015.
- The result of 5% growth in aquaculture production at 81.4 million MT
- Development is very much linked with growth in aquaculture - freshwater fish ...carps, tilapia and catfish.
- Latest forecasts, international trade in fish and fishery products would remain steady, in terms of volumes in 2016 and value following moderate increase in international fish prices
- The global seafood trade and markets have taken to the new directions.
- Major developed markets still suffering from economic slowdown
- Demand is growing and tremendous potential to benefit developing countries, whose share of global exports stand at approx– 54% in value and 61% in quantity
- The EMERGING MARKETS in Asia have considerable growth in fish consumption due to the rising consumer demand and better price

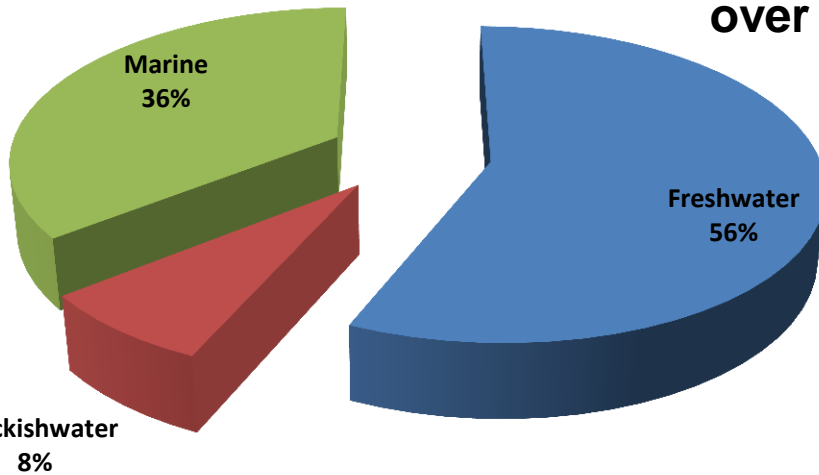
Strong Dominance of Freshwater Fisheries in Global Aquaculture Production of Food Fish (in tons)



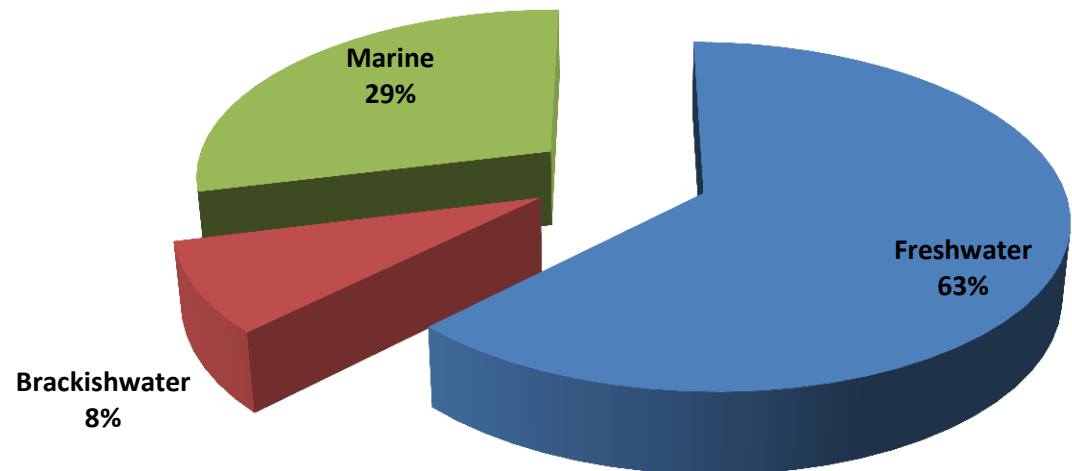


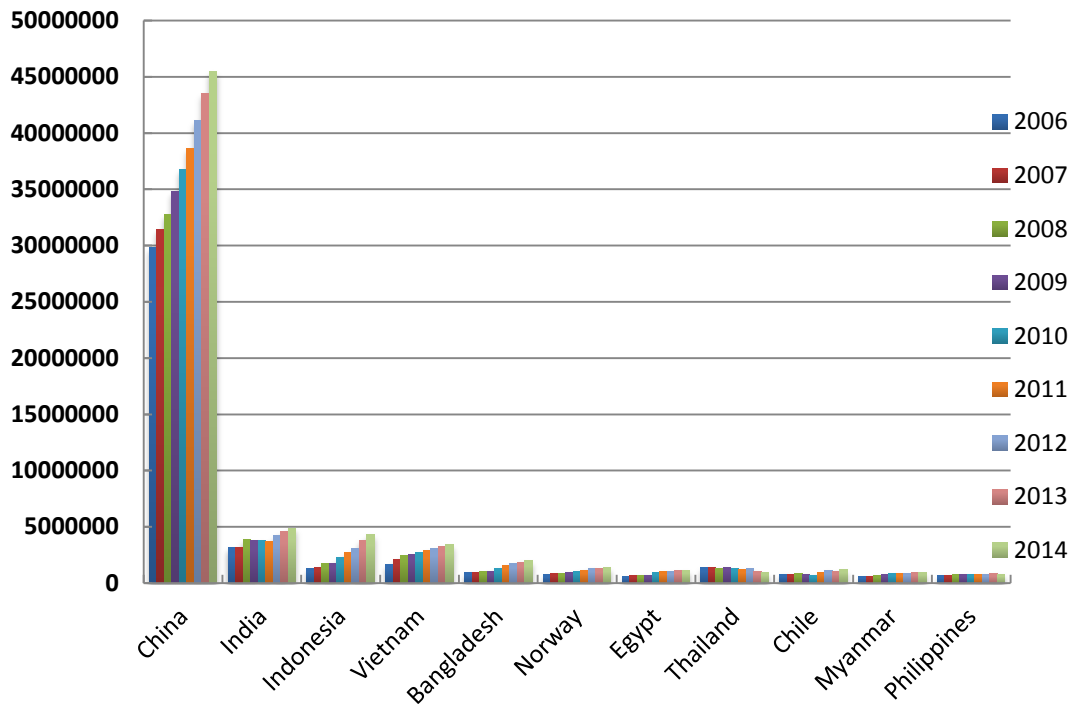
The share of freshwater sector in global aquaculture increased over the years.

1993

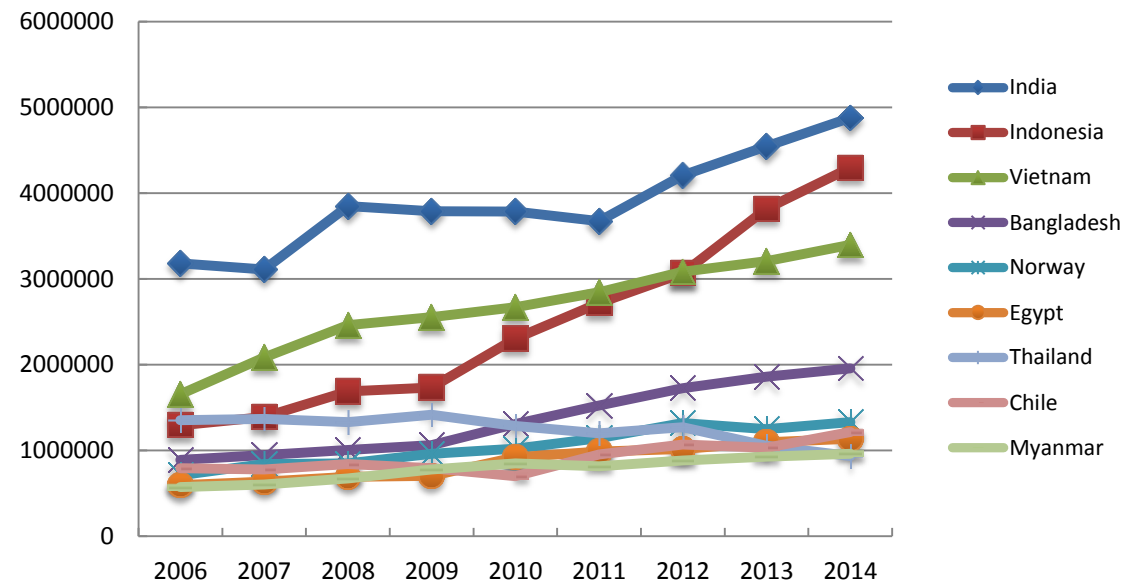


2014

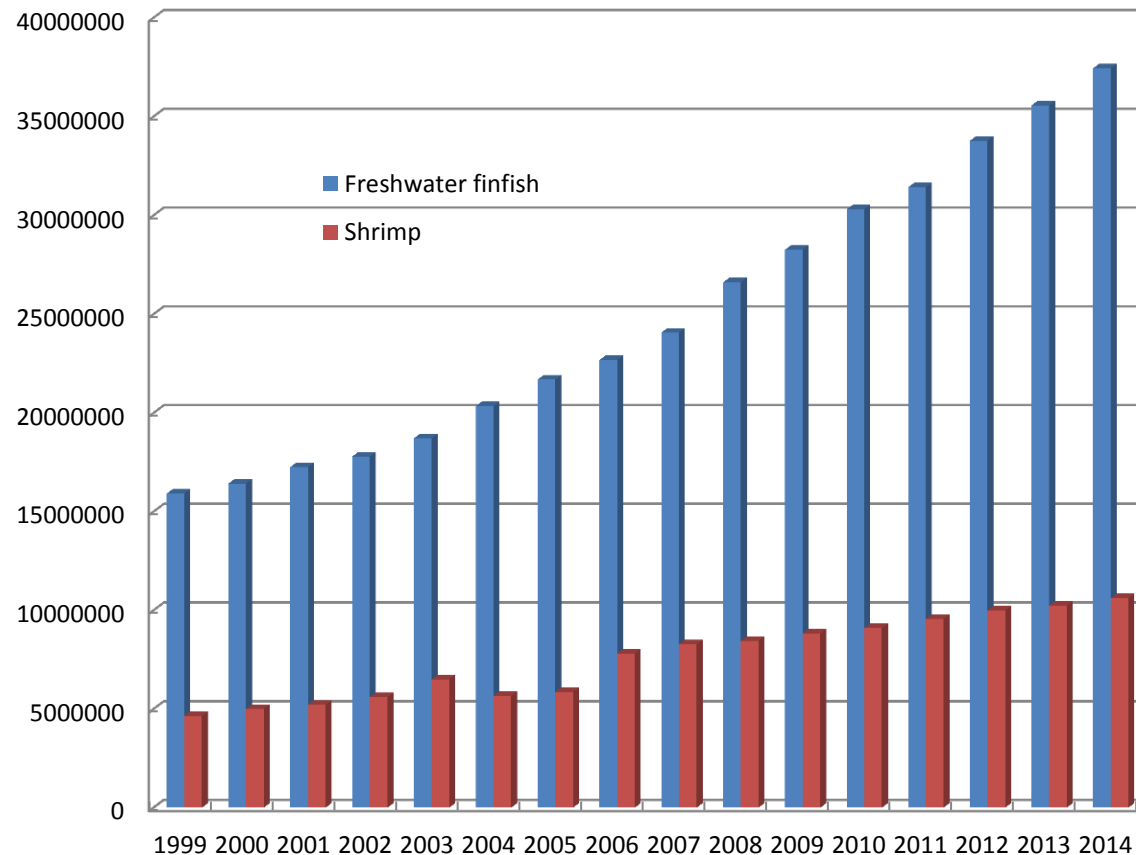




Major Aquaculture Producers



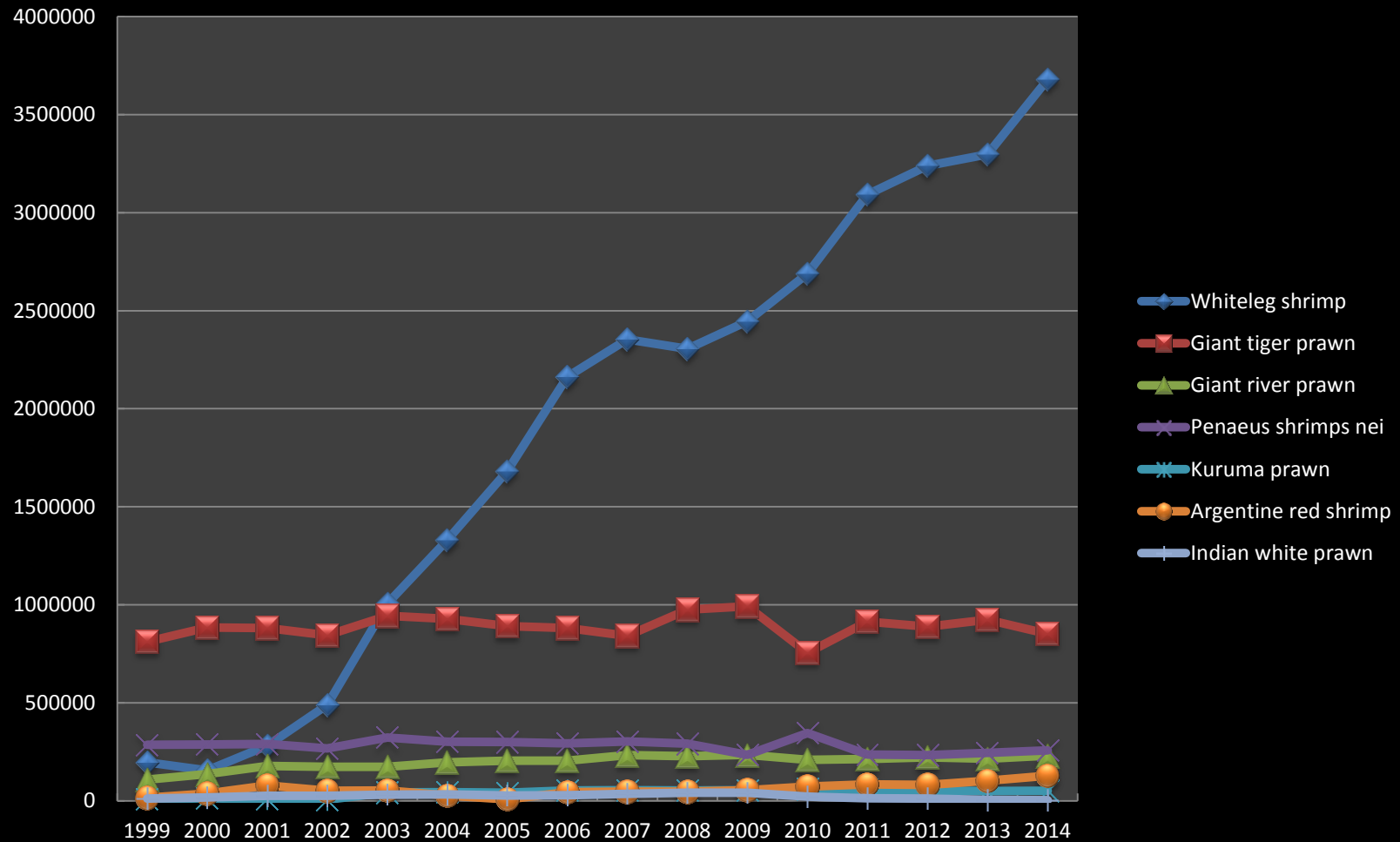
RETROSPECTIVE



In global aquaculture production , the two species groups namely SHRIMP and FRESHWATER FINFISH gained much prominence in the domestic and foreign markets

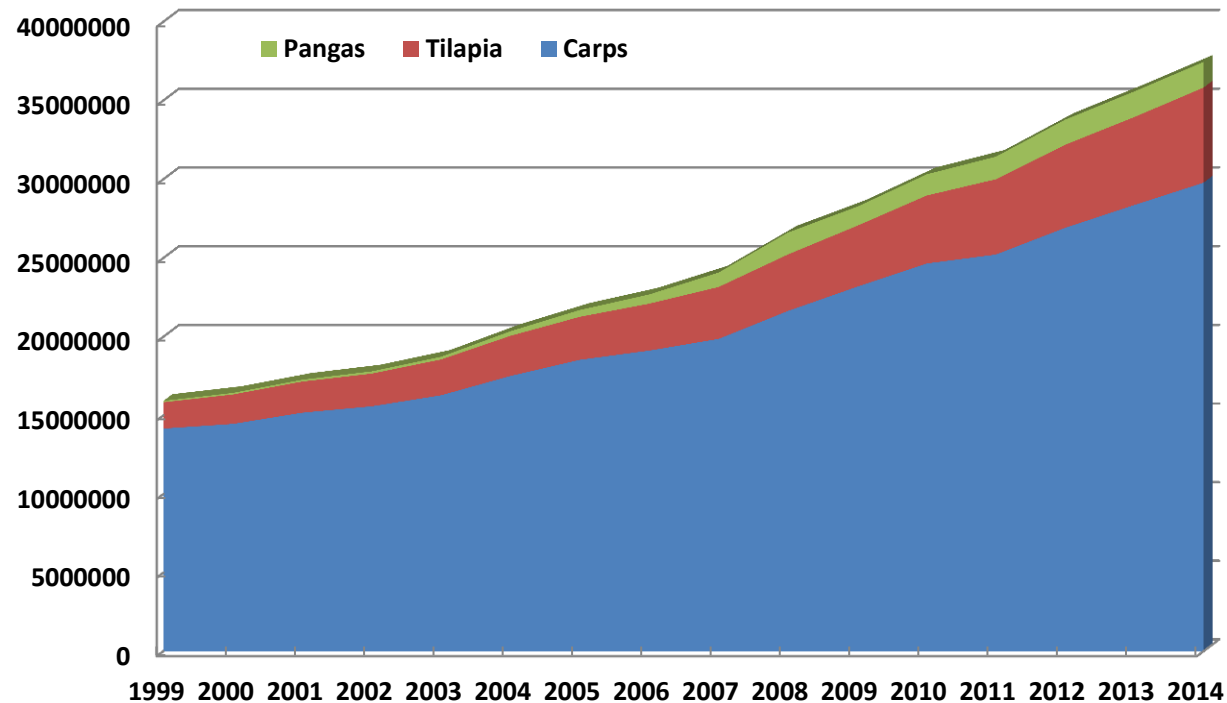


FARMED SHRIMP remains one of the popular high value species, dominated by primarily vannamei supplies from Asia





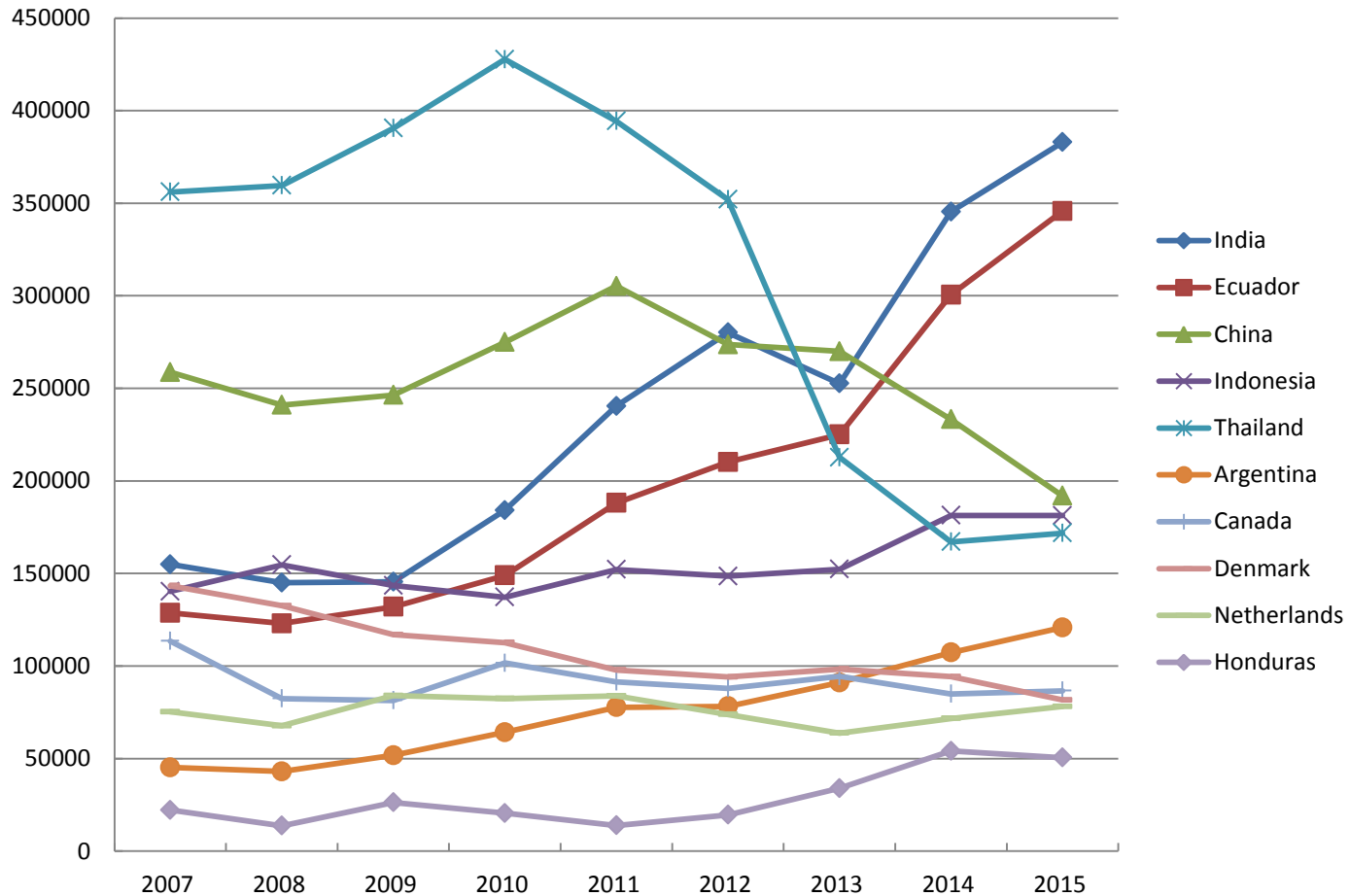
Freshwater aquaculture has been the main drive in **NATIONAL FOOD SECURITY** and foreign fishery trade



- Carps –plays an important role in food security in China and India
- We see that slowly taking shape for the other major freshwater species – tilapia and pangasius
- Demand has been growing worldwide
- Imports growing both in developed and developing countries including in India



Leading Shrimp Exporters





World's Top Ten Fishery Importers (in billion US\$)

| | US\$ billion | | | | |
|----------------|--------------|-------|-------|-------|-------|
| Major Markets | 2011 | 2012 | 2013 | 2014 | 2015 |
| EU (Extra)* | 25.8 | 23.82 | 25.6 | 27.26 | 24.37 |
| Japan | 18.71 | 17.28 | 14.74 | 14.13 | 12.81 |
| USA | 16.6 | 16.52 | 17.8 | 20.08 | 18.54 |
| China | 7.5 | 5.64 | 6.1 | 6.83 | 6.55 |
| South Korea | 3.83 | 3.62 | 3.54 | 4.13 | 4.22 |
| Hong Kong | 3.51 | 3.3 | 3.07 | 3.34 | 3.28 |
| Thailand | 2.69 | 3.95 | 3.13 | 2.71 | 2.47 |
| Russia** | 2.57 | 2.56 | 3.2 | 2.92 | 1.58 |
| Canada | 2.64 | 2.48 | 2.63 | 2.78 | 2.5 |
| Australia | 1.34 | 1.46 | 1.53 | 1.62 | 1.33 |
| World Total | 129.8 | 129.1 | 136.4 | 143.9 | |
| (incl. others) | | | | | |



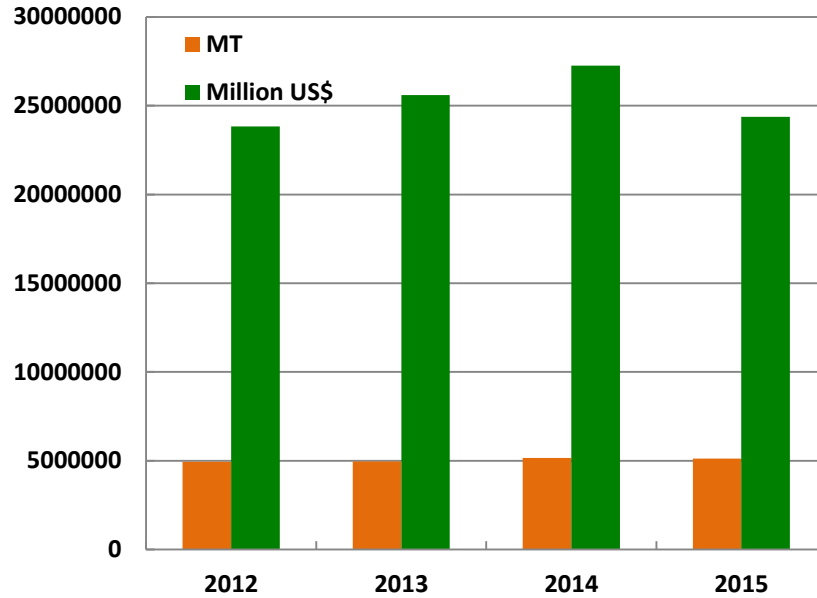
World's Top Ten Fishery Exporters (in billion US\$)

| Country | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|-------|-------|-------|-------|-------|
| China | 16.97 | 18.01 | 19.19 | 20.58 | 19.38 |
| Norway | 9.23 | 8.74 | 10.14 | 10.56 | 8.84 |
| Vietnam | 6.11 | 6.13 | 6.72 | 7.80 | na |
| Thailand | 8.42 | 7.97 | 6.81 | 6.33 | 5.38 |
| USA | 5.12 | 5.45 | 5.56 | 5.73 | 5.54 |
| India | 3.25 | 3.35 | 4.54 | 5.50 | 4.76 |
| Chile | 4.41 | 3.78 | 4.36 | 5.22 | 4.31 |
| Canada | 4.14 | 4.14 | 4.25 | 4.47 | 4.64 |
| Indonesia | 3.18 | 3.58 | 3.82 | 4.23 | 3.29 |
| Denmark | 3.87 | 3.59 | 4.03 | 4.16 | 3.70 |

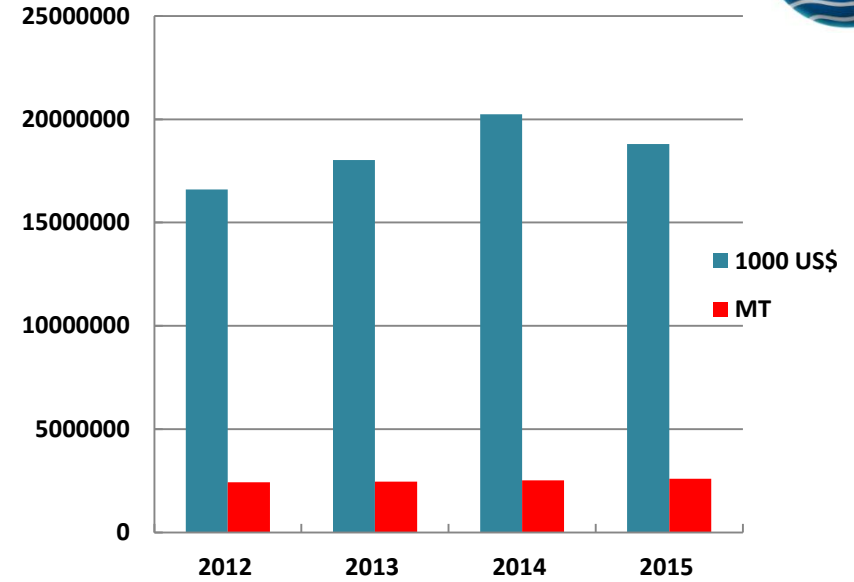
IMPORT TRENDS IN MAJOT MARKETS



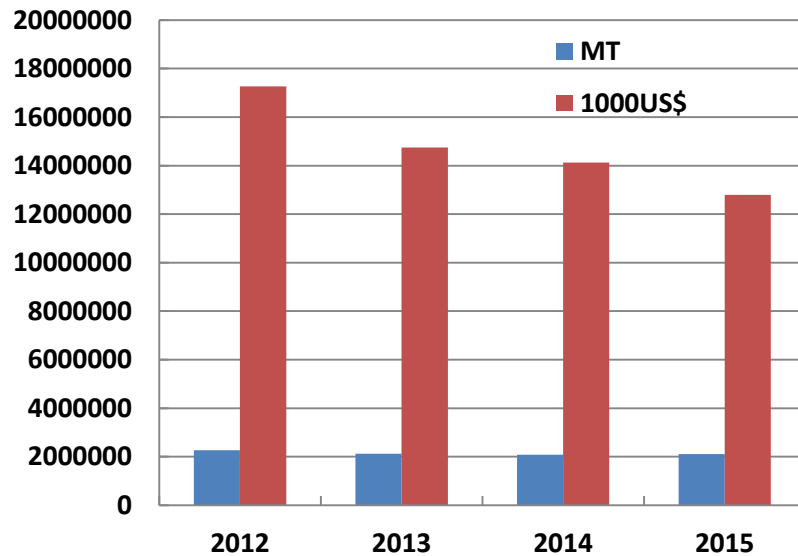
EU External trade



USA

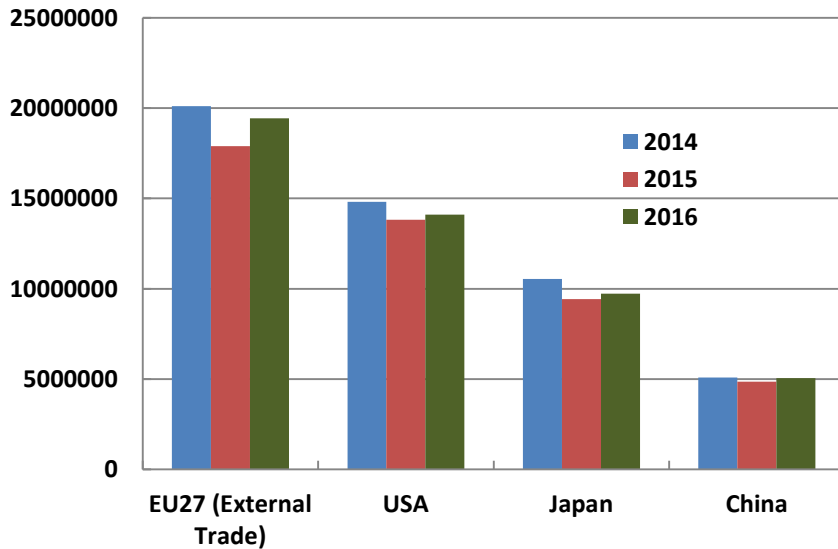


JAPAN

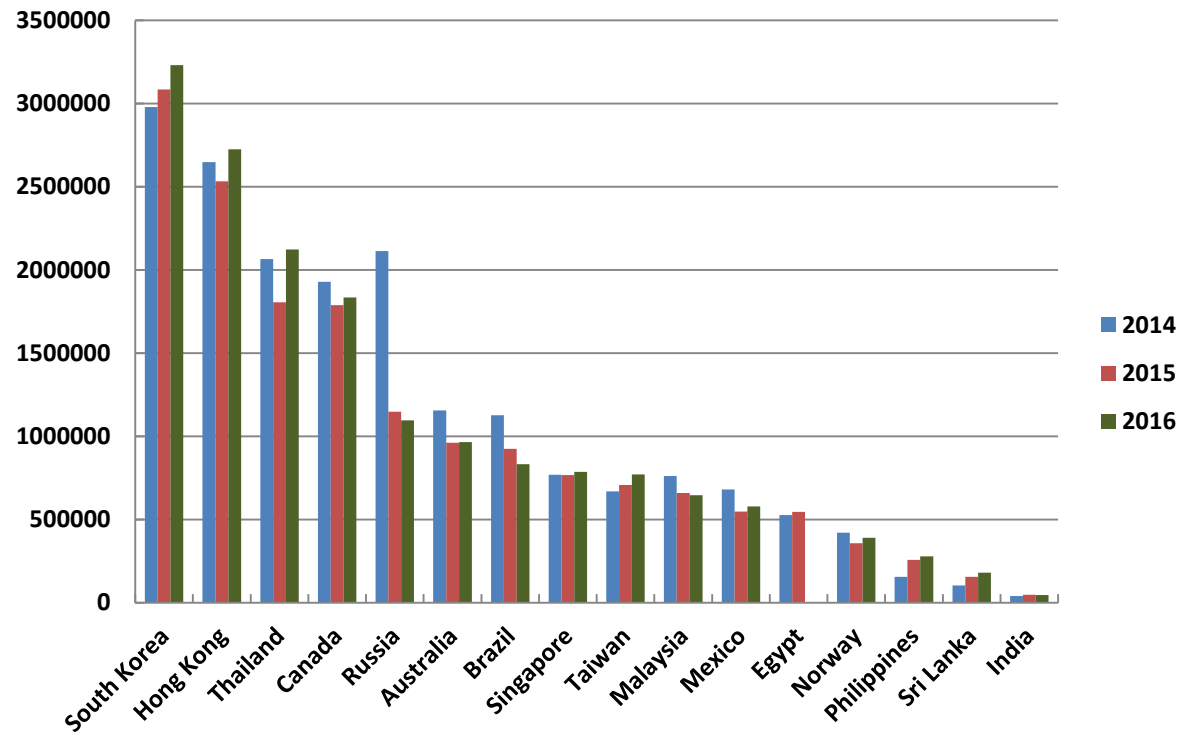




In 2016, markets recover



Imports January – September (Mill US\$)

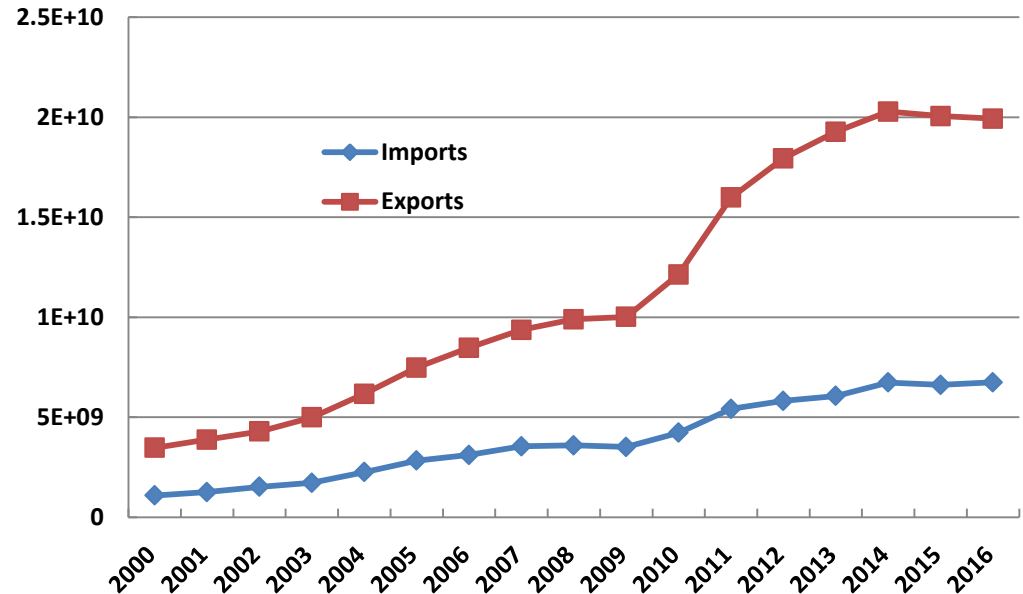


CHINA



- » A reprocessor, has become the main market driver in the recent years
- » Fastest growing import market where fishery imports in 2015 US\$6.5 billion.
- » Chinas booming economy and increasing consumer demand continue to open new opportunities for seafood exporters globally.
- » Realizing that China cannot produce enough products to feed the growing demand, it will inevitably need more imports to meet domestic demand

Fishery Trade (Jan-Sept)

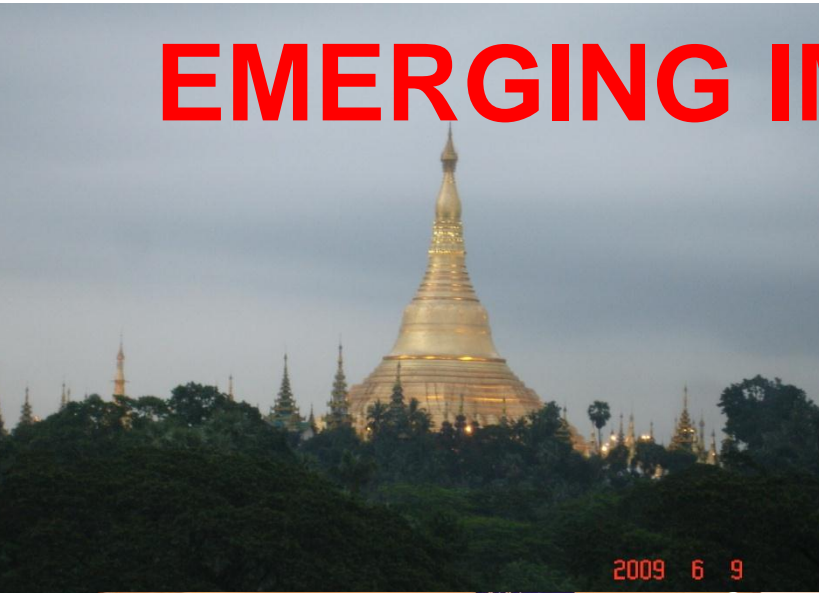


Leading Suppliers in Ranking

1. Russia
2. USA
3. Taiwan
4. Norway
5. Japan
6. Peru
7. Canada



EMERGING IMPORT MARKETS



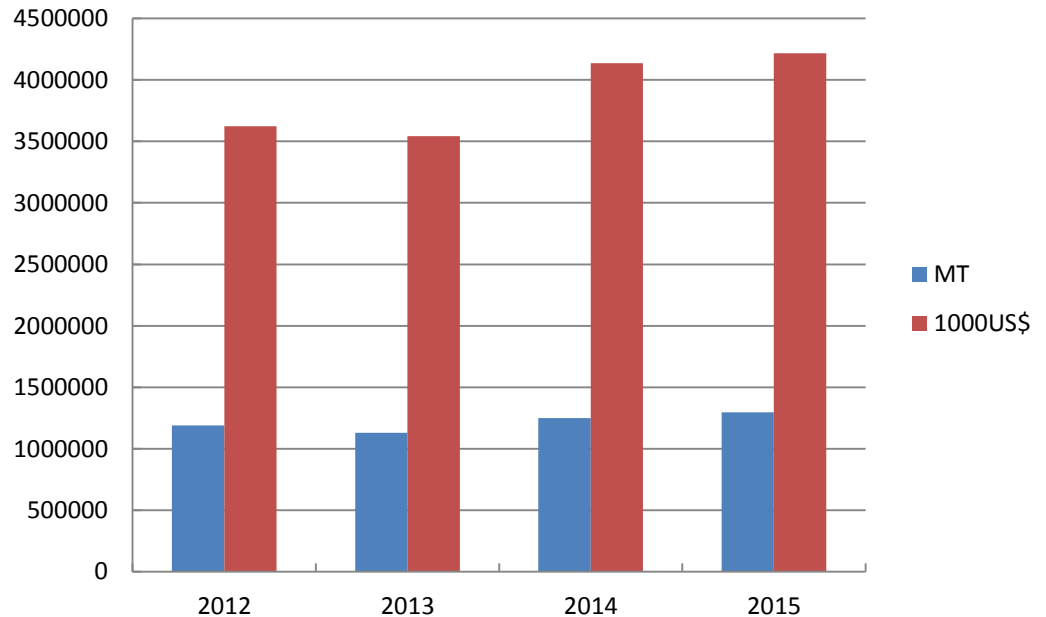
Many are touching US\$ 1 billion import bill in the developing world





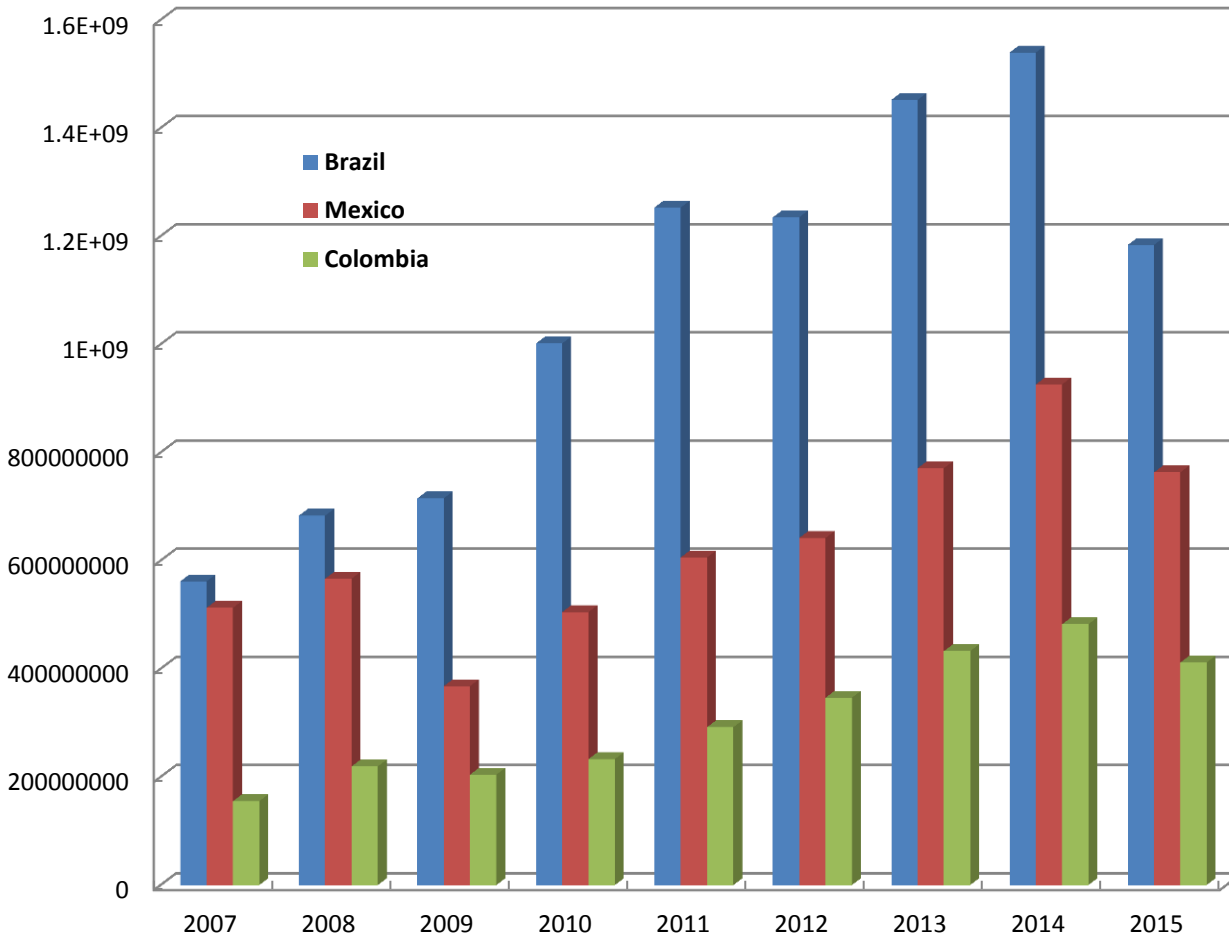
SOUTH KOREA

- South Korea was the 11th largest economy in 2006 with US\$ 24500 per capita GDP and 4.5 % economic growth in 2007.
- There was a 52% growth in fishery imports to 4.21 billion in 2015 compared with 2006 and nearly 2% growth from 2014 to 2015
- One of the top four importers of fishery products from Vietnam
- Thailand also an important exporter to this market - ASEAN Thailand – under negotiation





Emerging Markets in Latin America



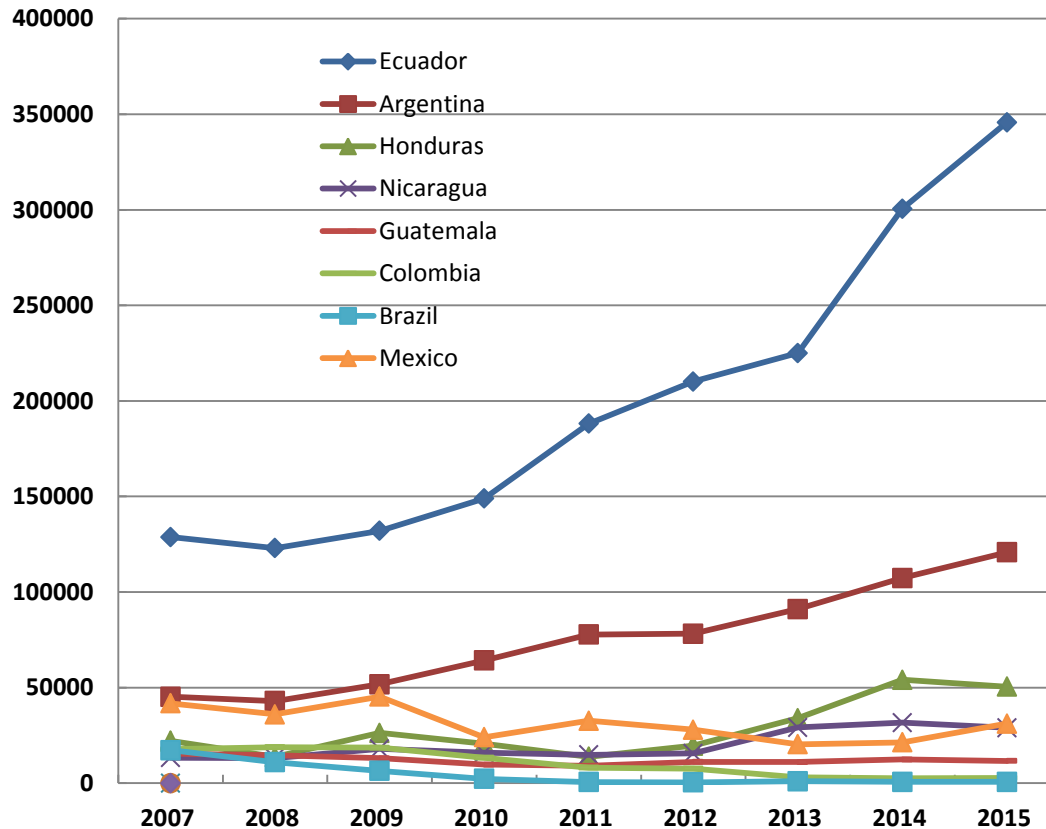
•Fishery imports in Brazil stands at US\$ 1.5 billion in 2010

•Mexican food fish imports are also growing @US\$ 925 million in 2014

Significant increases freshwater fish namely tilapia and pangasius

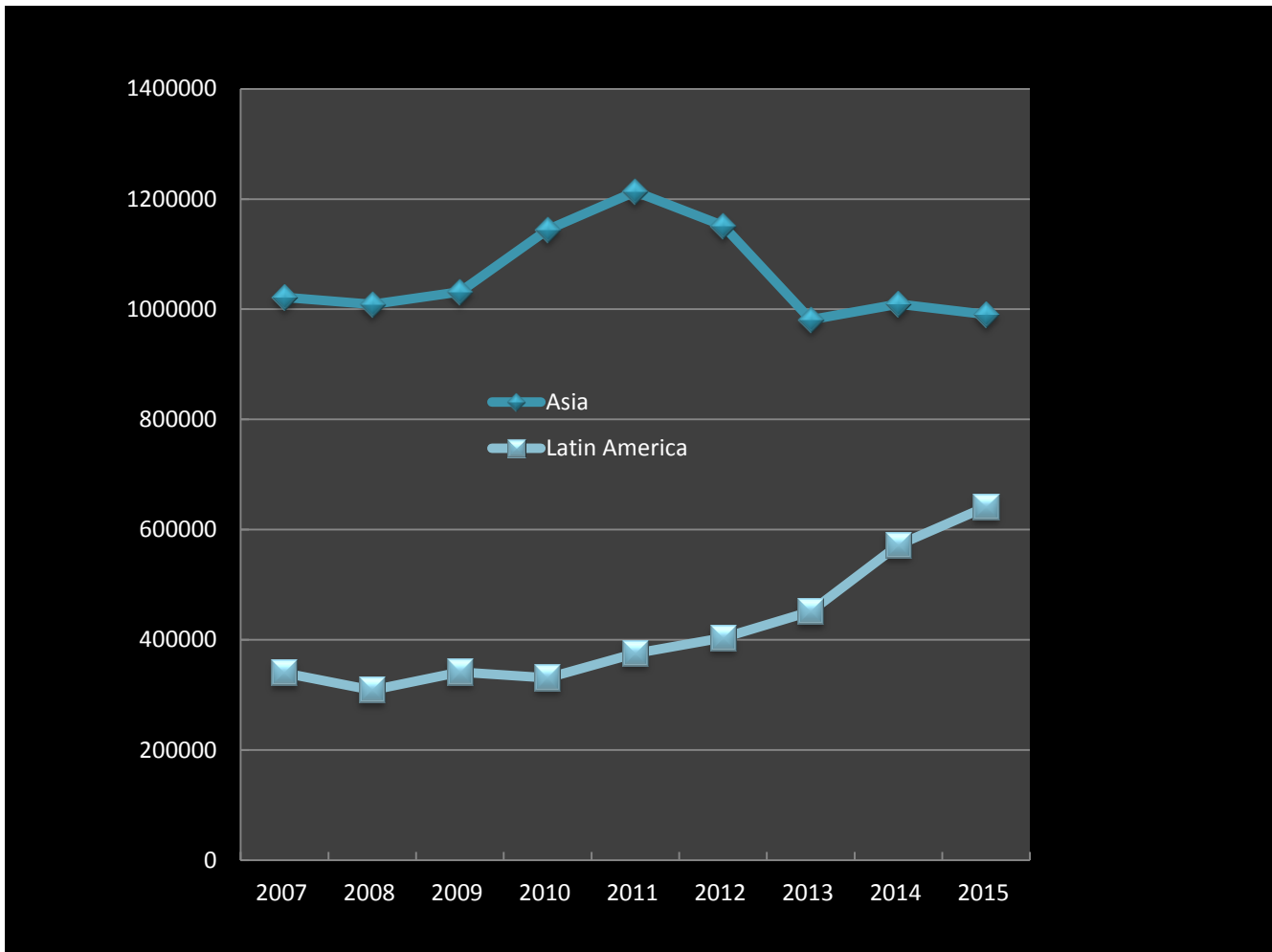
China and Vietnam the leading producers

Latin America



- LA shrimp exports have been increasing largely dominated by Ecuador and Argentina
- Exports to the EU has been on the decline
- New markets are sought
- Guatemala also moving from Europe to Asia eg Taiwan since prices offered are better

Shrimp Exports: Latin America vs Asia



- The largest exporter in Latin America, Ecuador recorded nearly 10% higher shrimp export value and 12% more in quantity from 2011.

Latin America benefits from the Asian dilemma.....

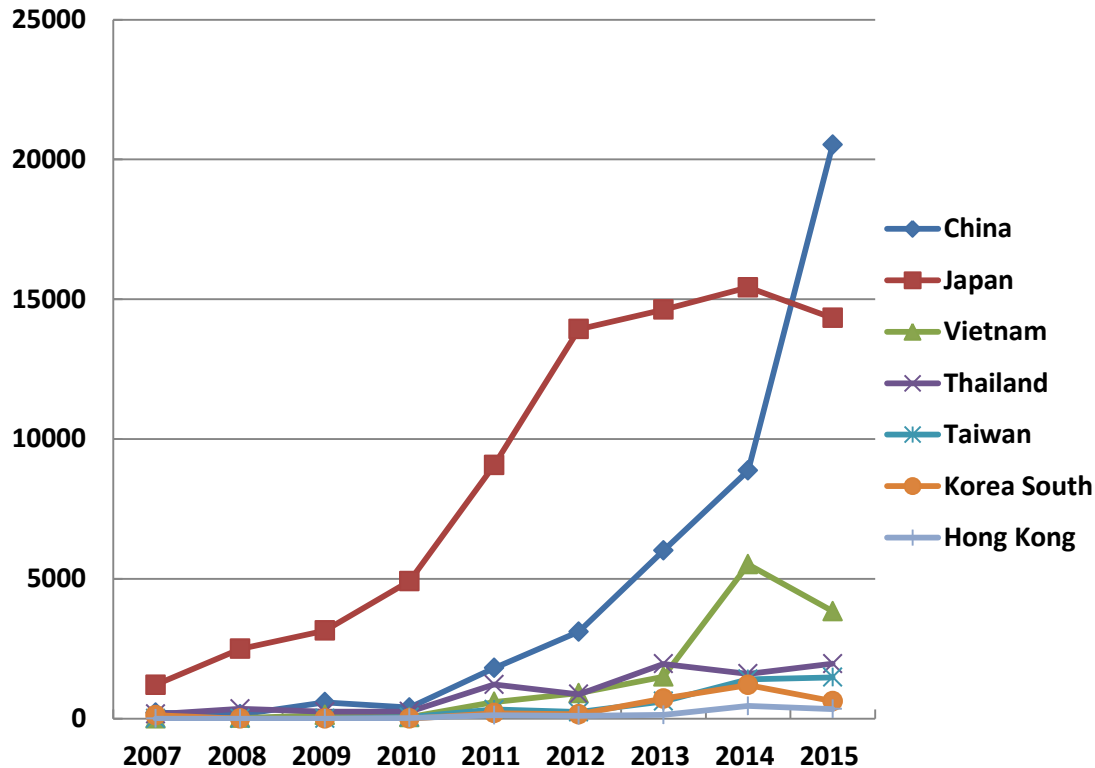
Ecuador shrimp exports to Asia



- Exports increasing to Vietnam, China as raw material for re-processing
- Exports increase to Japan, South Korea since due to shortage from Asian producers

Latin America benefits from the Asian dilemma.....

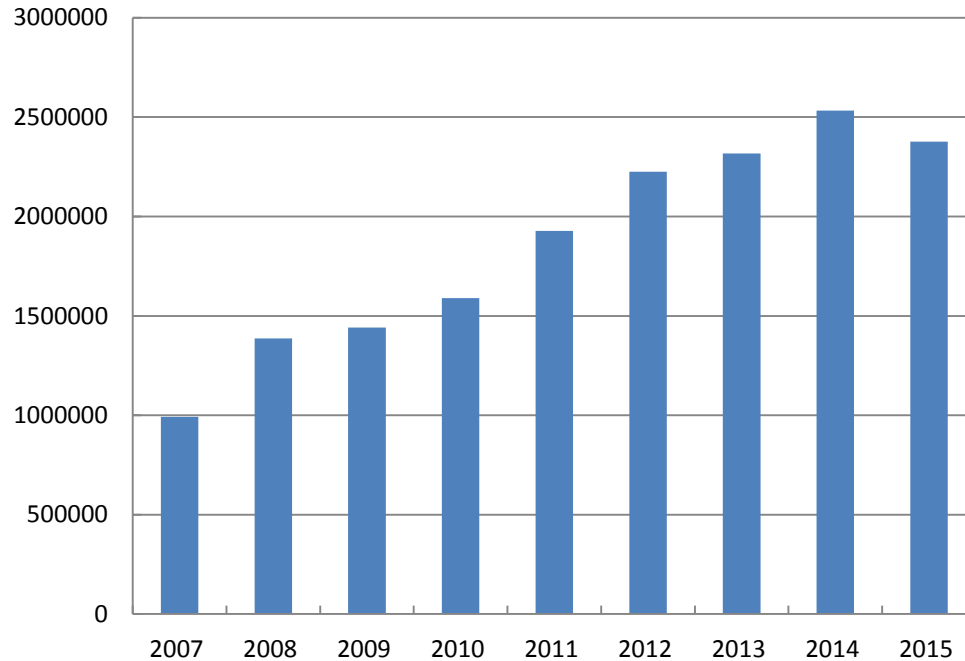
Argentinean Exports to Asia



- Also known as sea-bob popular in Japan.
- Imports in to Japan has increased significantly



Emerging Markets – Africa



- **Over nearly a decade, fishery imports more than doubled in the African markets, totalling 4 million tons and > US\$ 5 billion in 2015**
- The leading importers in terms of volume were Nigeria, Ghana, Cote d'Ivoire, Egypt, Cameroon, Mauritius, South Africa, Congo DR, Benin, Angola, Burkina Faso, Morocco



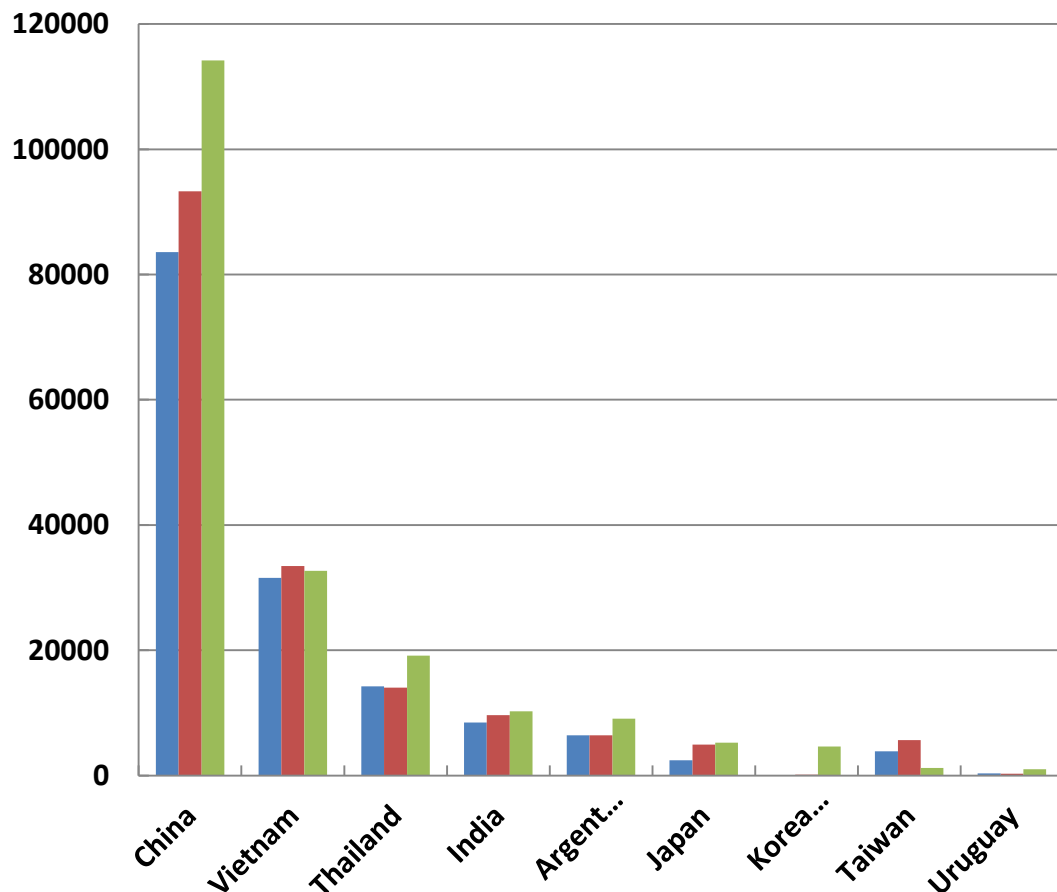
- **Imports increased significantly from Asian sources**
- **Primarily canned fish, frozen fish and shrimp**
- **Canned sardines and tuna has increased significantly as suppliers like Thailand diversify their markets with the stagnating demand in the US**
- **Frozen fish: Freshwater fish-particularly tilapia has become popular in most of African markets – mostly from China**
- **Interestingly some these markets pay a higher price for whole frozen tilapia compared to traditional markets like the US**
- **Chinese are diverting more whole tilapia to Africa**

Opportunities: Middle East...



- The Gulf Cooperative Council (GCC) - some of the fastest growing economies in the world with more than 37 million residents located in Saudi Arabia, the United Arab Emirates (UAE), Oman, Bahrain, Qatar and Kuwait.
- The GCC imported US\$995.5 million worth of fish and seafood products from the world in 2014, an increase of 21.4% from 2013.
- Supply of fish and seafood products is diverse and is imported from over 50 countries.
- The top suppliers in 2014 were India with a 30.6% market share, Thailand (22.7%), and Indonesia (7.0%).
- Main seafood imports are canned tuna, shrimp, frozen fish, snapper, lobsters

Russia: Seafood Imports increasing from Asia (2013-2015) - tons



- Annual seafood imports worth over US\$ 3 billion each year
- Import ban imports from a number of major western producing countries could have significant effects on the structure of the global market for as long as it remains in force
- Imports into Russia have already increased from Asia and from Latin America.

ASIA –Hub of Emerging Markets



- Asia now has become a hub of emerging markets.
- Many of these markets have developed as lucrative to seafood marketers in the US and Europe including for high value products.
- Over the last few years, demand for foodfish including imports showed steady growth in these markets, when in many traditional western markets the growth rates were negative.
- Demand is also rising in many medium and small scale import markets such as in India which is traditionally not considered a fish eating nation.

Supply of higher value imported fish



- Recent years, fishery import value has been increasing.
- Besides increasing fish prices, higher imports of high value fishery products mainly of coldwater species.
- Focus on popular imported products: Salmon, bivalves, cod, lobster & pangasius fillet.
- Imports of pangasius catfish fillet increased over the past decade by 810%.



HIGH VALUE FISH IMPORTS ON THE RISE



- Most of the supermarkets sell Atlantic salmon, cod, pollack fillet; while the seafood restaurants boast serving “exotic American lobster, Norwegian salmon, Alaskan Pollack and Dungeness crab or King crab from Alaska and Russia.
- To their patrons their high price is not a concern and their number is rising.
- However, increasingly consumers are also purchasing these products for home cooking
- Popularity of television shows dedicated to cuisines around the world such as the *Asian Food Channel* has also influenced consumers’ taste buds hence encouraging them to purchase high value fish products including sustainable products
- Marine finfish such as groupers, seabass, snappers, abalone, sea cucumber are the higher value aquaculture products with growing demand



High value products taking more shelf space in supermarkets





----Atlantic mackerel sells at higher price but import demand is growing due to the 'Omega 3' factor

Asian mackerel



Atlantic mackerel







Seafood Promotion regular..in some supermarkets..Korean and Japanese





Consumers willing to pay premium prices for quality products



| Live seafood | RM/kg | US\$/kg |
|--------------------------------------|----------|---------|
| Silver Pomfret | 65 | 15 |
| Wild Sea Grouper | 185 | 43 |
| Black tiger | 115 | 54 |
| California geoduck | 268 | 62 |
| Giant Boston Lobster | 278 | 64 |
| Canada Geoduck | 470 | 109 |
| Pangasius | 115 | 27 |
| Red tilapia | 65 | 15 |
| Leopard Coral Grouper (ong sing) | 313 | 73 |
| Humphead wrasse (soo mei) | 570 | 133 |
| Squairetail coral grouper (soi sing) | 243 | 57 |
| Australian abalone (L) | 73/piece | 17/pc |
| Flower crab | 65 | 15 |
| Scotland scallop | 181 | 42 |
| Indonesian Meat Crab | 115 | 27 |



Development targeting high value products and “halal” market ---



JAL AND JAPAN POST COOPERATE TO OFFER TRIAL EXPRESS MAIL SERVICE (EMS)

Written by Japan Airlines | Wednesday, 30 January 2013 17:15 | font size ☐ ☐ | Print | Email

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JAL

Japan Airlines (JAL) and Japan Post Co., Ltd. (Japan Post) will begin cooperating to offer “Cool EMS” - a new international speed post service of small, temperature-sensitive parcels from Japan to addresses in Taiwan and Singapore during this trial period of April 1, 2013 - March 31, 2014.

Japan is well-known for the superior quality, safety and freshness of its foods and with the number of visitors to Japan increasing over the years, demand in other parts of Asia for the country's food and culinary ingredients such as fruits and other agricultural produce, Japanese raw fish (sashimi) and other seafood, as well as its regional specialties, have been on the rise. Most people seeking fresh Japanese food outside of Japan are limited to selections available at local supermarkets, or supplies that they had brought back as souvenirs from a visit to Japan. Direct delivery of such temperature-sensitive perishables in amounts for personal consumption has not been an option until now. Meeting the growing demand of non-Japanese overseas and of Japanese nationals abroad for such fresh Japanese fare, Cool EMS was created to provide the perfect solution of transporting foodstuffs from Japan at optimum temperatures to ensure that its reputable freshness and safety standards are maintained.

and Japan Post C...

- “Cool EMS”, a new international speed post service of small parcels of perishable products from Japan to Taiwan and Singapore.
- Demand for the country's high quality fresh products, including *sashimi*, has been increasing from Asia.
- The target is mainly visitors to Japan who bought fresh food products from Japan as souvenirs or for their own use.
- *Nakamura Air Express Co.* which handles airfreight shipments of seafood and other food products have acquired “*Halal certificate*” from *Malaysia Halal Cooperation* for its warehouse in Narita Airport.
- With the halal certificate the company hopes to expand its markets in the Muslim world.
- Japanese fish exports rose 20% in volume and 18% in value in 2015
- High amount of mackerel, sardine, tuna
- 80% exports went to Asian countries: China, Thailand, Vietnam, South Korea, Philippines, HK, Malaysia

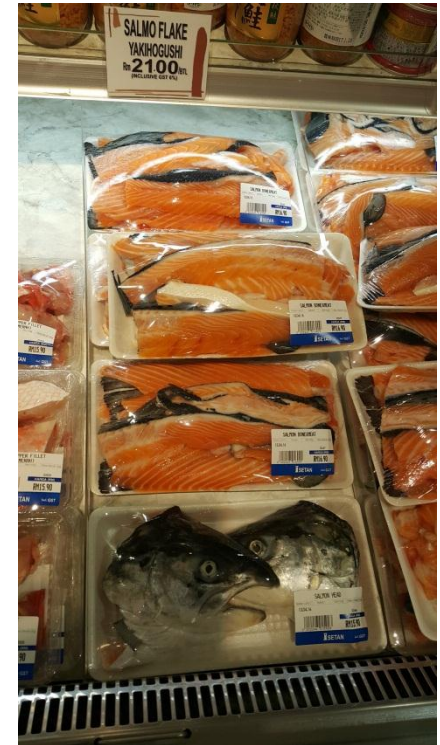
In this part of the world...nothing goes to waste!



Salmon head



Salmon bones and meat





- The effect of the economic turmoil on the traditional markets have resulted in changes in the market and created new seafood markets
- **Many are touching US\$ 1 billion import bill in the developing world**
- Robust economic growth, rising disposable income, changing consumers lifestyle along with the strong preference for seafood
- Strong domestic and regional demand in Asia, Latin America, Africa
- World's fastest growing economies are located – China, India, South Korea-- which are increasingly becoming the drive to the global economy



Consumer/Markets ...



- The purchasing power of developed countries is not as strong as in Asia
- Growing health consciousness
- Consumers are looking for safe products, no antibiotics
- Increasing demand for wild caught, organic
- Availability of certified seafood is low



- China will remain a major focus as producer, consumer and import market. Government efforts to increase income of rural and urban areas - more imports be required
- India is expected to emerge as a large market - but with slower growth. The rising middleclass - currently more than 350 million, is contributing to the increasing personal spending offering diverse opportunities for market expansion
- Business opportunities are seen in the immediate neighbours – not just in traditional seafood markets far away
- FTAs have and will continue to facilitate market growth faster than the global average.
- Population of nearly 4 billion, where 28% of the world's middle class population, Asia is increasingly dominating global fishery supply as well as demand – indeed the fastest growing emerging market area



Global Fishery Trade

Major Exporters and Importers of Fish and Fishery Products

