

The Chinese Seafood Market



Opportunities and challenges for global seafood exports

Carson Roper
Independent Consultant
IISS 2020, Cochin, India

The Chinese market at a glance

Population of 1.435 billion¹

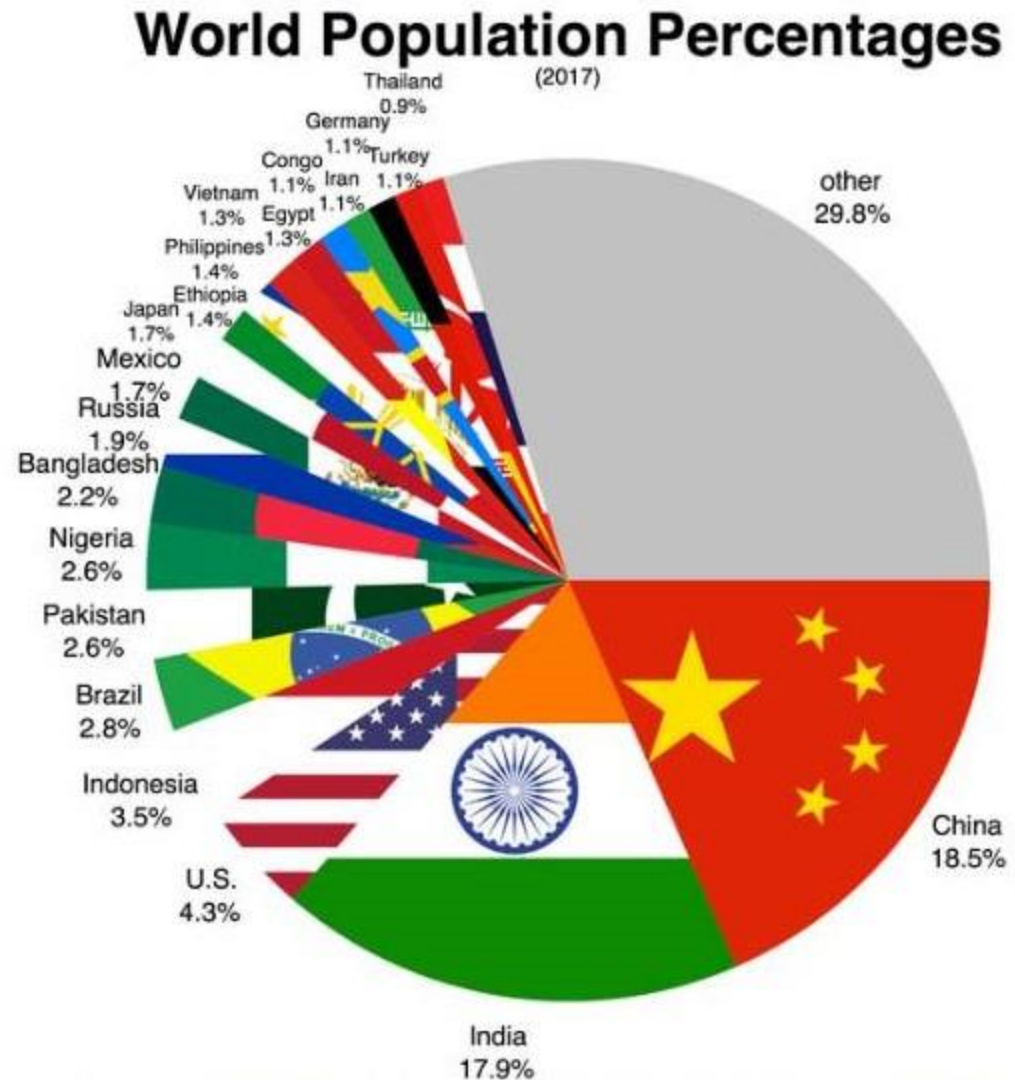
机会 or 挑战

危机



The Chinese market vs. the world²

If we go by population
China is the
world's
largest
market...

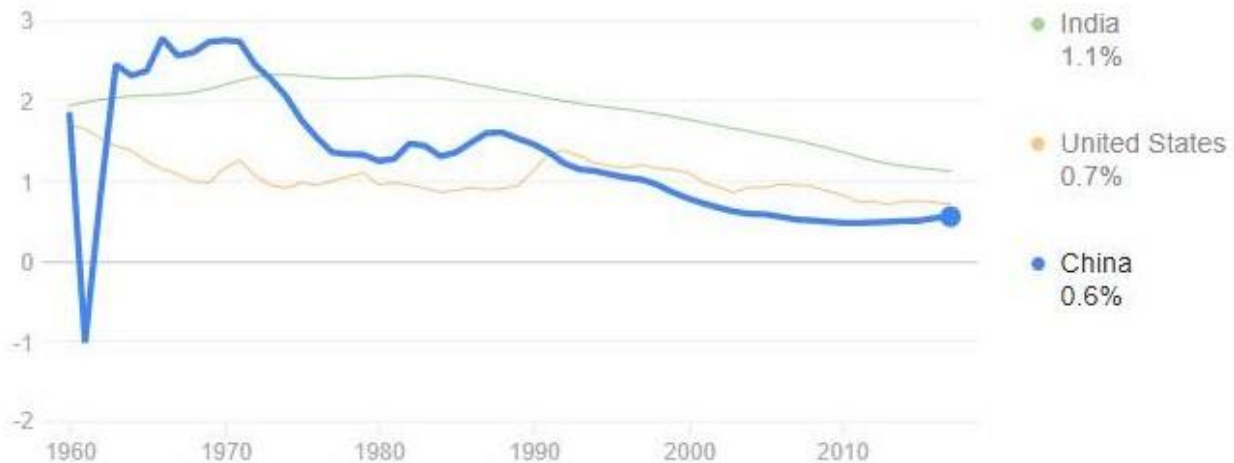


The Chinese market growth rate³

The UN “2017 Revision of World Population Prospects” forecasts that in 2024 India will surpass China in population...

China / Population growth rate

0.6% annual change (2017)



[Explore more](#)

Sources include: World Bank



The Chinese market location⁵

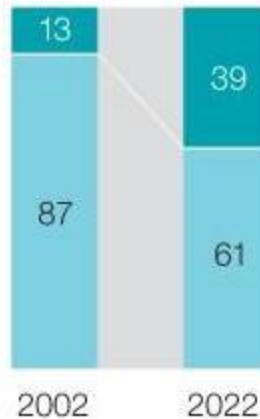
The geographic center of middle-class growth is shifting.

Share of middle class,¹ by geography, %



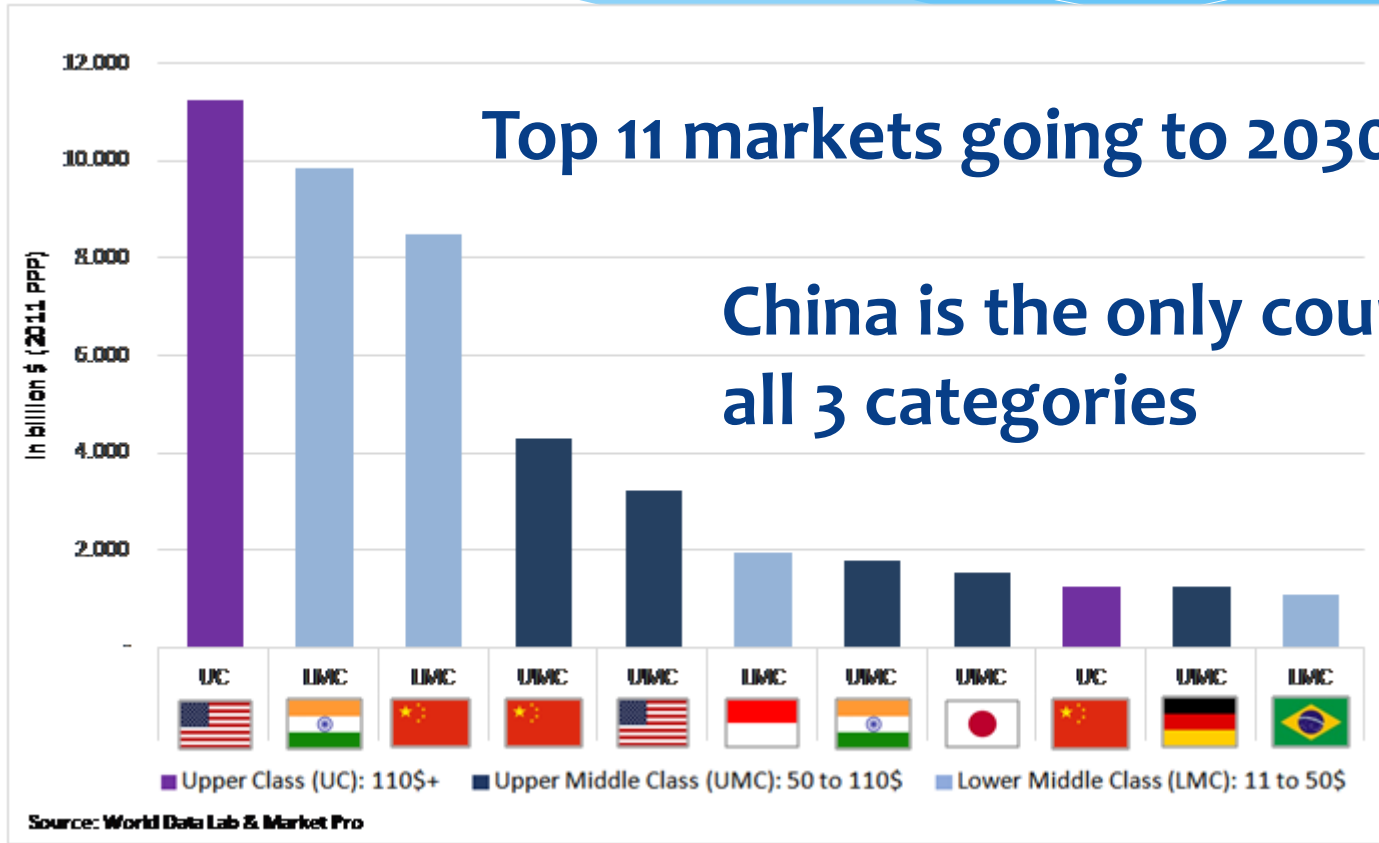
Inland China

Coastal China



Tier 1, 2 & 3 Cities

2030 Chinese market vs the world⁶



Chinese GDP Growth⁷



Chinese economic growth slows

Year-on-Year GDP has fallen to its lowest since 1992

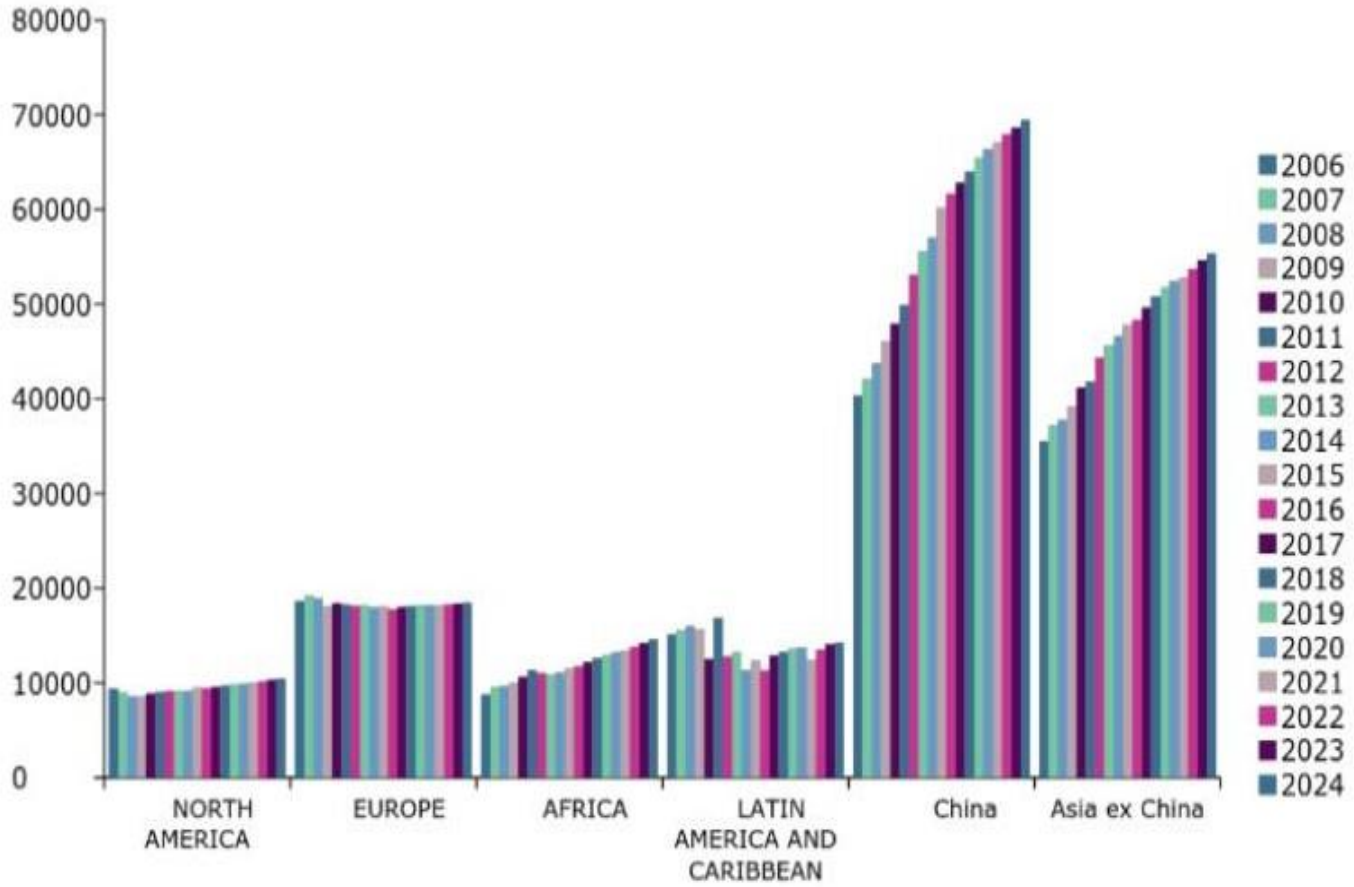


Source: China's National Bureau of Statistics

BBC

Outlook for seafood to 2024⁸

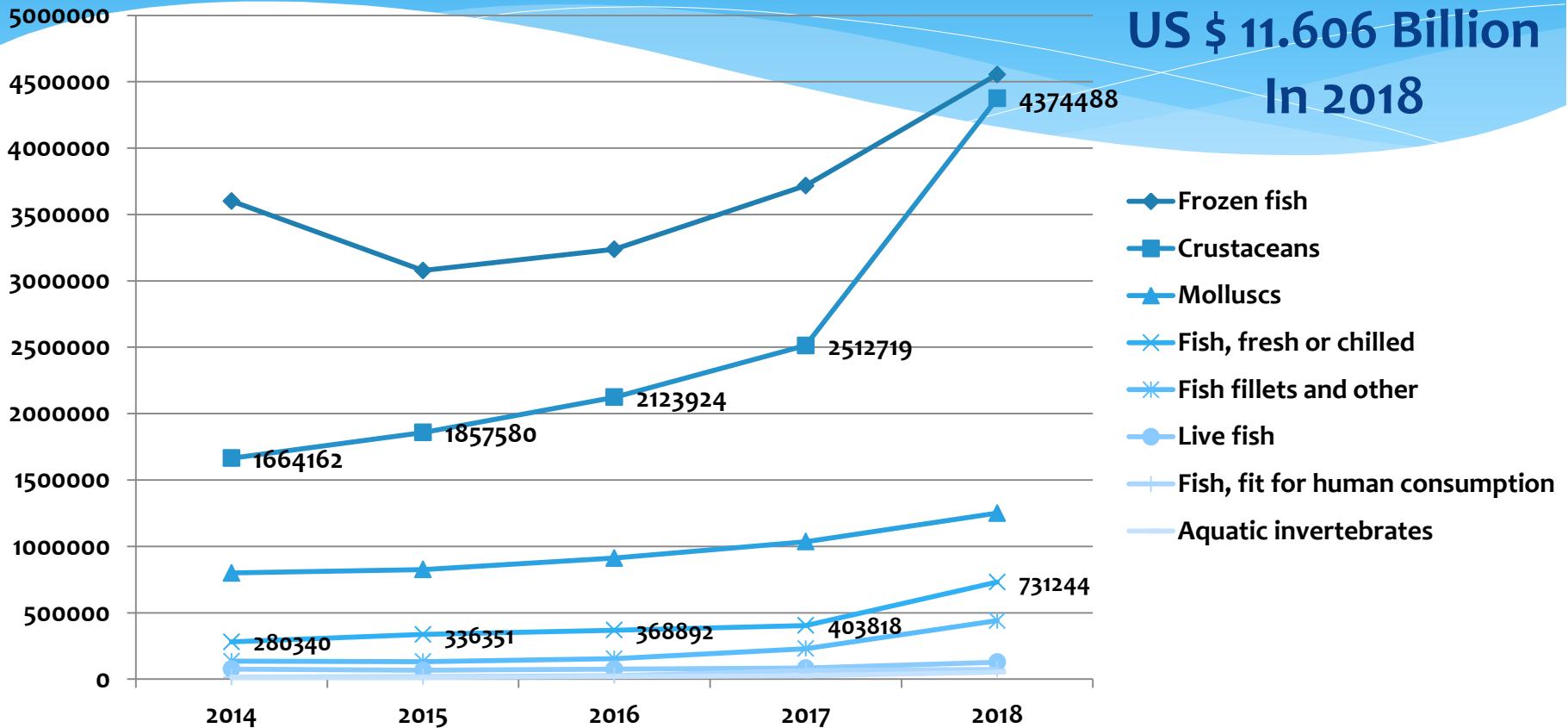
OECD outlook on the Fish consumption per region world wide (in MT)





Chinese seafood market - imports

**US \$ 11.606 Billion
In 2018**

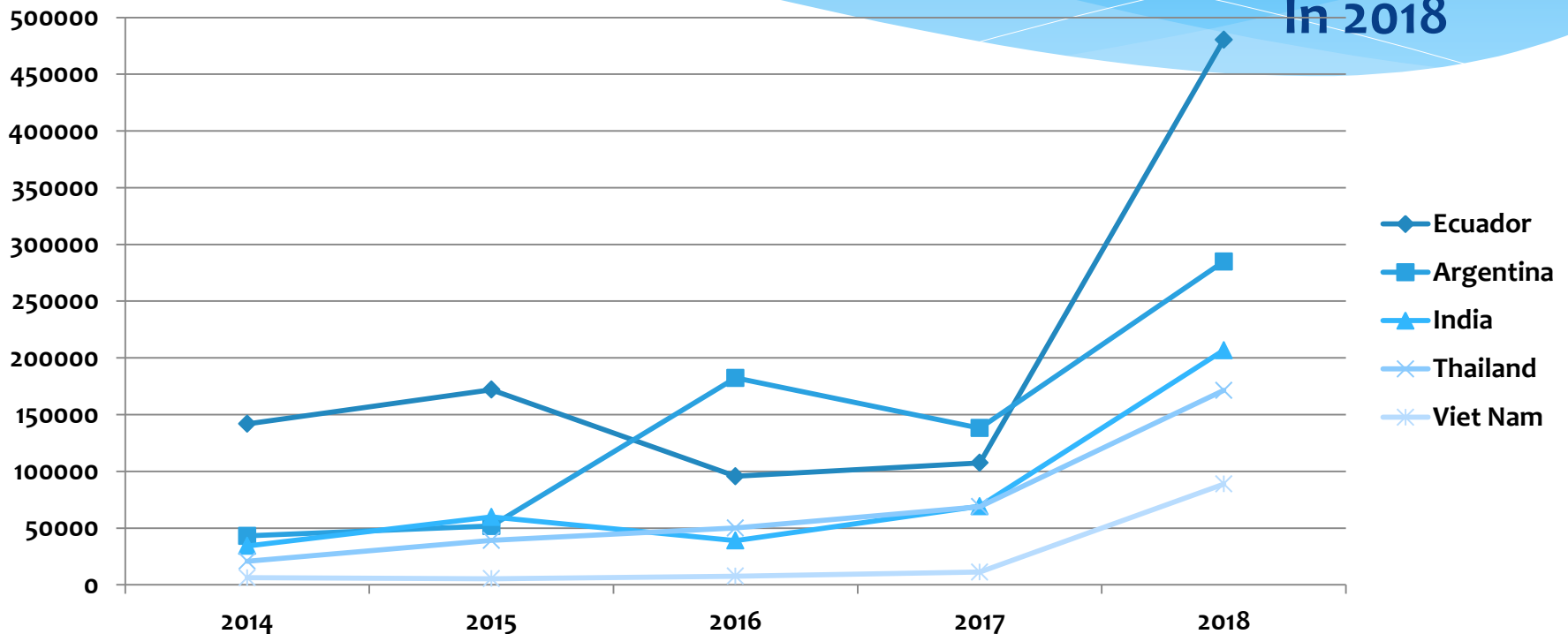


**China import from India have grown from
US \$110.1 mil in 2014 to US \$392.57 mil in 2018**



Chinese shrimp market - imports

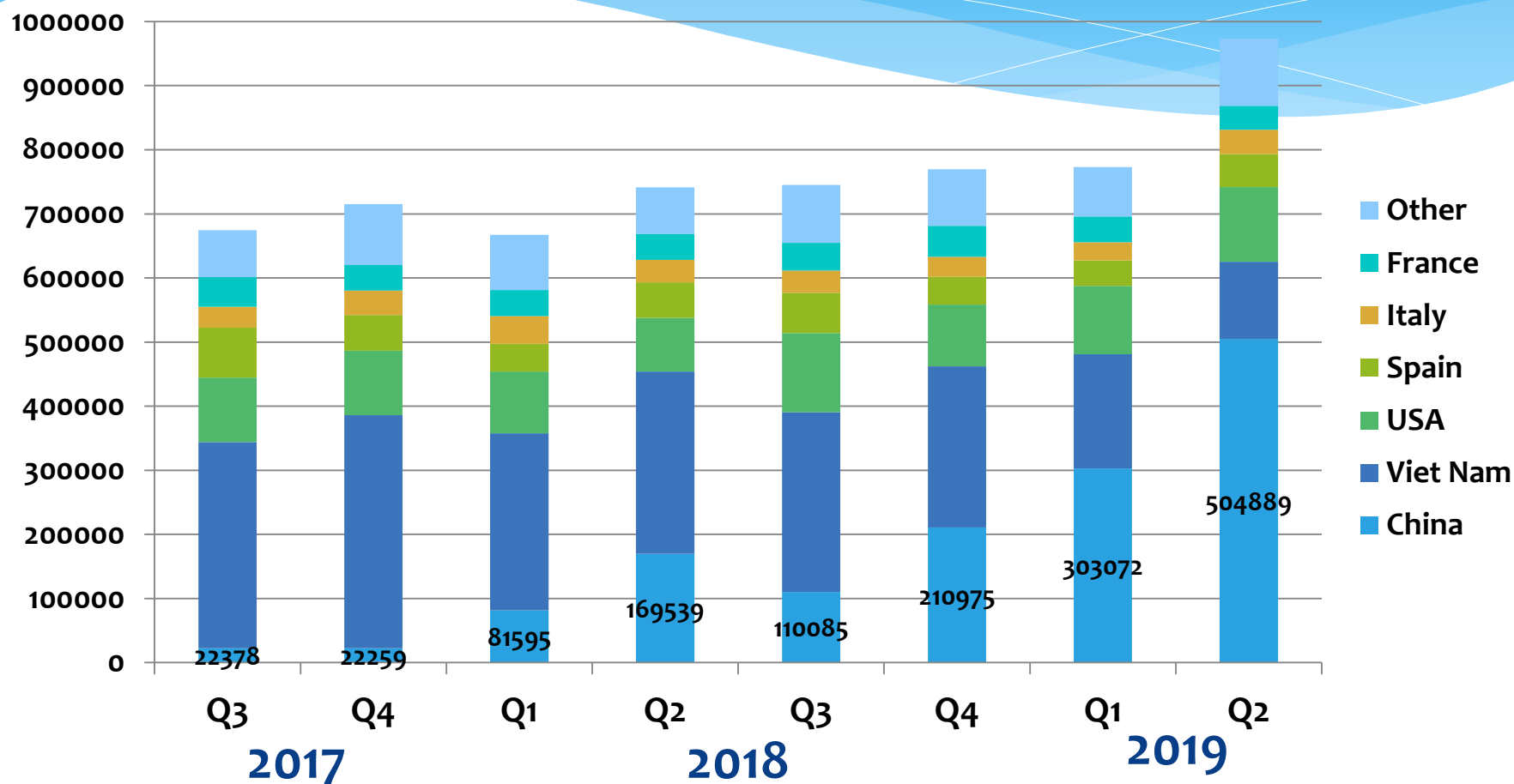
US \$ 1.356 Billion
In 2018



India exports have grown from US \$34.2 mil
in 2014 to US \$206.7 mil in 2018



Ecuador shrimp exports US \$ thous





Ecuador shrimp ban⁹

**Detection of
disease in
shipments**



China blocks shrimp imports from three Ecuadorian plants

The country's two largest producers, Santa Priscila and Omarsa, are affected.

10 September 2019 14:34 GMT *UPDATED 11 September 2019 12:30 GMT*
By Lola Navarro

OIE Crustacean diseases¹⁰

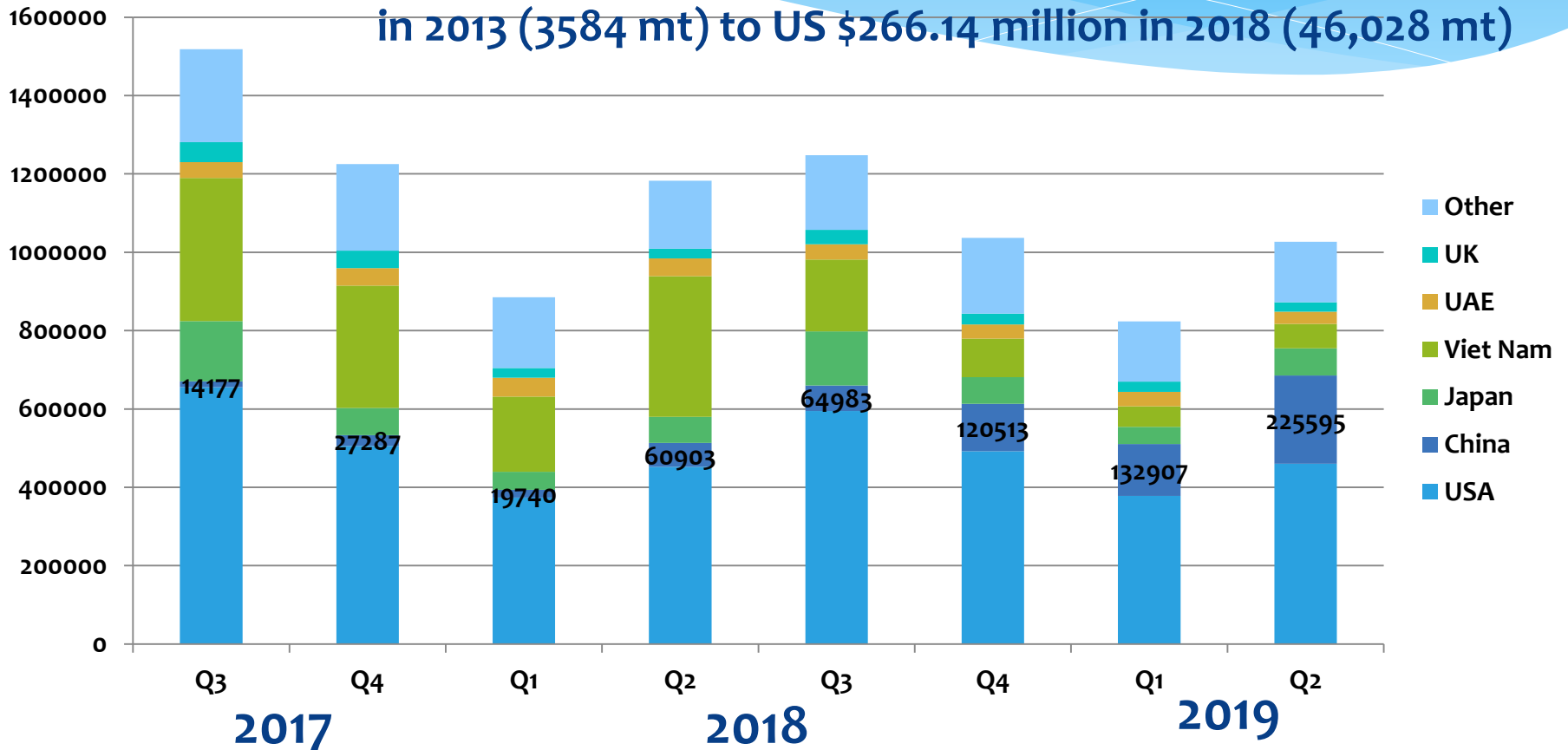
- * Acute hepatopancreatic necrosis disease
- * Infection with *Aphanomyces astaci* (crayfish plague)
- * Infection with *Hepatobacter penaei* (necrotising hepatopancreatitis)
- * Infection with infectious hypodermal and haematopoietic necrosis virus
- * Infection with infectious myonecrosis virus
- * Infection with *Macrobrachium rosenbergii* nodavirus (white tail disease)
- * Infection with Taura syndrome virus
- * Infection with white spot syndrome virus
- * Infection with yellow head virus genotype 1





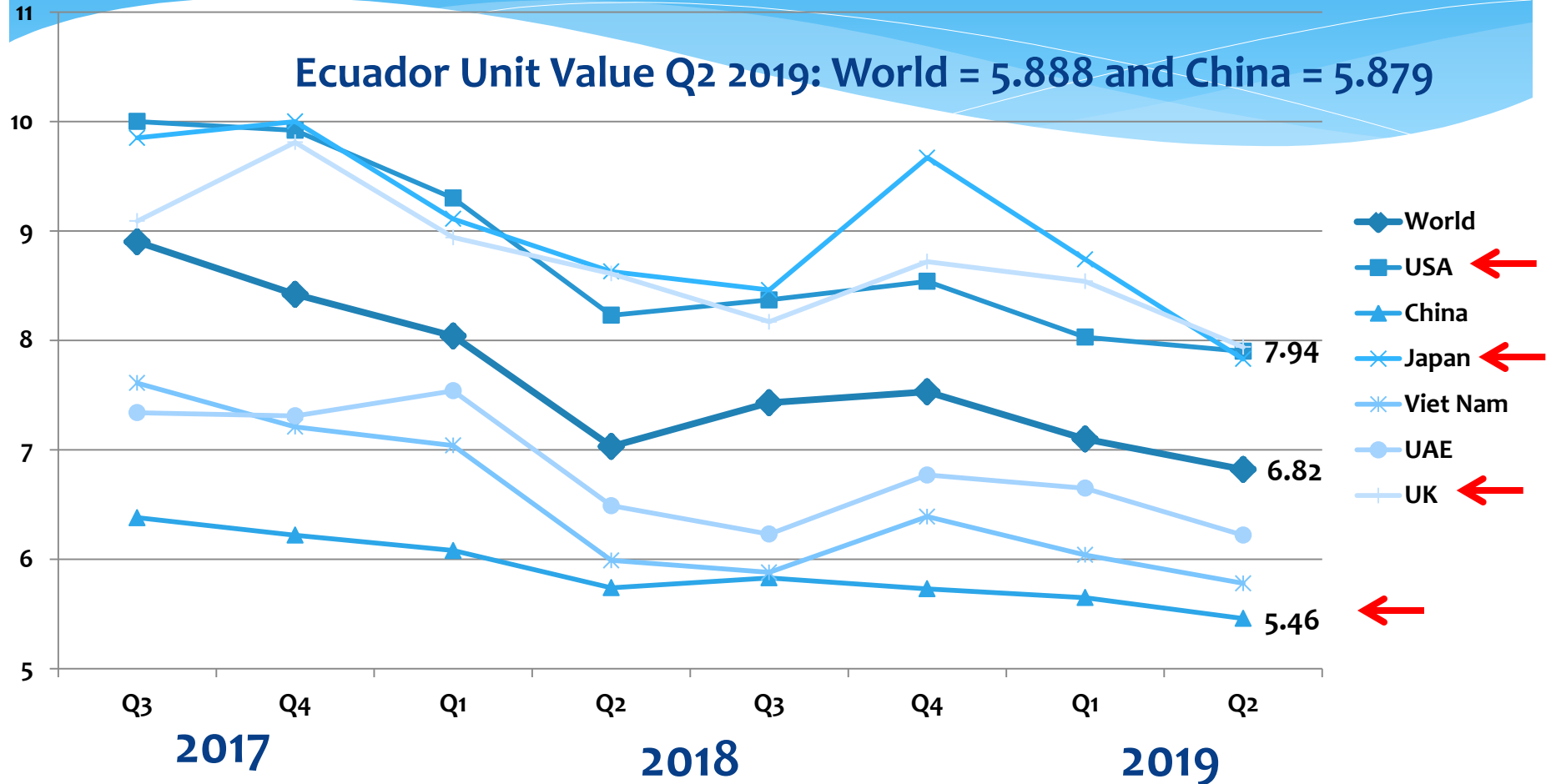
India shrimp exports US \$ thous

India's exports to China increased from US \$30.498 million in 2013 (3584 mt) to US \$266.14 million in 2018 (46,028 mt)





India shrimp exports Unit Value



Opportunities live trade¹¹

US \$ 462.345 million
in live lobster trade in 2018
to China (Trademap)

Carson Roper Independent Consultant

Western Australia lobsters rock stars in China as FTA starts to bear fruit for fishery

Landline | By Sean Murphy

Posted 1 May 2018, 8:38pm



PHOTO: The Western Rock Lobster is smaller than southern rock lobsters found in South Australia, Victoria and Tasmania. (Landline: Glyn Jones)

Australia's free trade agreement (FTA) with China is starting to bear fruit for the nation's most lucrative commercial fishery.

Most of the lobsters caught in the \$500 million-a-year Western Rock Lobster fishery are air freighted live to China, but until this year, the business was dominated by a so-called "grey trade".

RELATED STORY: Lobster industry flags need to diversify products

RELATED STORY: Record-sized lobster boat building underway in WA

Opportunities live trade^{12&13}



**US \$ 401.4 million in
live lobster trade
to China in 2018
(Trademap)**

Alibaba shakes up online shopping market for Canadian producers



90,000 Nova Scotia lobsters sold in a single day on its Tmall website



Sophia Harris - CBC News - Posted: Nov 15, 2014 5:00 AM ET | Last Updated: November 17, 2014



795,479,000

:018

Opportunities shrimp live trade?



Local producers supply live wet markets in the South, East and North (CAPPMA)





How much shrimp does China consume?

- * 2.14 million tons of domestic shrimp supply in 2018 (CAPPMA)
- * 192,836 mt of imported *Penaeus* shrimp in 2018 and 431,935 mt imported in 2019 Q1, Q2 and Q3 alone (Trademap 030617)

Growth or actual consumption?

- * Low prices good for growth
- * Crayfish is replacing shrimp in inland provinces (CAPPMA)

How much Penaeus spp. shrimp does China consume per person?



Hard to calculate, but based on 2018 figures for Penaeus spp. we can try....

1,500,000 mt - domestic production Penaeus spp. + 650,000 mt imports – 160,000 mt exports (CAPPMA)

= 1.39 kg per capita (CAPPMA)

192,836 mt – imports 030617. (Trademap)

1.068 kg per capita in 2018

Based on 2018 production and 2019 11 month import avg.
HS 030617


1.36 kg per capita in 2019

Online retail versus New retail¹⁴

ALIZILA 11.11 NEW RETAIL GATEWAY TO CHINA ECOSYSTEM IN ACTION CHINA INSIGHTS FILTER BY BUSINESS

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TAKE A TOUR OF A FRESHIPPO SUPERMARKET AND EXPERIENCE 'NEW RETAIL'



SHARE THIS ARTICLE Freshippo, also known as Hema, is Alibaba's grocery chain leveraging New Retail to converge online and offline shopping.

Trade War Impact¹⁵

undercurrentnews
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ANALYSIS

ATLANTIC SALMON

PROCESSING

Seafood industry awaits details before celebrating 'phase one' US-China deal

“And it's well known how badly the seafood industry could use such a break. The damage done by the recently added tariffs, as high as 25% for some seafood items headed to the US or China, is evident in the latest update of US seafood trade data by the National Oceanic and Atmospheric Administration (NOAA).

The **US imported** 353,960 metric tons of Chinese seafood, worth \$1.6bn, during the period, **23% less in volume and 30% less in value** than in the first 10 months of 2018.

Meanwhile, **China** has taken 307,044t of seafood worth \$796.5 million from the US in the first 10 months of 2019, **10% less in volume and 20% less in value** from the same period in 2018.”¹⁵

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Gov. Bill Walker brought the "Opportunity Alaska" trade mission to Hangzhou to find out how to tap the China Opportunity.

2019-nCoV Impact^{17&18}



Aquaculture Fisheries Processing Markets Feed Opinion

Chilean salmon exports to China 'paralyzed'

Trade



Are China's online seafood sales immune to coronavirus?

Opinion



DREW CHERRY

Land-based salmon farming investors are ignoring the risks

metric ton growth target

LIVE UPDATES: Coronavirus sends share prices reeling, increases sales for one major retailer

Markets



LIVE UPDATES: Coronavirus sends share prices reeling, increases sales for one major retailer

2019-nCoV Impact¹⁹

Inside(R)etail[®]

ASIA

AU/NZ

- * Short term
- * Medium term
- * Long term



Alibaba's Freshippo sales soar during virus outbreak

📅 February 3, 2020 👤 Michael Arnold

China Fisheries and Seafood Expo²⁰



**“JOIN US FOR THE 25TH ANNUAL CHINA FISHERIES & SEAFOOD EXPO
OCTOBER 28 – 30, 2020
CHINA IS THE WORLD’S LARGEST AND FASTEST GROWING SEAFOOD MARKET. MORE THAN 35,000 SEAFOOD PROFESSIONALS FROM AROUND THE GLOBE VISIT CFSE ANNUALLY TO FORGE RELATIONSHIPS AND EXPAND THEIR PRESENCE IN THIS DYNAMIC MARKET.”**

Stay Informed

- * Undercurrent News
- * Seafood Source
- * IntraFish
- * Alibaba newsletter
- * China Aquatic Products Processing and Marketing Alliance (CAPPMA) – International Shrimp Industry Development Forum
- * China Chain Store and Franchise Association

Conclusions

- * Unquestionably, China is an important market for seafood imports
- * There is potential for China to continue to grow seafood imports as the upper class, upper middle class and lower middle class continue to grow
- * Alibaba's Single's Day and New Year celebrations spike domestic seafood consumption
- * Recognize the paradigm shift from "online" to "New Retail"
- * Be wary of overreliance on China as a trading partner
- * Do your homework

Happy New Year!



Gong xi fa cai

HAPPY CHINESE NEW YEAR

2020

谢谢

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