Chinese provinces seafood profile

China is the most promising market with great opportunities for seafood exporters. During 2017-18, export of marine products from India to China was 45,385 MT worth USD 158.30 million. The major items exported from India are frozen shrimp, frozen fish, dried and live items, which together constitute 86% of the total volume of fish and fish products.

China is divided into 23 provinces; 22 provinces are controlled by the People’s Republic of China (PRC). The 23rd province, Taiwan, is claimed by the PRC but it is not controlled by the PRC. During 2017, Shandong, Guangdong, Fujian and Zhejiang provinces were the largest seafood production areas due to favorable coastal locations and abundant freshwater resources. In terms of freshwater cultured production, Hubei, Guangdong, and Jiangsu provinces were the top-three producers. Qingdao and Dalian are the two largest sea ports in China.

Shanghai, Beijing, Guangzhou are important centers for retail outlet development. Chengdu and Shenyang are key cities connecting China with international trade and commerce.

Consumer profile in China

According to Euromonitor, China’s fish expenditure per capita was US$ 37.4 in 2016 and is estimated to reach US$56.4 in 2021. The food habits of Chinese people are similar to Japan and South Korea. They prefer steamed, fried, boiled, blanched and even raw fish. Fresh fish is preferred to frozen fish as it tastes better than frozen. This is also the reason that they are very particular about the food safety and quality.

The growing market in China is supported by the emerging middle class who has brought about a change in the consumer purchase behavior. There is an increase in the percentage of consumers ready to pay premium price for quality food products.

Beijing, Guangzhou, Tianjin and provinces of Guangdong and Zhejiang are top areas in China in terms of per capita disposable income (Source 2017, China Yearbook, National Bureau of Statistics of China).

Freshwater aquaculture products are mostly consumed at home and restaurants due to its freshness and affordable price. The purchasing methodology differs among consumer groups. Younger generation mainly opt for online ordering due to the ease of selection and the short delivery duration of the product. There are various apps on mobile with wide range of food products including seafood on the menu with affordable prices and these products are delivered within an hour of the request placed.

This is not possible for people living in the interior areas of China where the availability of seafood is comparatively less. Older generation of Chinese consumers prefer purchase from supermarkets. In spite of the various online apps for purchase of seafood, major percentage of the Chinese population prefer supermarkets/ wholesale market/ fish market for their regular purchase.
Channels for Seafood distribution in China

China is one of the largest e-commerce and e-grocery market in the world. From 2012 to 2016, China’s e grocery sale registered a compound annual growth rate of 52.9%. Alibaba and Jd.com are the top e-grocery retailers in China. An e-commerce channel is developed between Canada and China which is expected to increase the trade. Partnership between Alibaba group and Canada has contributed significantly to business development of Canada in China.

Top 10 retailers in China are
- China Resources Vanguard
- Ole’ & BLT
- RT-Mart
- Wal Mart
- Carrefour
- Yonghui
- Lianhua
- Dashang Group
- Sam’s Club
- Wu Mart

Mobile payment services like Ali pay, We pay and We Chat pay are some examples of online payment platform used in China. Chinese consumer receives products within days or hours during online purchase. The duration of delivery is crucial for e-marketing. Most people prefer home delivery within an hour in the case of perishable items like seafood or grocery. Other channels for seafood distribution include wholesale markets, fish markets, supermarkets & restaurant/hotel chains.

The Exhibition

China Fisheries & Seafood Expo 2018 is a platform to learn about the latest trends in seafood and meet new and existing seafood importers and exporters of Asia.

This year the expo was conducted in Qingdao, China from November 7-9, 2018. There were approximately 1520 number of exhibitors and more than 29,250 numbers of visitors to the expo. Participants included importers, distributors, retailers, food service operators, aquaculture producers, processing companies, equipment manufacturers etc.

MPEDA set up Indian Pavilion in which 21 Indian exporters participated as co-exhibitors displaying variety of seafood products. Indian Pavilion was located in E3 hall with a floor space of 174 sqm. MPEDA’s participation in the show was organized by Mrs. Anju and Dr. Pau Biak Lun, Assistant Directors, MPEDA.

MPEDA displayed sample of frozen, chilled, dry & ready to eat products. Publicity material included brochures in both English and Chinese about Indian Seafood. Another brochure in English gave details of the co-exhibitors. CD’s of exporter directory was also distributed to the visitors to the stall. A display on Fish Exchange Portal in Chinese language was placed in the stall. The trade enquiries received during the China 2018 are listed separately in this Newsletter.
MARKETING NEWS

A view of India Pavilion and MPEDA stall
Interaction with Seafood Importers from China

Interaction with seafood importers from China revealed that their requirement included a continuous supply of clean, high-quality seafood. They reported that most of the times there is a mismatch between the product demanded and the product shipped by Indian exporters. This variation is mainly in the size or grade requirement. As for the quality of the product, most of the importers were satisfied with the quality of seafood from India. Another point raised was the increased price of shrimps when compared with the price offered by other countries. The unit price detail collected from Trade map is given below. Indian shrimp price is higher in comparison with only Argentina and Pakistan.

There is a strong competition in the Chinese market with Russia being its largest supplier under Chapter 03, followed by USA, Canada, Norway, and New Zealand. There is good demand for frozen fishes, shrimp, and dried products. During the expo, many Chinese importers/common people enquired about dried shrimp, fish, and fish maws. Importers were also interested to know about different species of fishes available in Indian waters. For example, many expressed interest in parrot fish, yellow croaker etc.

Feedback from the co-exhibitors was collected regarding the expo and they opined that China is a vast market with a lot of opportunity for Indian seafood.

Import under HS 030617 with unit value

<table>
<thead>
<tr>
<th>Country</th>
<th>Imports in tons (2017)</th>
<th>Unit Value (USD/Ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>54.875</td>
<td>11,262</td>
</tr>
<tr>
<td>Argentina</td>
<td>20.632</td>
<td>6,861</td>
</tr>
<tr>
<td>USA</td>
<td>15.499</td>
<td>18,850</td>
</tr>
<tr>
<td>Ecuador</td>
<td>15.030</td>
<td>7,261</td>
</tr>
<tr>
<td>Thailand</td>
<td>14.546</td>
<td>10,297</td>
</tr>
<tr>
<td>India</td>
<td>13.591</td>
<td>6,918</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5.411</td>
<td>5,725</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3.437</td>
<td>9,606</td>
</tr>
<tr>
<td>Vietnam</td>
<td>3.128</td>
<td>12,111</td>
</tr>
</tbody>
</table>

Source: Trade Map