



Quality Solutions With You Every Step

HQTS Interviews Mark Godfrey on the outlook of the Chinese Seafood Market

The extraordinary expansion of processing capabilities and rising consumer spending on seafood products within the ASEAN region continues to grow massively. World fish consumption is projected to increase by 21% in 2025 to 178 million tons and Asia will account for 73% of the total increase, and will consume more than two-thirds of the available seafood supply.

Mark Godfrey is a seafood expert and writer at Seafood Source. He has lived in China since 2003 and works as a journalist reporting on economies, industries, and trade within China, and he has been writing for seafoodsource.com since 2009. He has a first-hand view on the seafood market across China from visiting fisheries and aquaculture regions. In this interview, sponsored by HQTS Group, Mark Godfrey explained that the future of China's *seafood market* is growing strongly and future concerns for importers.

HQTS Group: What is the current outlook on China's seafood market?

Mark: the outlook remains positive. The market consumption is strong and positive and most restaurants are back in business. But there are a few key issues related to COVID-19. Restrictions at customs are impacting the access of importing seafood in China, as every week several seafood companies in America, India and Indonesia are being blocked from entering the Chinese market for a period of 7 days when traces of COVID are found on the frozen-food packaging.

Therefore, some Chinese buyers are starting to limit their purchases as they are worried that imported seafood containers will not be able to successfully get through the ports. Recently, for example, a batch of squid sent from the USA to China was blocked from the market for one week and the seafood was destroyed.

To conclude, the demand is still high but the access to the imported seafood market remains uncertain for the foreseeable future.

HQTS Group: What is the current process to export seafood to China?

Mark: firstly, the country that is exporting needs to ensure that they talk to their department of agriculture and fisheries and ensure that they are following the correct protocol for China for the particular species that they are shipping, particularly if they are shipping live seafood. The Chinese government and the exporting country governments need to follow and sign the appropriate protocol that will allow the shipments to go from the country of origin into China. This protocol is particularly important because it describes the conditions that all fish species must be in when they are received at the Chinese ports.

HQTS Group: Are there any specific packaging testing or labeling requirements?



Quality Solutions With You Every Step

Mark: Frozen seafood has become an issue in China due to COVID-19 traces found on frozen food packaging. Therefore, frozen seafood imports have set up testing centres at all the main ports in China. But this is an expensive procedure as the ports charge per shipment. A certificate is issued once the shipment has been passed the inspection and that certificate is required to be able to retail the product within China having ensured that the seafood has been tested negative for COVID-19.

HQTS Group: What do you believe is the best way to market seafood products in China?

Mark: recently, ports and airports have been permitted to import seafood products, meaning that if it's a live seafood product, it can be easily distributed throughout internal cities. Also, e-commerce has become really important in recent years when buying seafood as companies can come to an agreement with the online retailers to buy seafood from sellers enabling the retailers to sell both online and offline. The margins on foreign seafood has been very reasonable recently, depending on the species and the quantity.

Some people still prefer the traditional method of dealing directly with the importer and distributor for smaller quantities, but big online retailers are now handling this in a more efficient way by distributing in larger volumes. As there are many buyers across the country, companies must decide which approach suits you best, depending on the seafood species and the volumes you need.

HQTS Group: Can you explain how the seafood market in China will be in the future?

Mark: The consumption demand in China is currently strong, and that's largely based on income growth. Between 2013 and 2021, the wages of employees have more than doubled, and this spending power is helping to drive the Chinese demand for seafood. The government wants to shift the seafood produced locally away from exports and into the domestic market, because the prices are competitive and there is no risk of currency or economic problems.

Chinese seafood marketing companies like to use health functionalities to market imported seafood to be sold within the domestic market, by explaining that certain niche fish such as; cod and seabass are healthy for kids and elderly people alike. Then there are also mass-market species such as pangasius, which China is not able to produce at the volumes needed by the mass market chain restaurants, which are growing across China as the country continues to urbanize more and more. Therefore, there will be certain import limitations may be imposed.

With over 25 years of experience in quality assurance, HQTS is ready to help import and export businesses build a robust quality assurance plan. Our many service locations are prepared to be your one-stop shop for inspection needs, including production monitoring, pre-shipment and sorting inspections, and everything in between. Contact us today to find out how HQTS can help navigate current quality control challenges.