

Selling Seafood in China

Composed in **October 2018** by **Rafael Jimenez**, Project Manager of Enterprise Estonia

Contact: rafael.jimenez@eas.ee

Import Permits

- The company is certified¹ by China SARM ministerial body (previously, Certification and Accreditation Administration of the People's Republic of China or CNCA)
- Estonia has permit² for the species of Baltic herring, and Baltic sprat

Imports Size

Unit : Euro thousand

Exporters	Imported value in 2017	GROWTH	MARKET SHARE
Thailand	29 381	5,3%	40,0%
Korea, Republic of	20 358	3,4%	27,8%
Japan	6 156	65,8%	8,4%
Taipei, China	5 668	-13,5%	7,7%
Malaysia	3 254	51,2%	4,4%
United States	1 580	29,3%	2,2%
Viet Nam	1 008	40,8%	1,4%
Philippines	980	2077,8%	1,3%
Spain	925	39,9%	1,3%
Italy	589	79,6%	0,8%
Singapore	462	-37,4%	0,6%
India	411	101,5%	0,6%
Denmark	230	11,7%	0,3%
Latvia	184	-64,8%	0,3%
Sweden	167	1,2%	0,2%
Iceland	116	251,5%	0,2%
Portugal	98	-57,2%	0,1%
Canada	75	1400,0%	0,1%
France	73	121,2%	0,1%
Russian Federation	37	-62,2%	0,1%

Figure 1 Supplying Countries of Processed Fish to China HS 1604

- Notice that China imports of fish are much bigger than those appearing in Figure 1. However, we restricted the import figures to the fish category authorized by current protocol of Estonia with the People's Republic of China. See HS codes in the Annex.

¹ See Annex, CNCA

² See Annex, Protocol Estonia China

³ http://www.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/sta_fish_trends_china_ats_tendances_poisson_chine_2017a-eng.pdf

- China is a fast changing society. Consumers' taste and preferences evolve quickly, sometimes in unexpected ways. Current preferences aren't cast in stone, new products have an opportunity, think medium or long term.

Baltic Herring and Sprat

Herring and Sprat species are quite unknown for Chinese consumers. The fish species more demanded by domestic market are carp, tilapia, and catfish. To satisfy the demand, these three species are cultured products. Baltic sprat, and herring in a variety of forms are available on Chinese shelves but in canned format. A quick search shows these two species are quite absent from the frozen food section of supermarkets even if



belonging to foreign chains. However, this quick search has been conducted hastily and is not conclusive. Worth to notice this lack of the two species, herring and sprat, in the bag format on the retailers freezers. More research beyond the scope of this report will determine eventually the right channel to reach consumers. Even to consider if the bagged frozen fish would not be more appropriate for the HORECA channel. In situ research, attending to an Exhibition in China, and hiring the services of a company specialized in organizing a matchmaking meeting with seafood importers is the correct approach.

Taxes and Duties

Herring

Estonia <input type="checkbox"/> Add Country of Origin	
Basic Tariff and Tax Update: 04/08/2018	
Type of Tariff and Tax	Rate
MFN (Most-favored Nation):	5%
Gen (General Tariff Rate):	90%
VAT (Value-added Tax):	16%

Sprat

Estonia <input type="checkbox"/> Add Country of Origin	
Basic Tariff and Tax Update: 04/08/2018	
Type of Tariff and Tax	Rate
MFN (Most-favored Nation):	5%
Gen (General Tariff Rate):	90%
VAT (Value-added Tax):	16%

Import Procedures

There are various useful resources whose reading we recommend for a full understanding of the import procedures. In particular, labelling, and the inspection, declaration, and Customs clearance process.

- The Seafood Market in China



Accessible:

<https://www.youtube.com/watch?v=loHTKeqjLtQ>

- Exporting Seafood to China. Market Trends, Regulations and the Procedure



Accessible:

<http://eumecentre.org.cn/guideline/exporting-seafood-china-market-trends-regulations-and-procedure>

Recommendation

China is not a single marketplace, rather is a market of markets. Given its vast size, different state of economic development between cities, provinces and regions, the age gaps among population, the prevailing role of online sales, and the cluttering of traditional (i.e. western style) sales channels, we recommend the following approach.

1. Gathering in detailed information of the market for the species to be on sale in China. There are a number of specialists in seafood in China than can conduct a specific research about the market perspectives for the aforementioned fish species. EAS can provide the necessary contacts of companies to perform such a study. These studies have a cost, of course. However, such cost has positive returns either in the form of savings, or in future sales. E.g., from such study you will find if it is worth the effort to attend a certain Exhibition in China and pre-evaluate the success of such participation, obtaining even a list of importers, or retailers, **having positively manifested the interest in sprat or herring.**
2. Once you have a clearer view of the potential demand for herring and sprat, consider the participation in an Exhibition in China. Choosing the right fair or exhibition depends on the feedback gathered during the phase 1. For instance, Food and Hotel Exhibition is more convenient for canned fish while China Fisheries is the appropriate one if the contact is with large importers. A fair like SIAL in Shanghai stands somewhere in the middle. However, the decision depends on the survey recommended above. Such study and its measurement of

the response of potential importers and retailers to importing and selling herring and sprat is key.

Protocol of Requirements of Inspection and Quarantine for Exportation of Baltic Herring and Baltic sprat from Estonia into China

Accessible:

<https://www.agri.ee/sites/default/files/content/ministeerium/international/valisleping-hiina-2016-kalatooted-eng.pdf>