

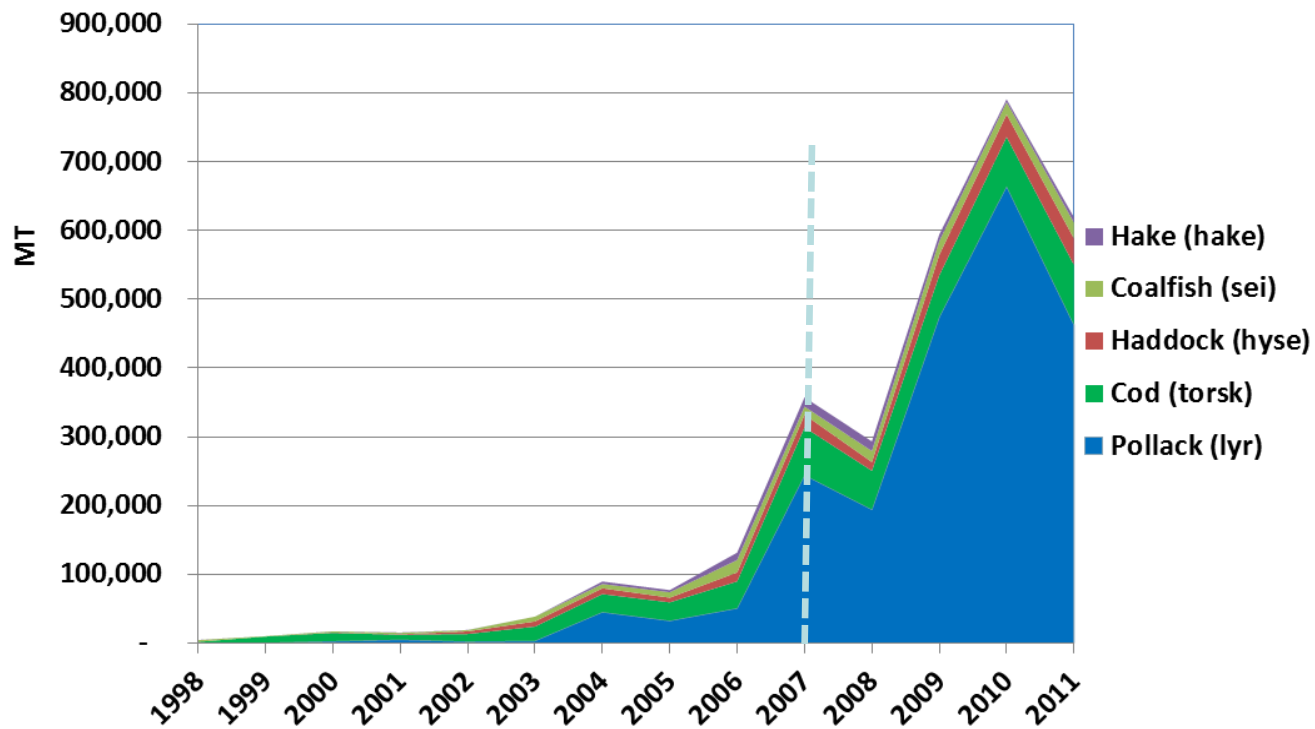


# Hva skjer i Kina: Økonomisk utvikling og konsekvenser for sjømatindustrien

**Jinghua Xie**

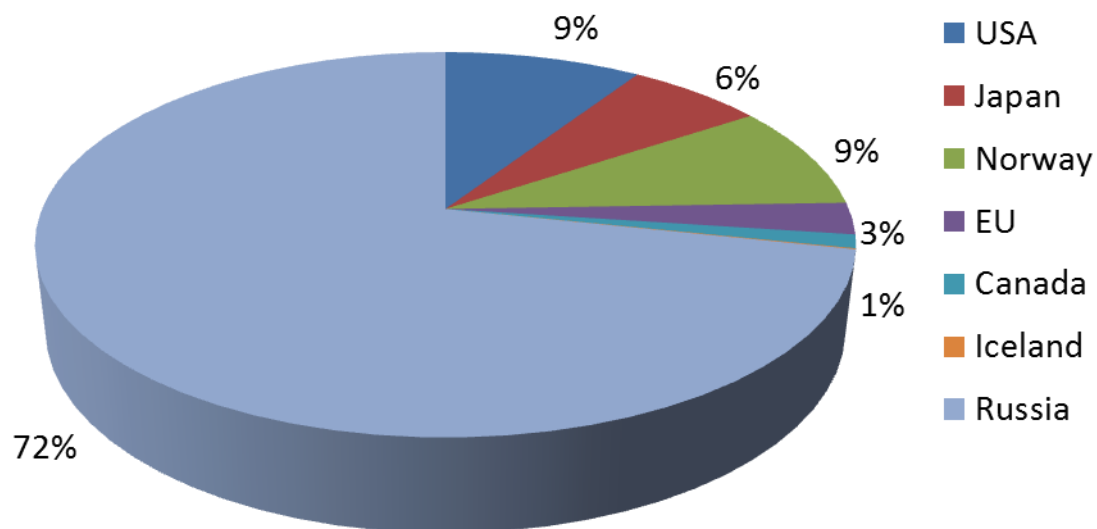
Tromsø Business School, University of Tromsø

# Chinese Import of White Fish



# Main Exporting Countries to China

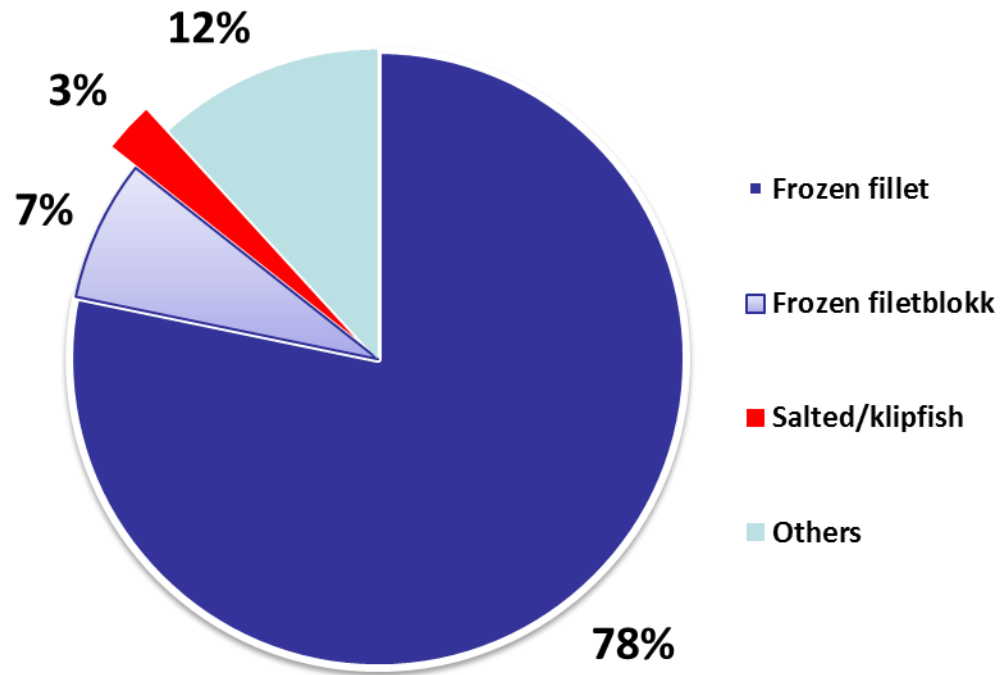
2007-2011



# Chinese Export of White Fish



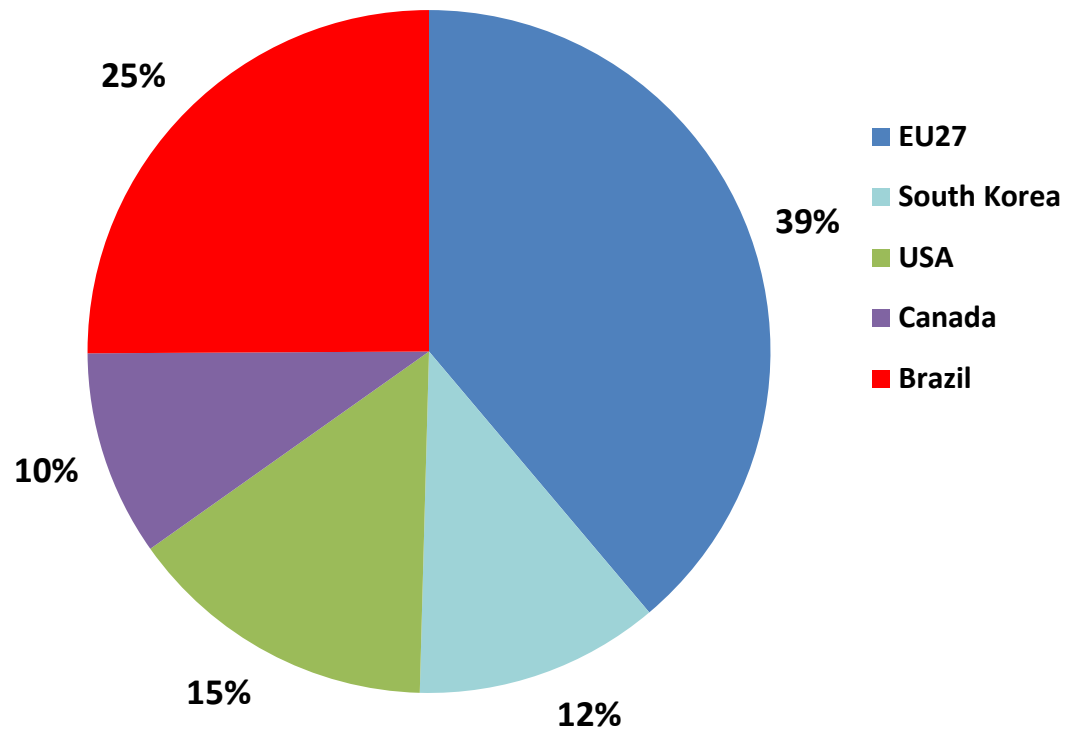
Export Product Forms (2008-2011)



# Chinese Export of Salted Fish



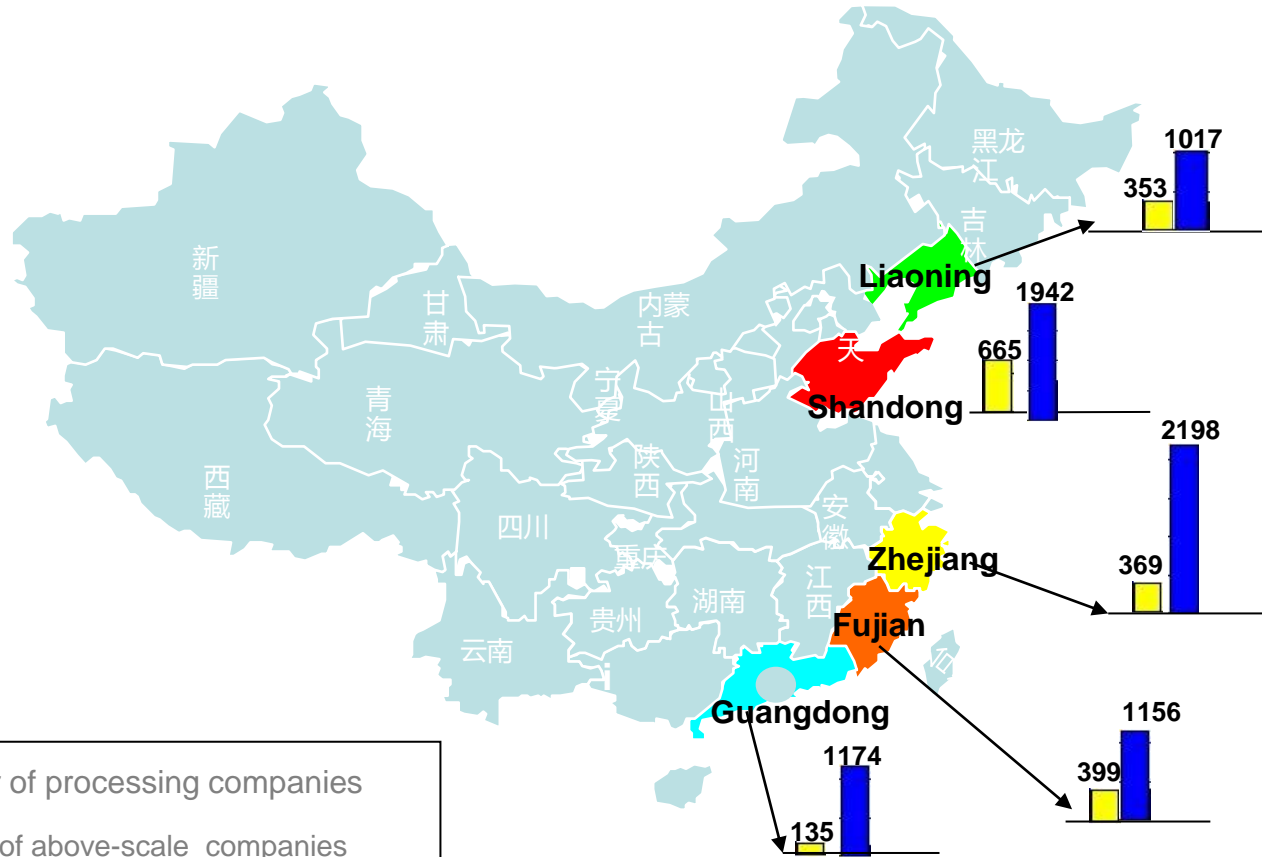
Export Markets of salted/Kippfisk/Tørrfisk  
(2010-2011)







# Processing

# Aquatic Product Processing Industry



 Number of processing companies

 Number of above-scale companies (annual production capacity more than 5 million tons)

	<b>Import Price (\$/T)</b>	<b>Export Price (\$/T)</b>
<b>Pacific cod</b>	<b>2350-2800</b>	<b>4400-5000</b>
<b>Atlantic cod</b>	<b>2500-2900</b>	<b>4500-5000</b>
<b>Haddock</b>	<b>2400-2500</b>	<b>4000-4500</b>
<b>Pollock</b>	<b>1300-1400</b>	<b>2400-2600</b>



- **Yield rate**

**Pollack: 67%-72%**

**Cod: 75%-80%.**

**In general: 70%**

- **Cost**

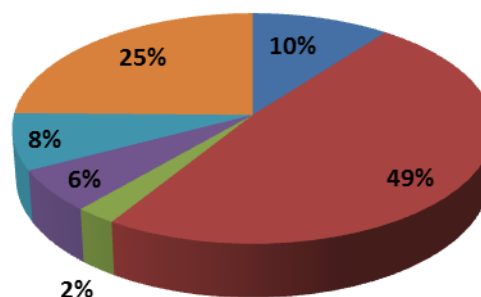
**Total: \$1010-\$1060/T**

**Labor: 49%**

**Water& electricity: 10%.**

- **Profit**

**Maximum: \$100-200/T**



■ Water and electricity

■ Wage

■ Quality control and management

■ Low-value consumables

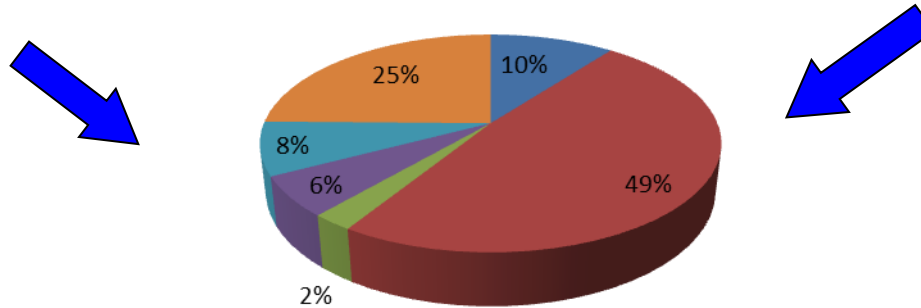
■ Depreciation

■ Transportation and custom

**Import price  
of Atlantic cod  
(\$2500-2900)**

**processing**

**Cost of raw fish in  
value of frozen  
fillets (\$3333-3867)**



**Processing cost: \$1010-\$1060/T**

**Processing**

**Expected export price of frozen fillet  
(\$4343-4877)**

# 2012 Cod



(\$4343-4877)

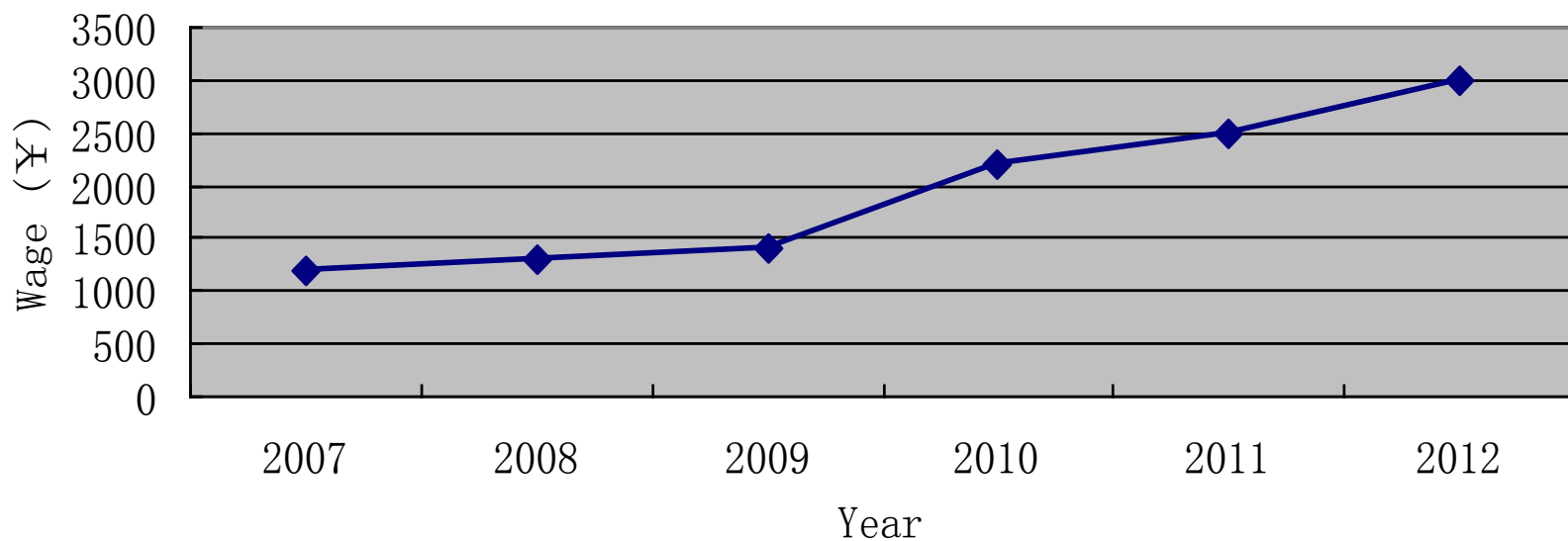
	<b>Import Price (\$/T)</b>	<b>Export Price (\$/T)</b>
<b>Pacific cod</b>	<b>2350-2800</b>	<b>4400-5000</b>
<b>Atlantic cod</b>	<b>2500-2900</b>	<b>4500-5000</b>
<b>Haddock</b>	<b>2400-2500</b>	<b>4000-4500</b>
<b>Pollock</b>	<b>1300-1400</b>	<b>2400-2600</b>



# Increasing Wage Cost



The Trend of Workers' Average Wage in Aquatic Product Processing Enterprises from 2007 to 2012 in Shandong Province



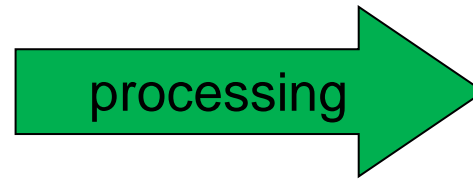
# 2013 Cod



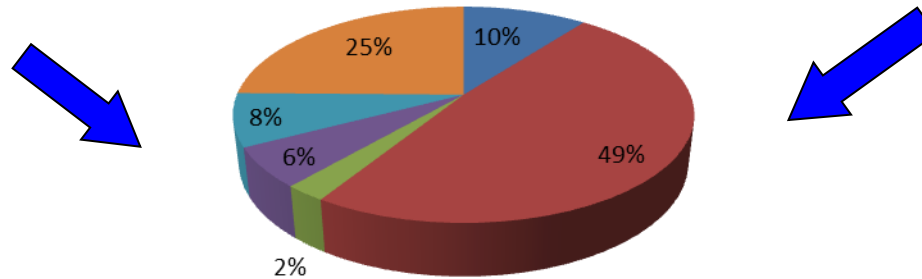
(\$4441-4975)

	<b>Import Price (\$/T)</b>	<b>Export Price (\$/T)</b>
<b>Pacific cod</b>	<b>2350-2800</b>	<b>4400-5000</b>
<b>Atlantic cod</b>	<b>2500-2900</b>	<b>4500-5000</b>
<b>Haddock</b>	<b>2400-2500</b>	<b>4000-4500</b>
<b>Pollock</b>	<b>1300-1400</b>	<b>2400-2600</b>

**Import price of  
pollock  
(\$1300-1400)**



**Cost of raw fish in  
value of frozen fillets  
(\$1733-1867)**



**Processing cost: \$1010-\$1060**



**Expected export price of frozen fillet  
(\$2743-2877)**

# 2012 Pollock



(\$2743-2877)

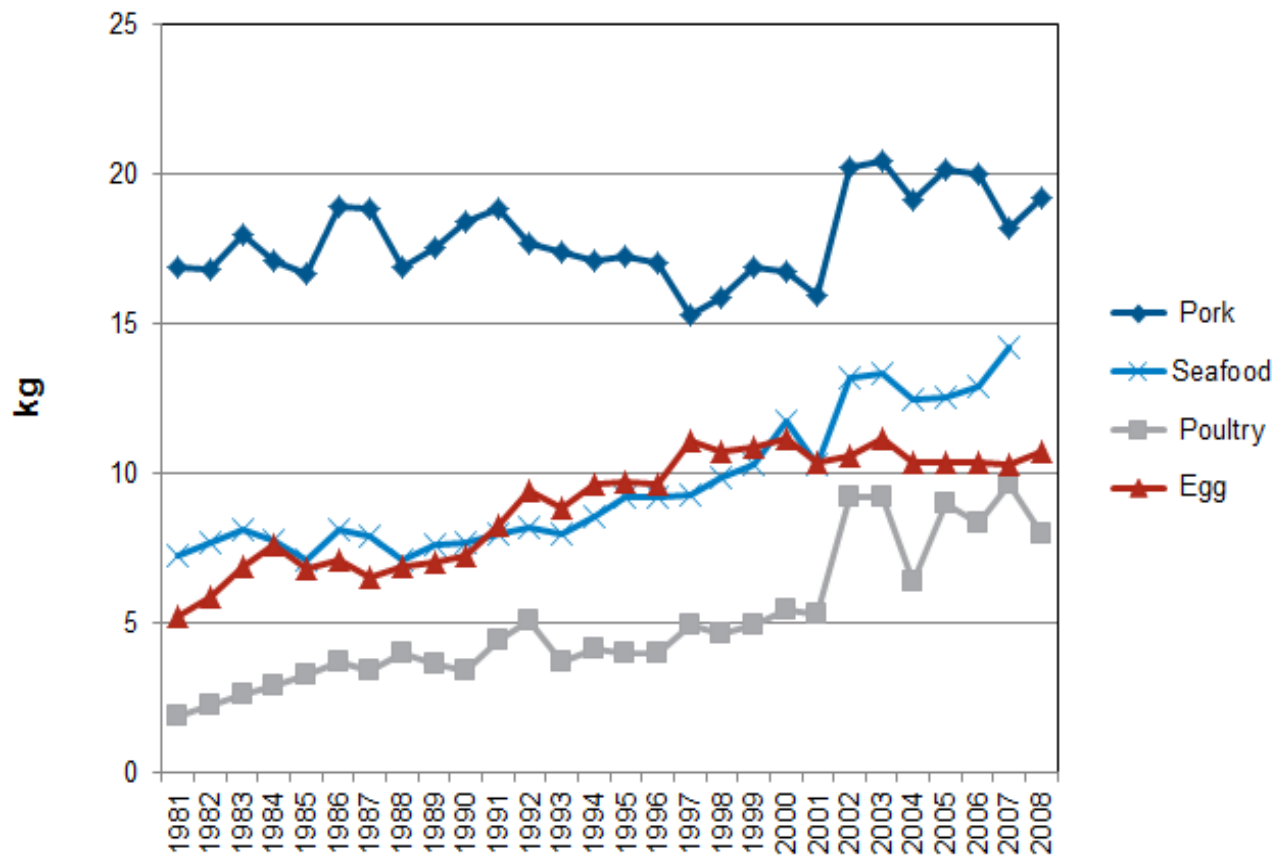
	<b>Import Price (\$/T)</b>	<b>Export Price (\$/T)</b>
<b>Pacific cod</b>	<b>2350-2800</b>	<b>4400-5000</b>
<b>Atlantic cod</b>	<b>2500-2900</b>	<b>4500-5000</b>
<b>Haddock</b>	<b>2400-2500</b>	<b>4000-4500</b>
<b>Pollock</b>	<b>1300-1400</b>	<b>2400-2600</b>



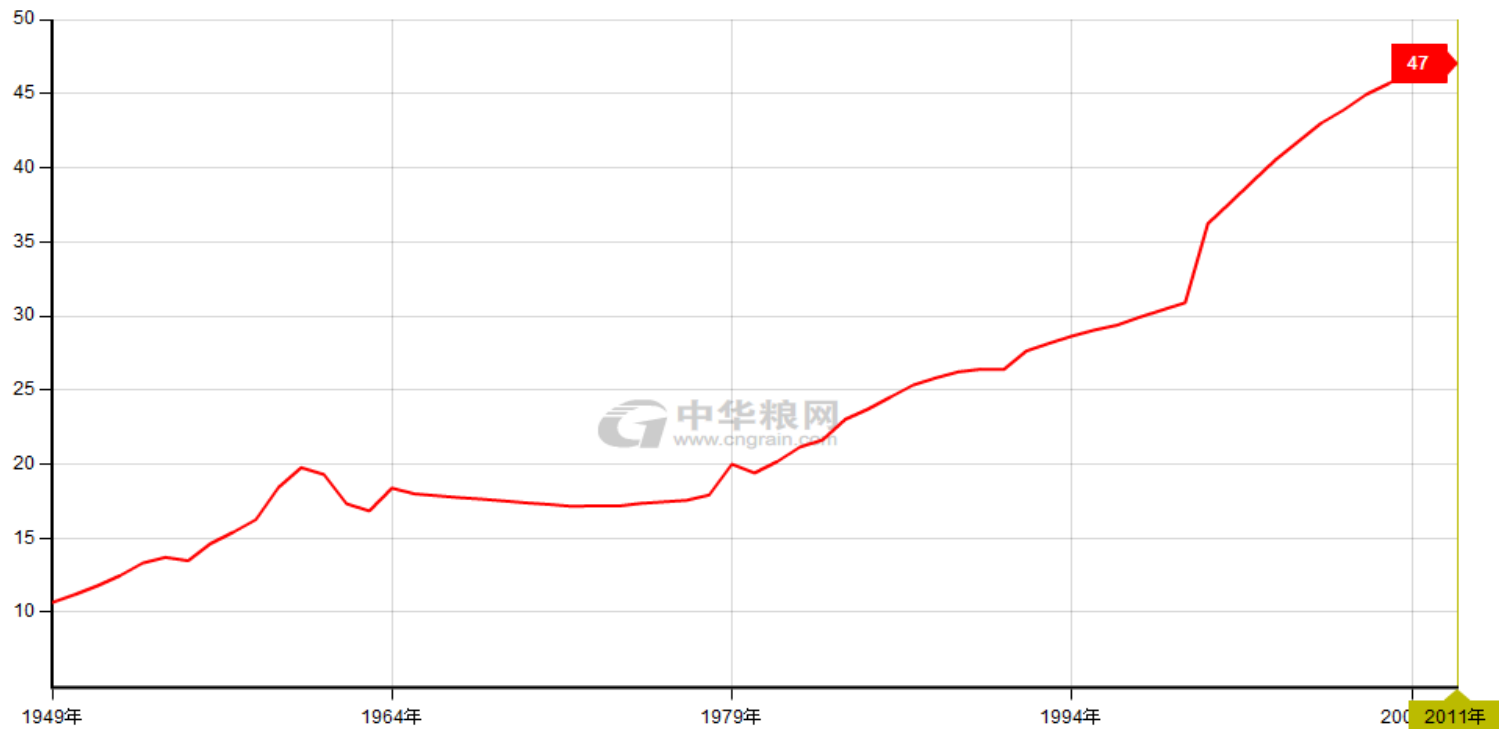
# Consumption



# Per Capita Seafood Consumption in Urban China

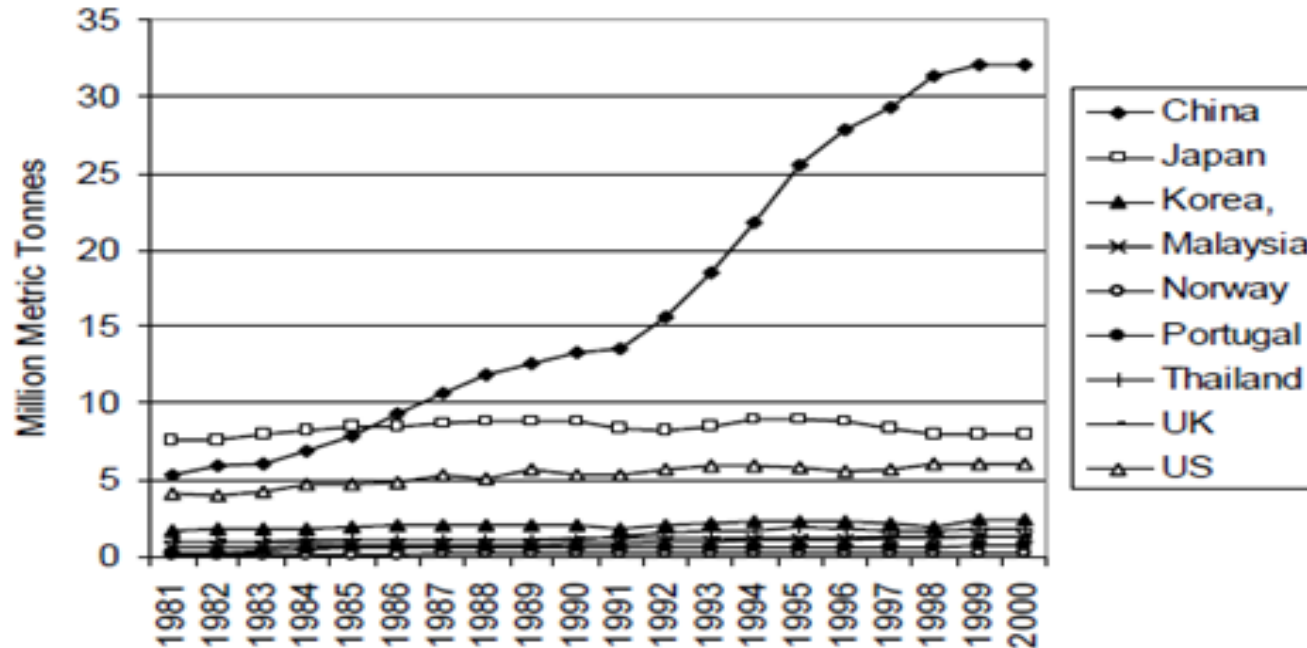


# Urbanization Rate



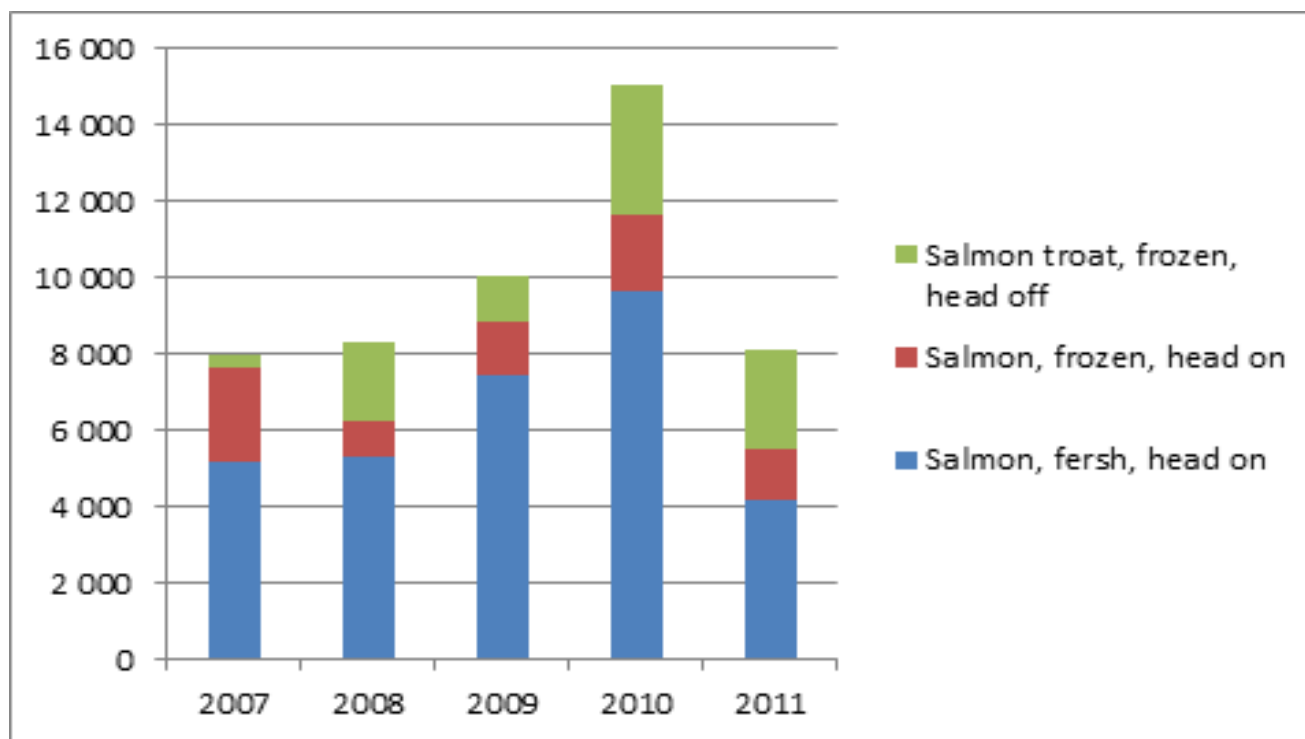
Source: <http://datacenter.cngrain.com/IndexMacroEcoView.aspx?MId=11&IId=32>

# Seafood consumptions for the whole population in selected eastern and western countries

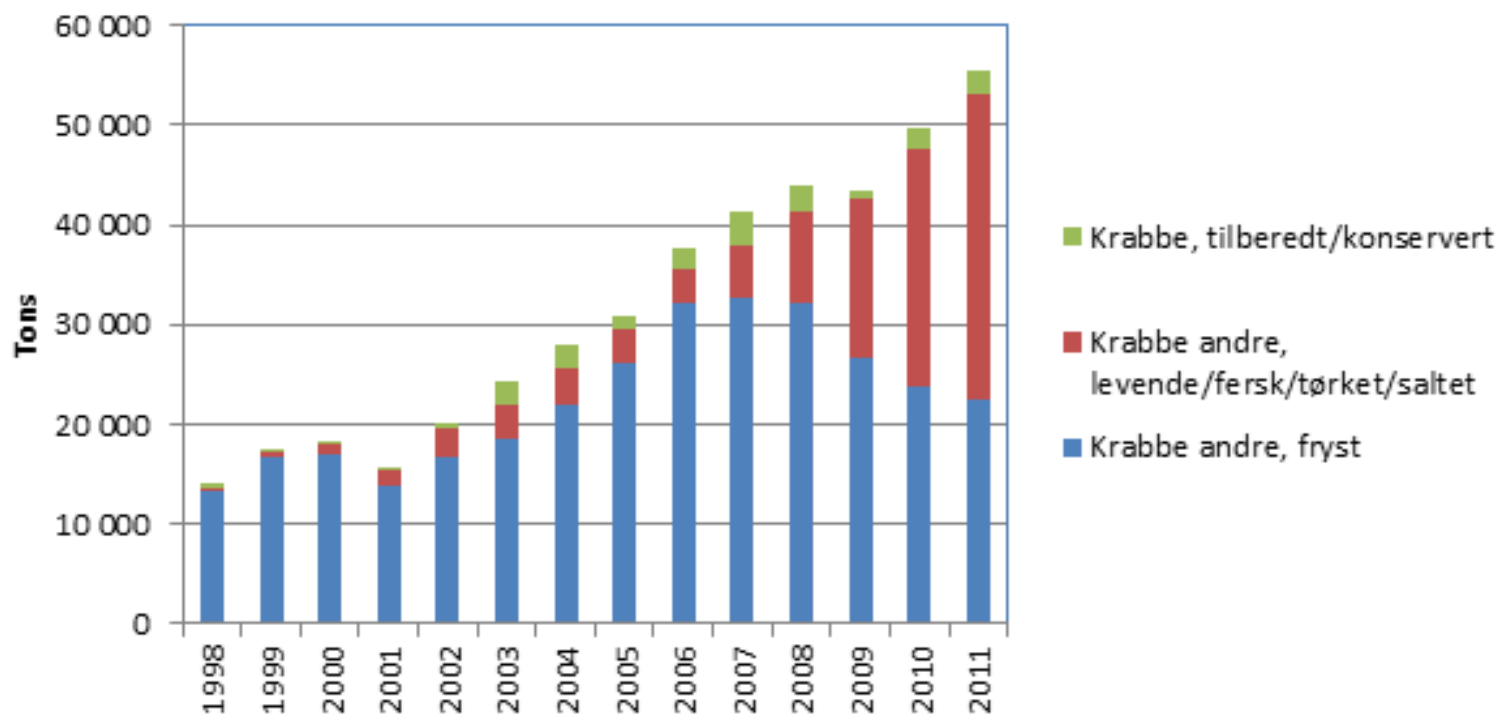


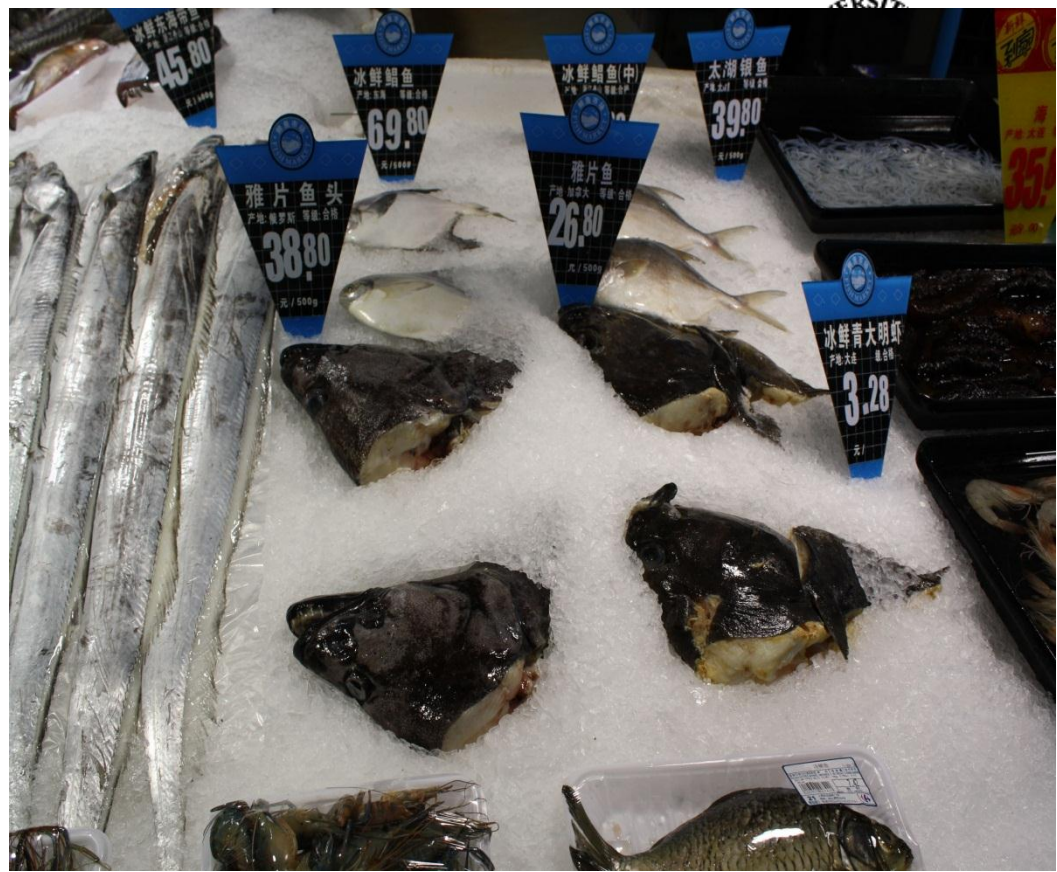
Source: FAO 2002 in Clarke, S. (2004)

# Chinese Import of Salmon from Norway



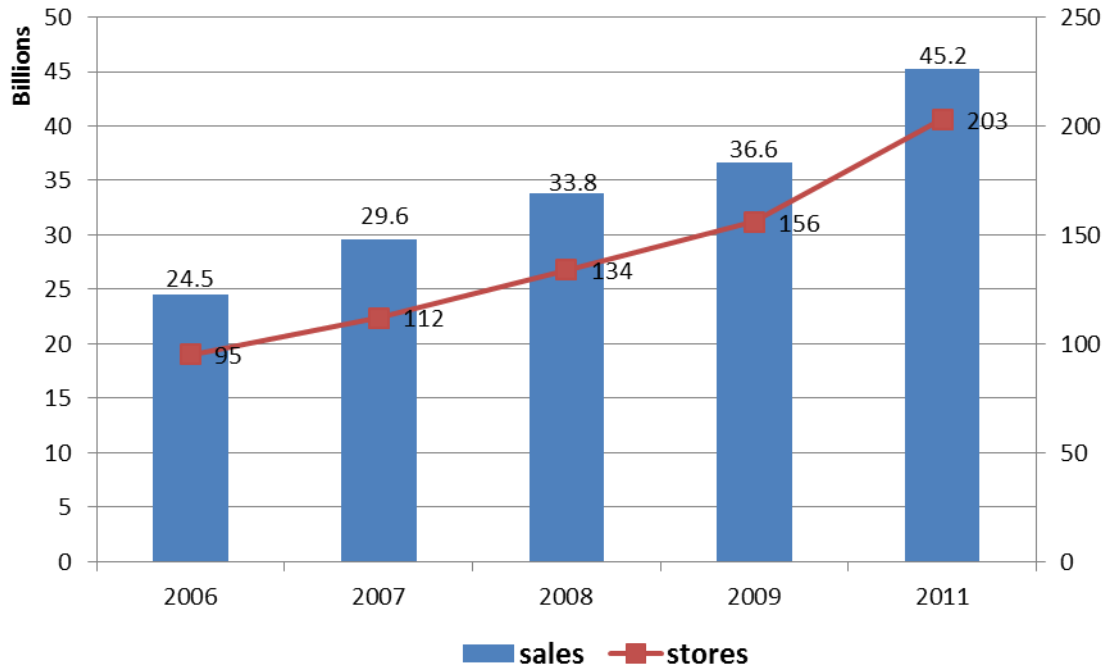
# Chinese Import of Crab







# Carrefour in China



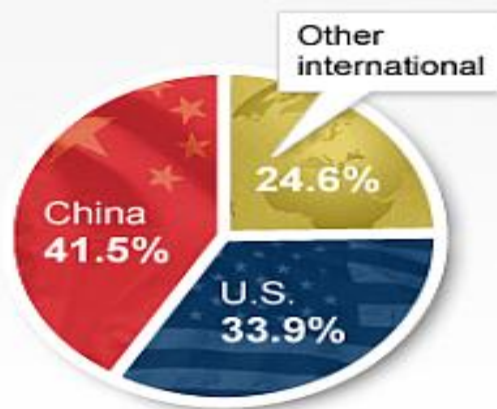
# KFC in China







# KFC (yum) in China



% of 3Q 2010 sales



% of 3Q operating profits

SOURCE: YUM! BRANDS; PHOTOS: THINKSTOCK

Source

<http://money.cnn.com/2011/01/19/news/companies/thebuzz/>

# Sushi in China



# Conclusion

1. Chinese processing industry is earning tiny profit or is losing money.
2. Only high-value added processing sector will remain in China in the next years.
3. Domestic consumption for imported high quality seafood is increasing.



# Thank you!