

Marine Exports Volume

July 2016

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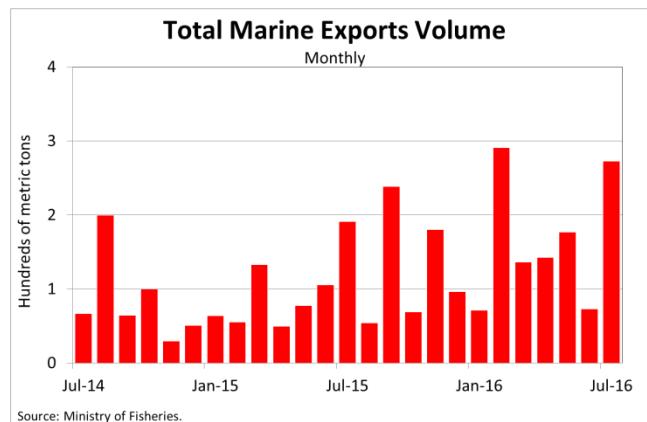
	Jul 16	Jun 16	May 16	Apr 16
Total Volume (metric tons)	272.5	72.8	176.8	142.5
Tuna	248.8	63.7	161.8	134.6
Snapper	9.6	9.1	7.2	3.7
Others	14.1	-	7.8	4.2
Aquarium Products (pieces)	13,031	12,468	12,995	15,404

Note: Numbers may not add up to the total volume due to rounding error.

Tuna drove a significant rise in export volume

Marine exports

Strong growth in the fisheries sector was recorded for the first month of 2016/17. Higher exports of tuna, shark meat and snapper over the month drove a significant rise in total volumes of marine exports¹, increasing by 199.7 metric tons (274.4%). Tuna exports rose the most by 185.1 metric tons (290.6%), shark meat increased by 14.1 metric tons followed by snapper, rising by 0.5 metric tons (5.8%). This reflected a better catch rates compared to June 2016. There were no exports recorded for the rest of the categories in July 2016.



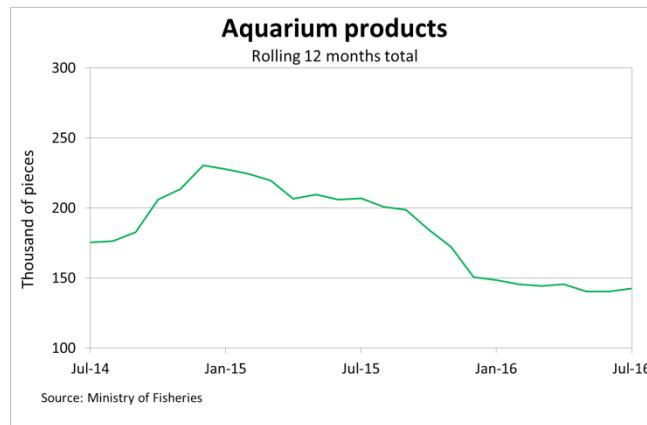
In year ended terms, total marine export volume rose by 680.8 metric tons (60.9%), largely led by a higher exports of tuna rising by 789.2 metric tons (97.7%). In addition, exports of snapper increased by 27.5 metric tons (40.5%) and shark meat rose by 2.5 metric tons (4.6%). The increase in the number of fishing vessels in 2016 had also

¹ Excluded aquarium products

contributed to the annual growth in marine exports. However, the decline in the other categories of marine products was not significant to offset the overall rise. This included products such as beche der mer, seaweed, shark meat, reef fish and shark fin.

Aquarium exports

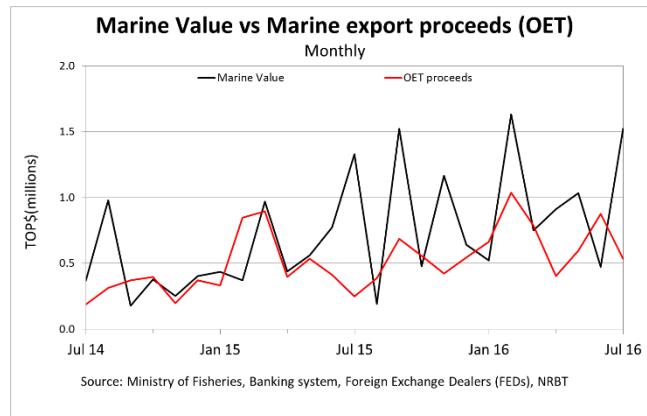
Over the month, total aquarium export volume increased by 563 pieces (4.5%) to 13,031 pieces. Exports of soft coral rose by 526 pieces (29.9%), shellfish increased by 416 pieces and live hard coral exports grew by 5 pieces (0.2%). The exports of live fish and invertebrate however declined.



Over the year, total export volume of aquarium products decreased by 64,489 pieces (31.2%), due mainly to a decline in the export volume of invertebrate, live fish and live hard coral. This outweighed an annual rises in soft coral and shellfish. A fall in demand from overseas market for these products may have contributed to the lower exports during the year.

Exports Proceeds

Export proceeds of \$0.53 million was received in July 2016 through the banking system and foreign exchange dealers for fisheries and other marine products, a decline of \$0.34 million (38.9%) compared to the previous month. However, the Ministry of Fisheries estimated the value of monthly export proceeds to be \$1.52 million over the month. This implies export proceeds of \$0.99 million are being unaccounted for.



Over the year, total fisheries and marine proceeds rose by \$2.2 million (40.8%) in line with the higher marine export volumes. The fisheries and aquarium products are mainly exported to the US, Japan and Hawaii, hence the strengthening of the US dollar and the Japanese Yen against the Tongan pa'anga supports the higher receipts.

Outlook

The NRBT expects the fisheries sector will continue to grow, with tuna exports being the main contributor. The Ministry of Fisheries plans to expand the pearl industry, and new markets available for seaweed exports in the coming year would contribute to the expected 2.0% growth in the fisheries sector for 2016/17. This is supported by the first Fisheries Sector Plan, recently approved by Cabinet. The key focal points included in this plan are to develop the Special Management Areas program, particularly on coastal and commercial fisheries and also the economic development of commercial fisheries and aquaculture. This sector also continues to benefit from the consumption tax and custom duty exemptions on oil and fishing gear, as well as the Fisheries Development and Export Fund (FDEF) initiatives by the Government through its Government Development Loans, which is facilitated by the Tonga Development Bank. The Ministry of Fisheries is also negotiating with one of the donors for loan guarantee funds to increase the amount of loan funds available to fishing enterprises with limited loan collaterals. The introduction of the Air New Zealand Boeing 777-200 aircraft provides extra capacity for more exports volume going forward.

The National Reserve Bank of Tonga (NRBT) is currently working on amendments to the Foreign Exchange Control Act. This is to enable the NRBT to better protect the foreign reserves through the establishment of a framework for the return of proceeds of exports of goods and services rendered in Tonga.

	Marine Export Volumes						Share of total Sample ave.	
	Jul 16	Month-ended			Year-ended Jul 16	Jul 15		
		Jun 16	May 16	Apr 16				
Total Marine Products (in metric tons)	272.5	72.8	176.8	142.5	1,799.3	1,118.5	100.0	
Shark Meat	14.1	-	7.8	4.2	55.9	53.4	3.1	
Snapper	9.6	9.1	7.2	3.7	95.4	67.9	5.3	
Tuna	248.8	63.7	161.8	134.6	1,597.4	808.2	88.8	
Others	-	-	0.0	-	50.7	189.0	2.8	
Total Aquarium Products (in pieces)	13,031	12,468	12,995	15,404	142,498	206,987	100.0	
Livefish	1,166	1,399	537	557	13,368	15,079	9.4	
Invertebrate	6,308	6,459	5,983	9,196	80,087	145,084	56.2	
Live Hard Coral	2,808	2,803	4,161	3,340	27,671	28,793	19.4	
Shellfish	466	50	198	352	4,381	3,717	3.1	
Soft Coral	2,283	1,757	2,116	1,959	16,991	14,314	11.9	

Source: Ministry of Fisheries