

Marine Exports Volume

June 2016

Release date: 5 September 2016

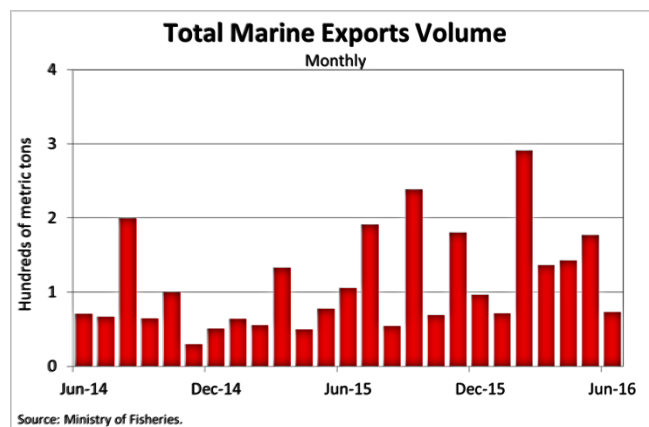
	Jun 16	May 16	Apr 16	Mar 16
Total Volume (metric tons)	72.8	176.8	142.5	135.9
Tuna	63.7	161.8	134.6	103.8
Snapper	9.1	7.2	3.7	10.2
Others	-	7.8	4.2	22.0
Aquarium Products (pieces)	12,468	12,995	15,404	13,938

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

Exports fall following 3 consecutive strong months

Marine exports

The performance in the fisheries industry over the month of June 2016 slowed, with volumes of marine exports¹ decreasing by 104.1 metric tons (58.8%), following 3 consecutive months of growth. Compared to the same month of the previous year, exports of marine products also fell by 32.8 metric tons (31.1%). The monthly decline was largely driven by lower volume of tuna exports which decreased by 98.1 metric tons (60.6%) followed by exports of shark meat which declined by 7.8 metric tons as there was no export during the month. However, exports of snapper increased by 1.9 metric tons (25.7%) but it was insufficient to offset the decrease.



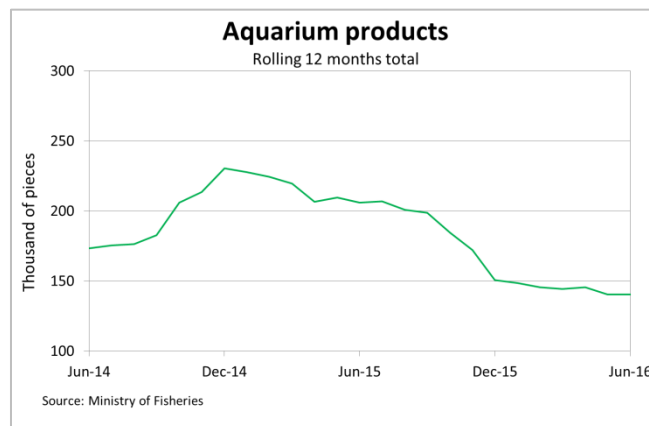
During the financial year 2015/16, exports of marine products aggregated to 1,717.8 metric tons, recorded a growth of 723.7 metric tons (72.8%) compared to the previous year. The increase in the catch rate of tuna and snapper by 864.9 metric tons (129.8%)

¹ Excluded aquarium products

and 29.2 metric tons (45.1%) respectively, supported the higher exports over the year. The increase in the number of fishing vessels had also contributed to the overall rise in marine exports. However, the decline in the other categories of marine products was not significant to offset the annual rise. This included products such as beche der mer, seaweed, shark meat, reef fish and shark fin.

Aquarium exports

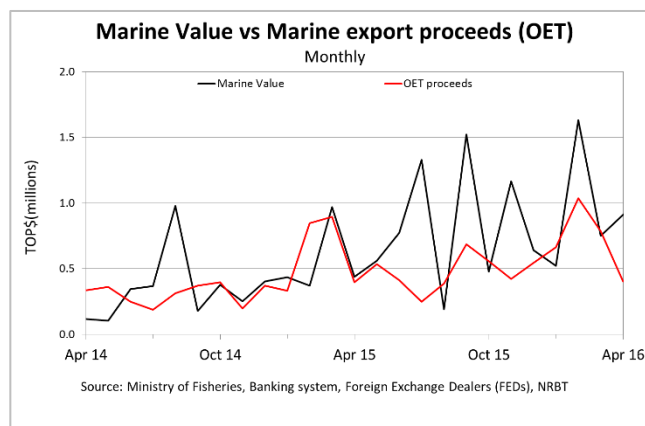
Exports of aquarium products continued to fall over the month by 527 pieces (4.1%), largely led by a 1,358 pieces (32.6%) decline in exports of live hard coral. Additionally, exports of soft coral and shellfish have contributed to the monthly decrease. On the other hand, livefish and invertebrate exports increased but was not significant to offset the decline over the month.



The total export volume of aquarium products over the year also showed a decline of 65,574 pieces (31.8%), driven by lower export volumes of invertebrate, live hard and soft corals. This was more than enough to offset the increases in exports of live fish and shellfish. A fall in demand from overseas market for these products may have contributed to the lower exports during the year.

Exports Proceeds

The exports of fisheries and other marine products brought in \$0.88 million in proceeds reported by the banking system over the month of June 2016. This is an increase of \$0.28 million from last month. Contrastingly, the Ministry of Fisheries estimate the value of exports at \$0.47 million, reflecting lagged effects of the receipt of export proceeds.



Over the year, total fisheries and marine proceeds rose by \$1.94 million (37.0%) coinciding with higher export volumes. The fisheries and aquarium products are mainly

exports 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 improve the NRBT's ability to 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				Year-ended		Share of total Sample ave.
	Jun 16	May 16	Apr 16	Mar 16	Jun 16	Jun 15	
Total Marine Products (in metric tons)	72.8	176.8	142.5	135.9	1,717.8	994.2	100.0
Shark Meat	-	7.8	4.2	5.0	42.0	53.2	2.4
Snapper	9.1	7.2	3.7	10.2	93.8	64.6	5.5
Tuna	63.7	161.8	134.6	103.8	1,531.4	666.5	89.1
Others	-	0.0	-	16.9	50.7	209.8	2.9
Total Aquarium Products (in pieces)	12,468	12,995	15,404	13,938	140,592	206,166	100.0
Livefish	1,399	537	557	800	14,556	13,518	10.4
Invertebrate	6,459	5,983	9,196	9,296	80,297	142,984	57.1
Live Hard Coral	2,803	4,161	3,340	1,891	26,308	30,417	18.7
Shellfish	50	198	352	328	4,107	3,567	2.9
Soft Coral	1,757	2,116	1,959	1,623	15,324	15,680	10.9

Source: Ministry of Fisheries