

Marine Exports Volume

March 2016

Release date: 11 July 2016

	Mar 16	Feb 16	Jan 16	Dec 15
Total Volume (metric tons)	135.9	290.7	71.3	96.0
Tuna	103.8	275.1	66.3	85.2
Snapper	10.2	8.9	5.0	9.9
Others	22.0	6.7	-	0.9
Aquarium Products (pieces)	13,938	9,266	8,861	8,849

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

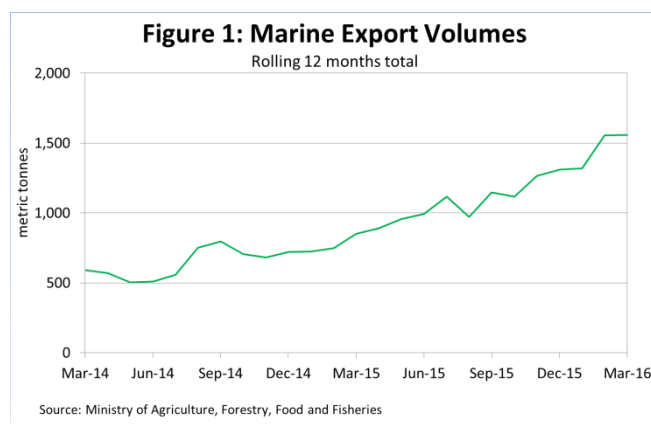
Weather conditions impacted the marine exports

Marine exports

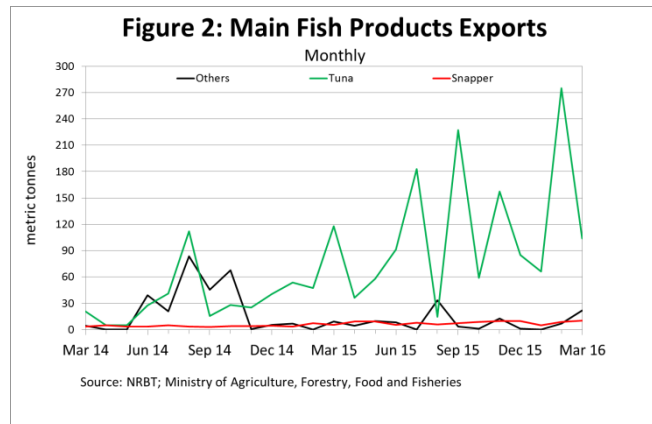
The National Reserve Bank of Tonga (NRBT) in its February 2016 Monetary Policy Statement (MPS), which was recently released, revised its growth estimates for the 2014/15 financial year from 2.5% to 2.6%. This was due to new data received for the fisheries sector from the Ministry of Agriculture, Forestry, Food and Fisheries (MAFFF) (Figure 1). The strong performance in this sector drove the slight increase in the revised growth estimates for 2015/16.

The number of licensed fishing vessels continued to rise contributing to growth in the fisheries sector. To date, there are 33 licensed fishing vessels in total which consist of 13 long-line fleet, 4 local vessels and 9 foreign vessels. There are

also 20 snapper boats for deep-water bottom fishing. The NRBT in its liaison program confirmed that this number is likely to increase in the near future. The numbers of vessels are much more than the 25 fishing vessels that were licensed in 2015 compared to 17 boats in 2014 which contributed to strong growth in this sector.



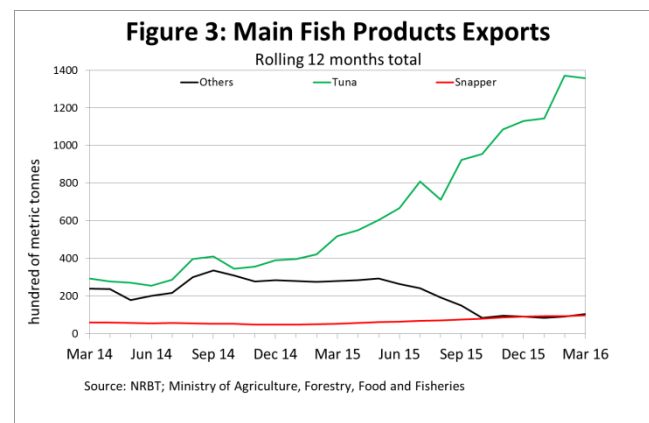
The exports of seaweed and snapper rose in March 2016, however this was offset by a decline in tuna exports resulting in the monthly decline of the total marine exports (Figure 2). The total volume dropped by 154.8 metric tons (53.2%). The exports of tuna in particular decreased by 171.3 metric tons (62.3%) followed by a 1.7 metric tons (24.8%) fall in exports of shark meat.



In the past 3 months to March 2016, the total volume of marine exports has varied due to bad weather, however, still recorded 246.5 metric tons (98.0%) increase compared to the same period in the previous year.

The NRBT have also identified the main markets for fisheries exports which are Japan, US, Hawaii, Australia and New Zealand.

On year ended terms, weather conditions have been more favourable this year compared to the previous years, resulting in higher marine exports over the year. Total fisheries export volume rose over the year to March 2016 by 707.1 metric tons (83.0%) as a result of significant increase in exports of tuna by 838.4 metric tons (161.6%) (Figure 3). Additionally, exports of snapper increased by 44.1 metric tons (83.9%) over the year. These offset the 136.7 metric tons (100%) and 37.0 metric tons (39.3%) decline in exports of beche de mer and seaweed respectively. The increase in the number of fishing vessels has contributed to the increase in the catch rates.

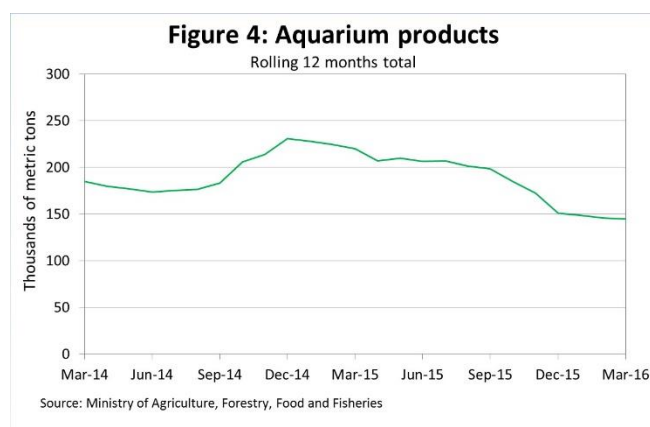


Aquarium exports

The total quantity of aquarium exports rose by 4,672 pieces (50.4%) in March due to higher exports of all species compared to February except for live fish exports. Invertebrate species exports increased the most by 3,481 pieces (59.9%) followed by live hard coral exports rising by 711 pieces (60.3%) over the month. Invertebrate species includes 'unga, snails and starfish to name a few.

Over the past 3 months to March 2016, total volume of marine exports was mixed and recorded a 6,321 pieces (16.5%) fall compared to the same period of 2014/15.

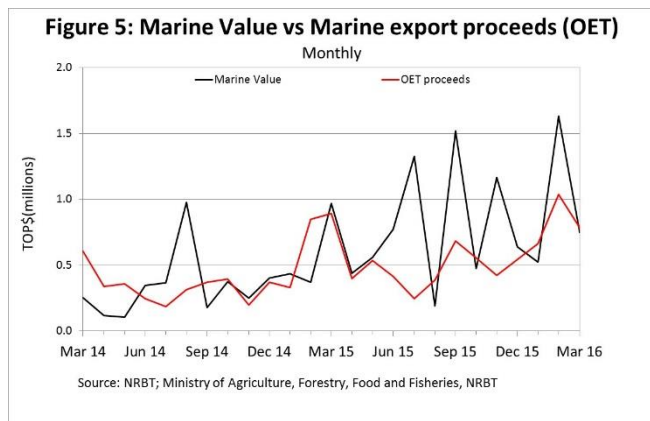
In year-ended terms, aquarium exports however declined by 75,391 pieces (34.3%) due to a fall in exports of invertebrate products by 75,923 pieces (47.5%), live hard coral by 5,893 pieces (19.3%) and also soft coral by 4,267 pieces (24.8%). Live fish exports however rose over the year by 5,825 pieces (54.1%) and a 4,867 pieces increase in shellfish exports but were insufficient to offset the yearly decreased.



Aquarium products exports are mainly to the US, Britain, Singapore and Hong Kong.

Exports Proceeds

The total proceeds for marine exports received through the banking system and Money Transfer Operators recorded a total of \$2.48 million over the 3 months to March 2016, an increase of \$0.41 million (19.8%) compared to the same period last year. However, the Fisheries Department estimated an export value of \$2.90 million for the same review period, a \$1.13 million (63.5%) rise from same period of last year (Figure 5). Therefore, about 14% of the total marine exports proceeds are being held abroad.



The NRBT is currently working on amendments to the Foreign Exchange Control Act. This will improve 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.

Total fisheries export receipts rose over the year by \$1.8 million (37.5%) to \$6.7 million in line with the rising exports volume, supported by the strengthening of the US dollar and Japanese Yen against the Tongan pa'anga.

Outlook

The NRBT expects the fisheries sector will continue to grow, with tuna exports being the main contributor. The MAFFF 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 sector 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 which is facilitated by the Tonga Development Bank. MAFFF is also negotiating with one of the donors for loan guarantee funds to increase the amount of loan funds available to fishing enterprises that has limited collateral. The introduction of the Air New Zealand Boeing 777-200 aircraft provides extra capacity for more exports volume going forward.

	Marine Export Volumes				Year-ended		Share of total Sample ave.
	Mar 16	Month-ended Feb 16	Jan 16	Dec 15	Mar 16	Mar 15	
Total Marine Products (in metric tons)	135.9	290.7	71.3	96.0	1,558.1	851.0	100.0
Shark Meat	5.0	6.7	-	0.9	45.3	47.3	2.9
Snapper	10.2	8.9	5.0	9.9	97.8	52.6	6.3
Tuna	103.8	275.1	66.3	85.2	1,357.0	518.7	87.1
Others	16.9	-	-	-	58.0	232.5	3.7
Total Aquarium Products (in pieces)	13,938	9,266	8,861	8,849	144,352	219,743	100.0
Livefish	800	966	769	575	16,587	10,762	11.5
Invertebrate	9,296	5,815	5,819	5,907	83,985	159,908	58.2
Live Hard Coral	1,891	1,180	922	1,635	24,670	30,563	17.1
Shellfish	328	182	365	80	6,188	1,321	4.3
Soft Coral	1,623	1,123	986	652	12,922	17,189	9.0

Source: Ministry of Agriculture, Forestry, Food, and Fisheries