

Marine Exports Volume

September 2016

Release date: 8 February 2017

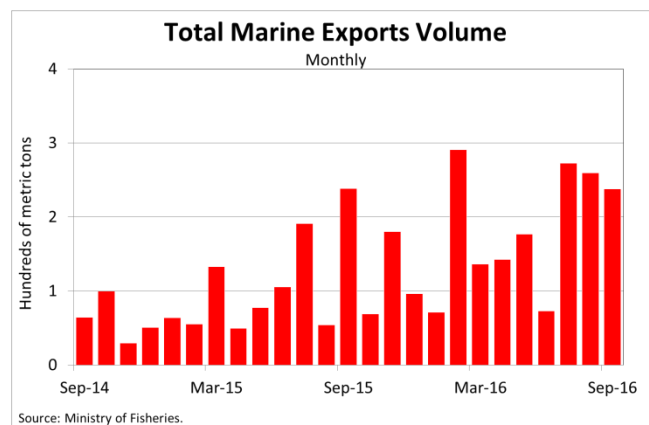
	Sep 16	Aug 16	Jul 16	Jun 16
Total Volume (metric tons)	237.4	259.2	272.5	72.8
Tuna	219.5	235.5	248.8	63.7
Snapper	12.58	12.64	9.6	9.1
Others	5.4	11.1	14.1	-
Aquarium Products (pieces)	8,049	4,380	13,031	12,468

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

Marine exports continue to fall whilst aquarium exports rise

Marine exports

A total of 237.4 metric tons of marine exports¹ were recorded in September 2016, 21.7 metric tons (8.4%) lower than that of the previous month. This is however very similar to what was recorded to be exported in the same month of last year which was a total of 238 metric tons. The exports of tuna declined the most by 16 metric tons



(6.8%), followed by shark meat and snapper which fell by 5.7 metric tons (51.3%) and 0.1 metric tons (0.5%) respectively. There were no exports recorded during the month for the rest of the categories. Liaison with fishing exporters confirmed that weather conditions in September 2016 may have impacted the catch rates compared to previous month.

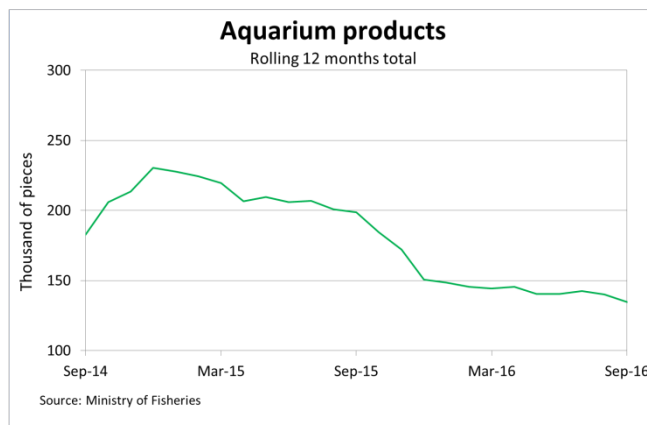
High exports of tuna, snapper and shark meat during the year contributed to an annual growth of 856.5 metric tons (74.7%) in total marine exports. Tuna exports continued to

¹ Excluded aquarium products

be the main driver for the growth over the year, increasing by 887.9 metric tons (96.3%). This offset a decrease in the exports of beche der mer, seaweed, reef fish, shark fin and crustacean. According to the liaison with the sector, the weather conditions during the year and the increasing number of fishing vessels supported the annual growth.

Aquarium exports

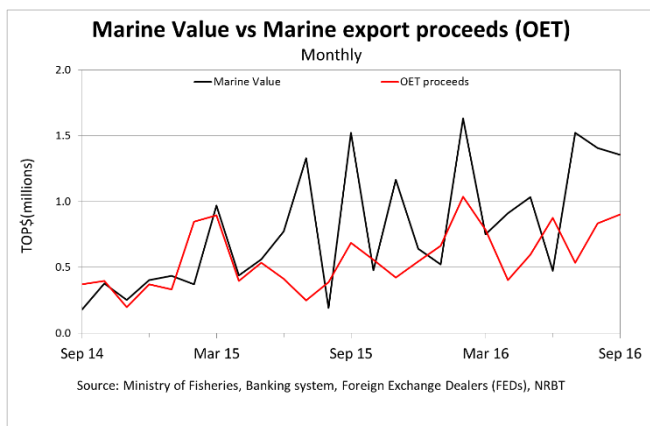
A rebound in the exports of invertebrates drove a pick-up in total aquarium export over the month of 3,669 pieces (83.8%). Exports of invertebrates doubled in September 2016, after decreasing for 2 consecutive months. In addition, exports of live hard coral, live fish and soft coral increased by 751 pieces, 689 pieces, and 138 pieces respectively. This outweighed a decline in shellfish exports which recorded 40 pieces less. A rise in demand from overseas market in September 2016 may have contributed to the higher exports.



In contrary, total export volume of aquarium products continued to fall over the year by 63,840 pieces (32.1%) owing to lower exports in all categories except for soft coral. Exports of invertebrates declined the most by 59,293 pieces (43.6%) over the year ended September 2016.

Exports Proceeds

The Ministry of Fisheries estimated the value of monthly export proceeds to be \$1.35 million in September 2016, however only \$0.9 million were received through the banking system and foreign exchange dealers for export of fisheries and other marine products. An increase of \$0.1 million (8.1%) in export proceeds reflected the pick-up in aquarium exports.



Over the year, a 74.7% growth in total marine exports coincided with a \$2.4 million (42.8%) rise in the total proceeds received. The strengthening of the US dollar and the Japanese Yen against the Tongan pa'anga supported the higher export receipts during the year, as the main export countries are the US, Japan and Hawaii.

Outlook

The National Reserve Bank of Tonga (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 businesses with limited loan collateral. The introduction of the Air New Zealand Boeing 777-200 aircraft provides extra capacity for more exports volume going forward.

Amendments to the Foreign Exchange Control Act are being drafted which include the establishment of a framework for the return of proceeds of exports of goods and services rendered in Tonga. This would support protecting the foreign reserves.

	Marine Export Volumes				Year-ended		Share of total Sample ave.
	Sep 16	Month-ended Aug 16	Jul 16	Jun 16	Sep 16	Sep 15	
Total Marine Products (in metric tons)	237.4	259.2	272.5	72.8	2,003.7	1,147.2	100.0
Shark Meat	5.4	11.1	14.1	-	69.1	43.5	3.4
Snapper	12.58	12.64	9.6	9.1	107.2	74.6	5.4
Tuna	219.5	235.5	248.8	63.7	1,810.4	922.5	90.4
Others	0.0	-	-	-	17.0	106.5	0.8
Total Aquarium Products (in pieces)	8,049	4,380	13,031	12,468	134,852	198,692	100.0
Livefish	1,116	427	1,166	1,399	11,578	17,458	8.6
Invertebrate	4,256	2,125	6,308	6,459	76,688	135,981	56.9
Live Hard Coral	1,551	800	2,808	2,803	26,452	26,794	19.6
Shellfish	-	40	466	50	2,874	4,995	2.1
Soft Coral	1,126	988	2,283	1,757	17,260	13,464	12.8

Source: Ministry of Fisheries