

ALASKA SEAFOOD MARKETING INSTITUTE HIGHLIGHT REEL 2023

CHINA AND HONGKONG
IMC Meeting – August 16, 2023

Prepared by SMH International



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01. MARKET OVERVIEW





01. MARKET OVERVIEW

After 3 years' pandemic, China's economy is gradually recovering. China's gross domestic product grew 5.5 percent YOY in the first half of 2023, to reach 59.3 trillion yuan (\$ 8.5 trillion).

➤ RETAIL

- Retail sales of consumer goods grew 8.2 percent YOY between January and June this year to touch 22.76 trillion yuan (\$3.17 trillion).
- Retailers have begun to develop membership stores and O2O models in order to meet the needs of consumers.

➤ ONLINE

- In the 1st half of 2023, online retail sales jumped 13.1 percent YOY, hitting 7.16 trillion yuan (\$ 1.02 trillion).
- Major players remain Alibaba, JD.com, Pingduoduo and Douyin. Besides, many retailers start their online platform to boost sales.
- Short videos became a new driver during 618 e-commerce shopping festival this year on Taobao, Douyin and Little Red Book Platforms.

➤ FOOD SERVICE

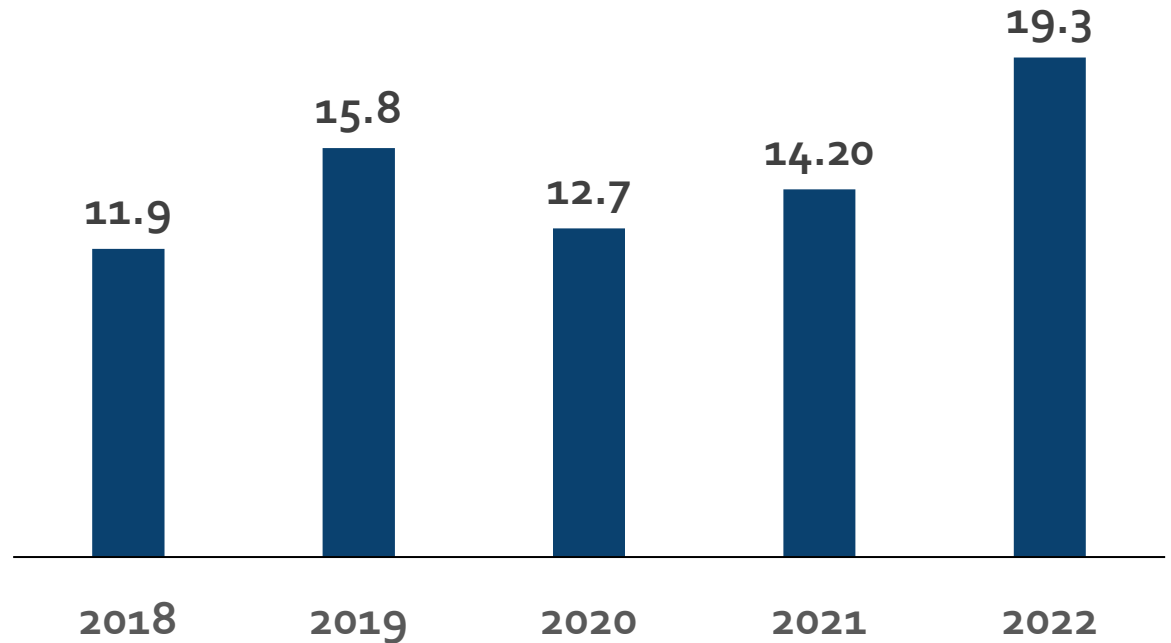
- In the 1st half of 2023, the catering sector saw revenue soar 21.4 percent YOY, up to 2.43 trillion yuan (\$ 0.34 trillion).
- There were 2.02 million newly added catering-related enterprises. Among them, barbecue-related enterprises reached 70,000, with a 35.4% YOY growth, while hotpot enterprises reached 32,000, also with a 35.4% YOY growth.
- Consumers are paying more attention to the health of food ingredients.

01. MARKET OVERVIEW

Overall Seafood Demand in China

China's seafood imports reached US\$19.13 billion in 2022, a significant increase of 35% over 2021 and even exceeded US\$15.8 billion in 2019 - an increase of 22% over 2019, while the total imported seafood volume were about 4.19 million tons, an increase of 21% from the previous year, but still lower than 4.4 million tons recorded in 2019.

CHINA SEAFOOD IMPORTS (Unit: Billion Dollars)



01. MARKET OVERVIEW

China's seafood imports by country, 2022

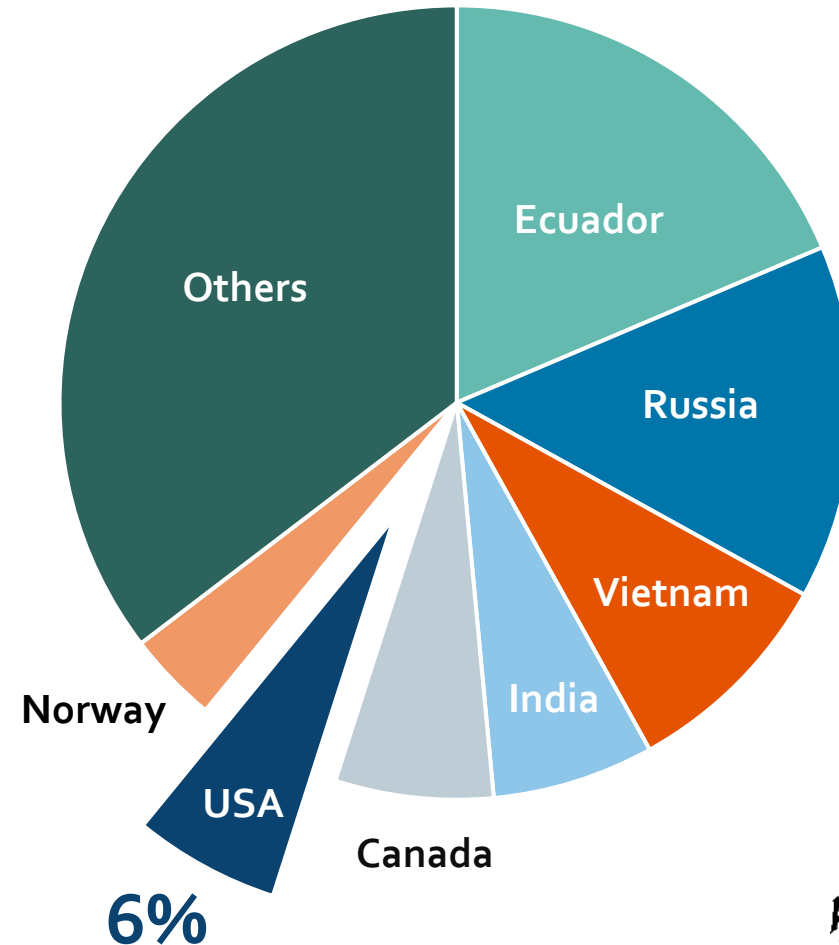
In 2022, Ecuador was China's largest seafood supplier, exporting US\$3.56 billion, an increase of 63% over 2021, followed by Russia worth US\$2.76 billion. USA exported US\$ 1.14 billion, accounting for 6% of China's total seafood imports.

Ranking in 2022	Export Country	Value (Billion Dollars)
1	Ecuador	3.56
2	Russia	2.76
3	Vietnam	1.7
4	India	1.26
5	Canada	1.23
6	USA	1.14

Top-five countries produce the most important species like warmwater shrimp, pangasius, king crab, snow crab, lobster — key species preferred in China.

China's seafood imports by country, 2022

Total: 19.1bn
(Value Unit: Billion Dollars)



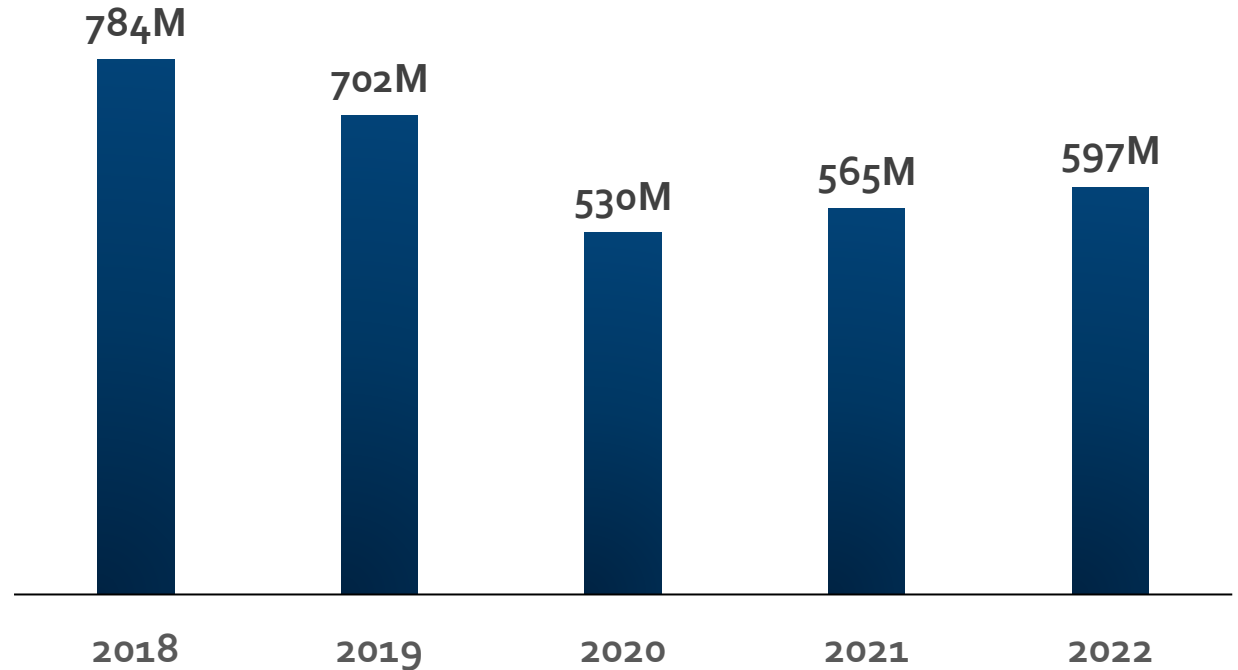
01. MARKET OVERVIEW

Alaska Seafood Demand in China

In 2022, Alaska seafood exports to Mainland China and Hong Kong reached US\$597 million, 5.6% increase from 2021.

Ranking in 2022		2022		% Change 2021 to 2022	
No.	Species	MT	Dollars	Volume	Value
1	Sole	52,818	84M	49%	54%
2	Pollock (Frozen H&G, Fillet)	22,384	44M	50%	56%
3	Rockfish	17,682	52M	1%	19%
4	Pacific Cod (Frozen H&G, Fillet)	14,436	46M	44%	61%
5	Chum (Frozen H&G)	12,916	52M	86%	135%
6	Atka Mackerel	7,932	21M	24%	23%
7	Pollock (Surimi)	5,601	13M	84%	54%
8	Sockeye (Frozen H&G)	3,300	25M	28%	82%
9	Sablefish	2,097	24M	64%	57%
10	Sea Cucumber	101	2M	81%	76%

Alaska Seafood Exports to China and Hong Kong (Value Unit: Dollars)



02. MARKET COMPETITION



02 MARKET COMPETITION



A.
Tariff Issues

B.
Competitions

C.
Protein Consumption Trends

02. MARKET COMPETITION

B. China – US Relations Caused Tariff Competition

In addition to the Most Favored Nation (MFN) tariff, China imposes an additional punitive tariff on seafood from the US, resulting in higher costs and reduced competitiveness compared to other countries.

Seafood from below countries enjoy a preferred lower tariff:

China further reduces tariffs based on the free trade agreements and RCEP with **New Zealand, Peru, Costa Rica, Switzerland, Iceland, South Korea, Australia, Pakistan, Mauritius, and Cambodia.**

China continues to implement lower tariff based on agreed tariff rates under the free trade agreements with **ASEAN, Chile, Singapore and Georgia.**

TARIFFS ON Alaska SEAFOOD

Species/Tariff	MFN Tariff	Punitive Tariff	VAT
Salmon	7%	/	9%
Pollock	2%	/	9%
Cod	2%	15%	9%
Black Cod	7%	15%	9%
Rockfish	7%	15%	9%
Mackerel	7%	15%	9%
Sea Cucumber	10%	15%	9%
King Crab	5%	15%	9%
Snow Crab	5%	15%	9%
Sole	7%	15%	9%

Notes: China's State Council Tariff Commission (SCCTC) opened a new tariff exclusion process for Chinese companies impacted by the retaliatory Section 301 tariffs levied by China since March 2020.



02 MARKET COMPETITION

C. Competition of Similar Species



CRAB



Russia was the largest supplier for crab in 2022, primarily exporting king crab and snow crab, with a trade value of US\$ 710 million, marking a 10% increase YOY. Besides, **Canadian** Crab is also popular in China.



COD



POLLOCK

Russia emerged as China's largest supplier of frozen fish, especially cod and pollock in 2022, with export volume of 886,000 tons, valued around US\$1.78 billion, marking an increase of 54% and 71% respectively.



SALMON



In 2022, China imported \$736.7m worth of Atlantic salmon, up 26%. Salmon imported from **Chile, Norway, Canada, the United Kingdom, and Australia** constitutes the majority of the imported salmon sold in China.



ROCKFISH



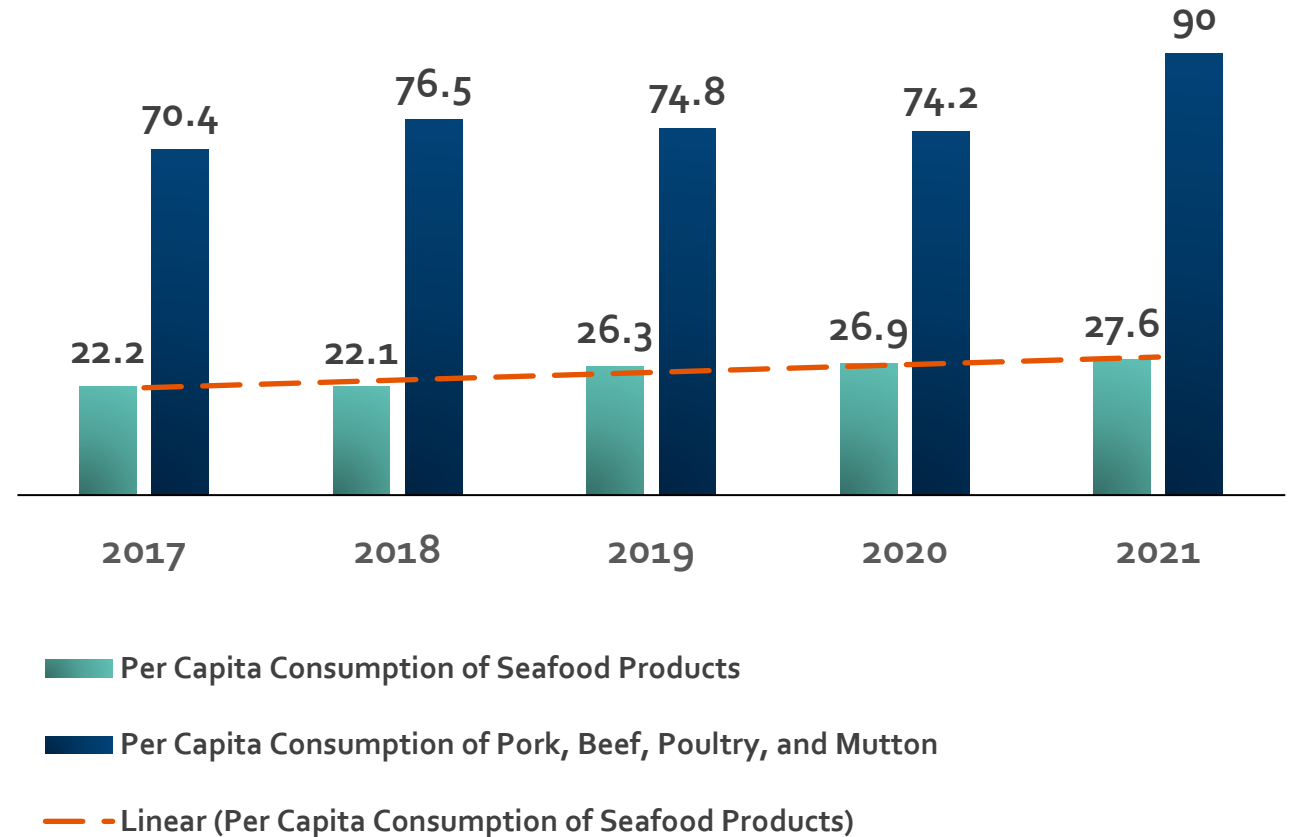
Lots of rockfish available in the Chinese market are sourced from EU countries, including **Iceland, Greenland, the Faroe Islands, Newfoundland, and Norway.**

02. MARKET COMPETITION

D. China Protein Consumption Trends

- Regarding protein consumption trends, China has witnessed a steady increase in per capita consumption of seafood products in recent years.
- However, other meats such as pork, beef, poultry, and mutton continue to be the primary source of protein in China. Nevertheless, consumers are gradually substituting other meats with seafood, indicating significant potential for seafood consumption as a protein source in the future.
- Furthermore, there has been a noticeable shift in consumer behavior towards obtaining protein from plant-based sources such as pistachios, almonds, and faux meat. Plant-based protein is emerging as a potential competitor to seafood-based protein.

China: Protein Consumption Trends (Unit: kilograms)



03. STORY OF EVOLUTION



03. STORY OF EVOLUTION

SPECIES WITH SALES GROWTH



COMPREHENSIVE MARKETING STRATEGY

- Rockfish (POP)
- Sole
- Pollock
- Cod
- Sablefish
- Salmon
- Surimi



- In-Store Promotion
- Trade Show
- Trade Gathering
- Online Promotion
- Foodservice Promotion
- Chef Seminar
- Chef Training School
- Chef Competition

03. STORY OF EVOLUTION

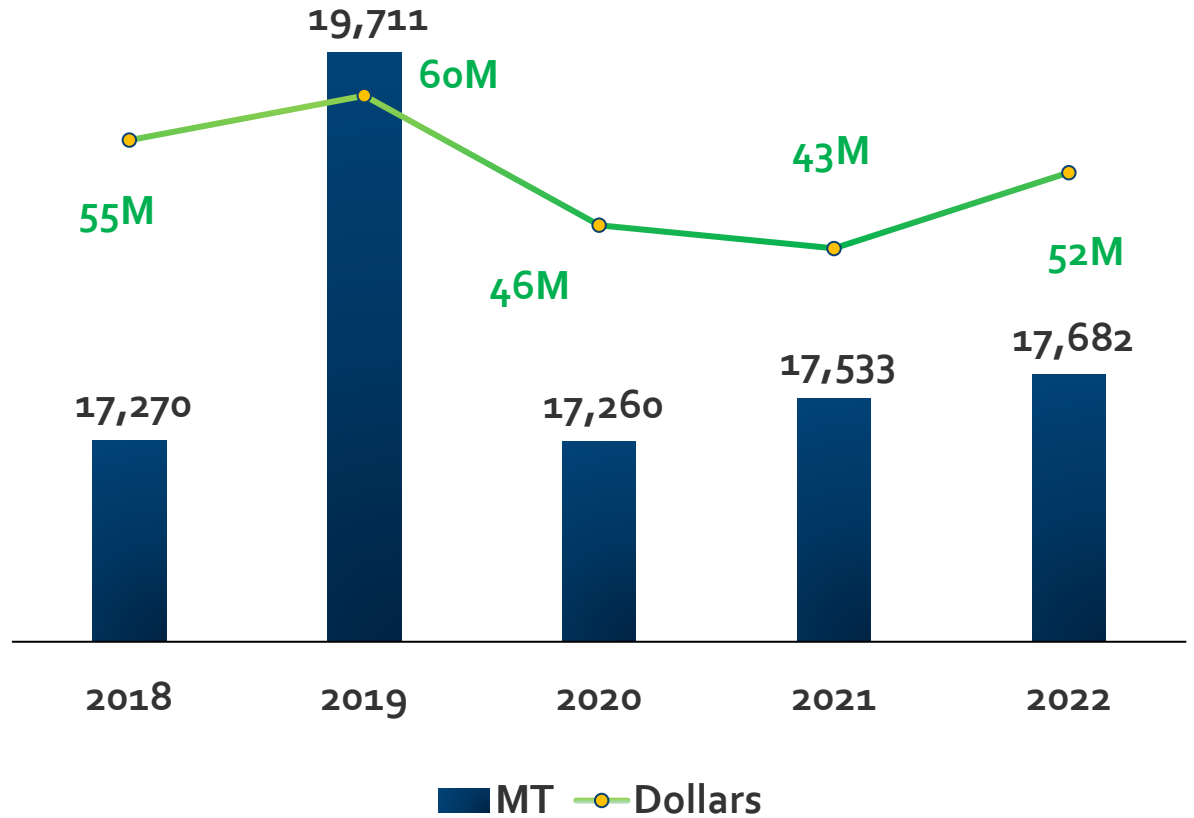
- ROCKFISH (POP)

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
17,682	52M	1%	19%

Rockfish (especially POP and thornyhead) has become increasingly popular in China. It is a highly favored dish at Chinese weddings, as the red color of the fish symbolizes luck and happiness.



Alaska Rockfish Exports to China and Hong Kong



03. Story of Evolution

– Rockfish (POP)

In-Store Promotion

- Soda Mall (4 Stores) in Hong Kong
- Yata (12 Stores) in Hong Kong

Trade Gathering

- Trade Gathering in SH/BJ/GZ/QD/DL/SZ

Online

- Cookcookland

Menu Promotion

- Hotel Nikko & Hilton in GZ

Chef Seminar

- Hotpot Chef Seminar in CD, GZ, CQ

Media Exposure

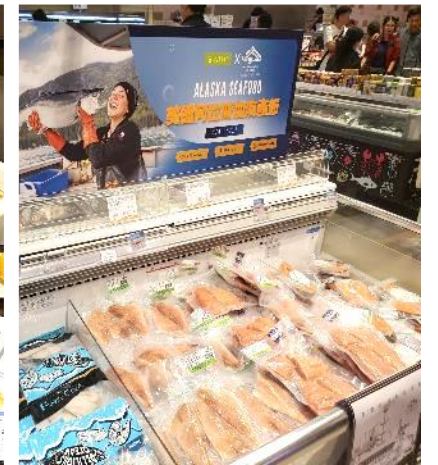
- 115 pieces of press coverage
- Two KOLs on Douyin, FB, IG
- Reached 110 million impressions

Short Video

- One 1-minute short video

Recipe Development

- 2 recipe developed



Note: SH-Shanghai, BJ- Beijing, GZ-Guangzhou, QD-Qingdao, DL-Dalian, SZ-Shenzhen, CQ-Chongqing

03. STORY OF EVOLUTION

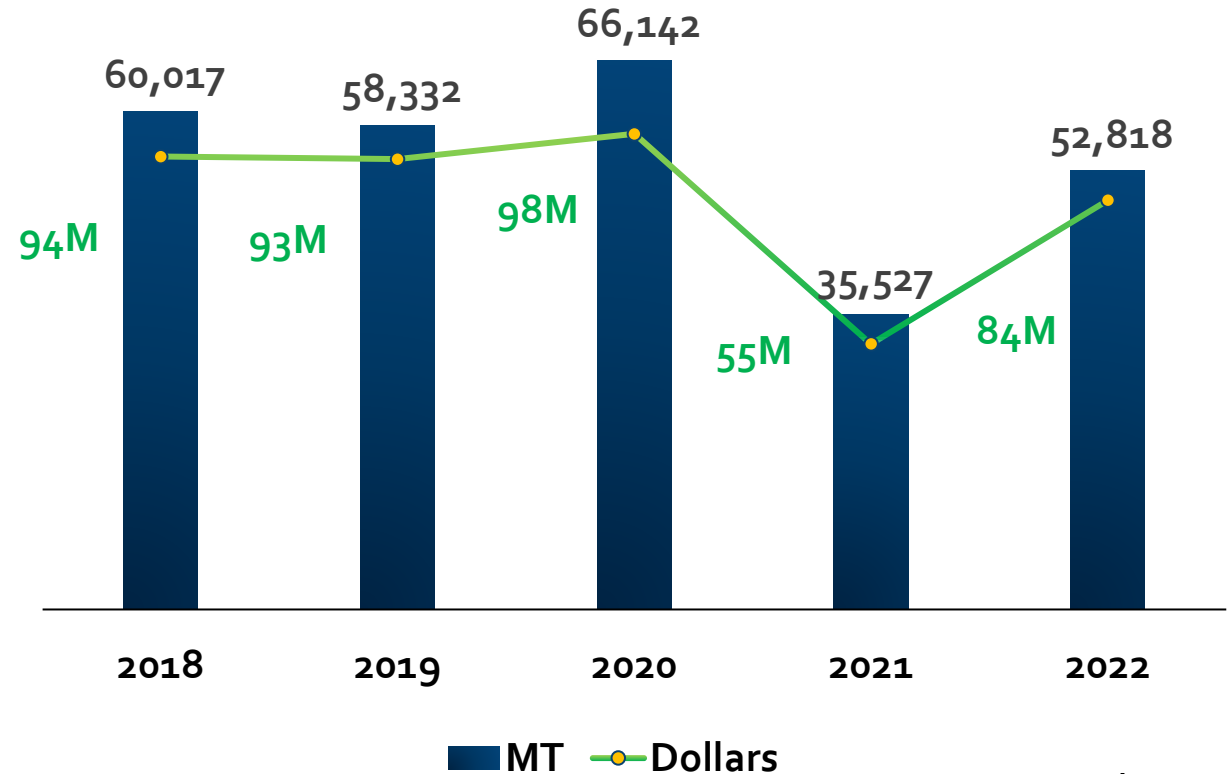
- SOLE

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
52,818	84M	49%	54%

In 2022, the volume and value of sole have shown a significant increase of 49% and 54% respectively.



Alaska Sole Exports to China and Hong Kong



03. Story of Evolution

– Sole

In-Store Promotion

- Walmart SZ (6 Stores)
- RT-Mart GZ (5 Stores)

Trade Gathering

- Trade Gathering in SH/BJ/GZ/QD/DL/SZ

Menu Promotion

- Hotel Nikko & Hilton in GZ

Chef Seminar

- Hotpot Chef Seminar in CD, GZ, CQ

Chef Competition

- Chef Competition in GZ

Media Exposure

- 125 pieces of press coverage
- 1 KOL on Douyin
- Reached 120 million impressions

Recipe Development

- 2 recipe developed



Note: SH-Shanghai, BJ- Beijing, GZ-Guangzhou, QD-Qingdao, DL-Dalian, SZ-Shenzhen, CQ-Chongqing, CD- Chengdu

03. STORY OF EVOLUTION

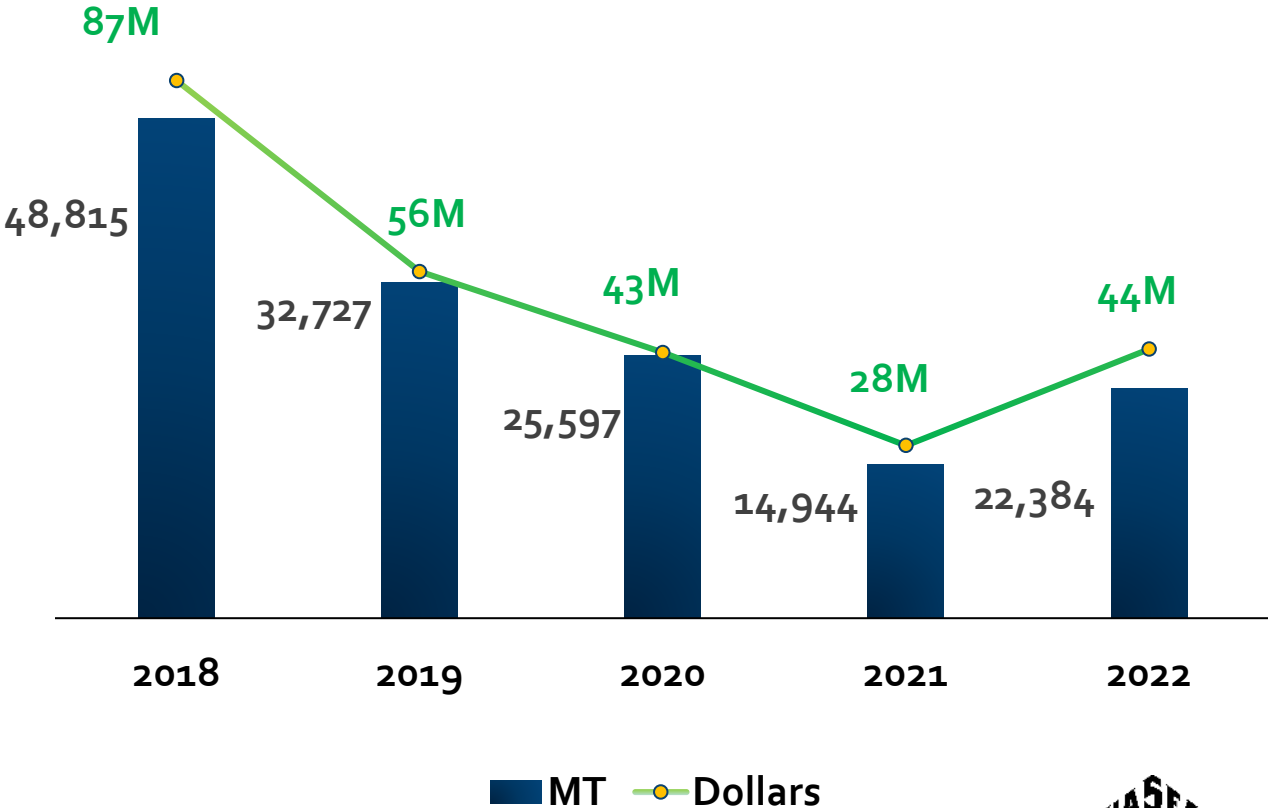
- POLLOCK

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
22,384	44M	50%	56%

Pollock is a cost-effective product that is highly recognized in the Chinese market. It is available for purchase through various channels. In 2022, there was an increase of 50% in volume and 56% in value compared to the previous year. Moreover, it has reached 79% of the volume recorded in 2019.



Alaska Pollock (Frozen Fillet, H&G) Exports to China and Hong Kong



03. Story of Evolution

– Pollock

In-Store Promotion

- 8 promotions at Hema Fresh, Ole, Jiarong (SPAR), Metro, Carrefour
- Covering 47 stores in CD, SZ, DG, SH, QD

Trade Gathering

- Trade Gathering in SH/BJ/GZ/QD/DL/SZ

Online Promotion

- 6 Platforms: JD.com, Tmall, Southstream, Worldwide, Kuailiantong, Daydaycook

Menu Promotion

- 3 Hotels: Nikko & Hilton, Asia International GZ

Note: SH-Shanghai, BJ- Beijing, GZ-Guangzhou, QD-Qingdao, DL-Dalian, SZ-Shenzhen, CQ-Chongqing, CD- Chengdu, DG - Dongguan

Chef Seminar

- Hotpot Chef Seminar in CD, GZ, CQ

Media Exposure

- 225 pieces of press coverage
- Two KOLs on Douyin and Weibo
- Reached 215 million impressions

Short Video

- 1-minute short video

Recipe Development

- 2 recipe developed



03. STORY OF EVOLUTION

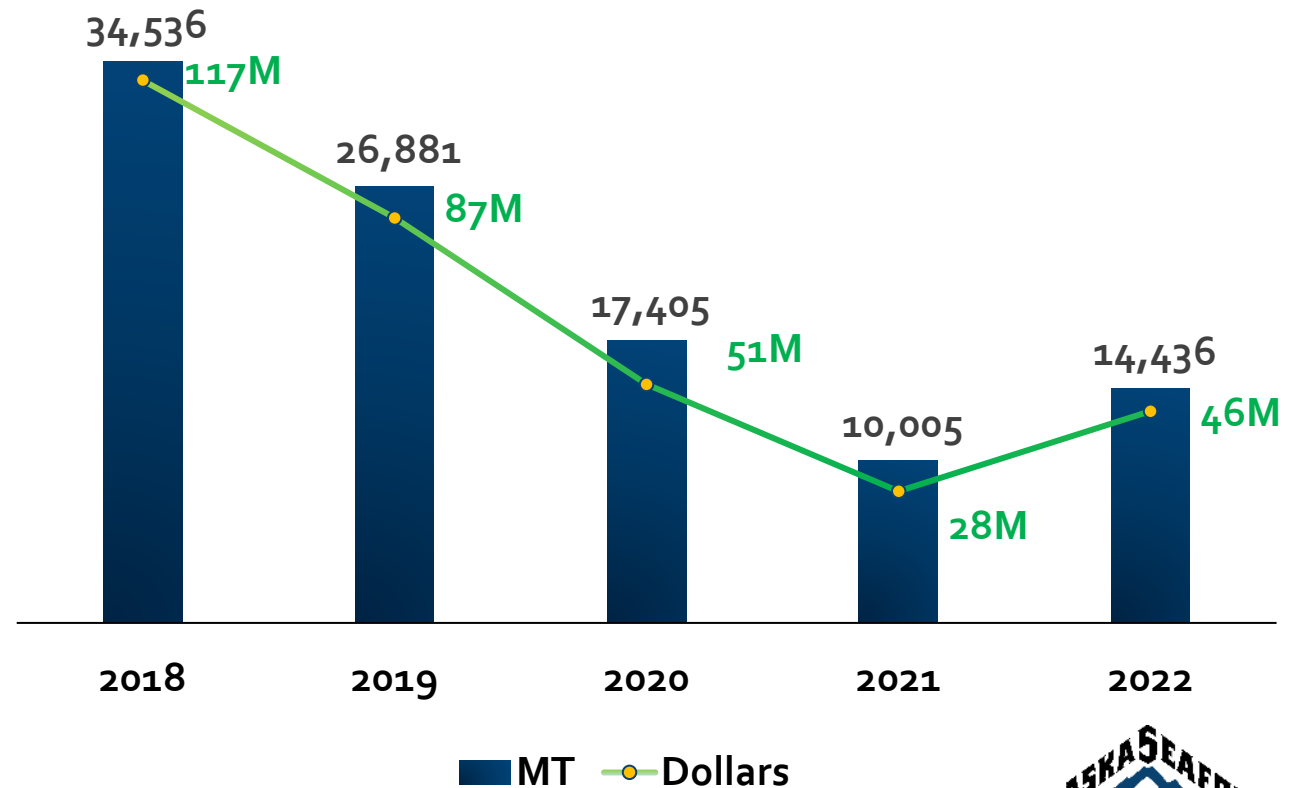
- COD

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
14,436	46M	44%	61%

In 2022, Alaska Pacific Cod experienced a substantial increase in both volume and value, with a growth of 44% and 61% respectively. However, the overall import volume has remained lower than that of 2019, primarily due to the impact of the pandemic.



Alaska Pacific Cod (Frozen H& G, Fillet) Exports to China and Hong Kong



03. STORY OF EVOLUTION

– Cod

Trade

- Trade Gathering in Shanghai, Beijing, Guangzhou, Qingdao, Dalian, Shenzhen

Online Promotion

- JD.com
- Benlai.com

Chef Seminar

- Hotpot Chef Seminar in Chengdu, Guangzhou, Chongqing

Media Exposure

- 125 pieces of press coverage
- Reached an impression of 116,510,000

Recipe Development

- 2 recipe developed



03. STORY OF EVOLUTION

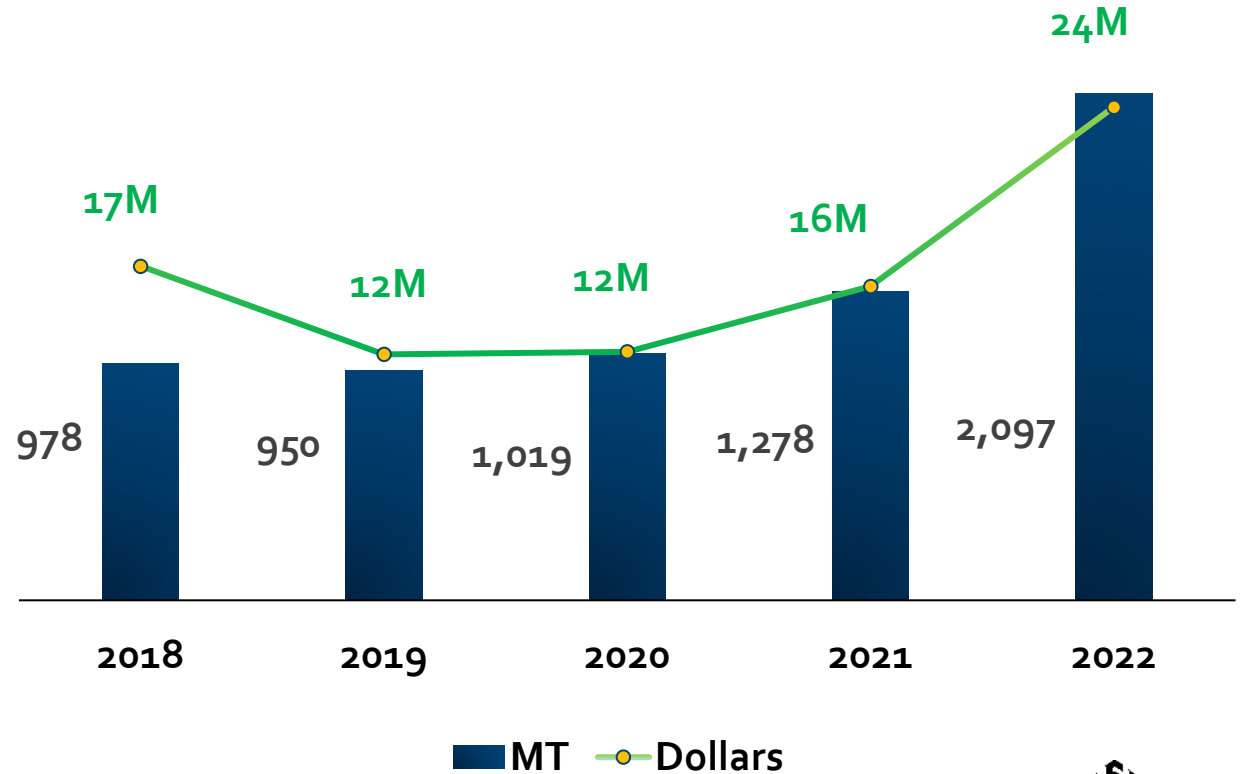
- SABLEFISH

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
2,097	24M	64%	57%

Sablefish is a highly popular species in China and has been available in various online and offline retail channels such as Sam's Club, Hema Fresh, as well as Tmall.com and JD.com for an extended period.



Alaska Sablefish Exports to China and Hong Kong



03. Story of Evolution

– Sablefish

In-Store Promotion

- 8 promotions at Walmart, Jiarong (SPAR), Metro, Hema Fresh, Soda Mall, Yata, DeliFans
- Covering 49 stores in SH, SZ, DG, NJ, HK

Trade Gathering

- Trade Gathering (SH/BJ/GZ/QD/DL/SZ)

Online Promotion

- 6 Platforms: JD.com, Tmall.com, Southstream, Worldwide, Kuailiantong, Benlai.com

Menu Promotion

- 2 Hotels: Hilton & Asia International in GZ
- 1 chain Restaurant: Essence of Europe in CD (4 stores)

Media Exposure

- 195 pieces of press coverage
- One KOL on Weibo
- Reached 185 million impressions

Recipe Development

- 2 recipe developed



Note: SH-Shanghai, BJ- Beijing, GZ-Guangzhou, QD-Qingdao, DL-Dalian, SZ-Shenzhen, CD- Chengdu, DG – Dongguan, NJ – Nanjing, HK – Hong Kong

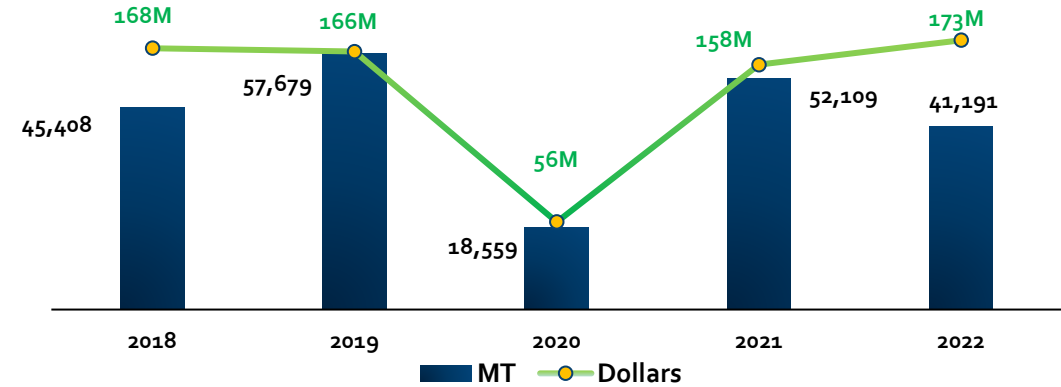
03. STORY OF EVOLUTION

- SALMON

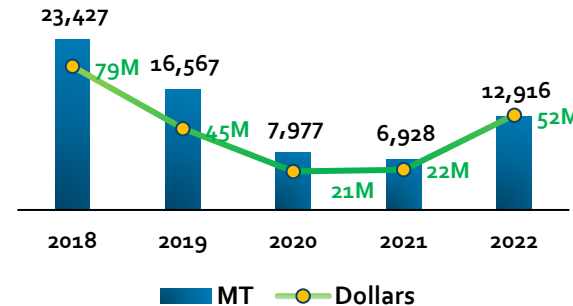
Alaska Salmon Exports to China and Hong Kong	2022		% Change 2021 to 2022	
	MT	Dollars	Volume	Value
Total Salmon	41,191	173,471,125	-21%	10%
Chum (Frozen H&G)	12,916	52,170,728	86%	135%
Sockeye (Frozen H&G)	3,300	25,084,247	28%	82%

Despite an overall decrease in total salmon consumption in China and Hong Kong, there has been a significant increase in the demand for Sockeye and Chum. Sockeye, known for its appealing meat color and texture, is highly sought after in both retail and catering sectors. On the other hand, Chum steak and fillet, favored for its affordability, have gained popularity in China, especially when seasoned.

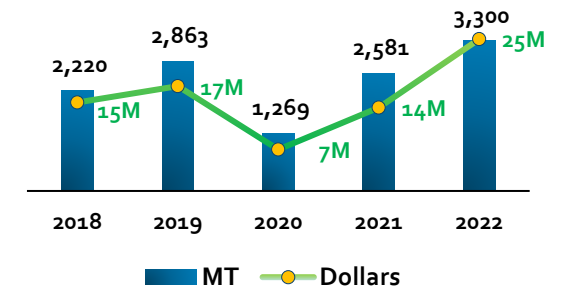
Alaska Total Salmon Exports to China and Hong Kong



Alaska Chum (Frozen H&G) Exports to China and HK



Alaska Sockeye (Frozen H&G) Exports to China and HK



03. Story of Evolution

– Salmon (Sockeye/ Pink/ Chum)

In-Store Promotion

- Aeon (11 stores) in Hong Kong
- Yata (12 stores) in Hong Kong

Online Promotion

- 2 Platforms: Southstream, Worldwide

Recipe Development

- 2 recipe developed



美聯特惠
Valentine's Day

美國阿拉斯加海產

線上限時優惠

Alaska-Origin, USA

美國阿拉斯加海產
Alaska Seafood
天然 Natural
純淨 Pure
美味 Delicious

天然海產是美國阿拉斯加家庭的資源，美國阿拉斯加州全力確保及延續資源的豐富性和可持續性。

自1959年以來，美國阿拉斯加州成為了唯一可持續發展的漁業地區，海洋線賜予了我們豐富的海產寶藏，成為世界上最富饒的商業魚類基地。

掃描選購

急凍阿拉斯加野生捕獲紅三文魚
規格：全邊

急凍阿拉斯加野生捕獲紅三文魚柳
規格：100g

急凍阿拉斯加野生捕獲紅三文魚柳
規格：200g

急凍阿拉斯加黑鱈魚柳
規格：全邊

Alaska Seafood Special for Valentine's Day
由即日起到2023年2月28日，凡選購阿拉斯加海鮮產品，即可免費換阿拉斯加海味食譜乙本，送完即止。

客戶服務熱線：25556200 whatsapp: 94517886

網上選購 www.southstreammarket.com/

03. STORY OF EVOLUTION

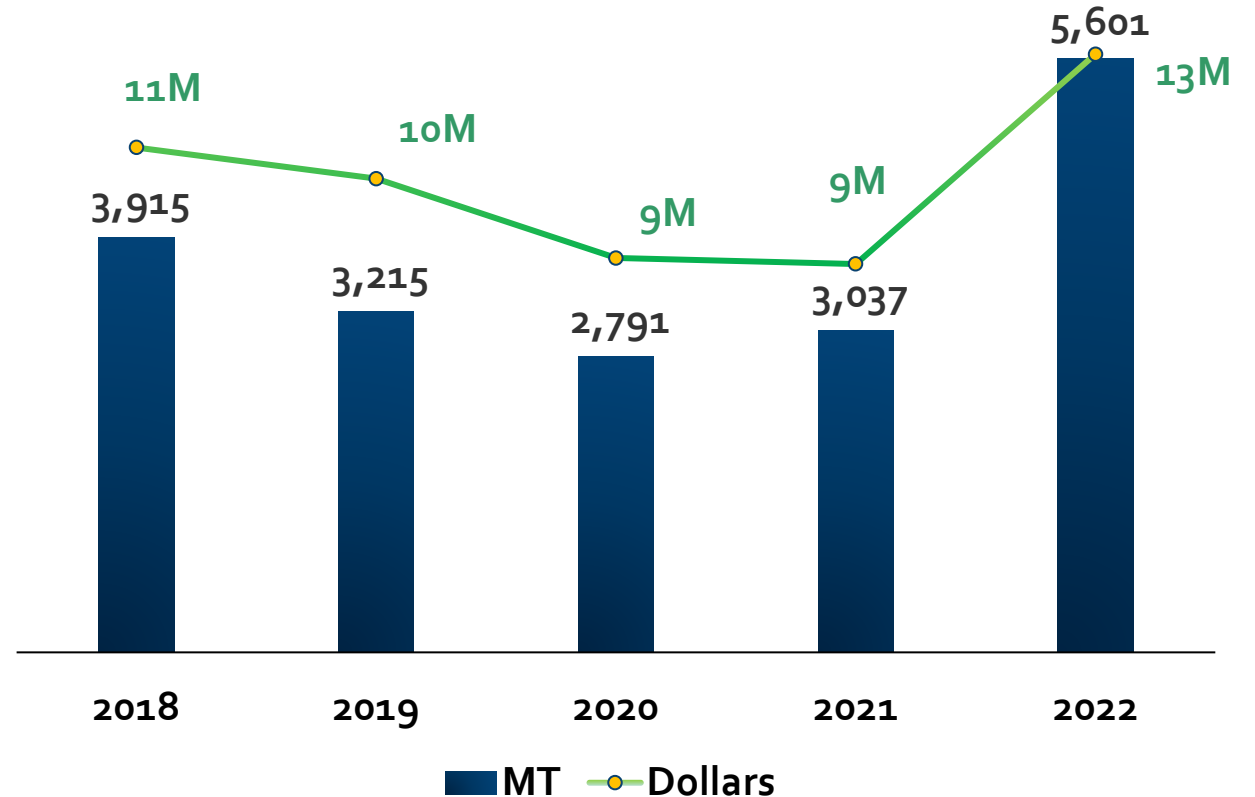
- SURIMI

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
5,601	13M	84%	54%

Chinese consumers are now placing a greater emphasis on the health and nutrition of products, and this trend extends to hotpot, a popular cuisine among Chinese consumers. Alaska pollock surimi has become one of the most favored ingredients at high-end hotpot restaurants. Furthermore, it is also available in the retail market and on various online platforms.



Alaska Pollock Surimi Exports to China and Hong Kong



03. Story of Evolution

– Surimi

In-Store Promotion

- 4 promotions at Ole, Jiarong, RT-Mart, Walmart
- Covering 22 stores in Shenzhen, Dongguan, Guangzhou, Nanning.

Trade Gathering

- Trade Gathering in Shanghai, Beijing, Guangzhou, Qingdao, Dalian, Shenzhen

Menu Promotion

- 2 Hotels: Nikko and Asia International in Guangzhou
- 2 Restaurants: U-Fuel (7 Stores) & Jiangtai Wuer (10 Stores) in Beijing.

Online Promotion

- 2 Platforms: Tmall.com and Benlai.com

Chef Seminar

- 3 Hotpot Seminar in Chengdu, Guangzhou and Chongqing

Media Exposure

- 175 pieces of press coverage
- Three KOLs on Douyin and Weibo
- Reached 167 million impressions

Recipe Development

- 2 recipe developed



04. PROMOTION OF OTHER SPECIES



04. PROMOTION OF OTHER SPECIES

a. Sea Cucumber



b. Pollock Roe



c. Mackerel



04. PROMOTION OF OTHER SPECIES

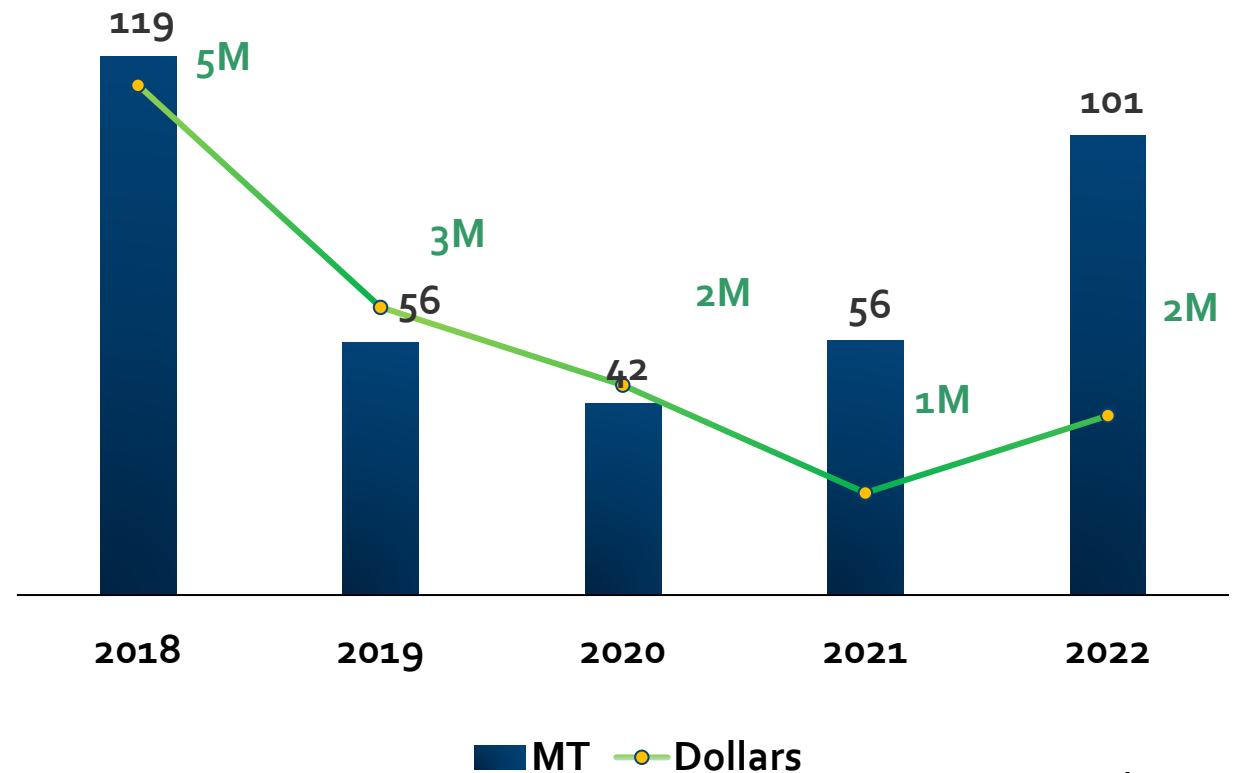
- SEA CUCUMBER

2022		% Change 2021 to 2022	
MT	Dollars	Volume	Value
101	2M	81%	76%

Sea cucumber has been considered a healthy and nutritious food products for human body. In 2022, both the volume and value of sea cucumber have experienced significant growth, reaching 1.8 times the volume recorded in 2019.



Alaska Sea Cucumber Exports to China and Hong Kong



04. Promotion of Other Species

– Sea Cucumber

Trade Show

- SIAL

Trade Gathering

- Trade Gathering in Guangzhou

Online Promotion

- JD.com

Media Exposure

- 30 pieces of press coverage
- Reached 28 million impressions

Short Video

- 1-minute short video

Recipe Development

- 2 recipe developed



04. Promotion of Other Species

– Pollock Roe

Trade Show

- SIAL

Trade Gathering

- Trade Gathering in
BJ/CD/DL/GZ/QD/SH/SZ

Chef Seminar

- Hotpot Chef Seminar in
CD, GZ, CQ

Media Exposure

- 75 pieces of press coverage
- Reached 70 million impressions

Recipe Development

- 2 recipe developed



Note: SH-Shanghai, BJ- Beijing, GZ-Guangzhou, QD-Qingdao, DL-Dalian, SZ-Shenzhen, CD- Chengdu, CQ - Chongqing

04. PROMOTION OF OTHER SPECIES

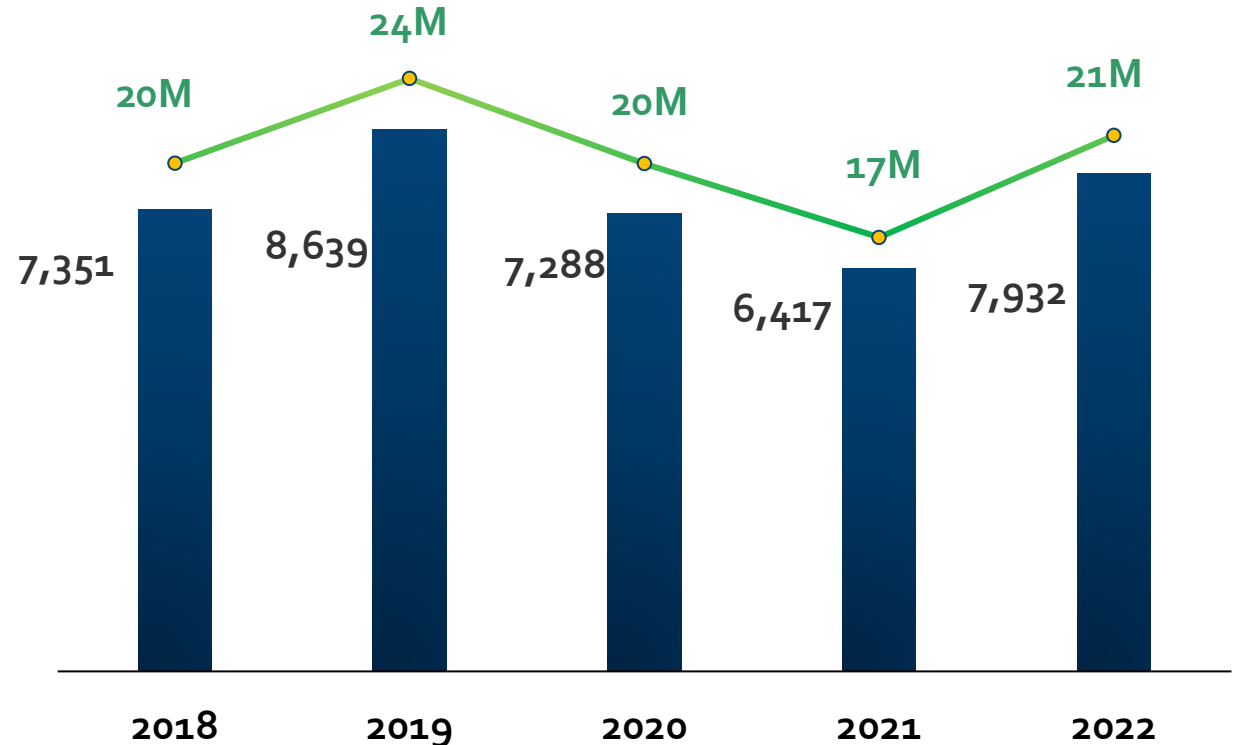
- ATKA MACKEREL

	2022		% Change 2021 to 2022	
	MT	Dollars	Volume	Value
	7,932	21M	24%	23%

Atka Mackerel has been a long-standing favorite among Chinese consumers due to its delectable taste, tender texture, nutritional value in Japanese restaurants. In 2022, both the volume and value of Atka Mackerel exceeded the figures recorded in 2018 before the pandemic.



Alaska Atka Mackerel Exports to China and Hong Kong



■ MT —● Dollars



04. PROMOTION OF OTHER SPECIES

– Atka Mackerel

Menu Promotion

- 3 Hotels: Nikko, Hilton, Asia International in Guangzhou
- 2 Restaurants: Essence of Europe (4 stores) in Chengdu and Jiangtai Wuer (10 Stores) in Beijing.

Media Exposure

- 70 pieces of press coverage
- Two KOLs on Douyin
- Reached 67 million impressions

Recipe Development

- 2 recipe developed



05. UPCOMING EVENTS



05. UPCOMING EVENTS



Trade
Promotion



- In-store Promotion
- Trade Show
- Trade Gatherings
- Social Media and Online Sales Promotion

HRI



- Foodservice Promotion
- Chef Seminar

HIGHLIGHTED UPCOMING EVENTS

- Hotpot Foodservice Promotion
- China Fisheries & Seafood Expo

05. UPCOMING EVENTS

Hotpot Foodservice Promotion

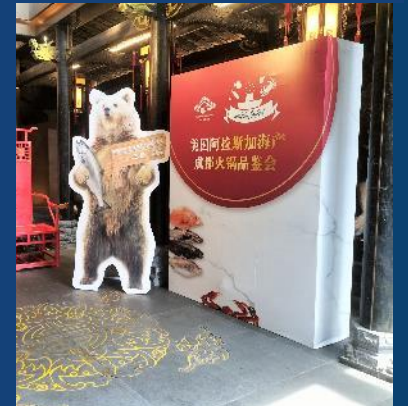
Following the success of the 3 Hotpot Chef Seminars in Chengdu, Guangzhou, and Chongqing during FY2022-2023, Alaska seafood has gained significant popularity in high-end hotpot restaurants. As a result, two hotpot food service promotions have been developed for this year's events.

➤ CHENGDU

- Proposed Dates: October 2023
- Restaurants: Chain hotpot restaurant, 10 restaurants
- Products featured: Sole, Pollock, Surimi
- Media support: KOL post on Douyin and Weibo

➤ GUANGZHOU

- Proposed Date: December 2023
- Restaurants: Chain hotpot restaurant, 9 restaurants
- Products featured: Surimi, Pollock, Yellowfin Sole
- Media support: KOL post on Douyin



05. UPCOMING EVENTS

China Fisheries & Seafood Expo

➤ Booth Highlights

- **Size:** From 18sqm in 2021 till 54 sqm in 2023. Increased 36 sqm after 3 years' pandemic.
- **Tasting:**
 - **Meals:** Customized meals will be provided throughout the day, including breakfast, lunch, and afternoon tea, without repetition for the duration of the three-day trade show.
 - **Drink:** A wide range of beverages will be available, including coffee, milk, Coke, Sprite, water, and more.
- **Discussion Space:**
 - All Alaska seafood industry members are welcome to the ASMI booth.
 - If industry members want to meet Chinese importers before or after the show, ASMI China will be able to provide customized service.



THANK YOU



Pure, Natural, Delicious

天然 纯净 美味