

Vietnamese shrimp exports to the EU drop

Vietnam's shrimp exports to the European Union (EU) declined by 19.7 per cent year on year in 2015, to USD 548.6 million, due to the fact that regional economy faced troubles, that consumers tightened spending and to the euro devaluation against the dollar, which negatively affected imports.

Among the three main Vietnamese shrimp importing markets in the EU bloc, the UK was the only market recording positive growth of 13.4 per cent compared to 2014 due to higher demand for warmwater shrimp caused by lower coldwater shrimp supply with high price, reported the [Vietnam Association of Seafood Exporters & Producers](#) (VASEP).

According to the UK's retailers, warmwater shrimp sales on Christmas 2015 continuously climbed up GBP 28.1million, an increase of 4.3 per cent compared to 2014, from GBP 25.5 million in 2013.

Meanwhile, exports to Germany and the Netherlands showed 21.5 per cent and 27.3 per cent drop, respectively.

In 2014, Vietnam's whiteleg shrimp sales to Germany made up 58 per cent while black tiger shrimp sales took 34.7 per cent. In the period from January to September 2015, the proportion of whiteleg shrimp was 73.5 per cent while that of black tiger shrimp was 19.9 per cent.

This trend showed that whiteleg shrimp from Vietnam is increasingly favoured in Germany. Between 2011 and 2014, Germany took the lead in the EU bloc in importing shrimp from Vietnam and in 2014, shrimp exports to the market accounted for 20.5 per cent of the total shrimp exports by Vietnam to EU.

Due to its weakened currency, Europe is not benefiting from the drop in shrimp prices. In early 2016, however, orders from European buyers are expected to increase as they restock their inventories. Demand from the market is focused on middle and smaller sizes due to high prices for larger sizes.

Another fact affecting exports of Vietnamese shrimp is the free trade agreement between Ecuador and EU, which is expected to come into force by October 2016.

The deal will turn Ecuador into the beneficiary in the EU increasing the allowance of raw, farmed shrimp at 0 per cent duty from 30,000 tonnes to 40,000 tonnes.

Besides, the EU's Generalized System of Preferences (GSP) has been extended until the trade deal is put into effect or through by Dec. 31 2016, which means Ecuadorian shrimp exporters will continue to enjoy a 3.6 per cent tariff on frozen, uncooked shrimp after the 0 per cent quota on 20,000 metric tons is exceeded, instead of a 12 per cent tariff.

On the other hand, in the first two months of 2016, Vietnam shrimp production and prices showed signs of recovery, which will create the momentum to push exports of shrimp to markets, particularly to markets with which Vietnam has signed deals as well as with the ASEAN Economic Community.