



China faces import dilemma in advance of 1 July holiday

Seafood is being caught up in a broader tightening of access to southern Chinese ports as China worries about the spread of the Indian variant of COVID-19.

While reported case numbers are low, local and regional Chinese government officials are going to drastic lengths to reduce any possibility of a major outbreak of the virus blemishing the upcoming centenary celebrations of the Communist Party of China on 1 July, despite port restrictions pushing up input prices for the large manufacturing and processing industries, according to various sourcing agents and traders impacted by the restrictions.

Cases remain relatively low in Zhanjiang city, a city of seven million which is home to shrimp processing firms like Guolian Aquatic, which are also large buyers of Indian shrimp imports to China. Nevertheless, Zhanjiang authorities have announced a ban on cold-chain imports, including shrimp, into the local port from 11 Asian states between 20 June and 15 July, according to Landy Chow at Siam Canadian. He told SeafoodSource he's "deeply worried" that the Zhanjiang ban might be replicated at other ports.

Chow also sees a broader issue of damage to consumer demand, as earlier reported discoveries of COVID-19 on seafood packaging in Dalian and Qingdao "caused customers [to] perceive that the imported seafood might contain COVID-19."

"This Zhanjiang ban actually strengthens such perceptions," he said. "I heard that some trucks refused to transport Indian seafood products, as based on what I heard, the current COVID-19 spike in Guangdong is [the] Delta



Variant, which is [the] Indian variant. Such a variant is more transmissible.”

Chinese government reaction to the Indian variant is resulting in increasing price pressures for shrimp, Chow said.

“I did hear a couple of days ago, China importers requested the India packer to divert the containers to [an]other port nearby, such as Beihai port, which is based in Guangxi Province and is about 180 kilometers from Zhanjiang,” Chow said. “If such a ban is confined to Zhanjiang port only, then, the price might see a moderate increase; If all the Chinese ports take the same ban as Zhanjiang, then we might see a significant price increase, especially for processed products such as PD tail-off.”

Issues around port access are not unique to China’s seafood imports – Shenzhen port has seen traffic fall off in recent weeks as authorities take extra precautions in the run-up to the 1 July commemorations. This has prompted worries among exporters of various technologies and manufactured goods, in which the Shenzhen region is a global leader, and has put extra pressure on Chinese economic policymakers worried about inflation causing social unrest. China’s producer price index rose 9 percent year-on-year in May, its steepest such rise since 2008 – though the rise is from a lower base figure, set in May 2020 – suggesting Chinese factories are lifting prices to cope with an increase in commodity costs.

The protectionist move to halt imports into China is also causing blowback on the international stage, as it runs counter to Chinese pledges to grow trade with the ASEAN region in particular. Chinese Commerce Minister Wang Wen Tao told his Vietnamese counterpart last week that Beijing wanted to encourage trade with Vietnam, one of the few countries which saw its shipments to China grow faster in 2020 than its imports from its larger northern neighbor.



Meanwhile, even as it tightens access for some seafood imports, China has launched a new branding campaign to push sales of domestically produced seafood. Launched at the annual seafood trade fair in Fuzhou recently, the government's "Intelligent Eat Fish" campaign aims to promote the dietary benefits of locally farmed species like eel and silver pomfret. At the event, experts from the dietary department of Beijing University joined media academics from the People's University to discuss how best to run an information campaign promoting seafood for dietary benefits.

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