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Report Highlights:

The Philippines has long been an underserved market and an anomaly in Southeast Asia for U.S. seafood, accounting for less than $10 million of the total foreign supply in 2021, valued at $970 million. This total grew 40 percent over 2020 and is expected to grow another 20 percent in 2022 to reach $1.1 billion. Post recommends interested U.S. exporters consider mounting a concerted and long-term marketing campaign coupled with regular trade servicing to build the market.

Philippine Market Brief

Seafood Products

U.S. seafood exports to the Philippines remain significantly underrepresented vis-à-vis performance in other Southeast Asia markets, totaling less than $10 million in recent years. While the Philippines is the top market for U.S. consumer-oriented agricultural products to Southeast Asia, accounting for 30 percent of all such products to the region, the Philippines is only the sixth largest market for seafood products, accounting for two percent of exports.

Meanwhile, global exports of seafood products to the Philippines, particularly fish, crustaceans, mollusks, and other aquatic invertebrates, jumped 40 percent to $970 million in 2021. Import demand remains supported by declining local fish stocks and a general lack of affordable animal protein alternatives. Factoring in rising global food prices, Post expects global exports of seafood products to the Philippines to increase 20 percent in 2022, reaching $1.1 billion. Top U.S. competitors benefit from not only close proximity but also market access conditions that favor regional suppliers.

Top 10 U.S. Seafood Products Exported to the Philippines
Squid
Shrimp and prawns
Fish
Crabs
Lobsters
Oysters
Cod
Livers, roes, and milt
Scallops
Aquatic invertebrates
Source: Global Agricultural Trade System HS Chapter 3, CY 2021

Top Fishery Products (HS-03) Exported to the Philippines in 2021

Top Exporters	Top Products	Market Share
China	Lulas and sepias; fish, nesoi; fish meat, nesoi; mackerel; other frozen fish; fish fillets, nesoi; skipjack or stripe-bellied bonito tunas; shrimps and prawns; cuttle fish and squid; tuna fillets; fillets of dogfish and other sharks, and rays; yellowfin tunas; jack and horse mackerel; sardines; fish livers and roes	78%
Vietnam	Catfish fillets; fish, nesoi; other frozen fish; fish meat, nesoi; tuna fillets; shrimps and prawns; jack and horse mackerel; lulas and sepias; yellowfin tunas; mackerel; cuttlefish and squid; tunas; skipjack or stripe-bellied bonito tunas	6%
Taiwan	Skipjack or stripe-bellied bonito tunas; yellowfin tunas; big eye tunas; albacore or long finned tunas	2%
South Korea	Skipjack or stripe-bellied bonito tunas; mackerel; yellowfin tunas; tuna fillets; fish, nesoi	2%
Japan	Mackerel; skipjack or stripe-bellied bonito tunas; fish, nesoi	2%

Source: Trade Data Monitor, LLC

Fish is the most consumed animal protein in the Philippines with annual per capita consumption of 40 kg,[1] equivalent to a market demand for 4.4 million MT, valued at $3 trillion.

However, total fisheries production has steadily declined, falling to reaching 4.2 million MT in 2021 and is expected to contact further in 2022, which in turn has increased the importance of and opportunities for trade.[2]

Figure 2 - Fisheries Situation Report for Major Species, January to December 2021

Limited Market Access

In general, importation of fish and aquatic products is allowed only when it is certified as necessary by the Secretary of Agriculture. **Only the importation of fish and aquatic products for canning and processing purposes, and those undertaken by institutional buyers are exempt from such certification.** For more information, visit the Philippine Department of Agriculture (DA) Bureau of Fisheries and Aquatic Resources website.

In January 2022, DA issued Administrative Order No 1, s.2022 to set the guidelines for issuing Sanitary and Phytosanitary Import Clearances (SPSIC) under the Certificate of Necessity to Import (CNI) at 60,000 MT of small pelagic fish worth roughly $42 million to augment the local catch following significant damage caused by Typhoon Odette and considering the closed fishing season in three major fishing grounds (Visayan Sea, Northern Palawan, and Basilan-Sulu-Zamboanga) was still in effect. All SPSICs under the CNI were required to be issued before the closed fishing season ended and automatically expired on March 31, 2022. The approved imports are to be sold in public wet markets and cover certain species: round scad, locally known as *galunggong* and dubbed as "poor man's fish," mackerel, and bonito. Previously, DA allowed the importation of 30,000 MT of small pelagic fish in 2020 and 60,000 MT in 2021.

Figure 1 - A closed fishing season policy is imposed by the government each year—in the Visayan Sea from November 15 to February 15; Northern Palawan from November to January, Sulu Sea from December 1 to February 28, and Davao Gulf from June 1 to August 31.

Importer groups have persistently urged the government for larger quota volumes that cover production shortfalls and sought market reforms, citing restrictions in FAO 259, which limit competition to only a select few importers during the closed fishing season. Meanwhile, fishing groups remain concerned importation will cause injury to the local market. Advocacy groups also urge local producers to invest in aquaculture, such as milkfish and mud crabs, to fill the gap.

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[1] Philippine Statistics Authority. Retrieved April 26, 2022, from https://psa.gov.ph/content/fishery-resources3.

[2] Philippine Statistics Authority. Fisheries Situation Report for Major Species, January to December 2021.

Market Situation and Trends

- A typical Filipino diet is composed of rice (37%), vegetables (15%), seafood products (12%), meat (7%), poultry (3%), and other products such as dairy, eggs, fruits, and other cereals (26%).[3]
- Culturally, consumers perceive fresh food to be superior to frozen food, but the pandemic pushed them to embrace both local and imported frozen foods, including seafood. A concerted informational campaign on the "freshness" and safety aspects of frozen seafood will be key to driving sales.
- Consumers want to replicate a restaurant dining experience at home, and they strive to become "connoisseurs" of the food they prepare by educating themselves on the variety and grading systems of premium foods from beef to tuna, and other product attributes such as sustainability. These themes can be incorporated in informational campaigns.
- While travel restrictions have eased, most consumers are still hesitant to travel internationally. Foods that remind people of the places they have visited sell well. Some of the seafood products that consumers associate with the United States include crabs, lobsters, halibut, and salmon.
- Consumers are excited to try new things and are active users of social media platforms such as Facebook and Instagram. These two factors make it easy for marketers to introduce new products and food trends.
- When searching for established stores that sell food products online, consumers turn to Google. The seafood online stores that ranked high on Google search are Foodphil, Gerald.ph, and Pacific Bay.
- Consumers also rely on articles that feature curated lists of stores and products. See Tatler's Order Meat And Seafood From These Online Shops In Metro Manila and SPOT.ph's Get Your Seafood Fix From These Online Stores That Deliver.

Market Entry and Growth Strategies

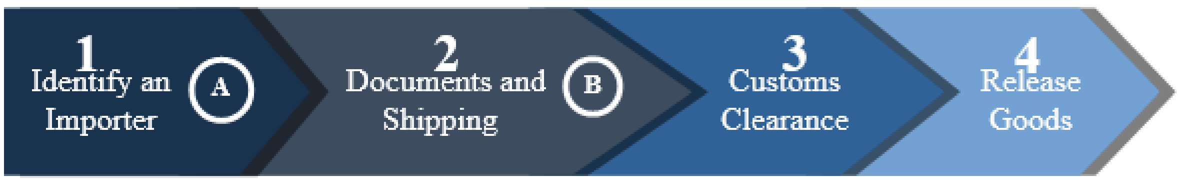
Top 15 U.S. Seafood Product Prospects		
Clams	Hake	Salmon
Cod	Halibut	Scallops
Crabs	Herrings	Shellfish
Fish meat	Lobsters	Shrimps
Flatfish	Pollack	Squid

- Link suppliers with importers through in-person and virtual trade missions. (See list of top U.S. seafood product prospects.)
- Map out and saturate distributors and retail stores, both brick and mortar and virtual.
- Mount a year-round informational campaign on availability, variety, grading, product attributes such as freshness, safety, premium quality, social responsibility and sustainability, and various culinary applications geared towards culinary professionals and homemakers.

[3] Philippine Bureau of Fisheries and Aquatic Resources. Retrieved April 26, 2022, from https://www.bfar.da.gov.ph/profile?id=3.

Tariff Rates

Tariff rates on seafood products under HS Chapter 3 ranges from 3 to 15 percent. The rates are posted on the Philippine Tariff Commission's website.



A Identify an Importer

USDA-FAS Manila can assist U.S. exporters in identifying potential importers in the Philippines. Importers must obtain accreditation from the DA-BFAR.

B Documents and Shipping

Importers must apply for an SPSIC. Seafood products must be shipped within 30 days from the date the SPSIC was issued (except live milk fish, which must be shipped within 15 days). The product may not be loaded at the country of origin until the SPSIC is issued. For air shipments, the product must arrive within 30 days from the date the SPSIC was issued, and within 60 days for sea shipments. The SPSIC is good for one shipment and is nontransferable.

Except for bulk products intended for further processing, the following information should appear on the packaging and on the accompanying documents:

1. The country of origin written out in full
2. Species of fishery products' weight and content
3. Address of supplier, and
4. BFAR Inspection stamp mark

Exporters should verify the requirements with their importers before shipping.

For more information, see BFAR Fisheries Legislation, DA Administrative Order No. 9, s.2010 and FAIRS Country Report.

Attachments:

No Attachments.

USDA United States Department of Agriculture
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