



Market Opportunities and Impediments for Australian Seafood to the Gulf Cooperation Council

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Seafood Industry
Australia
The Voice of Australian Seafood



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Executive Summary

The consumption of seafood has risen to more than double in the last five decades, with an average person consuming over 20 kilograms per annum. As such, the market potential of the fishing industry has also consequently been on the rise. With the onset of the pandemic, the supply and logistical chain may have taken a beating, but nevertheless, the fishing industry is expected to recover strongly. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) expects Australia's fisheries and aquaculture GVP to recover substantially in 2021-2022, reaching \$3.55 billion at a 10.4% growth rate.

Australia Market and Trade

Australia's fishing industry has constantly maintained an almost impeccable reputation as a producer of premium quality seafood. Covering over 8.9 million km², the Australian Fishing Zone has allowed the Australian fishing and aquaculture industry to export approximately US\$912.14 million worth of fresh, chilled, and frozen fish and seafood products. This was up by 4%, compared to figures from 2020. Crustaceans and Mollusc exports to Asian countries form a dominant part of Australia's total fish and seafood-related exports.

In terms of exports, Australia may be a global leader in certain fish and seafood species, such as the Australian Rock Lobster, but is a minority player globally, with total fisheries production resulting in only 0.16% of global production. This may be mainly ascribed to the focus on managing stocks so that they remain sustainable in the longer term.

However, with Australia's domestic seafood consumption increasing from 240,150 tonnes (1999-2000) to 334,615 tonnes (2019-2020), imports of fish and seafood have also risen from 139,000 tonnes to over 205,000 tonnes.

Gulf Cooperation Council (GCC) Market and Trade

While there is certainly no shortage of fresh seafood in the GCC region given that it is surrounded by seven seas, the region accounts for just under 0.5% of global fish production, with a total marine area of 888,991 km².

The industry is dominated by small-scale operators, and has seen significant growth averaging 14.28% between 2012 and 2020, enabling total production to experience a two-fold increase from 453,000 tonnes in 2015 to over 1.06 million tonnes in 2020.

Oman, Saudi Arabia and the UAE dominate fish production in the GCC region, contributing approximately 97% of the total GCC production. Of this production, over 90% originates from capture fisheries as opposed to aquaculture.

The average consumption of fish and seafood has improved steadily over the past few decades, having risen from 13kg in 1990 to over 19kg in 2017, with Oman, the UAE, and Qatar significantly outperforming other GCC members.

Key Findings and Areas of Focus

The GCC's affluent Western expat population, high urbanisation and per-capita income create a high-income consumer base willing to pay a premium for imported seafoods. Health and wellness has become a major trend, enabling Australian producers to benefit from their reputation for fresh, clean and safe produce. Exporters are encouraged to pay special emphasis on Oman, the UAE, and Qatar, where consumption is greatest, especially focusing on high-value seafoods including shrimp, lobster, oysters and scallops.

Low import tariffs will also enhance the market opportunity. Growing demand for sustainable produce will boost demand for organically and sustainably farmed seafood. However, exporters will need to overcome a few significant trade barriers, notably strong competition from countries bordering the GCC and other top producers such as India and Norway, logistical problems threatening live and fresh product exports, and a lack of a free trade agreement between Australia and the GCC.

Two-Way Trade

Bilateral trade between Australia and the GCC is strong, however no free trade agreement is currently in place despite ongoing negotiations. The GCC does not currently import a significant amount of Australian seafood, with Australian exports of fresh, chilled and frozen fish reaching US\$2.48 million to the GCC in 2021, primarily into the UAE, with negligible exports of preserved seafood.

The Australian Market Snapshot



The Australian Market Snapshot



Australia maintains an international reputation as a producer of high-quality, safe, and sustainable fish and seafood, thereby allowing producers to sell at a premium across international markets.

Australia has the world's third-largest Exclusive Economic Zone (EEZ)- the Australia Fishing Zone. The Australian Fishing Zone covers an area of over 8.9 million km², significantly larger than the area of mainland Australia, and extends some 200 nautical miles out from the Australian coast.

This zone contains some 3,7000 known species of fish, over 2,800 species of mollusc and over 2,300 species of crustaceans.¹

Despite having access to one of the largest fishing zones in the world, Australia is a minor producer of fisheries products globally, with total fisheries production accounting for only 0.16% of global production. Australia's aquaculture production represented a mere 0.12% of global production as of 2020.²

Australia's relatively low production can be attributed to the low biological productivity of the Australian marine environment and the management of fisheries to ensure the availability of sustainable seafood over the longer term.

Commonwealth fisheries continue to share fish stocks with the states and the Northern Territory, while catches are managed cooperatively to assure sustainability.³

The Australian Department of Agriculture, Fisheries and Forestry's (DAFF) 2021 Fishery status report found that 77% of fisheries stocks were not subject to overfishing, 19% were classified as uncertain with regard to fishing mortality, and 4 were found to be overfishing.⁴

Based on these findings, the Australian Fisheries Management Authority (AFMA) has maintained its management practices of reducing fish mortality and keeping fish stocks above the minimal reference points of biological endangerment.

Australia's seafood consumption rose from 240,150 tonnes in 1999-2000 to 334,615 tonnes in 2019-2020. Imported fish and seafood fill the gap between Australian seafood consumption and local availability. Imports of seafood into the Australian market climbed from 139,000 tonnes to over 205,000 tonnes, with imports accounting for 58% to 62% of consumption.

In 2019-20, per-person fish consumption was 25.87kg, ahead of the global average which stands at 22.3kg according to FAO.⁵



Over the past 20 years, Australia's aquaculture industry has grown in actual value and relative share of fisheries and aquaculture gross value of production (GVP being the value of production at the point of sale) exponentially.

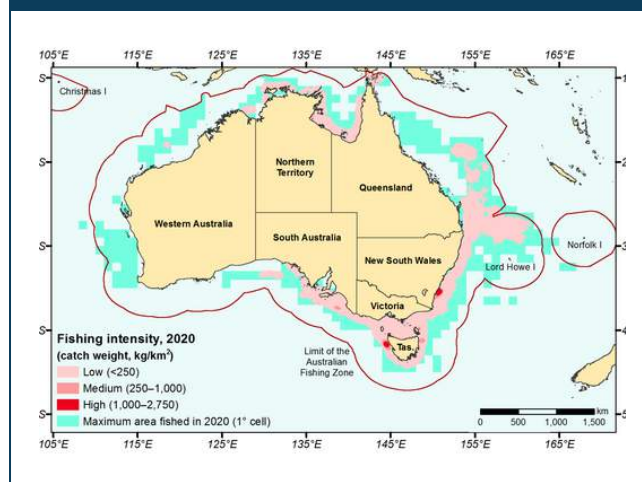
While in 2016-2017, aquaculture production accounted for 44% of the total Australian fisheries and aquaculture GVP, ABARES predicts this will grow beyond 60% in 2026-2027.

This growth is due to an increase in salmonid production and a declining trend in wild-caught production. ABARES predicts a future concentration on prawns, abalone, oysters, and finfish like barramundi and kingfish.⁶

ABARES also predicts that Australia's fisheries and aquaculture GVP will recover substantially in 2021-2022, topping \$3.55 billion at a 10.4% growth rate - the highest level since 2002-03.

Gross value predictions within the industry between 2022 - 2023 and 2026 - 2027 are likely to transcend a 3.1% year-on-year pace, reaching \$3.97 billion, while real value of production is projected to expand by a modest rate of 0.4% year-on-year to surpass \$3.48 billion by 2026 - 2027.⁶

Figure 1. Australia's Exclusive Economic Zone



Source: ABARES Fishery Status Report (2021)

1. Department of Agriculture, Fisheries and Forestry. 2022. Domestic Fisheries. Accessed 26 April 2022. <<https://www.agriculture.gov.au/agriculture-land/fisheries/domestic>>

2. Food and Agriculture Organization of the United Nations (FAO). The State of World Fisheries and Aquaculture 2022. Accessed 26 April 2022. <<https://www.fao.org/3/cc0461en/cc0461en.pdf>>

3. Mobsby, D & Curtotti, R. 2018, Snapshot of Australia's commercial fisheries and aquaculture industries, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra. CC BY 4.0. Viewed 26 April 2022, <<https://www.awe.gov.au/abares/products/insights/snapshots-of-australias-commercial-fisheries-and-aquaculture>>

4. Patterson, H, Bromhead, D, Galeano, D, Larcombe, J, Woodhams, J and Curtotti, R. 2021, Fishery status reports 2021, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra. CC BY 4.0. Viewed 25 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/as/set/1032581/0>

5. Food and Agriculture Organization of the United Nations. FAOSTAT Statistical Database 2022. Accessed 26 April 2022, <<https://www.fao.org/faostat/en/#data/FBS>>

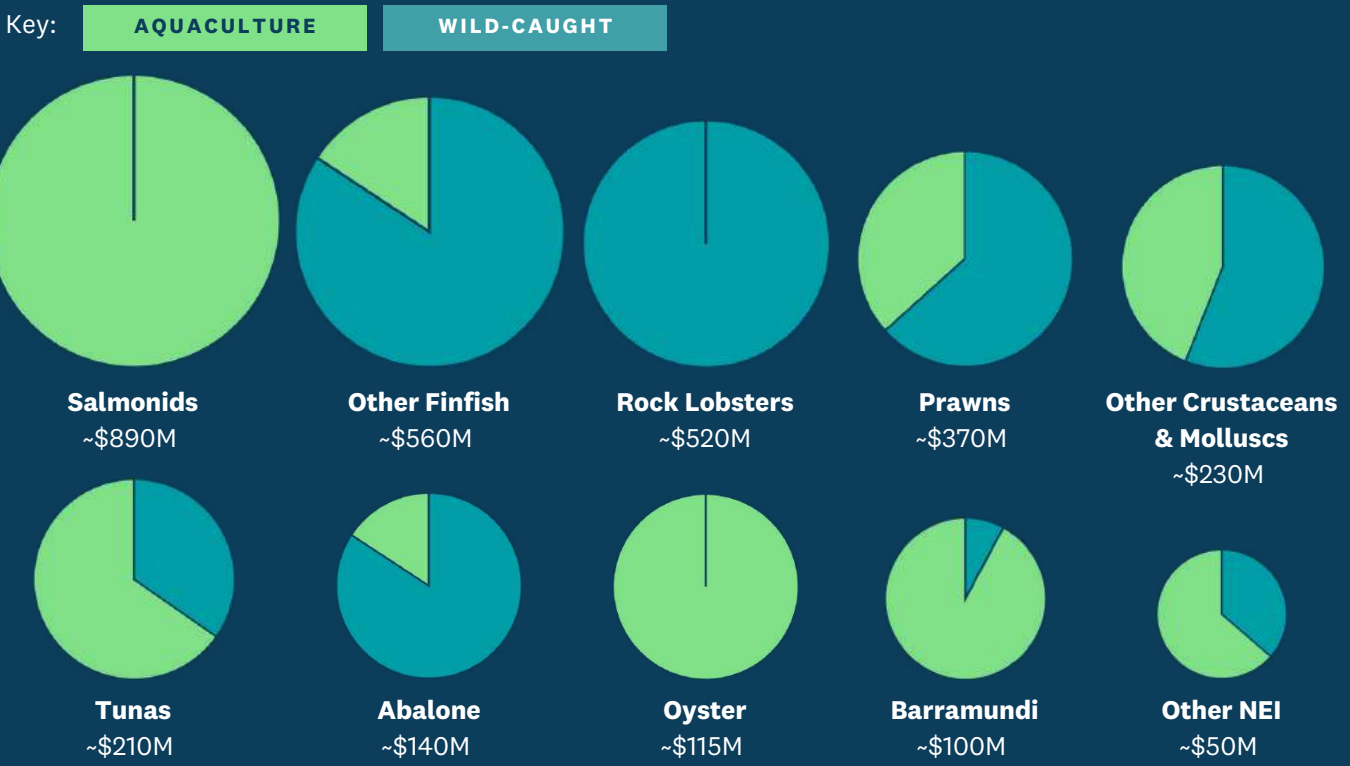
6. Mobsby, D, Steven, AH, Curtotti, R & Dylewski, M. 2022, Australian fisheries and aquaculture: Outlook to 2026-27, ABARES research report, Canberra. CC BY 4.0. Viewed 26 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/as/set/1033321/0>



Key Seafood Species

The Australian fishing sector includes wild capture fisheries and coastal aquaculture enterprises, with regionality supporting output value. While Australian fisheries produce a wide range of products, the gross value of production (GVP) is primarily accounted from the wild-catch sector and is largely concentrated in three key species - salmonids, rock lobster, and prawns. These species account for 57% of the GVP of the Australian fisheries and aquaculture industry in 2019 - 20.⁷

Figure 2. Major Species Groups Produced in Australia: 2019 - 20 Projections⁷



Source: ABARES Australia Fisheries and Aquaculture Statistics (2021)

7. Steven, AH, Dylewski, M and Curtotti, R. 2021, Australian fisheries and aquaculture statistics 2020, Fisheries Research and Development Corporation, ABARES, Canberra, August. CC BY 4.0. Viewed 27 April 2022, <https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1032481/0>

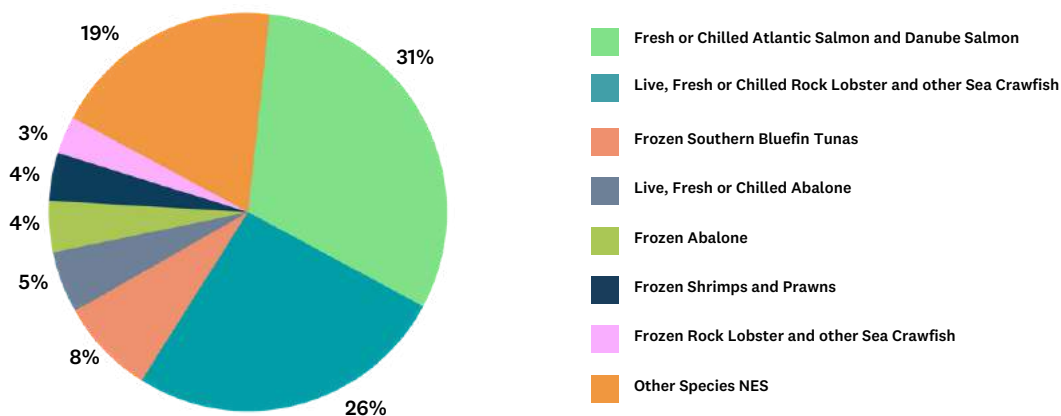


Export Trade Flows

International trade has been a significant contributor to Australia's fisheries and aquaculture industry, with Australia exporting approximately half of its annual fisheries and aquaculture production by value. According to International Trade Centre (ITC) calculations based on Australian Bureau of Statistics (ABS) figures for 2021, Australia exported approximately US\$912.14 million worth of fresh, chilled, and frozen fish and seafood products, growing by 4% from 2020. Much of this growth is the result of exporters recovering from market disturbances, such as COVID-19, and trade distribution with China, who account for over 25% of seafood exports as of 2021.⁸

Australia's seafood export value is dominated by high unit value products, largely led by crustacean and mollusc exports to the Asian market. As of 2021, the top five seafood products accounted for over 70% of Australian fish and seafood exports in 2021 as highlighted in figure 3.⁸

Figure 3. Australian Fish and Seafood Exports by Species: 2021



Source: ITC Trademap (2022)

Australia is a leading global exporter of several key fish and seafood species as of 2021. Australian Rock lobsters (live, fresh or chilled) in particular, in export value represented over 32% of world exports in 2021 at US\$239.75 million - ranking 1st globally.⁸

Australia is also the global leading exporter of Southern bluefin tuna, representing 74% of frozen and 52% of fresh or chilled variants at US\$67.54 million and 7.55 million respectively - ranking 1st globally.⁸

The other notable export out of Australia is Abalone, with a combined exported value of US\$103.97 million across live, fresh, chilled, smoked, dried, salted or in brine, abalone as of 2021.⁸

Market diversification continues to be an active topic of discussion within the Australian fisheries and aquaculture industry.

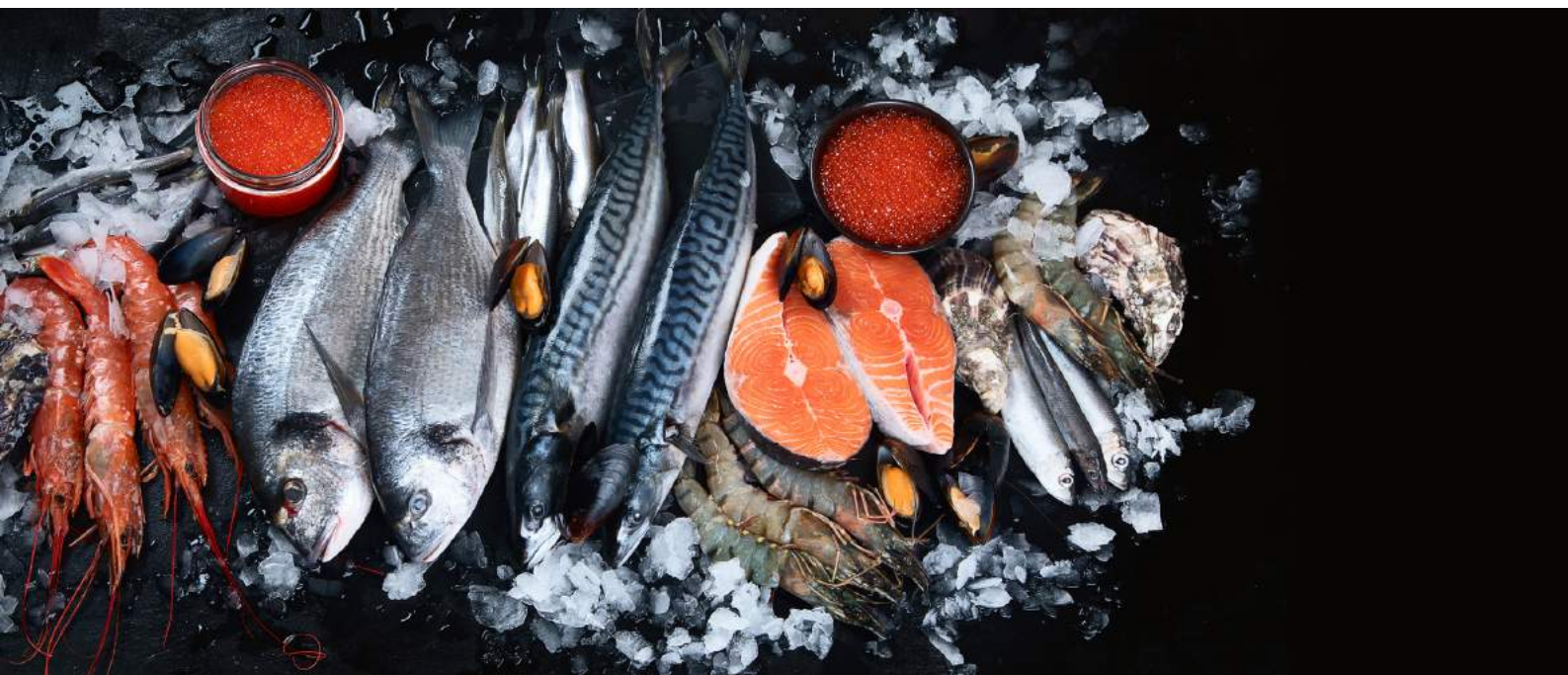
As of 2021, the leading export destinations for Australia were China (US\$231.60 million), Hong Kong (US\$214.81 million), Japan (US\$114.55 million), the United States (US\$73.84 million), and Vietnam (US\$68.87 million). Combined, these destinations made up over 75% of fishery exports.⁸

Consolidating key export markets in combination with market diversification is key to the future growth prospects of Australian fish and seafood exporters, helping to mitigate export earnings volatility and reduce vulnerability to external shocks, thereby ultimately providing suppliers with a more resilient supply chain which in turn will stabilise export revenues.

Figure 4. Key Australian Exports - Live, Fresh, Chilled, or Frozen Fish and Seafood: 2021

HS Code	Species	Value Exported in 2021 (USD Thousand)	Percentage of World Exports for Specific HS Code
'030631	Rock Lobsters, Live, Fresh or Chilled	239,748	32.2%
'030346	Frozen Southern Bluefin Tunas	67,535	74.3%
'030781	Live, Fresh or Chilled Abalone	48,338	27.6%
'030783	Frozen Abalone	38,477	57.9%
'030787	Smoked, Dried, Salted or in Brine, Abalone	17,150	21.4%
'030236	Fresh or Chilled Southern Bluefin Tunas	7,550	51.8%
'030485	Frozen Fillets of Toothfish	5,049	18.4%
'030291	Fresh or Chilled Fish Livers, Roes and Milt	3,294	10.6%

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

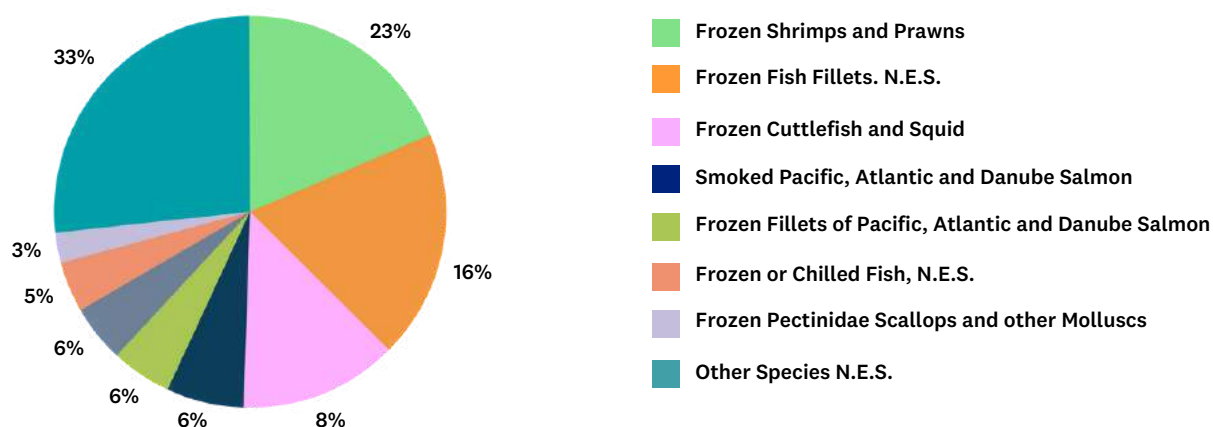


Import Trade Flows

Australia is a net exporter of seafood in value terms, accruing a positive trade balance of US\$98.36 million in 2021. Despite this, Australia remains a significant importer of fish and seafood products. According to ITC calculations based on ABS figures for 2021, Australia imported approximately US\$813.78 million worth of fish and seafood, rising by 16% between 2020 - 2021, and equal to 89% of the value of exports in 2021 across live, fresh, chilled, and frozen fish and seafood.⁸

Australia's fish and seafood imports are led by five key species which represent approximately 60% of total imports. As of 2021, these include shrimps and prawns, frozen fish fillets, frozen cuttlefish and squid, and more as outlined in Figure 5.

Figure 5. Australian Fish and Seafood Imports by Species: 2021



Source: ITC Trademap (2022)

Figure 6. Key Australian Imports - Live, Fresh, Chilled, or Frozen Fish and Seafood: 2021

HS Code	Species	Value Imported in 2021 (USD Thousand)	Percentage of World Imports
'030617	Frozen Shrimps and Prawns	187,369	0.9%
'030489	Frozen Fish Fillets	127,706	5.8%
'030743	Frozen Cuttle Fish and Squid	68,526	1.2%
'030541	Smoked Pacific, Atlantic and Danube Salmon	49,652	2.5%
'030481	Frozen Fillets of Pacific, Atlantic and Danube Salmon	47,203	1.3%

The leading import sources for Australia in 2021 were Vietnam (US\$184.46 million), New Zealand (US\$134.27 million), China (US\$17.42 million), Norway (US\$50.07 million), and Indonesia (US\$48.73 million). Combined, these markets made up approximately 65% of fish and seafood products imported.⁸

It is equally important to note that Australia is the 15th largest importer of prepared and preserved fish and crustaceans globally, having imported US\$415.69 million worth of prepared/preserved fish, and US\$185.38 million worth of prepared/preserved crustaceans and molluscs in 2021.⁸

Australia imports over US\$192.45 million worth of prepared tuna alone, and over US\$70 million worth of prepared shrimp as of 2021 from Thailand (US\$222.27 million), Vietnam (US\$85.57 million), China (US\$84.57 million, Indonesia (US\$41.99 million), and Malaysia (US\$27.98 million).⁸

Figure 7. Key Australian Imports - Prepared or Preserved Fish and Seafood: 2021

HS Code	Species	Value Imported in 2021 (USD Thousand)	Percentage of World Imports
'160414	Prepared or Preserved Tuna, Skipjack and Atlantic Bonito	192,454	2.5%
'160521	Prepared or Preserved Shrimp and Prawn (not in airtight containers)	75,655	1.8%
'160419	Prepared or Preserved Fish, Whole or in Pieces	67,042	2.7%
'160420	Prepared or Preserved Fish (Excl. Whole or in Pieces)	60,837	2.5%
'160250	Prepared or Preserved Shrimp and Prawn (in airtight containers)	47,203	1.3%

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

GCC Market Snapshot



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The GCC Consumer Outlook



TOTAL POPULATION

58.01 Million

EXPATRIATE POPULATION

30.10 Million

URBAN POPULATION

85%



POPULATION ETHNICITY

According to the Gulf Research Center, 48.1% of the GCC population are nationals, while 51.9% are non-nationals/foreign nationals.



DOMINANT RELIGIOUS GROUPS

Islam is the official religion across the GCC, with a representation of above 90% in the region. Minority religions in the GCC include Christianity, Hinduism, and Buddhism.

GCC population demographics differ greatly between member states. For example, nearly a third of Saudi Arabia's 28 million population are younger than 15 years old, while adult expatriates represent over 80% of the UAE and Qatar population⁹.

Non-nationals and expatriates are a core component of the GCC population, predominantly represented by labourers from South Asia in combination with an affluent Western foreign national community.

On a per-capita basis, the GCC is amongst the wealthiest regions in the world; Qatar is the region's richest member state with an approximate GDP per capita of US\$50,100, followed by the UAE at US\$36,300 and Kuwait at US\$24,800. Bahrain and Saudi Arabia both maintain a GDP per capita of approximately US\$20,000, followed by Oman at approximately US\$14,500¹⁰.

Gulf consumers favour imported foods, fueled by the region's Western community, consistent tourist flow, and developed retail and foodservice infrastructure. Imported fish and seafood remain popular and accessible, especially from the West.

Purchasing Factors

Gulf consumers are increasingly seeking value from their purchases; Perceived quality, health and taste collectively make up key purchasing factors, with consumers seeking to provide fresh and nutritious meals for their families with fresh, clean and safe produce¹¹.

High urbanisation and increasingly hectic lifestyles in the Gulf region have driven demand for convenient consumption solutions.

Young Population

The GCC population is relatively young, with millennials forming approximately 45% of the GCC's consumer base. These consumers are known to be more digitally-savvy shoppers motivated by discounts, cash backs, rewards and convenience.

Premiumisation

While consumers seek value, they may be encouraged to pay a premium for the right deal or the right quality product, with 69% of UAE consumers and 63% of Saudi consumers willing to pay a premium for high-quality products - whether local or imported¹¹.

GCC consumers are willing to pay more for health benefits, purchasing healthy alternatives, and organic and functional products, which is driving growth in many categories.

Micro-Segmentation

Micro-segmentation of the market is becoming key as consumer needs become increasingly niche, creating demand for specific category subsets including wellness attributes such as high protein, incorporating local produce/flavours, and free-from products.

9. Alexion Partners 2016. Understanding Gulf Consumers. Accessed 26 May 2022. <<https://alexionpartners.com/understanding-gulf-consumer/>>

10. Trading Economics 2022. GDP Per Capita | World. Accessed 26 May 2022. <<https://tradingeconomics.com/country-list/gdp-per-capita>>

11. Euromonitor International. 2021, Voice of the Consumer: Lifestyles Survey 2021. Accessed 26 May 2022.



The GCC Market Snapshot

The Gulf Cooperation Council (GCC) comprises of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) and is Australia’s largest trade and investment partner in the Middle East and North Africa (MENA) region¹².

Forming the broader Middle Eastern region, which is surrounded by seven seas, including the Persian Gulf, the Caspian Sea, the Arabian Sea, the Mediterranean, the Red Sea, the Black Sea, and the Gulf of Aden, it’s no surprise that there is no shortage of fresh seafood in the Middle East, and more specifically, the GCC region.

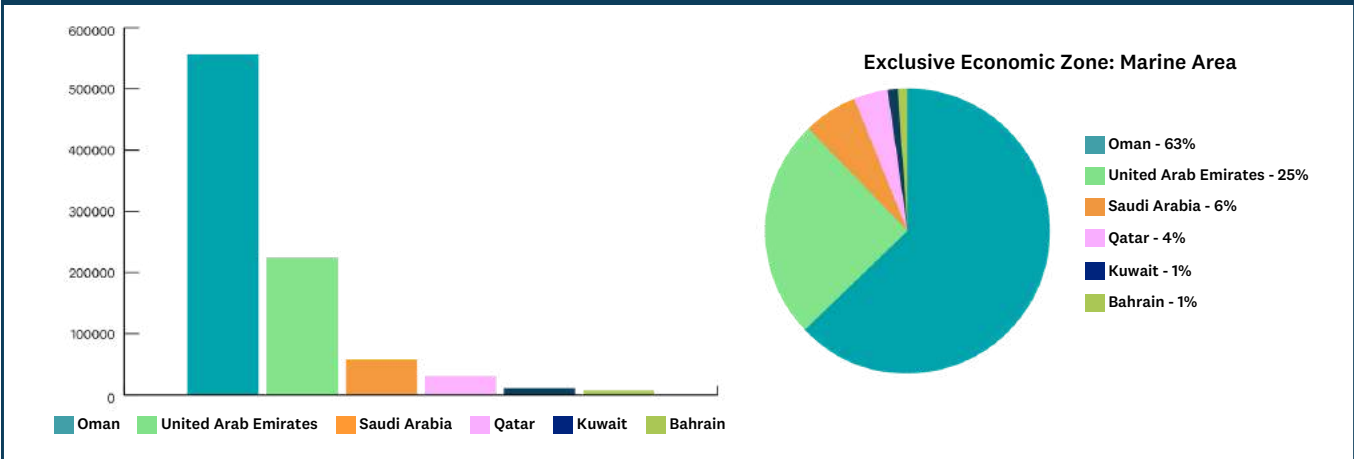
Despite this, according to the latest Food and Agriculture Organisation (FAO) Fishery and Aquaculture estimates on global production via FishStatj, the GCC is estimated to account for less than 0.5% of total global fish production as of 2020, having produced 1.06 million tonnes of fish by live weight. In comparison, the broader Middle East region amounts to approximately 2.5% of total worldwide production at 5.37 million tonnes of fish by live weight¹³.

When combined, the total marine area (limited to the Exclusive Economic Zone (EEZ)) of the six GCC member states is equal to approximately 888,991 km², with Oman representing over 60% of this total, followed by the UAE as highlighted in Figure 8¹⁴.

Fisheries in this region are characterised by having a large number of small-scale operations, which were estimated to provide up to 80 - 90% of total landings as of 2014. Within the last decade, fish production has experienced significant growth in the GCC, averaging 14.28% between 2012 to 2020, with total production across the 6 markets more than doubling from approximately 453,000 tonnes in 2015 to over 1.06 million tonnes in 2020, based on FAO estimates.

The average consumption of fish and seafood has steadily increased in the region over the past three decades, from approximately 13 kgs in 1990 to over 19 kgs in 2017. According to FAO, Oman, the UAE, and Qatar are the most significant consumers of fish and seafood in the GCC, almost double the likes of Bahrain, Kuwait and Saudi Arabia, and amongst the highest in the world¹³.

Figure 8. Marine Area in the GCC (KM2)



Source: Marine Protection Atlas, 2022

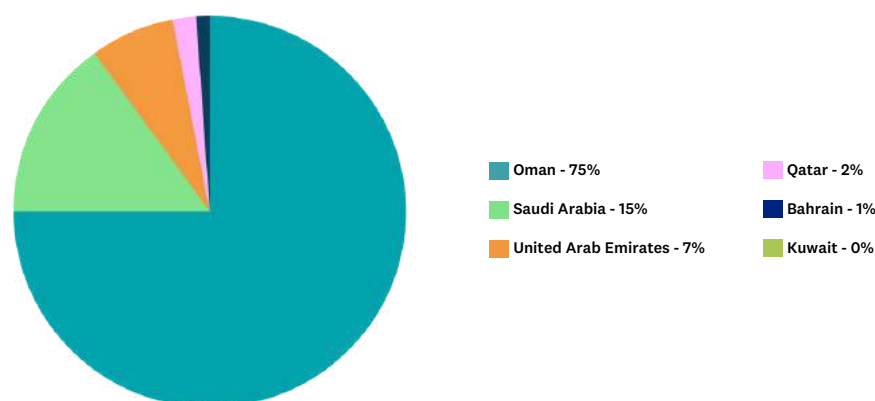


Key Member States by Fish Production

Oman, Saudi Arabia, and the UAE have historically been the major producers of fish in the GCC, dominating the total production in comparison to Bahrain, Kuwait, and Qatar, as shown in figure 9. According to FAO, the production volumes from these three markets contribute to approximately 97% of the total production from the GCC countries¹³.

Capture fisheries continue to be the overwhelming contributors to fish production within the GCC, representing more than 90% of total production in 2020. This is in stark contrast to current global trends, where aquaculture is capturing a greater share of total fish production;

Figure 9. Production in the GCC by Country in 2020 (Percentage)



Source: FAO Global Fishery and Aquaculture Production Statistics, 2022

12. Department of Foreign Affairs and Trade (DFAT) 2022, Australia-Gulf Cooperation Council (GCC) FTA, 24 May 2022, <<https://www.dfat.gov.au/trade/agreements/negotiations/agccfta/australia-gulf-cooperation-council-gcc-fta>>

13. FAO Fishery and Aquaculture Statistics 2022, Global Production by Production Source 1950 - 2020 (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

14. Marine Protection Atlas 2022, Marine Protection by Country, 24 May 2022, <<https://mpatlas.org/countries/>>

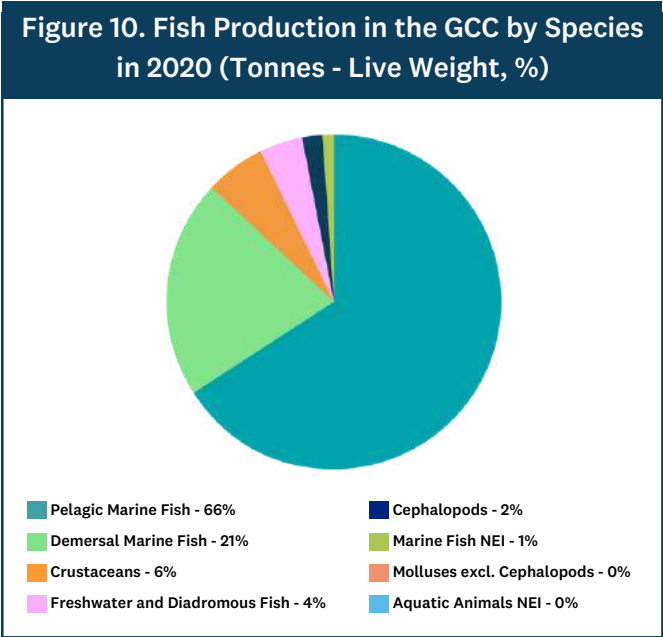
15. FAO Fishery and Aquaculture Statistics 2022, Food Balance Sheets of Fish and Fishery Products (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

GCC Fisheries Industry Performance

Within the broader Middle East region, freshwater species such as tilapia and Nile perch, and pelagic fish such as sardines, mackerel, tuna, and barracuda are highly popular amongst locals.

Imports of high-value seafood species such as shrimp and lobsters, scallops and caviar have also become increasingly popular in the region on the back of a developing economic and growing tourism sector¹⁶.

Given the imposition of low import tariffs below 5%, regional and global markets remain strong, allowing GCC markets to import premium fish and seafood such as frozen shrimps and prawns, Atlantic Salmon, and mackerel from key markets in Asia, Europe, the US, and Australia.



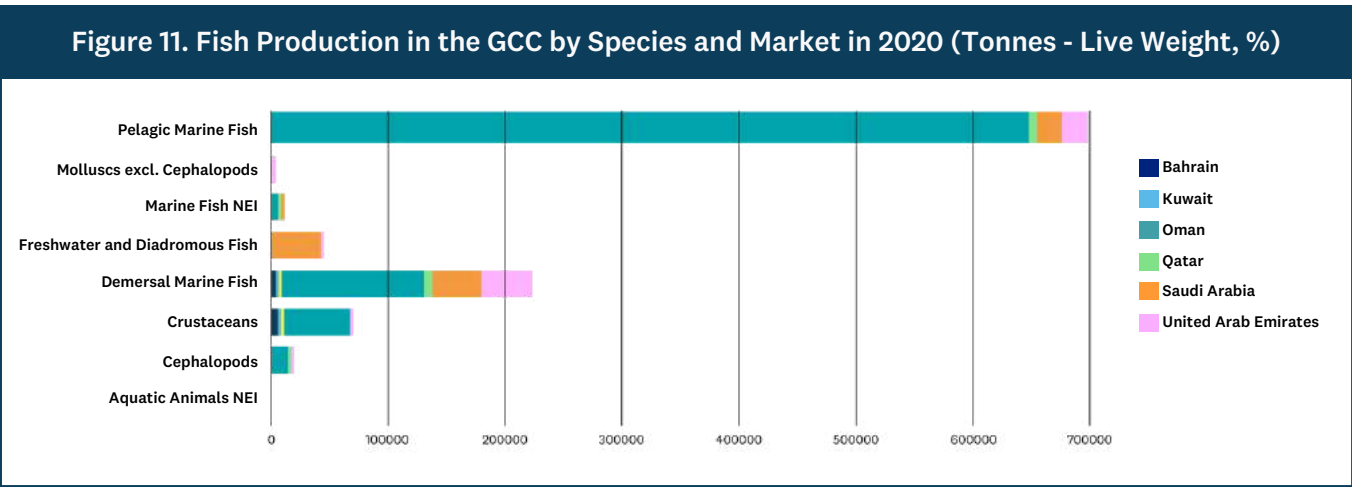
Source: FAO Food Balance Sheet, 2022

Leading Commodities in the GCC

According to estimates by the FAO’s Fisheries Balance Sheet, pelagic fish make up approximately 65% of all fish produced in the GCC as of 2020¹⁵. The top three produced species in the region were:

1. Pelagic fish - Largely sardines, Indian mackerel, longtail tuna, kingfish and yellowfin tuna
2. Demersal fish - Largely ribbonfish, emperor, rocker and catfish
3. Crustaceans - Lobster and shrimp

When combined, these three species represented over 90% of the total fish produced in this region, as highlighted in figures 10 and 11.



Source: FAO Food Balance Sheet, 2022

15. FAO Fishery and Aquaculture Statistics 2022, Food Balance Sheets of Fish and Fishery Products (FishStatJ), 24 May 2022, <www.fao.org/fishery/statistics/software/fishstatj/en>

16. Towers, L. 2014, FAO report: Fisheries and Aquaculture Markets in the Middle East, The Fish Site, 24 May 2022, <<https://thefishsite.com/articles/fao-report-fisheries-and-aquaculture-markets-in-the-middle-east>>



Fish & Seafood Trends in the GCC

The UAE serves as an export hub for fish and seafood, re-exporting products to other GCC countries.

Seafood Consumption

The GCC has seen a substantial rise in per capita seafood consumption. Online searches for fish and seafood products have soared in recent years, enabling seafood to be one of the fastest growing proteins sought out in the GCC¹⁷.

Major growth drivers for fish and seafood consumption include investments in domestic aquaculture production, rising disposable incomes, rapid urbanisation, rising tourism and a move to protein-rich diets, especially among younger generations. Fish and seafood are generally viewed as healthy and a good alternative, as more GCC citizens seek to reduce their consumption of meat.

In addition to these, Government agencies in the GCC have developed a range of policies and investment conditions to increase fish farming levels in the region due to a current high import dependency.

Consumption by Market

Emiratis are the biggest consumers of fish and seafood products within the GCC, with the Minister of State for Food Security claiming that residents in the UAE consume approximately 25.3 kgs of fish annually per capita – 20% more than the global average¹⁸.

Per capita consumption of fish and seafood is the highest among Arab states with low populations but relatively abundant fisheries resources, such as Oman, with consumption being recorded at around 30 kgs per year¹⁹.

Seafood Preferences

Arab consumers generally prefer fresh, whole fish. However, whole frozen fish has become widely accepted in many countries. Cured fish, which is usually dried, is also popular, but more so in remote areas far from coastal regions and major cities²⁰.

Larger demersal species including snapper, sea bream, sea bass, mullet and emperors are most popular, while large pelagic species such as barracuda, Spanish mackerel and tuna also sell well. There are also large markets for small, cheaper pelagic species including anchovies, sardines and mackerel. In terms of freshwater fish, GCC countries generally opt for pomfret (a common species of fish found globally), especially in Kuwait²⁰.

Preferences across Australia's leading GCC partner markets include:

- UAE: frozen shrimp, prepared/preserved tuna, fresh/chilled Atlantic salmon, Danube salmon, skipjack and Atlantic bonito. Demand for premium seafood is particularly high, especially for lobster and scallop.
- Saudi Arabia: canned tuna, other processed tuna, frozen basa, shrimp and oysters.

Demand for organically farmed seafood is being boosted by immigrants with high incomes. At the same time, a growing number of gulf consumers prefer wild-caught over farmed seafood due to perceptions of wild-caught being more natural, fresh and healthier.

Growing health consciousness will also see heightened demand for premium imported seafood, particularly from Western countries such as Australia. For the time being, however, awareness of Australian fish and seafood remains relatively low outside the UAE.

17. Agriculture and Agri-Food Canada, 2022. Fish and seafood trends in the United Arab Emirates. Accessed 25 May 2022, <<https://agriculture.canada.ca/en/international-trade/market-intelligence/reports/sector-trend-analysis-fish-and-seafood-trends-united-arab-emirates>>

18. Dubai Exporters, 2020. Aquaculture is getting boost in the UAE. Accessed 25 May 2022. <<https://dubaiaexporters.com/newsarticle.aspx?newsitem=2002&newstitle=Aquaculture%20is%20getting%20boost%20in%20the%20UAE>>

19. Food and Agriculture Organization of the United Nations. FAOSTAT Statistical Database 2022. Accessed 25 May 2022, <<https://www.fao.org/faostat/en/#data/FBS>>

20. Feido, I.H. 2019, The Arab Region Seafood Marketplace, Part 1. The Fish Site. Accessed 25 May 2022. <<https://thefishsite.com/articles/fao-report-fisheries-and-aquaculture-markets-in-the-middle-east>>



Impact of COVID-19 on GCC Fisheries

COVID-19 had an indirect impact on the activities required to deliver fish products to consumers globally, prompting new sanitary measures, consumer demands, market access, or logistical problems related to transportation and border closures. Within the GCC, the pandemic brought to light unsustainable fishing practices, a lack of diversification in supply, and a failure to fully leverage technology-enabled expansion of local production to enhance self-sufficiency goals in the region²¹.

Because of harsh weather and water scarcity, the GCC relies on fishery and aquaculture imports for food supplies. As a region, the GCC imports fish and seafood from over 50 countries. India and Norway dominate fresh, chilled, and frozen fisheries and aquaculture products, while Thailand and Indonesia dominate prepared and preserved fish and crustaceans⁸.

With COVID-19, imports and production of seafood and aquaculture began to shift dramatically, and Gulf governments sought to develop appropriate policies and favourable investment conditions to boost fish farming in the region. Oman's Ministry of Agriculture and Fisheries has invested \$1 billion in aquaculture on 15,000 hectares of land, while Saudi Arabia aims to produce 600,000 metric tonnes of fish from aquaculture by 2030.

COVID has exemplified the UAE Government's food security concerns given the import challenges due to lockdown restrictions. However, the Ministry of Climate Change and Environment remains proactive - carrying out their new Aquaculture Strategy aiming to accelerate industry growth through six initiatives, including streamlining permit acquisition, identifying fish farming systems and appropriate sites, and promoting economic investments²².

Although COVID-19 negatively impacted the GCC due to supply chain limitations, it ultimately resulted in an opportunity for growth, innovation, and diversification in terms of food and beverage processing and imports²³.

The GCC is emphasising resilience, shortening/diversifying supply chains while safeguarding critical foreign suppliers and customers, especially as it tries to strengthen its position as an international trade hub.

Insights shared by the research and analysis division of The Economist Group suggest that the Middle East will continue to invest extensively in trade-facilitating infrastructure and digital transformation. From a logistics perspective, as GCC governments imposed social distancing and public health standards, global production and export orders plummeted rapidly, commercial flight services dwindled, and shipping container throughput fell sharply from through 2020 - 2021. The transport and logistics landscape became increasingly uncertain, resulting in bottlenecks in goods and food supply.

The pandemic also impacted a variety of subsectors in multiple ways with supermarkets, hypermarkets and grocery stores experiencing strong sales growth whilst the foodservice and airline catering businesses experienced a sharp decline²³. In the early stages of COVID-19, demand for canned, frozen, and processed fish increased, while fresh fish demand dwindled.

The demand for these shelf-stable fish products has been fuelled mostly by an increase in supermarket retail sales and customer stockpiling. Consumer demand for fresh fish and seafood across the gulf has grown post-pandemic, with a greater portion of consumers seeking out fish and seafood due to its high nutritional value and low-fat protein content²⁴. This is a direct result of health and wellness concerns, changing dietary patterns, urbanisation, and economic growth within the region.

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022 <<https://www.trademap.org/Index.aspx>>

21. Alam, M., Sarker Islam, N., Gatto, M., Bhandari, H., Naziri, D. 2022, 'Impacts of COVID-19 on the Fisheries and Aquaculture Sector in Developing Countries and Ways Forward', Multidisciplinary Digital Publishing Institute, 26 May 2022, <<https://www.mdpi.com/2071-1050/14/3/1071/html>>

22. Research and Markets, 2020, 'GCC Fisheries and Aquaculture Sector Analysis,' 26 May 2022, <<https://www.prnewswire.com/news-releases/2020-gcc-fisheries-and-aquaculture-sector-analysis---production-of-fish-in-the-gcc-region-is-projected-to-grow-at-a-rate-of-7-2-during-2020-2025--301075034.html>>

23. Economist Intelligence, 2020, 'Middle East brief: post-Covid-19 supply chains,' 26 May 2022, <<https://www.eiu.com/n/middle-east-post-covid-19-supply-chains/>>

24. Modor Intelligence, 2022, 'GCC Fisheries and Aquaculture Sector Analysis - Growth, Trends, COVID-19 Impact, and Forecasts (2022-2027),' 26 May 2022, <<https://www.modorintelligence.com/industry-reports/gcc-fisheries-and-aquaculture-sector-analysis>>



Fresh, Chilled and Frozen - Fish and Seafood Products Export Flows

As a region, the GCC is not a significant exporter of fresh and frozen fish and seafood, accounting for under 0.5% of global exports as of 2021. According to ITC calculations based on UN COMTRADE statistics and mirror figures based on trading partner data, the GCC exported US\$573 million worth of fish and seafood in 2021 as noted in figure 12⁸.

Exports by the GCC represent just over 25% of the Middle East’s total exports of fresh, chilled and frozen fish and seafood and are significantly less than other blocs such as the European Union (EU27), Brazil, Russia, India, and China (BRIC), Association of Southeast Asian Nations (ASEAN), and countries mpart of the North American Free Trade Agreement (NAFTA);

Australia as a single-market exports over 1.5 times the amount of fish and seafood that the GCC is noted to have exported as of 2021⁸.

Key GCC Exporters

The UAE and Oman have the strongest export value within the GCC for fresh, chilled and frozen fish and seafood, having recorded US\$203.2 million and US\$198.4 million respectively in 2021.

This is followed by Saudi Arabia (US\$130.7 million), Bahrain (US\$40.0 million), and Qatar and Kuwait (<US\$1 million)⁸. As of 2021, the major export destinations for fresh, chilled and frozen fish and seafood products out of the GCC were Egypt (US\$150.28 million), Saudi Arabia (US\$68.69 million), China (US\$58.78 million), Thailand (US\$51.87 million), and Malaysia (US\$50.86 million). Combined, these export destinations represent 66% of fishery exports from this region⁸.

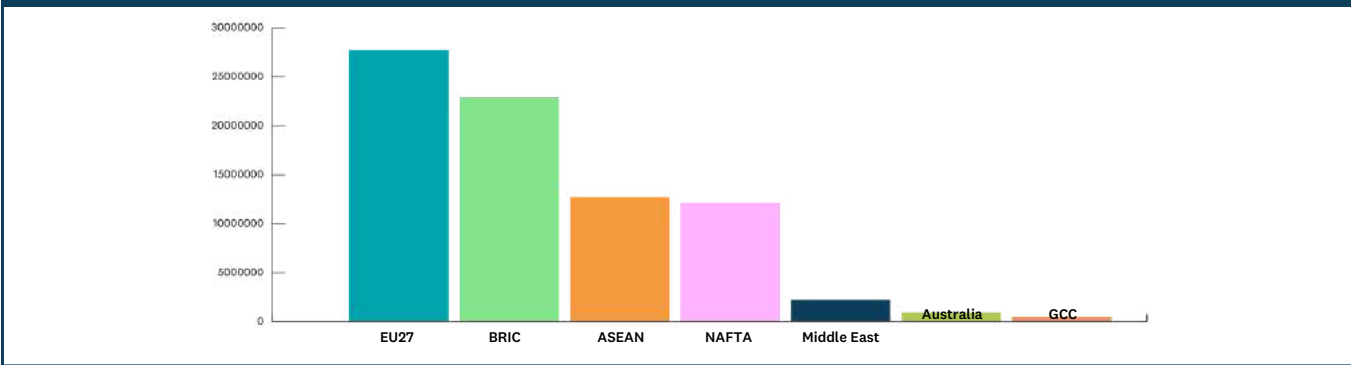
GCC Key Export Commodities

The top five fresh, chilled and frozen fish and seafood products exported from the GCC represent 65% of total export value in 2021⁸.

According to ITC Trade Map data, the leading export commodities from the GCC in 2021 are:

Frozen shrimp and prawns	US\$221.81 million
Frozen fish, not elsewhere specified (N.E.S.)	US\$44.82 million
Fresh or chilled trout	US\$37.49 million
Frozen sardines	US\$36.27 million
Frozen Cuttlefish and squid	US\$33.64 million

Figure 12. GCC Fish and Seafood Exports Relative To Other Markets / Regions / Blocs - Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates: 2021



Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

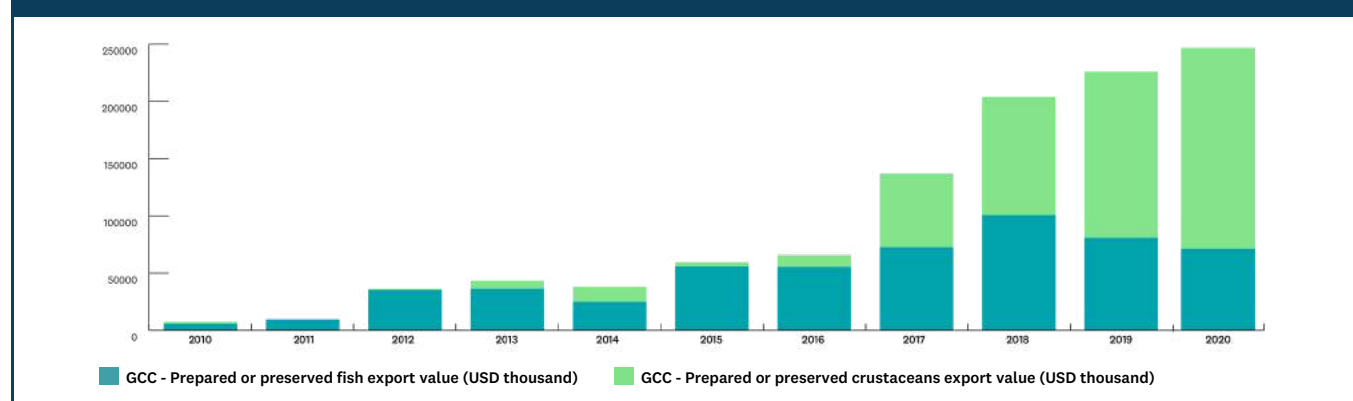
Prepared or Preserved - Fish & Crustacean Products Export Flows

The GCC maintains strong exports of prepared or preserved fish and crustaceans, having exported US\$75.81 million of prepared or preserved fish, and US\$163.78 million of prepared or preserved crustaceans in 2021⁸.

Prepared or preserved fish and crustacean exports have experienced exponential growth in the GCC over the past decade, having surpassed a compound annual growth rate of 40.5% year-on-year between 2010 - 2020, rising from an export value of US\$7.99 million in 2010 to US\$239.58 million in 2020⁸.

During the review period, and up to 2016, ITC calculations based on UN COMTRADE and ITC Statistics reported prepared or preserved fish exports to represent the majority of exports in this sector, before a dynamic shift in the export value of prepared or preserved crustaceans in 2017 - 2020⁸.

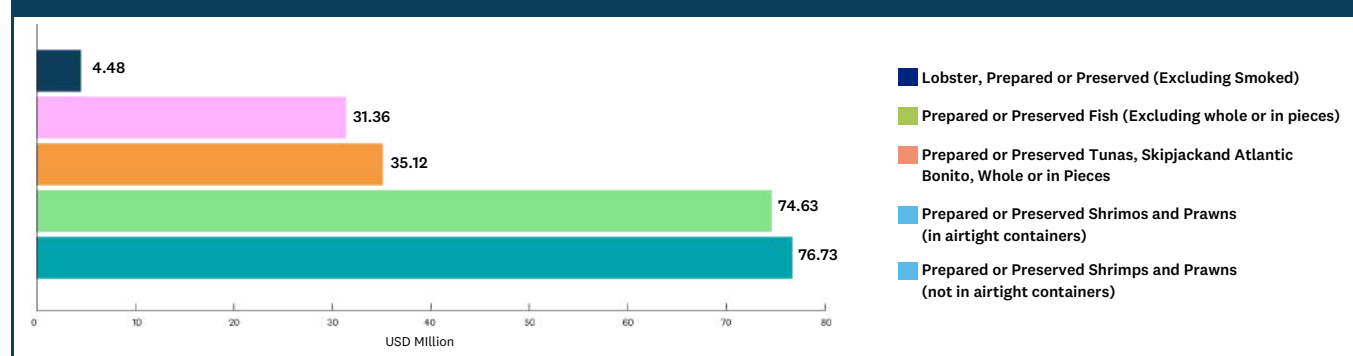
Figure 13. GCC Prepared or Preserved Fish and Crustaceans Exports: 2010 - 2020



Source: ITC Trademap (2022)

As of 2020, the leading exports of prepared or preserved fish and crustaceans within the GCC were shrimps and prawns, prepared or preserved, with a combined export value of US\$151.36 million⁸. The top five exported products are:

Figure 14. Top 5 GCC Preserved Fish and Crustaceans Exports: 2020



Source: ITC Trademap (2022)

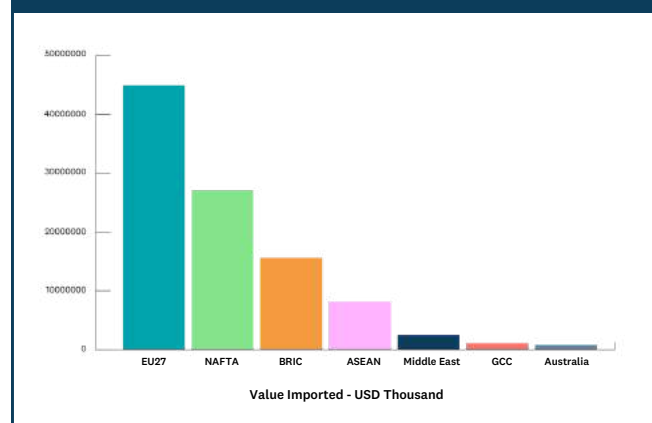
8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

Fresh, Chilled and Frozen - Fish and Seafood Products Import Flows

The GCC as a region imports approximately US\$1.07 billion worth of fresh, chilled and frozen fish & seafood products; accounting for 0.8% of global imports as of 2021⁸.

Imports by the GCC represent approximately 42.5% of the Middle East's total imports under fresh, chilled and frozen fish and seafood and remains significantly less than other blocs such as EU27, BRIC, ASEAN, and NAFA, as highlighted in Figure 15⁸.

Figure 15. GCC Fresh, Chilled, and Frozen Fisheries & Aquaculture Product Imports Relative To Other Markets/ Regions / Blocs: 2021



Source: ITC Trademap (2022)

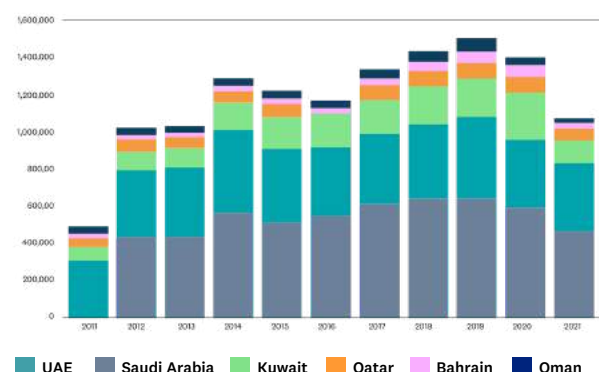
Key GCC Importers

The UAE and Saudi Arabia are the leading importers of fresh, chilled and frozen fish and seafood products within the GCC, having recorded an import value of US\$471.9 million and US\$374.1 million respectively in 2021 as highlighted in figure 16. Kuwait is the third leading importer within the GCC, recording an import value of US\$111.27 million in 2021, followed by Qatar (US\$68.2 million), Bahrain (US\$26.5 million), and Oman (US\$16.9 million)⁸.

Figure 16. GCC Imports - Fresh, Chilled and Frozen (Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates): 2021

Note:

- The UAE did not report export value in 2011 and 2012
- Qatar did not report import value in 2016
- Partner reported data (i.e. mirror data) is used for the UAE, Kuwait, Qatar, Bahrain and Oman in 2021, and for Oman in 2019 and 2020



Source: ITC Trademap (2022)

Leading Import Commodities

The GCC's leading import commodities within of fresh, chilled and frozen fish and seafood products is frozen shrimp and prawns, whether in shell or not, representing just over 27% of total imports into the region at US\$291.13 million⁸.

The top five commodities imported into the GCC represent just over 50% of the total import value, these being:

1. Frozen shrimp and prawns: US\$291.13 million
2. Fresh or chilled Atlantic salmon: US\$119.77 million
3. Fresh or chilled mackerel: US\$53.27 million
4. Fresh or chilled fish, N.E.S.: US\$44.76 million
5. Fresh or chilled sea bass: US\$39.31 million

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

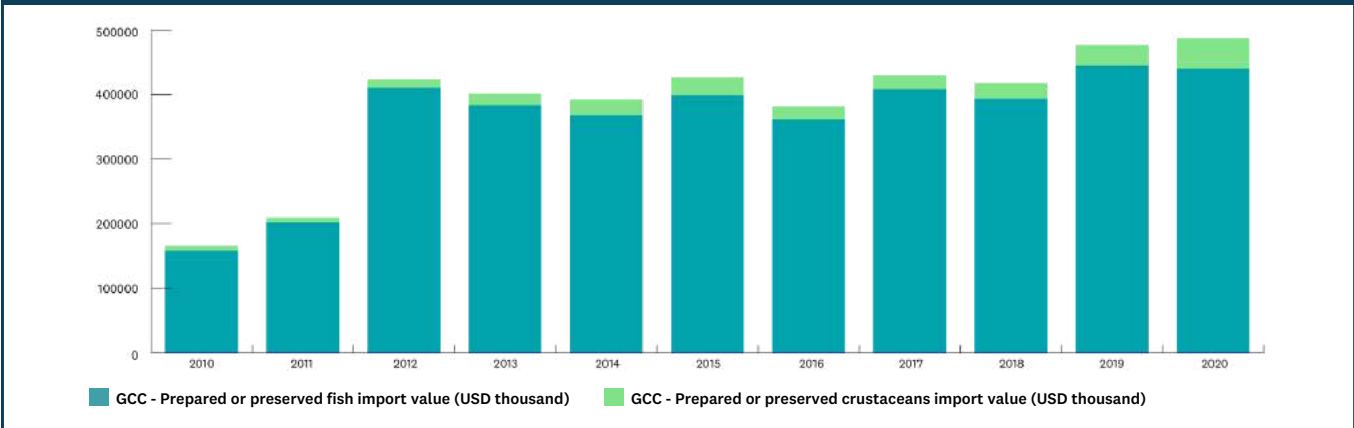
Prepared or Preserved - Fish & Crustacean Products Import Flows

The GCC is a significant importer of prepared or preserved fish and crustaceans; having imported close to US\$500 million, as of 2020. This value is largely represented by prepared or preserved fish, representing over 90% of imported value at US\$439.79 million, while prepared or preserved crustaceans only represent approximately 10% of total imports at US\$47.75 million⁸. Over the past decade, prepared or preserved fish exports have consistently represented over 90% of imported value for this category⁸.

This sector has experienced strong growth in the GCC over the past decade, having surpassed a compound annual growth rate of 11% year-on-year between 2010 - 2020, rising from an import value of US\$165.83 million in 2010 to US\$487.55 million in 2020⁸.



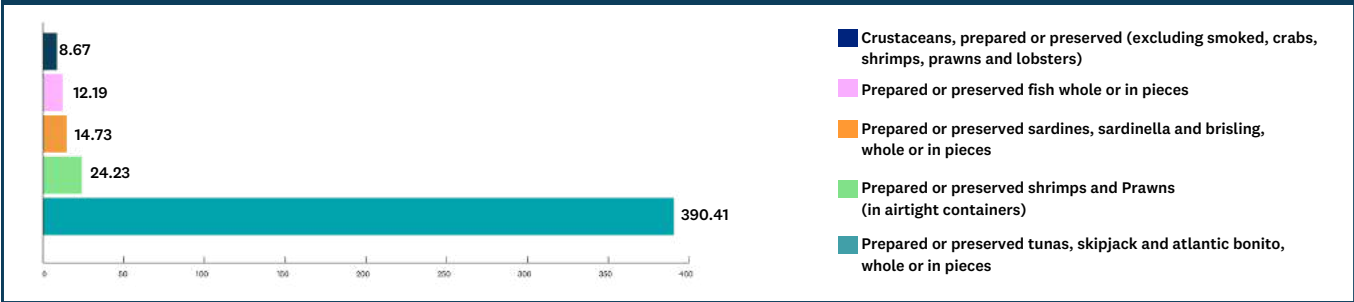
Figure 17. GCC Prepared or Preserved Fish and Crustaceans Imports: 2010 - 2020



Source: ITC Trademap (2022)

As of 2020, the leading imports of prepared or preserved fish and crustaceans within the GCC were prepared or preserved tuna, skipjack and Atlantic bonito, whole or in pieces, with a reported import value of US\$390.41 million⁸. The top five imported products are outlined in figure 18:

Figure 18. Top 5 GCC Preserved Fish and Crustaceans Imports: 2020



Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>

Australia-GCC Two Way Trade

Australia & the GCC: Two-way Trade



Bilateral trade between Australia and the GCC has historically been quite strong, with over 350 Australian companies operating out of the UAE and Saudi Arabia as of 2021²⁵.

The Gulf markets present an attractive export destination for Australian suppliers, given that they are fast-growing markets with young populations, strong infrastructure, low duties and barriers, and a sophisticated business community and banking system. As of 2021, two-way trade in goods had surpassed \$11.8 billion¹².

FTA negotiations between Australia and the GCC were launched in July 2007, and as of 2021, there have been four rounds of negotiations - the last occurring in June 2009. While no further negotiating rounds have been undertaken since, the GCC noted it will renew its pursuit of an FTA with Australia during the GCC Leader's Summit in 2021, indicating a resumption of negotiations in the near future¹².

According to ITC calculations based on ABS data, Australian merchandise exports to the GCC surpassed US\$4.04 billion in 2021, an increase in export value of over 60% from 2020, which was recorded at US\$2.47 billion. Merchandise imports from the GCC have remained relatively stable in recent years, surpassing US\$2.06 billion in 2021⁸.

Despite becoming a growing export destination for Australia, the GCC doesn't import a significant amount of fresh, chilled, frozen, or preserved fish and seafood from Australia, and vice versa.

According to ITC calculations based on ABS data, as of 2021, Australia exported US\$2.48 million worth of fresh, chilled and frozen fish and seafood products into the GCC, led by the UAE at US\$2.08 million, followed by Saudi Arabia at US\$325,000, and Kuwait at US\$64,000. Australian exports of fish and seafood were negligible in Oman, Qatar and Bahrain⁸.

Australian exports of prepared or preserved fish to the GCC were negligible, with US\$7,000 exported to Kuwait. There were no exports of crustaceans, molluscs and other aquatic invertebrates⁸.

Australia is not a significant importer of fresh, chilled and frozen fish from the GCC. As of 2021, value imported was recorded at US\$704,000, led by the UAE at US\$363,000 and Bahrain at US\$327,000. US\$14,000 was imported from Oman, while imports from other countries were negligible⁸.

Australian imports of prepared or preserved fish, crustaceans, molluscs and other aquatic invertebrates remained largely negligible in 2021.

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022.
<<https://www.trademap.org/Index.aspx>>

12. Department of Foreign Affairs and Trade (DFAT) 2022, Australia-Gulf Cooperation Council (GCC) FTA, 24 May 2022, <<https://www.dfat.gov.au/trade/agreements/negotiations/agccfta/australia-gulf-cooperation-council-gcc-fta>>

25. Rahal, N. 2021, Inside the trade relationship between Australia and the GCC, Arabian Business, 25 May 2022, <<https://www.arabianbusiness.com/gcc/uae/469824-inside-the-trade-relationship-between-australia-the-gcc>>

Australian Exports into the GCC

Australia is not currently a significant exporter of fresh, chilled and frozen fish and seafood products into the GCC, having exported US\$2.48 million worth of fish and seafood in 2021, representing 0.8% of total Australian fresh chilled and frozen fisheries and seafood exports⁸.

The leading products being exported from Australia as of 2021 are live, fresh or chilled rock lobsters, representing over 36% of total export value to the GCC at US\$894,000, and frozen fillets of toothfish, which represents 30% of total export value at US\$750,000⁸.

Figure 19. Australian Fresh, Chilled and Frozen Fish and Seafood Exports into the GCC: 2021

Product Code	Product Label	2021 Export Value (USD Thousand)
Total - 03	Fish and crustaceans, molluscs and other aquatic invertebrates	2,483
030631	Live, fresh or chilled rock lobster and other sea crawfish	894
030485	Frozen fillets of toothfish	750
030194	Live Atlantic and Pacific bluefin tuna	268

Source: ITC Trademap (2022)

Australia is not currently exporting any significant amounts of prepared or preserved fish and crustacean products into the GCC.

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>



Australian Imports from the GCC

The UAE is a relatively insignificant import source for fresh, chilled and frozen fish and seafood products into Australia, representing 0.1% of total imports - led by frozen lobsters at US\$363,000 and frozen crabs at US\$327,000⁸.

The UAE and Bahrain are the largest exporters of fish and seafood products into the Australian market as of 2021. Importantly, there is no tariff applied by Australia on imported fish and seafood products from the GCC.

Australia is not currently importing any significant amounts of prepared or preserved fish and seafood products from the GCC aside from US\$40,000 worth of caviar⁸.

Figure 20. Australian Prepared and Preserved Fish and Crustacean Imports from the GCC: 2021

Product Code	Product Label	2021 Export Value (USD Thousand)
Total - 1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	43
160431	Caviar	40
160414	Prepared or preserved tunas, skipjack and Atlantic bonito, whole or in pieces	3

Source: ITC Trademap (2022)

8. International Trade Centre (ITC Trademap) 2022. ITC Trade Map. Accessed 28 April 2022. <<https://www.trademap.org/Index.aspx>>





Market Access into the GCC

Food Import Clearance Procedure

The GCC clarifies import procedures via their “Guide for Food Import Procedures for GCC Countries” which aims to unify import certification and clearance across the GCC.

Mandatory shipping documents for exporting food products into the GCC are:

- Certificate of origin
- Commercial invoice
- Delivery order
- Permit delivery
- Customer declaration
- Ocean bill of lading/truck waybill/airway bill
- Packing list
- Trade licence
- Statistical statement
- Supporting documentation for any labelled claims
- Original health certificate (as approved by DAWE)
- Halal Certificates are required for meat and poultry products, however, there is NO requirement to provide halal certificates with shipments of fish and fishery products to the GCC countries.

Producers of live seafood (aquaculture and wild caught) including live bivalve molluscs, and non-viable seafood (aquaculture and wild caught) including bivalve molluscs must attain an FX46 Certificate as to Condition with Endorsement 5116.

Seafood products (including fish and fish products, molluscs, crustaceans, and echinoderms) require a Health Certificate for Export of Products of Aquatic Animal Origin.

Import procedures for seafood products are as follows:

- Obtaining an import permit
- Port-of-entry inspection and testing

Exporters are encouraged to contact their importers on the inspection procedures, as each region may have different policies, grading and requirements for imported food products.

For example in the UAE, the Abu Dhabi Food Control Authority, has published a detailed importers guide which outlines the categorisation of food products into three groups based on their risk(s) on human health.

Market Access into the GCC



Packaging & Labelling Requirements

- Production and expiration date should be printed on the original package or label • It is prohibited to write such dates manually or indicate them on a sticker (including the sticker that is used for Arabic translation)
- Double dates are not allowed
- Production & expiration shall be clearly printed, embossed, or engraved and difficult to erase
- Day – month – year shall be indicated on food products with a validity of three months or less. Month – year shall be indicated on food products with a validity of more than three months

The Gulf Standard Organisation (GSO) presents the standards and technical regulations for importing products to the GCC, providing the conformity assessment procedures for imported products.

As per GSO guidelines:

- All labels must be written in Arabic or both Arabic and English.
- For foods labelled as Organic, GMO-free or similar, these must be accompanied by a statement from an Australian government agency to support this claim.
- Pork-free diet certificates are required for farmed fish, seafood, and its products
- Production/expiry dates must be engraved, embossed, printed or stamped directly onto the original label or primary packaging at the time of production, using indelible ink.

GCC Market Opportunities & Challenges for Seafood Exporters



Seafood Industry
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Market Opportunities

The key market opportunities, as outlined below, have been developed through evaluation of desk research, which included examining and utilising current Australian Government and industry research, figures and tables from a range of sources, as well as conducting personal interviews with in-market stakeholders and industry. Throughout this report, we have attempted to credit specific source material. The information presented in this report is a guide, and not intended to be exhaustive or seek to replace any industry reports or resources.



Rising urbanisation rate



Growing acceptance of frozen and cured products



Consumer interest in health



Rising demand for organically farmed



Increase in fish and seafood consumption



GCC and Australia Relationship



Increased imports of high-value seafood



No halal certificate requirements

Rising urbanisation rate

Over 50% of the GCC's population is comprised of foreign nationals, many of whom are affluent Westerners. Meanwhile the urbanisation rate is significant, at over 85%, and on a per-capita basis, the GCC is amongst the wealthiest countries in the world, particularly when focusing on Qatar, the UAE and Kuwait. These factors create a high-income consumer base that is willing to pay a premium for imported fish and seafood, sparking an opportunity for Australian exporters as Australia maintains a premium, high-quality positioning.

Consumer interest in health

Key purchasing factors amongst GCC consumers include quality, health and taste, prompting more focus on purchasing fresh, clean and safe produce. Additionally, GCC consumers are also willing to pay more for health benefits, and in particular, perceive fish and seafood as part of a healthy diet and a good protein alternative. This represents a further opportunity for Australian products, which are well-known for such qualities. This is particularly true of seafood, which provides a source of protein, vitamin B12, omega-3 fatty acids and other benefits. To maximise this opportunity, exporters must focus on product origins and health benefits in their marketing.

Increase in fish and seafood consumption

Fish and seafood consumption has increased steadily over the past few decades, rising from 13 kg in 1990 to over 19 kg in 2017. This creates a wider potential consumer base for fish and seafood products, with Australian exporters especially encouraged to focus on Oman, the UAE and Qatar, where consumption is greatest - not just by GCC standards, but also global standards, by over 20%.

Increased imports of high-value seafood

Imports of high-value seafoods including shrimp and lobsters have become increasingly popular over the last few years, as the GCC has seen stronger economic growth, largely due to strengthening tourism flows. Import tariffs are also fairly low, at below 5%, allowing GCC markets to import more premium fish and seafood, such as Atlantic salmon and mackerel, typically imported from Asia and Western countries. These factors support ease of access for exporters, enabling Australian producers to enter the market with fewer barriers.



Growing acceptance of frozen and cured products

Arab consumers prefer whole, fresh fish, but frozen fish is also becoming widely accepted as is cured fish. However consumption of the latter remains limited to remote areas.

Fish products that sell well include snapper, sea bream, sea bass, mullet, emperors, Spanish mackerel and tuna, as well as smaller species such as sardines. With the UAE and Saudi Arabia being large export markets, key areas of opportunity for Australian seafoods include:

- Frozen shrimp
- Tuna
- Atlantic salmon
- Oysters
- Skijack
- Atlantic bonito
- Lobsters
- Scallops

Rising demand for organically farmed

Along with rising demand for premium imports, organically farmed seafood is also becoming increasingly popular, particularly among wealthy immigrants.

Due to the perception that they are more natural and fresh, wild-caught species are likewise growing increasingly popular.

GCC and Australia Relationship

The GCC and Australia maintain a relatively strong diplomatic and economic relationship, with the region's fast-growing markets with young populations, strong infrastructure and low duties providing an attractive business environment. This further reduces barriers to entry for Australian exporters, saving costs and time.

No halal certificate requirements

Despite having established a requirement for halal certificates for meat and poultry products, no such requirements exists for shipments of fish, fishery and aquaculture products, minimising regulatory requirements that Australian producers must comply with.

Market Challenges



Potentially limited demand



Little awareness of Australian fish and seafood



Growing focus on farmed seafood products



No formal free trade agreement



Micro-segmentation



Competition with local fresh products



Supply chain challenges



Differing policies, grading and requirements



Farmed fish health certificates

Potentially limited demand

GCC countries including the UAE and Saudi Arabia generally depend on imports for over 80-90% of their total food consumption. However, this statistic is less prominent for seafood, as the Middle East region is surrounded by seven seas, creating no shortage of fresh seafood.

While the GCC's production is small, supply from neighbouring countries is steady, and GCC fisheries are experiencing significant growth, especially in the UAE, which serves as a seafood export hub for other GCC member states. This may limit the potential demand for Western imported seafood products within GCC countries. In light of COVID-19, the GCC governments have also developed policies to improve fish farming levels in the region by promoting economic investments in aquaculture, further threatening the need for imports.

Little awareness of Australian products

Despite rising health consciousness supporting demand for premium, imported seafoods from Western countries such as Australia, awareness of Australian fish and seafood products remains relatively low in the GCC, outside of the UAE. The GCC also does not import a significant amount of fish and seafood from Australia, and instead maintains an already significant supply from over 50 other countries, including India, Norway, Thailand and Indonesia. This may reduce consumer desire to purchase Australian exports.

As a result, manufacturers and marketers must concentrate on raising local consumers' knowledge and awareness of Australian products in their marketing messaging to encourage demand and consumption. This will be especially important given the range of other competing imported products in the market, which means exporters will need to spend a significant amount of time, money and other resources in developing appropriate points of differentiation.

Growing focus on farmed seafood products

As consumers become more eco-conscious and display a growing focus on farmed seafood, this presents a challenge for producers who do not have the relevant sustainability certifications.



No formal free trade agreement

Despite maintaining a strong relationship with the GCC, there has yet to be a formal free trade agreement established between Australia and the region. This may create greater barriers to entry for Australian exporters by raising costs, timelines to export, and other barriers, which may deter entry, especially for smaller seafood producers with more limited financial resources.

Micro-segmentation

Micro-segmentation of the market is on the rise. While this trend is creating more opportunities for more healthy produce such as fish and seafood, it is also seeing a rise in vegetarianism and veganism⁹. As these diets grow in the future, the potential consumer base for fish and seafood will fall, thereby threatening sales.

Competition with local fresh products

The market for frozen fish and seafood products is undoubtedly growing. However fresh, whole fish remains the preference of the majority of Arab consumers. Additionally, while canned, frozen and processed products experienced growth during the pandemic, in the post-pandemic market, demand for fresh fish and seafood is once again climbing, especially as consumers view fresh seafood as being higher in nutritional value and overall health benefits.

This limits the opportunities available for Australian exporters, as the logistics processes required to deliver fresh fish to the GCC region may make export unviable or highly expensive. However, of those seafood products which are imported, over 90% are prepared or preserved, indicating that when it comes to fresh seafoods, Australian exporters will likely face more competition from local producers rather than other Western exports.

Supply chain challenges

The impact of COVID-19 on supply chains, including available flight services and shipping containers implies that the transport and logistics landscape has become increasingly uncertain, especially in the short-term, thus creating difficulties for Australian exporters to get their products in-market on time and at a reasonable cost.

Differing policies, grading and requirements

Exporters are advised that the UAE's member states have different policies, grading and requirements for imported food products. This may create regulatory difficulties and higher market entry barriers for Australian exporters seeking to enter multiple markets in the GCC, thus limiting potential expansion of their consumer base.

Farmed fish health certificates

In general, the GCC does not impose excessive or trade-restricting non-tariff measures (NTMs) on Australian seafood imports. However, health certificates may act as a barrier to access if not adhered to.

In 2014, the UAE enacted a requirement that only applies to farmed fish products. A particular health certificate that attests that the fish were not fed processed animal proteins of porcine origin (having to do with or coming from pigs) must be included with imported consignments of this nature.

9. Fabre, CSheikh, F., Piro, F., Gerousis, M., & Dhunta, V. (2022), How to drive profitable growth in the Middle East in the new normal, Bain & Company, 26 May 2022, <<https://www.bain.com/insights/how-to-drive-profitable-growth-in-the-middle-east-in-the-new-normal/#:~:text=Consumer%20trends%20shaped%20the%20new%20normal%20in%20the%20GCC&text=Consumers%20in%20the%20region%20care,conversations%20consumers%20are%20having%20online>>



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