

IMPACT OF COVID-19 ON GLOBAL TUNA SUPPLY CHAIN

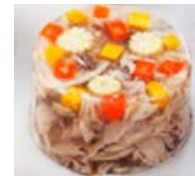
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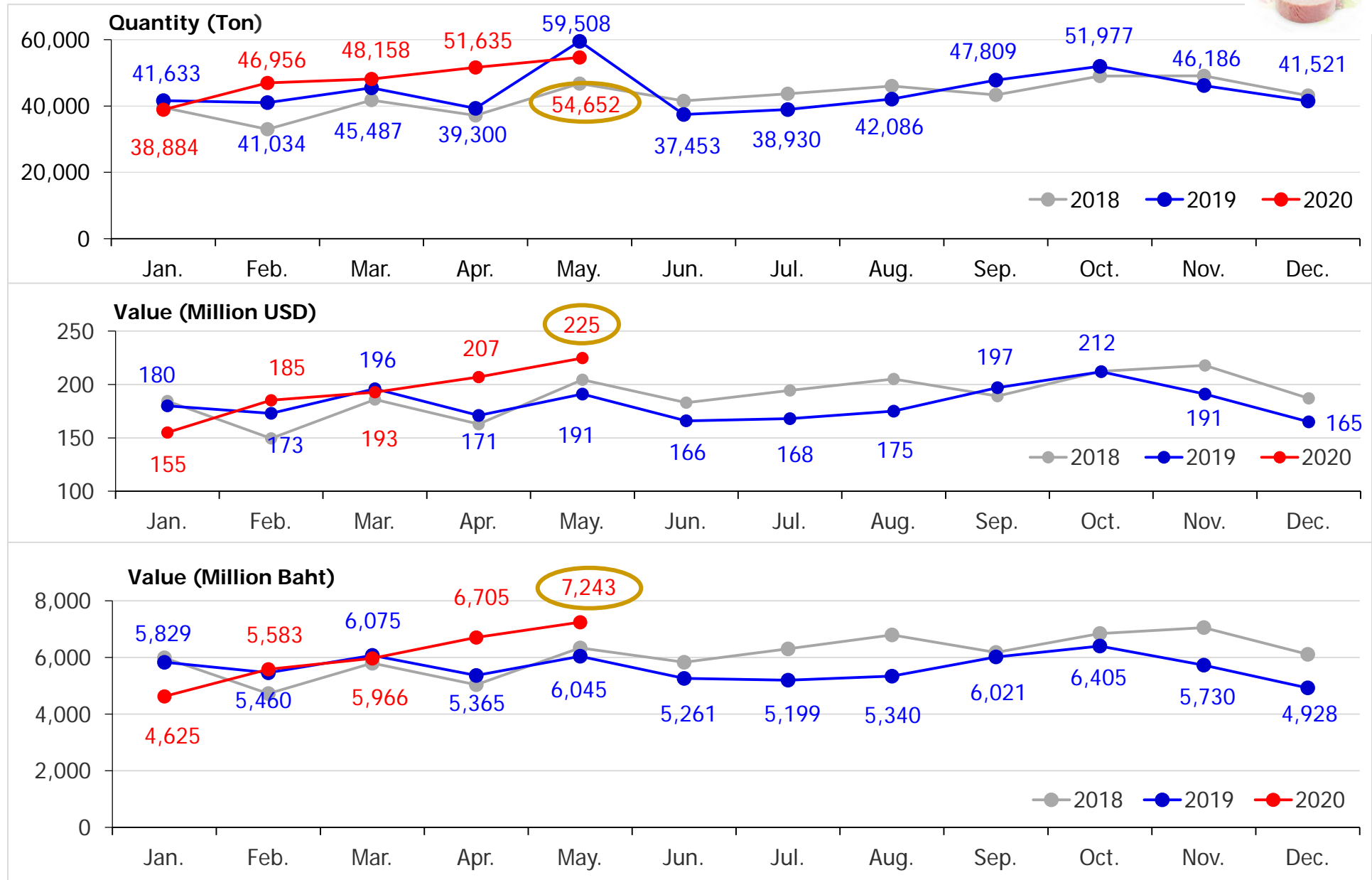
3rd July 2020

1. Thai exports of canned / pouch tuna, tuna loin, petfood (fish), salmon, sardine and mackerel to the world in Jan – May 2020

Product / H.S. Code	Quantity (Ton)		% Growth	%Share	Value (Million Baht)		% Growth	%Share	Value (Million USD)		% Growth	%Share
	Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020		
Canned / Pouch Tuna + Tuna Loin 1604.14	226,979	240,285	6	77	28,788	30,122	5	79	912	964	6	79
Petfood (fish) 2309.10.10.001	35,342	36,712	4	12	3,974	4,203	6	11	126	135	7	11
Salmon 1604.11.10	6,380	7,777	22	2	1,499	1,677	12	4	47	54	14	4
Sardine 1604.13.11	17,236	19,783	15	6	1,430	1,552	9	4	45	50	10	4
Mackerel 1604.15.10	17,096	7,873	-54	3	1,786	754	-58	2	57	24	-58	2
Total	303,034	312,429	3	100	37,476	38,308	2	100	1,187	1,227	3	100



6. Thai exports quantity and value of **canned / pouch tuna + tuna loin** to the world in 2019/ Jan – May 2020



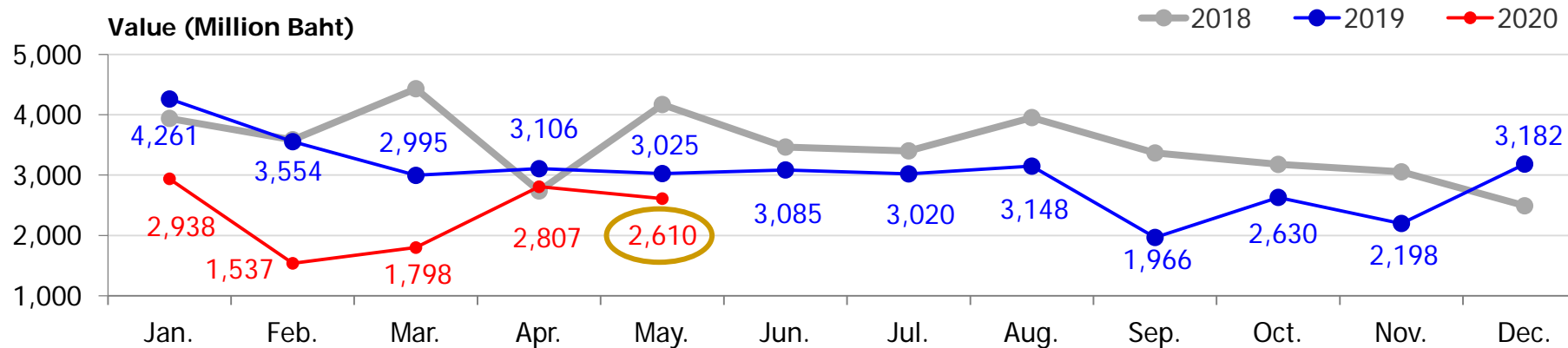
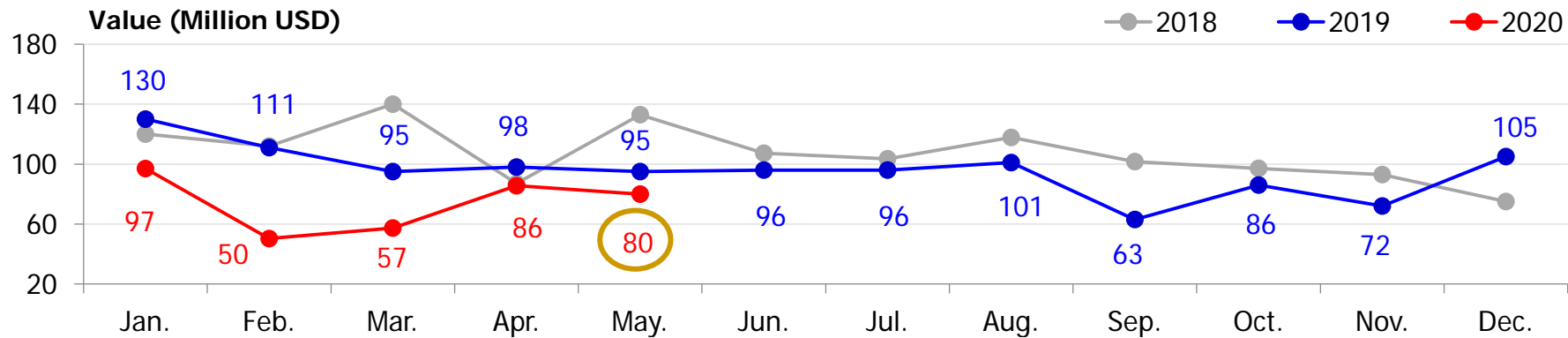
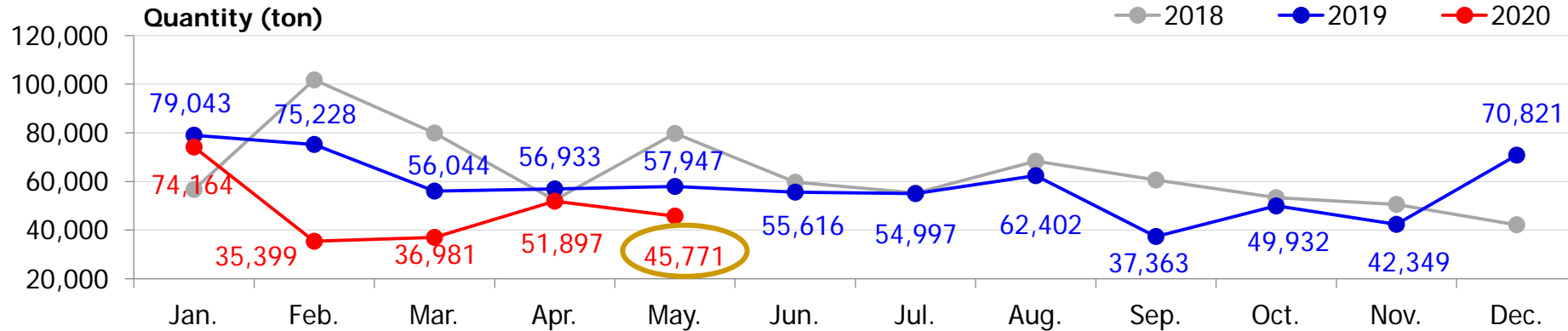
2. Thai exports of tuna products to main market in Jan – May 2020

Product / H.S. Code	Country	Quantity (Ton)		% Growth	%Share	Value (million Baht)		% Growth	%Share	Value (million USD)		% Growth	%Share
		Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020		
Canned / Pouch Tuna + Tuna Loin 1604.14	World	226,979	240,285	6	100	28,788	30,122	4.6	100	912	964	6	100
	U.S.A.	38,611	56,879	47	24	6,043	8,093	34	27	192	259	35	27
	Middle east (15)	42,658	44,720	5	19	5,635	5,164	-8	17	179	166	-7	17
	Africa	43,159	38,598	-11	16	4,958	3,660	-26	12	157	117	-25	12
	Australia & Oceania	21,283	20,274	-5	8	2,824	2,778	-2	9	89	89	-0.8	9
	Latin America	22,655	25,165	11	10	2,698	2,696	-0.07	9	85	86	0.4	9
	Japan	13,656	15,771	15	7	2,341	2,493	7	8	74	80	8	8
	EU (28)	8,064	9,477	18	4	1,224	1,292	6	4	39	41	7	4
	Other	36,892	29,401	-20	12	3,066	3,947	29	13	97	126	30	13
Petfood (fish) 2309.10.10 .001	World	35,342	36,712	4	100	3,974	4,203	6	100	126	135	7	100
	EU (28)	7,141	8,509	19	23	1,100	1,276	16	30	35	41	18	30
	Japan	10,249	8,754	-15	24	999	894	-11	21	32	29	-9	21
	U.S.A.	4,921	4,808	-2	13	774	757	-2	18	25	24	-0.8	18
	China	2,838	2,813	-0.9	8	288	292	1	7	9	9	1	7
	Middle east (15)	181	392	117	1	17	35	111	0.8	0.5	1	112	0.8
	Other	10,013	11,436	14	31	795	949	19	23	25	30	21	23
Total of Tuna Products 1+2		262,321	276,997	6	100	32,761	34,325	5	100	1,038	1,099	6	100

3. Thai imports of frozen raw tuna from the world in Jan – May 2020

Product / H.S. Code	Quantity (Ton)		% Growth	%Share	Value (Million Baht)		% Growth	%Share	Value (Million USD)		% Growth	%Share
	Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020			Jan - May 2019	Jan - May 2020		
Albacore 0303.41.00	17,841	20,756	16	8	2,161	2,487	15	21	68	78	16	21
Yellowfin 0303.42.00	53,106	39,638	-25	16	3,246	2,017	-38	17	101	64	-37	17
Skipjack 0303.43.00	272,944	178,138	-35	72	12,443	6,937	-44	59	388	220	-43	59
Bigeye 0303.44.00	9,744	5,680	-42	2	502	248	-51	2	16	8	-50	2
other 0303.49.00	3,854	3,370	-13	1	139	127	-9	1	4	4	-9	1
Total Frozen Tuna	357,489	247,581	-31	100	18,491	11,817	-36	100	577	374	-35	100
Tuna Loin 1604.14.90	11,064	12,918	17	5	1,419	1,436	1	11	44	45	2	11
Grand Total	368,553	260,499	-29	100	19,910	13,253	-33	100	621	419	-33	100

8.Thai imports of frozen whole round tuna from the world in 2019/ Jan – May 2020



GLOBAL TUNA MARKET DURING THE PANDAMIC

- The supply chain was quite normal up until February. Suddenly, we found countries to have panic-buying with empty shelves, but at the same time foodservice customers tried to cancel or postpone orders.
- From February to mid-April, demand was high to replenish those empty shelves. Net-net market, though, is only marginally higher than the normal retail+foodservice time.
- Canned tuna in the cabinet provides the consumers with a food security sense, but they do not normally need to access that safety stock. There has not been much food security issue to force them to do so as logistics services have been mostly intact.

GLOBAL TUNA MARKET DURING THE PANDAMIC

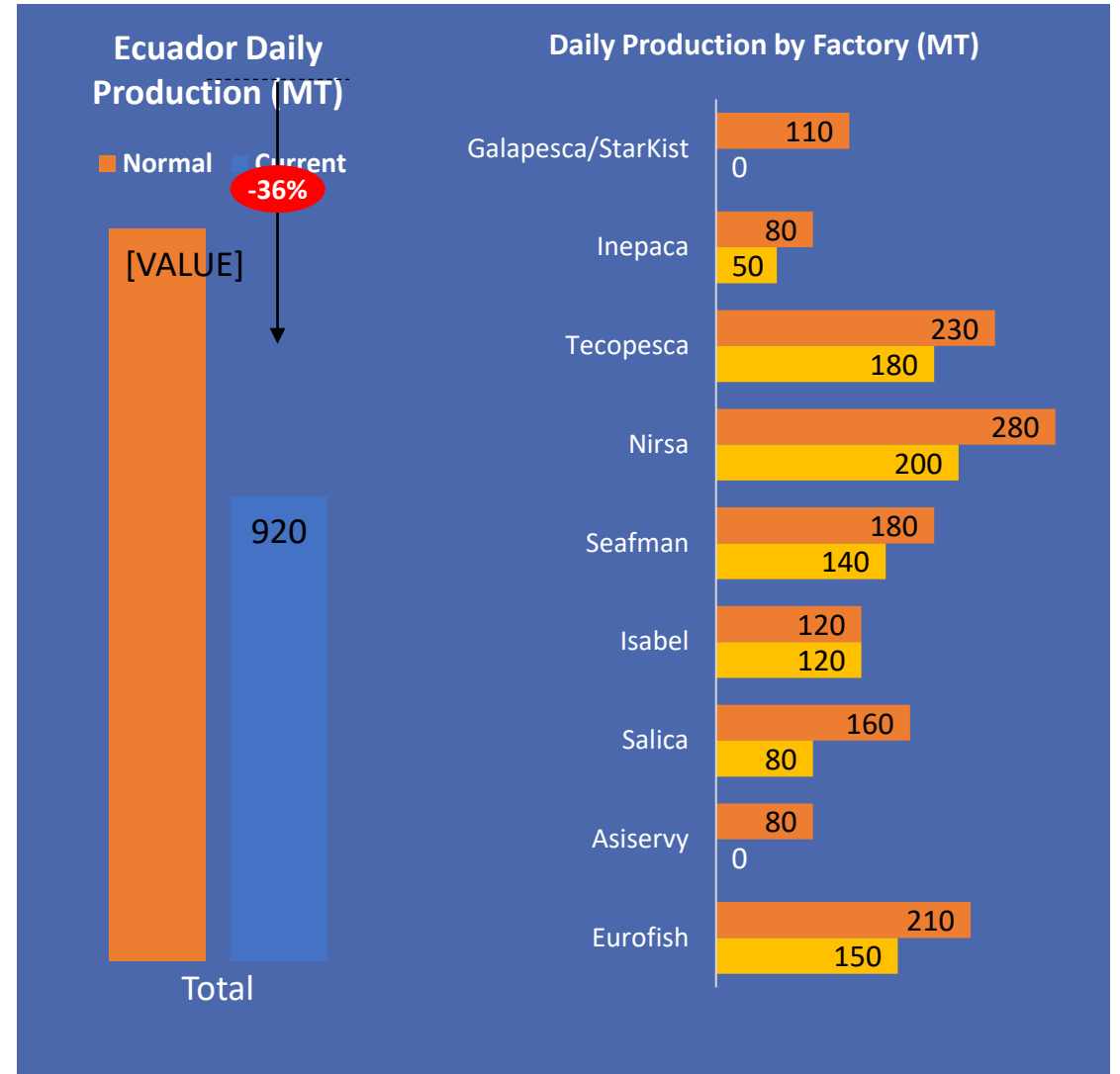
- The main difference between this disaster and the previous one was that consumers were forced to stay home and found themselves plenty of time. The US reported the best selling items in supermarkets were...
 - March – Tuna
 - April – Flour and bakery ingredients
 - May – Hair care products
- After mid April, the demand of tuna has been down quite considerably. The retail customers seeing the slow down in off-taking need to guess how the situation will develop when countries try to re-open the economies.

GLOBAL TUNA MARKET DURING THE PANDAMIC

- While it is likely that the COVID-19 will continue for months to come, countries will be going through cycle of opening up and closing down. But the consumers have no choice but to adjust themselves to the new reality quickly. “New-normal” is a good description in this regard because canned tuna will need to find a space in the new life style, ie cooking at home and online-grocery shopping boom.
- At the same time, it is a fair anticipation that economic crisis will kick into high gear in the 2nd half of 2020. Financial hardship may spur demand of canned tuna back up.

ECUADOR

- Catching of tuna in Eastern Pacific Ocean was on pace to hit a record year.
- The country got hit by the COVID-19 hard.
- One processing plant had workers infected and was shut down temporarily. All of the processing plants then implemented social distancing in the processing lines which initially resulted in 65% tonnage but gradually improved to reach 80%.
- With the tonnage down and tuna continued to be landed, the cold storage space was maxed out. Vessels were stuck at the port waiting for their turn to unload.
- Price of tuna went down very quickly and triggered the collapse of tuna price in the other tuna hubs around the world.



PACIFIC ISLAND COUNTRIES

- The Pacific Island Countries have adopted a very strict precautionary approach.
 - All countries locked down and banned commercial flights.
 - Recalling all observers back to the home countries
 - Crew change is not possible
 - Banning transshipments in the port area. Activities must be carried out 3 miles from the port.
 - Because of the rougher sea, transshipment can only be done 1 vessel to 1 carrier at a time.
 - No transshipment into containers
 - Repairs of vessel or fishing net could not be carried out because vessels cannot call a port
- All the above slowed down the turn around of fishing operation.

SEYCHELLES

- Seychelles is the biggest tuna landing port in the Indian Ocean because of the Spanish and the French purse seine fleets.
- The crew of those fleets have always been on 4 months at sea and 4 months at home contract. But initially, as countries were closing down and commercial flights were cancelled, crew change became impossible. Starting May, the Spanish/French governments have arranged chartered flights for the fleets to carry out the crew change.
- Last week, a plane carrying 207 seamen flew into Seychelles for the crew change and 9 were originally found to carry the COVID-19 when landed. Over the weekend the number went up to 70 people. All of the 207 crews are now being quarantined on board the 27 vessels.
- This is more than 60% of the total number of active large scale purse seiners in the Indian Ocean.
- Supply to the tuna processing plants in the region will be disrupted which will affect the supply to African countries and the EU.

THANK YOU