

## CHAPTER 4 - TRADE IN SHARK PRODUCTS IN MALAYSIA, SINGAPORE AND THAILAND

### 4.1 Introduction

This study is one of three related investigations, undertaken under the ASEAN-SEAFDEC project on sharks, designed to document shark catches and trade in the region. This component of the study characterizes the trade in shark products while parallel studies will explore the status and trends of shark fisheries and the utilization of shark products in Southeast Asia.

In concert, these studies are intended to serve as an essential basis for developing appropriate fisheries management policies and actions, and thereby promote national and regional responsibility for marine resource management issues. Documenting and strengthening data collection and monitoring systems for shark fisheries and shark product trade in this way will facilitate implementation of national programs which underpin international policies articulated by FAO such as the Code of Conduct for Responsible Fisheries and the International Plan of Action for Sharks. Effective national management of shark resource issues is the most reliable means of ensuring sustainable harvests while supporting the local communities and industries which depend on shark products.

Although trade in shark products occurs throughout Southeast Asia, it was agreed that the scope of this study would encompass Malaysia, Singapore and Thailand in this initial stage, and that based on the results presented here, trade studies may be extended to other ASEAN countries in the future. The rationale for focusing this study on Malaysia, Singapore and Thailand was that the regional trade in shark fins, which is the most valuable of all shark-derived products, was believed to be concentrated in these three countries. In order to complement the parallel study of shark utilization, the range of products included in the present study was not limited to shark fins although the bulk of available information was expected to pertain to this product.

This report, the result of a survey undertaken by Shelley Clarke and SEADFEC MFRD in late 2003, first presents an introduction to the trade in shark products which highlights the variety of useful goods derived from sharks. The remainder of the report is organized around four research questions intended to elucidate key features of the shark trade in Southeast Asia:

- **Product Sources:** What contribution do regional shark resources make to local and world shark production figures and how is excess regional demand met?
- **Trade Volume:** What is the volume of regional trade in shark products and its context in the global trade?
- **Product Disposition:** What quantities of various shark products are consumed within, as opposed to being transshipped through, the region and what factors influence regional demand?
- **Trade Characteristics:** How do the features and trends of the shark product trade differ by country and as a region from other world markets?

A combination of existing literature, statistical trade and production records, and field surveys involving trader interviews was used to address each of these research questions. Compilation and analysis was undertaken during the period September through November 2003 and thus represents the situation at that time. As is often the case with trade analyses, data sources may be incomplete or otherwise unreliable due to the protection of confidential business information as well as other factors. This report attempts to provide the most accurate description of the trade based on available information, acknowledging shortcomings of the data wherever applicable. Cases of data interpretation and presentation of quantitative information are clearly distinguished and objectively interpreted.

The complete results of this study can be found in Appendix 2.

## **4.2 Summary of findings**

The first limitations in tracing product trade within the ASEAN region is that all national trade statistics only available for two types of shark products – meat and fins.

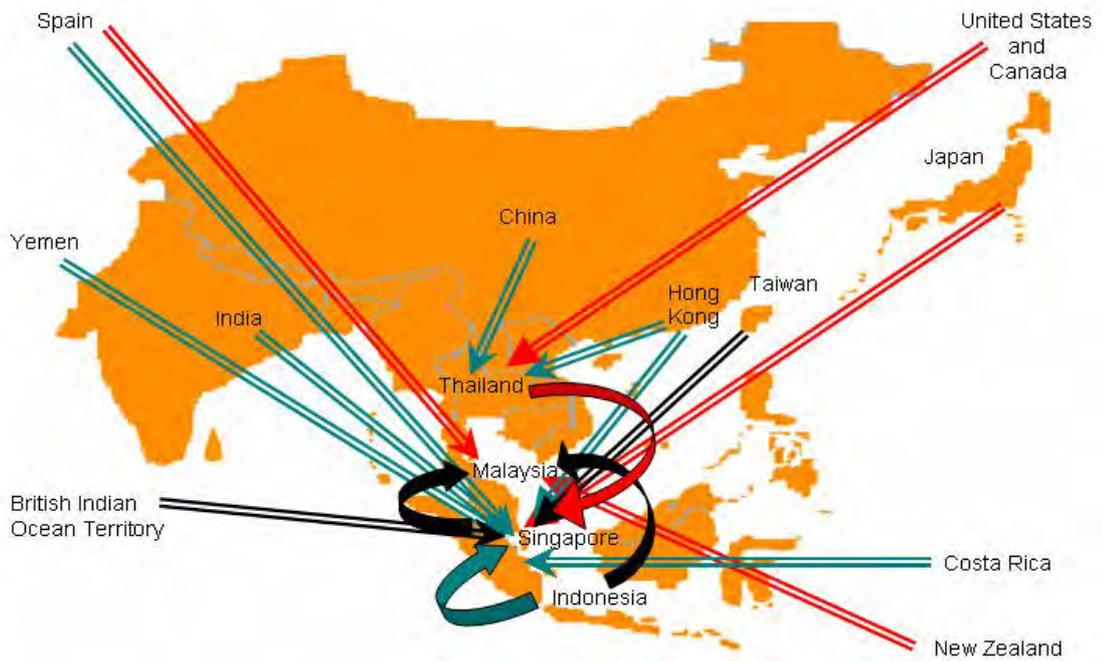
A quick review of FAO figures in its FISHSTAT's Commodities Trade and Production Database suggest that large quantities of shark products are not originating in Malaysia and Thailand (no production figures between 1997-2001), but other evidences (Capture Production Database figures) however indicates that this may not be the case. Based on capture figures for 2001, there is an estimated production of approximately 10,000 mt and 8,500 mt per annum of shark meat production, and 500 mt and 175 mt, respectively of wet shark fins for Malaysia and Thailand respectively. At the same time (1997-2001), figures for Singapore show no production of shark meat but 100-500 mt per annum for shark fins. However, when considering that Singapore's reported capture production for sharks is less than 100 mt per annum, Singapore's production of shark fin most likely refers to production of processed fins from imported raw product.

Obviously, sharks sold in Southeast Asia are also imported from outside the region, and in this regard Singapore is a key regional trading hub, receiving meat and fins from a large number of countries. Malaysia's external sources for shark meat and fins are more limited to its close neighbors (Indonesia and Singapore), while Thailand is more likely to obtain shark fins from Hong Kong and China and shark meat from North America. Figure 4 represents the trade of shark meat and fins from the major suppliers to Malaysia, Singapore and Thailand.

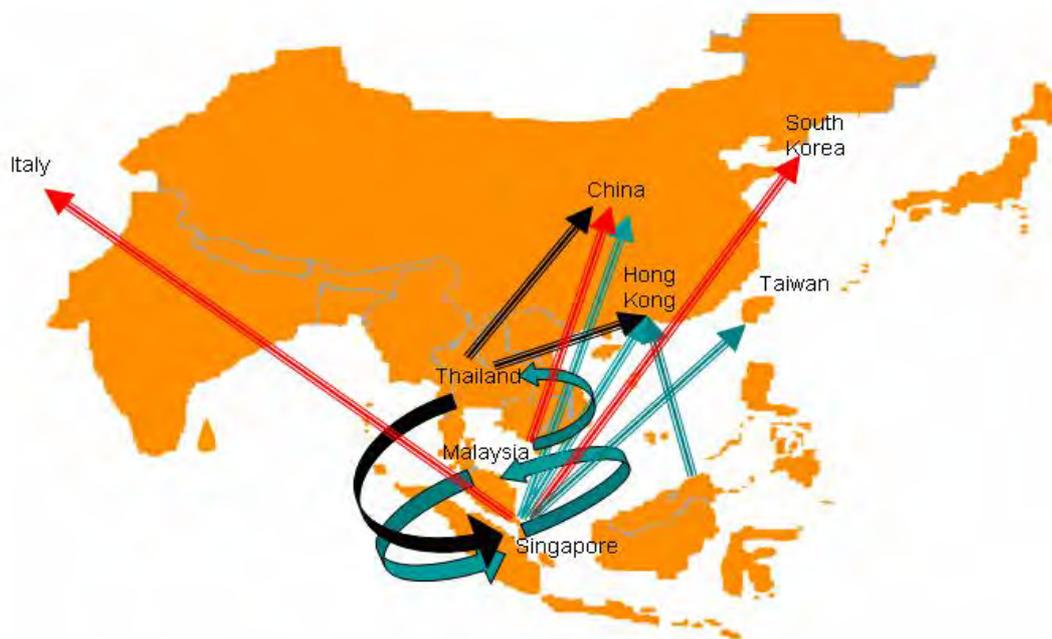
In turn, shark meat and fins are traded, within the region, but especially exported toward China, as represented in Figure 5.

Table 12 sums up the reported trade volumes in terms of imports, while Table 13 does so for the exports.

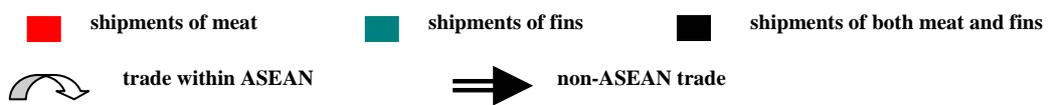
FAO and national trade statistics highlights the importance of Singapore as an entreport for trade in shark products. Singapore dominated reported ASEAN imports (87-90%) and exports (92-99%) of shark meat although these quantities are only a very small portion of global trade volumes (2-3%). However, in terms of shark fins, Singapore not only dominated reported ASEAN imports (60-80%) and exports (45-65%) of shark fins but these quantities were also a significant portion of global trade volumes (7-17%), highlighting her importance as an international hub for the trade of fins.



**Figure 5.** Major suppliers of shark meat and fins to Malaysia, Singapore and Thailand



**Figure 6.** Major export destinations for shark meat and fins from Malaysia, Singapore and Thailand



**Table 12.** Trade Volumes – Imports (mt)

Country	Product Form	1997	1998	1999	2000	2001	2002
Malaysia	Meat, Fresh & Frozen	28	66	23	21	16	12
	Fins, Dried, Salted & Prepared	122	87	101	56	65	37
Singapore	Meat, Fresh & Frozen	1,386	1,516	1,467	1,550	1,901	1,659
	Fins, Dried & Prepared	1,207	643	948	936	682	992
Thailand	Meat, Fresh	0	0	0	0	0	0
	Meat, Frozen	316	114	187	210	166	164
	Fins, Dried	83	42	98	66	81	60

**Table 13.** Trade Volumes – Exports (mt)

Country	Product Form	1997	1998	1999	2000	2001	2002
Malaysia	Meat, Fresh & Frozen	32	162	32	12	7	25
	Fins, Dried, Salted & Prepared	31	29	50	15	7	9
Singapore	Meat, Fresh & Frozen	1,516	1,455	1,860	1,670	1,416	974
	Fins, Dried & Prepared	599	417	622	653	492	707
Thailand	Meat, Fresh & Frozen	<1	0	95	0	113	111
	Meat, Dried	78	139	39	71	61	34

Table 14 shows the respective importance of Malaysia, Singapore and Thailand in the global trade of shark fins.

**Table 14.** Percentage of global trade in shark fins through Malaysia, Singapore and Thailand

Country	1997	1998	1999	2000	2001	2002
Malaysia	2	1	2	1	1	1
Singapore	17	7	10	9	8	12
Thailand	2	2	1	1	2	1

Throughout the survey, a series of observations and interviews were carried out with shark fin traders in Malaysia, Singapore and Thailand. First, prices were found to be relatively consistent between markets with dried loose fin needles in ‘nests’ commanding US\$150-250/kg, small (<10cm) whole fins at US\$200-400/kg (dried) or US\$40-100/kg (wet), and small loose fin needles (wet) at US\$3-40/kg (as subject to mixing with artificial fins).

It was found it was not possible to obtain extensive, reliable information regarding the species used in the shark fin trade due to the apparent absence of a standardized nomenclature within the various trade communities. As market categories are based on the length and thickness of fin needles, shark fins are grouped into categories producing differing grades of fin needles, and thus the number and identity of species in each category is of little practical business interest.

Some attitudes and outlooks of interviewed traders were common in all three countries with the majority believing that the supply of shark fin was steady, and that shark meat was nearly always fully utilized in the source country even though shark skin, cartilage and liver oil markets were underdeveloped. They also concurred that the Southeast Asian market is specializing in lower grade fins because the China market commands the top quality products. They raised the concern that the supply of shark fin was becoming increasingly controlled by Mainland China buyers. Most were relatively untroubled by shark conservation campaigns, although traders working in areas which have been targeted by environmental groups (specifically Singapore and Bangkok) displayed a heightened sensitivity to information gathering activities.



Dried low grade loose fin needles shaped to resemble whole fins and marketed as fin ‘nests’ or ‘baskets’.



Typical packaging of shark fins in the Bangkok market.



Small processed fins in wet form from a Singapore processing plant.



The most expensive dried processed shark fins observed in the Bangkok market (20,000 Baht (500 US\$) per bag).

They were also key differences in the attitudes and outlooks of interviewed traders in the three countries. In Malaysia for example, there appeared to be a growing acceptance of real and artificial shark fin mixtures. In Singapore, traders demonstrated the highest awareness of CITES and shark management issues. In Thailand, the market may be more closely tied to China than other ASEAN countries.

In conclusion, the survey concludes that domestic production levels of shark meat and fins appear to be under-reported, especially in Malaysia and Thailand. This may be the result of statistical systems which do not differentiate shark products from other fish resources and/or do not count unprocessed shark products such as fresh or frozen meat as production.

In terms of imports, Singapore is the largest at 1,000-2000 mt of shark meat and 600-1,500 mt of shark fins per annum followed by Thailand with 110-320 mt of shark meat and 100-200 mt of shark fins per annum and Malaysia, the lowest with 10-70 mt shark meat and 50-125 mt shark fins per annum. The fresh and frozen shark meat trade in Malaysia, Singapore and Thailand comprises nearly all of the reported ASEAN imports. However, when compared to global totals, ASEAN’s fresh and frozen shark meat trade figures are consistently less than 10%. In contrast, Singapore appears to be a major shark fin trading center handling between 7-17% of global trade volumes. Malaysia and Thailand appear to be minor players in the international shark fin trade (2% or less of global trade volumes)

Singapore was found to be a consolidation hub for shark products from Southeast Asia before onward shipment to markets primarily located in East Asia. In addition to relying on Singapore as a transshipment center, Malaysia and Thailand also export shark products directly to Hong Kong and Mainland China.

From the interviews, traders were generally in agreement on the importance of a healthy economy to their trade, the growing influence of Mainland Chinese consumers and overseas

operatives on the market, and the full utilization of shark fins and meat in source fisheries while differing views on CITES and the future of shark fisheries management were expressed, and individual traders adopted more or less proactive approaches to participating in debates that will shape these issues in the future.

The study recommended that improvement should be made to the reporting systems for shark commodity production figures by ASEAN countries, possibly through linking shark landings/catch and commodity production statistical systems. This would help to overcome the unaccountable discrepancies between catch and production data.

Given that from 1997 onwards, shark fins trade figures for Singapore were not available in FAO statistics, although they are still available from Singapore's national statistics publication, it was also recommended that Singapore's shark fins trade figures should be included in FAO statistics in order to facilitate accurate global shark fin trade monitoring.