

CASE STUDY



Exporter



COVID-19 Effects on the Fisheries Sector in the Gulf of the Mottama



How COVID-19 has effected the fishery exports?

COVID-19 effects on fisheries sector is reported as a record-breaking year for fishery exports, most of the processing factories and exports are shutdown and jeopardised thousands of jobs. The pandemic hit about 40% of production of 4,900 livestock and fisheries breeding businesses. In the fisheries sector, the impact has cascaded down the fisheries value chain, leading to delays in transport and logistics. The seafood export sector has been badly affected by transport disruptions and enforcement of COVID-19 safety measures since March 2020 (DOF 2020).

Orders were stopped and reduced

When domestic markets collapsed after the closure of restaurants and hotels since August 2020, local orders were stopped. As of today, more than 300,000 are employed in processing plants and fisheries and aquaculture provide jobs for more than 3.3 million in the country.¹ In Mon State, 80% of people assumed

that the fisheries business is dropdown as the whole sector in all functions of pre and post production.² Seafood products from Mon State were exported China and Thailand. Processing and exporting companies are being stressful due to offshore fishing ban in re-opening of fisheries in next season in 2021.

Trade bans imposed in China and Thailand

Fish price in local market and export have been declined particularly in trade export to China and Thailand. Most of the cold chain factories in Mon State and fish processing factories have been shutdown in August 2020 and resumed in late September. The condition of sea food export to China and Thailand become more restricted with health preventive measures. Boarder trade with Thailand has closed temporarily due to second massive hit of virus infection in September 2020. China Boarder Trade Authority has banned frozen food imports over virus fear in November 2020 due to the reported cases of contact with drivers and contaminated cold-chain products. Shall these conditions continue to 2021 fishing season?

A case of an exporter from Mawlamyine

¹ Department of Fishery, Myanmar.

² Interview with U Myint Soe, Chair of Mon State Fisheries Federation, by The Frontier, June 2020.



First collection site at sea food processing plant by Eleven

U Aung Thet Htay is an owner of MLM Holding Co. Ltd. And Sea Food Processing Plant in Mawlamyine that produces about 4,000-5,000 MT of fish and sea foods annually. The processing plant provides 120 jobs in 2019 for full operation and exports to China market. He used shipping and road transports to export the products. He obtains 30% to 40% of market value in China and 60% of market value in local. Annual earning from the China market is about 150,000 USD and 400 million Kyat (300,000 USD) from local market. Labour supply is adequate and surplus to run the whole business during Covid-19. The income and production has reduced by 50% of annual earning and production due to reduced order from China and local buyers.

Access to the business license is easy to obtain from State Government through the recommendations of Trade Promotion Department, Department of Fishery, Myanmar Fishery Federation and Myanmar Fishery Products Processors and Exporters Association (MFPPEA). He has been a member of MFPPEA since 2018. Within the procedures of DOF, he follows the standard operating procedures for the workers and the plant. He pays regular tax to the local government and cares about workers in the light of accountable business.

When COVID-19 hits the fishery in Mon State, he had to change operational environment by reducing 50 workers and 50% of production due to reduced demand from 50% to 70% from China and local markets. Scale of production has been effected due to reduced orders and low price. Access to local markets, wet markets, and retail stores were limited by government imposed travel restrictions, quarantine measures and shutdowns of local markets caused fewer activities of local markets in both supply and demand sides.

"I wish to see normal operation of the market and its stability."

For safety and security in the working environment, he provides sanitary facilities and medical stuffs for the workers. He monitors the development of the crisis and market situation. He seeks safety certificates from the Department of Health and Food and Drugs Administration for the export. Application of COVID-19 clearance certification has been slow due to

closure of some government offices and running the government functions with limited staff.

Closure of government functions have been effected to the closure of market and the whole supply chain services. While most of the cold chain and fish processing factories have been shutdown in August 2020, he had to run the plant for three months without income. He had to take the advantages to retain the skill labours by provide partial salaries and wages. He had to seek market opportunities in Yangon and Mandalay to send sea food and aquaculture products with low price.

Does the support of government relief the processing industries?

Resuming of export is depending on the orders from China and Thailand. The export products and sea foods are urgently needed for the COVID-19 clearance certificate by DOH and FDA. Processing facilities are required to impose sanitation and safety measures. Government support is needed to monitor the processing plants and protection for the workers from COVID-19. U Aung Thet Htay beliefs that DOF and development partners can facilitate consultations of resuming the market access and stability for both of export and local market.³ Boarder trade and export of fresh products, vegetables, fruits and sea foods may need exceptional and conditional protocols for commodities market. It is to ensure that re-opening of export and boarder trade may need safe working conditions and fair prices.

While the pandemic is still unfolding, there is an urgent need to coordinate, plan and implement effective short-term and long-term responses. Rapid mobilization of the resources and inputs are needed in support of fishery sector.

Recommended actions by the processors

- Provision of emergency cash is equally important for small scale fishers and producers including processors
- Emergency cash and relief loan will serve as a vital injection for the fishing activities, production, processing and trade.
- Covid-19 clearance certification is urgently needed for fish and sea food export to China and Thailand.
- Re-opening of processing facilities need safe working conditions and fair prices

³ Interview with a staff from the GoMP project