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Thai shrimp industry

Back in the limelight



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Introduction

Gloomy outlook in 2003 and onwards...

The global shrimp industry has lately undergone an unusual number of strings of unfortunate events. First, shrimp prices around the globe continued to fall while energy prices seemingly spiralled out of control. Then the Asian tsunami waves hit the coastal areas of Asian countries in late 2004, causing great damage to the livelihoods of people and aquatic hatcheries and nurseries along the coastlines. A few months later, disease struck major producing countries in South America, once considered less vulnerable to diseases. In the background to all of this, anti-dumping (AD) lawsuits brought about by U.S. producers promised to erect further obstacles to exporters' access to the U.S. market, the only sizeable alternative to the stagnant European and Japanese economies. The situation and outlook indeed looked grim.

...but resilience in major producing countries

However, local shrimp industries in major producing countries have proven to be resilient, despite these tumultuous times. In particular, Thailand has managed to retain its position as a leading player and re-emerged as the largest farmed shrimp producer. Among other factors, its gradual shift in the past years to aquaculture has helped to strengthen traceability efforts and spared the country from the diseases experienced by many of its peers. Nonetheless, the industry still needs to cope with many difficulties particularly the U.S. tariffs and bonding requirement, the rising cost of production and various new forms of non-trade barriers (NTBs).

This report begins by mapping the situation in major producing countries or the shrimp 'seascape'. It then discusses major shrimp export markets, namely the U.S., the EU and Japan. This is followed by a close examination of recent developments in and challenges faced by the Thai shrimp industry. The last two chapters identify key drivers, trends and prospects.

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