

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 1/16/2014

GAIN Report Number:

Nigeria

Nigeria Introduces Import Quota on Fish

Report Categories:

Fishery Products

Approved By:

Russ Nicely, Regional Agricultural Counselor

Prepared By:

Uche M. Nzeka, Agricultural Marketing Specialist

Report Highlights:

The Government of Nigeria (GON) announced in October 2013 that it would ban fish imports over four years, and raise the import duty up from 10 percent to 50 percent, and possibly as high as 100 percent. Late in December 2013, it replaced the import ban decision with a new policy to cut fish imports into the country by 25 percent per year by introducing import quotas starting in January 2014. The aim was to replace imports with domestic production. Nigeria's market deficit for fish is about 900,000 million tons, worth more than U.S. \$1.3 billion per year and is met by imports. Analysts indicate that this policy change will create opportunities for corruption at the ports and hike prices for the varieties of frozen fish which are now the most affordable protein sources for low-income Nigerians.

Post: Lagos

Executive Summary:

Nigeria's Minister Adesina of Agriculture announced in October 2013 that the GON would ban fish imports over four years, and raise the import duty up from 10 percent to 50 percent, and possibly as high as 100 percent. It would also compel fish importers to also start operating domestic fish farms. The aim is to replace imports with domestic production.

Late in December 2013, the GON replaced the import ban decision with a new policy to cut fish imports into the country by 25 percent per year by introducing import quotas starting in January 2014. Industry players contacted confirmed the quota's introduction, but they indicate there are still uncertainties over how much fish will actually be allowed in under this newly-introduced system. Prices for fish in the domestic market have climbed as a result.

Nigeria produces about 600,000 tons of fish annually from aquaculture and capture fisheries but the country's fish supply shortfall is about 900,000 million tons. The market gap is met through imports of mainly mackerel, herring, horse mackerel, croaker and blue whiting (sourced via capture fisheries) from Europe, Latin America and Asian countries, worth more than \$850 million per year. This supply is in addition to more than 180,000 tons of stockfish (whole and parts) that are supplied by Scandinavian exporters and valued at more than \$450 million per year. [Stockfish is unsalted fish, dried by cold air and wind on wooden racks on the foreshore. Cod is the most common species but not the only fish used in stockfish production. In Nigeria, stockfish is a specialty, a cultural and exotic delicacy consumed mostly by people of south-eastern origin (the Igbos) than any other population group in the country].

According to the United Nations, Nigeria's population of 170 million people may exceed 210 million by 2020, and the demand for fish protein is expected to grow by another 700,000 metric tons over the same period. FAO figures show that Nigeria's current fish consumption is 7.5 kilos per person against global fish consumption at 18.7 kilos per person, implying that the country's current consumption shortfall per person is still large, at 11.2 kilo per person.

Catfish, the primary fish farmed in Nigeria, sells for about U.S. \$2.50 per kilogram while imported fish species sell for sixty cents (U.S. 60 cents) per kilogram. Over 70 percent of Nigerians live below the poverty line and fish currently constitute 41 percent of total animal protein intake for the average Nigerian. The quota's introduction has begun to put upward pressures on domestic fish prices.

Nigerian industry analysts indicate that the policy's details have many pitfalls as the species that the GON is targeting for substitution (i.e. mackerel, herring, horse mackerel, croaker and blue whiting) are not available in suitable quantities unless imported. According to the analysts, the quota regime will only increase food inflation, open up channels for profiteering by politically-connected importers, and will fuel smuggling and the corruption of port officials, as well as increase the risk of disease in domestic fish farming as pond are overtaxed. They advise that the GON should consider reducing only imports of species currently farmed in Nigeria, subsidizing fish eggs for aquaculture farmers, and establish a fisheries development fund to help build up the domestic industry.