

FALLING EXPORTS, LOST MARKET SHARE - U.S. SEAFOOD'S BATTLE IN CHINA

CHINA'S PUNITIVE TARIFFS CONTINUE TO DAMAGE U.S. ALASKA SEAFOOD AND BENEFIT MAJOR COMPETITORS

U.S. seafood to China faces dramatically higher tariffs than competitors
 Alaska = 2/3 of the U.S. seafood harvest and bears the heaviest burden of the Section 301 tariffs.

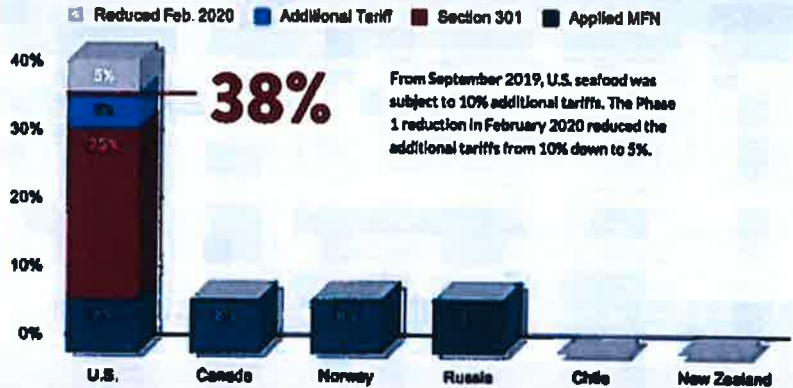


For example: **Alaska pollock faces a 500% higher tariff rate than Russian Alaska pollock, a direct competitor in China.**



CHINA TARIFFS ON SEAFOOD IMPORTS

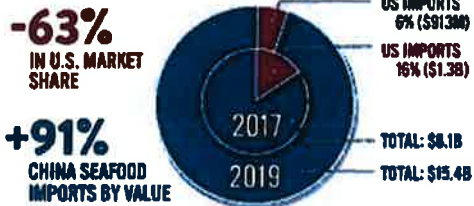
AVERAGE CHINA TARIFFS ON SEAFOOD IMPORTS COMPARED TO COMPETITOR COUNTRIES



From September 2019, U.S. seafood was subject to 10% additional tariffs. The Phase 1 reduction in February 2020 reduced the additional tariffs from 10% down to 5%.

LOST MARKET SHARE

Following the tariff increase in 2018, U.S. seafood imports to China decreased and the U.S. lost market share, while China's total seafood imports nearly doubled.

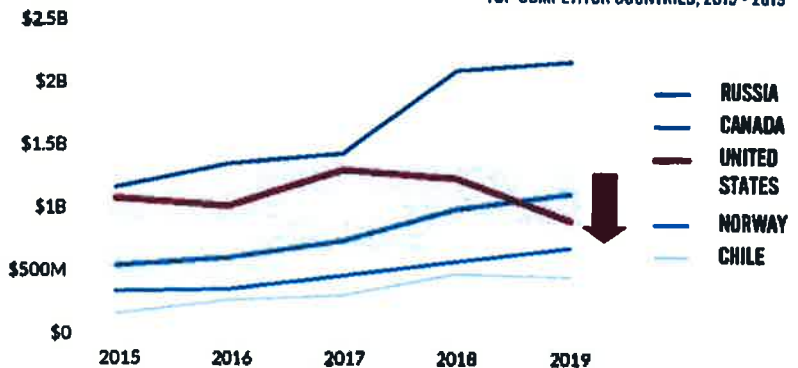


Factoring in a 31% decrease in U.S. seafood imports to China and the dramatic rise of total seafood imports in China, the United States total loss in market share from 2017 to 2019 of over 63%.

OF THE TOP 15 SEAFOOD IMPORTERS TO CHINA, ONLY THE U.S. SAW A DECLINE IN IMPORTS FROM 2015-2019

CHINA SEAFOOD IMPORTS BY VALUE

TOP COMPETITOR COUNTRIES, 2015 - 2019



IMPACT: DECREASING VALUE OF AK SEAFOOD EXPORTS TO CHINA



The value of Alaska seafood exports to China dropped by \$204 million from 2017 to 2018 (\$988M vs \$784M), the largest year on year drop on record

Alaska seafood exports to China reached their highest level ever in 2017 (\$988M). By 2019, Alaska seafood exports to China were at their lowest level since 2010 (\$702M)