

APPENDIX D

Beche-de-mer : 1&2

Name:	XXX	XXX
Add:	XXX Wing Lok Street West, Hong Kong	XXX Wing Lok Street, Sheung Wan, Hong Kong.
Interviewee:	XXX (Manager)	XXX (Manager)
	Products and Supply Issues	Products and Supply Issues
a.	Sea cucumbers Fish maws, shark fins, sea horses Others: shark meat and cartilage.	Sea cucumbers Fish maws, abalone, sea horses Others: scallop, dried oysters, nuts, cuttlefish and mushrooms.
b.	--	--
c.	Many species, such as White Teat Fish, Black Fish, Prickly red Fish and Sand Fish Best: Prickly red (those from Japan are the best)	Only a portion of the species are edible. Such as, White Teat Fish, Sand Fish, Black stone Fish, Prickly red Fish etc. Best: Prickly red Fish(those from Japan and with larger sizes are the best, and are most expensive)
d.	-Importer - wholesale only, they don't have any retail.	-Imports -mainly wholesale -But they do retail in the shop as well.
e.	South America, Indonesia and Philippines.	South America, Philippines and Indonesia
f.	High quality: Japan, South America (Southern Pacific) Low quality: Indonesia	High quality: Japan and South America Low quality: Philippines
g.	-Indonesia was biggest supplier. -Politics were unstable several years ago. -Trading between Indonesia dropped a lot. (Information from Mr. L)	Yes
h.	Fishermen →collecting agencies →suppliers →importers (Hong Kong) →smaller wholesalers / retailers / restaurants →customers	Fishermen →collecting agencies →suppliers →importers (Hong Kong) →smaller wholesalers / retailers →customers
i.	Mainly by sea	All by sea
j.	Quantity: decreasing Quality: stable	Quantity: stable Quality: stable

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k.	<p>Shortfall from Indonesia a few years ago. -searching for new sources</p> <p>Shortfall also resulted from the bad climate (heavy rainfall) of the source countries (especially, Philippines and Indonesia), affecting the drying processes. But, this kind of shortfall is not regular.</p>	No
l.	They do not know.	Probably under estimated.
m.	<p>-They buy from suppliers with invoices. -They will not buy from fishermen directly. -If supply is not enough, they will not pay the fishermen to catch for them.</p>	Buy from suppliers with invoice(do not like shark fins).
n.	<p>Captured: -All are captured, not reared -From offshore, large scale and seasonal.</p> <p>Processed: -The sea cucumbers are cut to open. -Then, dried by natural drying. -Some “salty” material / Calcium carbonate will be added in preserving and drying the animals.</p>	<p>Captured: -In Japan, some sea cucumbers are reared in shore reserved areas. However, most are caught by fishermen. -In large scale, seasonally. -They are caught by snorkeling / diving.</p> <p>Processed: -The larger one like White Teat fish will be cut and Calcium carbonate are added to preserve and dry the animals. -The Prickly sea cucumber from Japan will have less Calcium carbonate. It is because the size are smaller, and drying technology in Japan (drying by electricity not naturally) is better.</p>
o.	<p>Yes. Dissecting, preserving and drying processes.</p>	<p>Yes. Drying process</p>
p.	They do not know.	<p>Yes. The better drying technology will need less Calcium carbonate in the preserving process. This will lead to better taste and drier condition of the animals.</p>
q.	-The processing should be done when the animal still alive. If not, the quality will be very much affected and will have bad smell. No one will buy it. Can be sold at only ~\$10/catty.	<p>-The quality is mostly determined by what the species are. -The drying process will affect the quality to a certain extent. However, it is difficult to tell.</p>

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	-If the climate is not good in the processing country, more Calcium carbonate will be added to the animals. May not affect the actual quality, but needs longer time for washing and preparing before cooking.	-The worst is, if the animals are not well dried after they die, they give bad smell. Customers will know and they won't buy them.
r.	Price range: <\$10-\$1000/catty Compared to other products: -Shark fins price are more fluctuating. Can get more profits when the timing is good. -But, the sea cucumbers and fish maws prices are more stable in the demand and buying prices. So, they are less risk in terms of profit for the business.	Price range: \$160-\$600/catty Compared to other products: -They do not have some specific products which are more profitable. -All are similar. -Prices of different products fluctuate at different times.
s.	Buying prices: stable. Selling prices: decreasing in the past few years (because of decrease in demand)	Buying prices: falling in past few years Selling prices: falling in past few years
t.	Sales: decreasing.	Decreasing (seasonal drop)
u.	Quite similar. In sea cucumbers, the prickly ones (especially from Japan) are more popular among the other species recently.	Different periods will have different popular products. e.g. Autumn-dried seafood and nuts more popular. Autumn to Dragon Boat Festival (around June)-dried sea food is in high demand.
Sales and Business Issues		
a.	-Sales are mostly determined by the seasonal demand. -Import regulation and heavy taxes are also important in the sales.	The seasonal demand is mostly determining the sales.
b.	Quality with respect to the prices, the business relationship	Business relationship. People with good business relationship to each other, better price for good quality products, and credit can be offered.
c.	Hong Kong: 50% China: 50%	Hong Kong: 90% China: 10%
d.	Diversify: More risk in doing the business when just dealing with one / two kinds of products.	Diversify. -Less risk in the business when they deal with various kinds of products. -The good selling goods can compensate for the bad selling ones.
e.	-They are used to dealing with these products.	Family business, have many years experience dealing with such

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	-They do not do anything they do not know well as it will have more risk.	kinds of product.
f.	No	No
g.	--	--
h.	Largest dealers: local smaller wholesaler/retailers Key competitors: importers in Wing Lok Street and Bonham Street	Largest dealers: They do not have specific one. Key competitors: Those big importers in Wing Lok Street and Bonham Street.
i.	No. They do not have any idea on this issue.	No. As they also have other member in the family running a business in Singapore.
j.	No	No. As some products have to pass through Hong Kong port.
k.	No. They said that they are only running small business. Can't be affected (seem that they do not have much concern about it)	Help. Regulation in China will become more open. More business can be dealt with China.
l.	They do not know.	They do not know.
m.	About 2-3% (Information from Mr. L)	About 10% quite large (information from Mr. L)
n.	-Scarcity of supply -Lack of demand and China customs regulations (Information from Mr. L:) Indonesia had been big / major supplying source of their business. But, Indonesia has been unstable since 1997. Many links between traders there were cut. Before, they did large sea cucumber business in Hong Kong (~ 20%)	-Regulations in China -The general economy of Hong Kong.
o.	Hong Kong: No China: Yes (customs regulations and high duties)	Hong Kong: No China: Yes (strict import regulations)
p.	No	Currently: Yes Future: No
q.	-Switch to a different supplier or supply route to work around regulations. -Focus on another product that is not regulated.	Do nothing
	Social-Economic Issues	

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a.	When: >20 years, family business How: Family business	When: 60-70 years ago How: Family business
b.	Quite satisfied	Satisfied
c.	Decreasing in demand	Not many problems worry them.
d.	They do not think much about it.	He does not know.
e.	No	1. Hong Kong Dried Sea Food And Grocery Merchants Association Limited-several times/year 2. Japanese Marine Products Hong Kong Traders' Association Ltd-several times/year
f.	--	-Weekly information -Social activities
g.	Not regular. Several times/week to several times/year.	Competitors: Not regular Suppliers: Not regular
h.	They keep close contact with the oversea traders.	They keep close contact with their suppliers.
i.	No	No
j.	-Hong Kong general economy in the future -The demand.	Hong Kong economy.