



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 5.2  
IJAR 2016; 2(4): 504-506  
www.allresearchjournal.com  
Received: 25-02-2016  
Accepted: 23-03-2016

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## Export performance of marine fish products in India

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### Abstract

Marine fishery sector is a major foreign exchange earner in the Indian economy and seafood export from India is an important component of its total agricultural exports. But during several recent years the share of Indian marine fish exports to the global exports has been declining. This paper has analyzed the export performance of marine fish products from India up to the year 2010-11. The paper has suggested that Governmental Support is a requisite to ensure the development of marine fish markets in India to improve its place in the world.

**Keywords:** India, Export Performance, Marine Fish Products

### Introduction

Marine products have created a huge demand in the world market and seafood has been acclaimed as one of the fastest moving commodity in the world market. The growth rate of exports registered by fisheries products were significant both in volume and value and the export earnings from fisheries export also shows an increasing trend. India plays a major role in the global seafood exports. The marine sector has been identified as a sunrise sector under the Special Focus Initiative of the Foreign Trade Policy of the Government of India. Post-globalization, there are no quantitative restrictions and the export rules are very liberal. But the share of Indian marine fish exports to the global exports has remained insignificant during last several years

Hence the study has been undertaken with the objective viz. to assess the export performance of marine product exports from India.

### Methodology

The present study is based on time series secondary data up to 2010-2011. The data for the production and exports of fish and fishery products extracted from the various issues of Economic Survey, Government of India and Economic Review, Government of Kerala. The data on Indian status of fisheries, export of marine products etc were extracted from the project Report of Marine Product Export Development Authority (MPEDA), Handbook of statistics on Indian Economy and from other related books, articles and websites.

### Global and Indian Fish Exports

Fish and fishery products are widely traded, with no less than 195 countries having exported part of their production and some 180 countries having reported fishery imports of varying amounts. Global export volumes reached 22 million tonnes in 1996, which is nearly three times the volume traded in 1976 and, when converted in to the estimated live weight equivalent, represent 40 percent of overall fisheries production. The volume of international trade (exports) rose further and reached about 49 million tonnes in 2003, having grown by 40.7 percent since 1992, but showing a slight decline (1 percent) compared with 2000 levels. This trade was worth US\$ 8 billion in 1976, US\$ 58.2 billion in 2003 and US\$ 78 billion in 2005. Half of this trade (48 percent by value) originates in developing countries and 72 percent are destined for markets in the EU, USA and Japan.

India has a significant role in world's fish and fishery product exports. The major marine products exported were frozen shrimp, frozen fish, frozen cuttlefish, frozen squid, dried items, live items and chilled items.

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Since the beginning of modernization in the 1950s, the fisheries sector, especially the marine and the coastal aquaculture sub-sectors, have had a growing focus on export markets (MPEDA 2006), particularly for shrimp, which now

makes up 44.32 percent of total exports by value. Frozen fish, cuttlefish and squid account for another 36.73 percent of total export value. The remainder is comprised of dried fish products, as well as live and chilled exports (Table 1).

**Table 1:** Composition of fisheries export (Percentage)

| Item              | 1989-90  |       | 1995-96  |       | 2005-06  |       | 2010-11  |       |
|-------------------|----------|-------|----------|-------|----------|-------|----------|-------|
|                   | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value |
| Frozen shrimp     | 52.16    | 73    | 32.3     | 67    | 28       | 59    | 18.63    | 44.32 |
| Frozen Fish       | 19.2     | 10    | 33.8     | 10.6  | 36       | 14    | 38.42    | 20.34 |
| Frozen Cuttlefish | 12.8     | 7     | 11.4     | 7.5   | 10       | 7.5   | 7.28     | 8.56  |
| Frozen Squids     | 10.8     | 6     | 15.2     | 9     | 10       | 8     | 10.77    | 7.83  |
| Others            | 5.04     | 4     | 7.3      | 5.9   | 16       | 11.5  | 24.91    | 18.95 |

Source: MPEDA

The total value of marine products export from the country was 12901.47 Crore in 2010-11. It is about 20 percent of India's total marine fish production. There has been a steady increase in exports by volume, value, and unit value realization since the 1960s. Processed fish products for export include conventional block frozen products, Individual Quick Frozen products (IQF), minced fish products like fish sausage, cakes, cutlets, pastes, surimi, textured products and dry fish etc. Exports of marine products have been erratic and on a declining trend which could be due to the adverse market conditions prevailing in the EU and US markets. The anti-dumping procedure initiated by the US Government has affected India's shrimp exports to the US.

The share of fish and fish products in total exports was about 2 per cent in 1970-71 and thereafter it has been declined to around one percent in 2010-11 (Table 2). Similarly, the contribution of fish and fish products' exports to agricultural exports increased from 1.68 per cent in 1960-61 to about 16 per cent in 1990-91 and reached about 21 per cent in 1999-00. But in 2010-11, the share of fish and fish products to total agricultural exports reduced to 10.2 percent. It seems that the liberalization policies helped the fisheries sector in attaining a higher growth in exports in the 1990s (Kumar A et.al, 2003). After 2000, the share of fish and fishery products in both total and agricultural exports shows a diminishing trend.

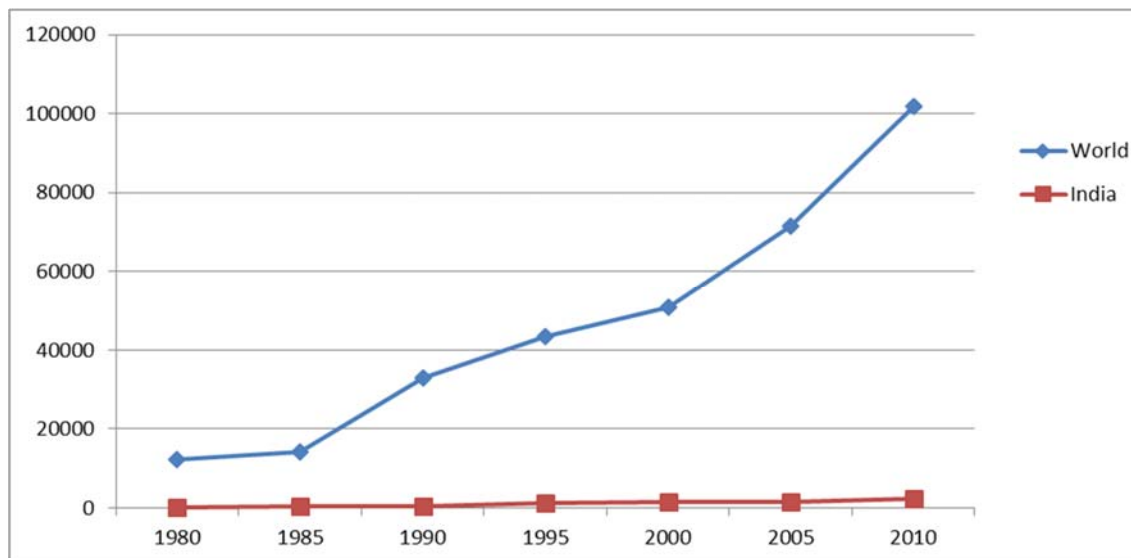
**Table 2:** Development of India's exports of fisheries products

| Year    | Quantity (000 tonnes) | Value (million US \$) | % Share in |              |
|---------|-----------------------|-----------------------|------------|--------------|
|         |                       |                       | Ag Export  | Total export |
| 1960-61 | 19.9                  | 10                    | 1.68       | 0.74         |
| 1970-71 | 32.6                  | 40                    | 6.21       | 1.97         |
| 1980-81 | 69.4                  | 274                   | 10.53      | 3.23         |
| 1990-91 | 158.9                 | 535                   | 15.19      | 2.95         |
| 2000-01 | 502.6                 | 1394                  | 22.28      | 3.13         |
| 2009-10 | 664                   | 2087                  | 11.62      | 1.17         |
| 2010-11 | 746.6                 | 2531                  | 10.2       | 1.01         |

Source: Economic Survey 2011-12

According to the Planning Commission (2006), India's share in the global fish products trade increased from 6.1 percent in 1992 to 6.5 percent in 2003. India is now estimated to account for five percent of the global fish products trade. But the contribution of Indian marine fishery sector to global fish exports is negligible and also stable i.e., around 2 percent during the last 30 years.

The share of Indian marine fish exports to the global exports has remained insignificant during last several years. In fact, the gap has widened further. This indicates that urgent steps are necessary to increase share of India in global fishery exports.



Source: Economic Survey 2011-12, Handbook of statistics on Indian Economy 2011-12

**Fig 1:** India's share of Marine Fish Exports in Global fish Exports (US \$ million)

Japan, the USA, the European Union (EU) and Southeast Asia (including China) are the main export markets of Indian fisheries product. The EU remains the largest export market, now accounting for 26.8 percent of total value in 2010-11. South-East Asia emerged as the largest market for marine products from India accounting for a share of 28.77 percent in quantity but 16.4 percent in value followed by European Union with 2 percent in quantity but 26.8 percent

in value. In value terms China accounted for 15.4 percent and 19.57 percent in quantity. Japan's share was 13.1 percent in value and 8.70 percent in quantity, the US 15.3 percent in value and 6.16 percent in quantity and West Asia 5.40 percent in quantity and 5.19 percent in value. Exports to countries like Libya, Reunion islands, Australia, Puerto Rico, Dominican Republic, Kenya, Ukraine, Brazil etc. showed a positive trend.

**Table 3:** Destination Pattern of Indian Marine Product Exports (% share by value of exports), 1990–2011

| Year    | Japan | USA   | EU    | China | SE Asia | Middle East | Others |
|---------|-------|-------|-------|-------|---------|-------------|--------|
| 1990-91 | 49.5  | 11.8  | 18.8  | 0     | 7.2     | 1.0         | 11.7   |
| 1991-92 | 45.0  | 10.6  | 19.8  | 0     | 7.2     | 3           | 14.4   |
| 1992-93 | 43.6  | 10.9  | 18.7  | 0.1   | 6.6     | 7.0         | 13.1   |
| 1993-94 | 44.8  | 12.3  | 14.2  | 1.3   | 5.9     | 6.1         | 15.4   |
| 1994-95 | 44.0  | 12.9  | 11.0  | 3.5   | 6.2     | 8.3         | 14.1   |
| 1995-96 | 41.2  | 9.7   | 15.3  | 2.1   | 5.2     | 10.0        | 16.5   |
| 1996-97 | 42.3  | 9.7   | 10.0  | 8.6   | 5.8     | 8.6         | 15     |
| 1997-98 | 46.3  | 11.5  | 5.0   | 10.5  | 3.8     | 11.7        | 11.2   |
| 1998-99 | 47.0  | 14.3  | 8.3   | 5.7   | 3.9     | 8.1         | 13.7   |
| 1999-00 | 41.5  | 15.3  | 9.3   | 8.3   | 3.2     | 5.4         | 17     |
| 2000-01 | 36.6  | 17.1  | 9.7   | 10.8  | 3.2     | 5.1         | 17.5   |
| 2001-02 | 31    | 23.45 | 14.95 | 10.95 | 6.25    | 4.05        | 10.9   |
| 2002-03 | 22.3  | 29.8  | 20.2  | 11.1  | 9.3     | 3           | 4.3    |
| 2003-04 | 19.96 | 27.49 | 23.8  | 11.3  | 9.35    | 3.35        | 5.95   |
| 2004-05 | 18.1  | 23.4  | 27.4  | 10.4  | 9.4     | 3.7         | 7.6    |
| 2005-06 | 16    | 23    | 29    | 12    | 8       | 4           | 8      |
| 2006-07 | 16    | 16    | 32    | 14    | 8       | 5           | 9      |
| 2007-08 | 16    | 13    | 35    | 13    | 8       | 5           | 10     |
| 2008-09 | 14.3  | 11.9  | 33.2  | 15.1  | 10.1    | 5.5         | 9.9    |
| 2009-10 | 13    | 10    | 33    | 18    | 15      | 6           | 9      |
| 2010-11 | 13.1  | 15.3  | 26.8  | 15.4  | 16.4    | 5.2         | 7.8    |

**Source:** calculations based on data in RBI (2002 and 2003a). & MPEDA

Table-3 explains the destination pattern of Indian marine product exports. For a long time USA was the main destination of Indian frozen shrimp but after 1977, Japan emerged as the principal destination of the product. Because, Indian exports of shrimp to the U.S. were subject to high rates of border detention related to filth and/or decomposition during this period. Japan retained its position till 2001-02 accounting for about 31 percent in the total export value. During the year 2002-03 USA emerged as the single largest market for Indian seafood products. Due to the imposition of a set of SPS standards on India's fishery exports by EU, India's fish export to EU is very low i.e., only 5 percent in 1997-98. Simultaneously, the share of exports to China, Japan, the UAE and the USA increased for the year 1997–98. After the removal of restriction in December 1998, exports to EU market were starting to recover. During the year 2004-05 the EU has collectively become the largest importer of Indian seafood products and it retained its position since 2005-06. Table-7 also shows, during 2006-07 exports to USA dropped by 20 percent compared to the previous year. This is due to the anti-dumping issues in US on Indian shrimp.

The various factors are affecting the trade of marine products of India. The main determinants of marine fish exports are; food safety and quality standards (concerned with SPS and TBT agreements of WTO), market fluctuations, economic crisis, infrastructure facilities, role of intermediaries, availability of raw materials and trade policies in different countries. With the variation of these factors, there are fluctuations in the export of marine products and the value of foreign exchange earnings in India. These are discussed in the following sections.

### Conclusion

The fishery sector is a major foreign exchange earner in the Indian economy. The study revealed that the share of marine product exports to global fish export is insignificant, around 2 percent. There are number of problems and crisis affected by Indian marine fisheries sector like, food and safety regulations in international markets, lack of infrastructure facilities, lack of raw materials, large number of intermediaries, market fluctuations etc. Governmental Support is a requisite to ensure the development of marine fish markets in India. This will help the Indian marine fish market to improve its place in the world.

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