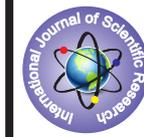


## “ACCELERATED PERFORMANCE OF INDIAN MARINE PRODUCTS EXPORT SECTOR”



### Management

**KEYWORDS:** Marine products export, Export performance, Export opportunities, International Business, India.

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### ABSTRACT

Marine products export sector has played a major role in the economy of India. The Marine products export sector experienced its first market crash in 1989 with price falling below production cost. However, the performance of marine products export sector has accelerated since then. There are various reasons for this uptrend. In this paper researcher gives more detailed information that may help young entrepreneurs of India to understand the sector well and lead to new investment in this sector.

### Introduction

The seafood industry is a booming business worldwide where the value of international fish trade continues to increase. World seafood demand has been growing steadily over the past years for a variety of reasons including, a rise in living standards, the greater variety of seafood available compared to other meats, more affordable pricing and growing appreciation for alternative forms of healthy foodstuff. In recent times, the food safety concerns arising from scares such as the cancer-causing dioxin presence and mad cow disease in livestock products in the European Union and the viral encephalitis epidemic in the local pig industry have caused consumers to seek other alternatives. The per capita consumption of seafood has been growing in the major markets such as EU, Japan, USA, SEA and the trend is expected to continue in future. Contribution of the fisheries sector in the Indian economy can be regarded as an essential element towards the nation's development. This is reflected in the amount of foreign exchange earnings, employment opportunities and provision of high quality protein supply for consumption. The last few decades has seen a tremendous increase in the marine-based products in Kerala. Production of the fisheries sector has been concentrated on the continued exploitation of marine resources, while in the aquaculture sector.

### Objectives

- To find out the reasons for accelerated performance of marine products export sector in India.
- To understand the future opportunities of Indian marine products export sector.
- To give detailed information about up trending performance of marine products export sector of India to the young entrepreneurs for new investment in this sector.

### Literature review

**Nicholas et al. (2015)** reported that the overfishing in India has led to the depletion of fishery resources which in turn affect environment finding alternative with aquaculture. India expects huge increase in the marine exports due to increased production of L. vannamei shrimp and diversification of aquaculture to Tilapia and Mangrove crab. Indian seafood has significant presence in the world seafood in commodity trade. Increased commodity diversification has been one of the major strength achieved over the years. HACCP has helped the Indian seafood industry in becoming more organized and process-oriented. India produces about 6 per cent of the global aquaculture supply. Fish production in India has increased more than tenfold since its independence in since 1947. Introduction of vannamei in the culture has improved performance of the seafood export industry. Indian Seafood growth has been supplemented by the growth of shipment connectivity. India can ship to most of the destinations in the world. In the year 2014-15, marine products were exported through 30 different ports. Exports have grown from vizag, Kochi, JNP, Calcutta, Tuticorin, Krishnapatnam and Mangalore compared to the previous years.

India has vast potential for fishes from both inland and marine resources, due to its long coastline, huge reservoirs, etc. It is the fourth largest producer of fish in the world. It is also the second largest producer of inland fish. Development of brackish water and freshwater aquaculture has tremendous scope in India. Out of a total area available for this culture, only 30% of fresh water area and 10% of brackish water area is utilized. Huge production, consumption and export has made this sector an important part of the Indian economy. The major thrust in fisheries development has been focused on optimising production and productivity, augmenting export of fishery products, generating employment and improving welfare of fishermen and their socio-economic status.

**Kumar et al. (2014)** expressed that india embarked upon a massive programme of liberalisation since 1990s and this has a far reaching impact upon the economy and on the quality of life in general. In spite of the strong emphasis on information and knowledge as fundamental features of the reform process, major knowledge gaps exist at the grassroots level on the process and the potential impacts of trade liberalisation. Supply chains in domestic marketing can be improved by enhancing private investment in value addition and transportation sectors (**Sathiadhas et al., 2011**).

**Raghuram and Asopa's study (2008)** observed that, Indian marine products are wanted internationally and shrimp being the primary product, there is scope for value addition and increasing other fish varieties. To increase production they suggested the establishment, expansion and upgradation of fishery infrastructure. **Pradhan (2005)** observed that a growing number of developing countries adopted trade liberalization initiatives to integrate more fully with the global economy since the mid-1980s. Growth of brackish water shrimp farms in the coastal areas is one of the prime examples of this export-driven production system. **Shiyani (2002)** has made an analysis of district-wise and species-wise growth in marine fisheries in the state of Gujarat. It has been found that the compound growth rates of fish production of almost all the species were positive and significant. **Tendulkar's study (2000)** pointed out that the liberalisation of restrictions on markets, private sectors, economic activities and progressive integration with the global economy have been the major planks of the wide-ranging economic policy reforms in India since July,1991. They have helped the economy to register higher economic growth including growth of fishermen and making a lasting dent on the long standing problem of abject poverty in India. There are also numerous individual country studies over the past three decades which suggest that trade does seem to create and even sustain higher growth (**Bhagwati and Srinivasan, 1999**).

News FAO State of the World Fisheries and Aquaculture Highlights Growing Fish Production and Consumption. Fisheries and aquaculture are playing an increasing role in feeding the world and provide livelihoods for over 10% of the global population, according to the 'State of the World Fisheries and Aquaculture 2014'. "Global

fish production continues to outpace world population growth," according to the report, which underscores the potential of fisheries and aquaculture to meet the nutrition demands of a growing population. Fisheries and aquaculture production is 158 million tons globally, an increase of 10 million tons since 2012. Fish makes up nearly 17% of the global population's protein intake, and accounts for more than 70% of protein intake among some coastal and island populations. Introducing greater diversity in farmed culture species and practices draws attention to boosting the marine products export sector's contribution to food security, habitat conservation, poverty alleviation and human wellbeing.

The FAO report *The State of the World Fisheries and Aquaculture* predicts that international trade of fish and fishery products will grow in two ways. First, fish processing in developing countries will increase due to its attractiveness as an employment-generating opportunity for low-wage workers, particularly in displaced fishing communities, and due to the increased demand for value-added fishery products. Second, developing countries increasingly will become important markets for these products.

A small but high priced market for whole shrimp including live ones also exists. Shrimps are imported mainly frozen-block frozen, individually quick frozen (IQF) or semi IQF. The greater proportion of shrimps in international trade is in headless, shell on, frozen form. Increased consumption has been encouraged and facilitated by increase in supply. Supply increases lead to more promotion because of the increase in competition and more consideration for consumer needs. Further, it also tends to reduce prices and increase demand. For example, the marked increase in the shrimp supplies, resulting from aquaculture, recently has reduced prices and increased consumption.

**Sumaila et al. (2010)** had undertaken a study on - Sourcing seafood for the three major markets: The EU, Japan and the USA. They have described the marine fish and invertebrate consumption in three major seafood markets (EU, Japan and the USA) and identified the source of seafood by each market. They had mentioned that fish was one of the most wide traded commodities in the world. Nearly 40 percent of world fish productions are sold in the international market and it was significantly more than for other food staples. It is accounted that developing countries contributes 60 percent and 50 percent on world export in quantity and value respectively. But Low-income food-deficit countries (LIFDCs) contribute only 20 percent in 2006. In fish and fish products export 97 countries are involved all over the world of which only Europe, Japan and North America are shown trade deficit on fish.

**Reserve Bank India (2009)** in their annual report - Economic Review, they had mentioned that Indian Fisheries and aquaculture contribute about 1.1 per cent to the overall GDP and about 5.3 per cent to the GDP originated from agriculture and allied activities. This sector provides employment to over 14 million people and it was exported to Rs.7, 620 crores in 2007-08. The expected growth of fisheries in 2008-09 was ranged 5 to 6 per cent and the projected seafood export was Rs.15,000 crores by the end of Eleventh Plan.

Consumer Preferences and Demand Patterns Eating habits, consumer preferences and the resultant demand patterns vary greatly from one market to another. Certain species which are in great demand in some markets may be non-existent in certain markets. Even when the same species is widely used in different markets, product forms and product attributes demanded may vary significantly. Further, within a market, there may be different segments on the basis of demand patterns, for the same species. Again, consumer preferences may change over time.

**Karmakar (2008)** pointed out that several important value added products i.e. drugs have already been developed from chemicals found in coral reef organisms. The most famous of these is AZT, a treatment for HIV patients. Unique compounds from coral reefs have yielded treatments for cardio vascular diseases, ulcers, leukemia and

skin cancer. In addition, the unique skeletal structure and corals has been used for bone grafting. More than half of all new cancer drug research focuses on marine organisms. Coral reefs have thrived for over 50 million years, but we have lost over 20% of it over the last 20 years due to pollution/global warming etc.. We need to protect this unique resource for evolving high value products in the future and also to protect our island ecosystems.

Changing population and demographic effects have the potential to create substantial new markets. As experienced over the past decade, shifting eating habits are expected to have a significant influence on consumption of aquatic products. The consumers think the white meat is healthier than red meat (**Vasudevappa and Seenappa, 2002; FAO, 2000-2008**). With improved living standards, rising purchasing power and disposable income, large, young populations have the potential to influence eating and purchasing habits. In the short-term, the demand will increase especially for internationally-traded commodities such as shrimps, fish and squid. In the long-term, these population and demographic changes are expected to have an influence on the marketing of a wide range of aquaculture commodities and products.

**Sarris (2001)** took up a study on - The Role of Agriculture in Economic Development and Poverty Reduction. This study mainly focused on the role of agriculture in promoting overall growth and poverty reduction. He has mentioned that Globalization had created opportunities, for instance through improving agricultural terms of trade or improving market access for agricultural exports. The risk from Globalization was it has increased domestic price instability. He suggested that globalization must be accompanied by domestic market enhancing policies in order to produce positive results on agricultural growth and poverty reduction. He has pointed out that the successes of green revolution in India and other Asian countries are well documented. He concluded that the growth of India in the past twenty years since introduction of the new varieties the poverty levels has been dropped nearly to half due to increased employment to poor in agriculture.

According to **Allshouse (2000)** technological factors played a very important role in the development of the seafood market. The development of the freezing technology gave a boost to the international trade in Marine products export. The growth in the number of cold storages and households with refrigerators enormously helped the sales to households. Besides the freezing technology, development of other processing and packaging technologies also helped seafood marketing very significantly. Further, innovations in product forms and new product developments like surimi, gave an impetus to the expansion of demand for seafood.

**Nambiar (1997)** claimed that global trade in fish and fishery products had steadily increased in recent years and the share of developing countries was increasing compared to developed countries in the exports of fish and fishery products. Looking at the present trend in fish production and trade, there was no doubt that aquaculture of almost all commercially important fish would be a major supply source in fish trade. Subsidies and other assistance played a crucial catalytic role in the development of the export sector and other direct subsidies encouraged entry of outsiders and private capital into the sector in a big way.

Consumers are properly educated about the seafood including preparation and usage; supplies are sufficiently kept up at affordable prices; quality aspects are well taken care of; and the markets properly respond to the potential consumer requirements. Consumers are becoming more aware of the benefits to health from eating seafood. " Medical evidence is accumulating which demonstrates that the class of fatty acids found in fish and popularly known as Omega-3s, is a key element in the prevention of heart diseases and other 'western style' illness" According to nutrition expert Joyce Nettleton, fish is rich in most of the vitamins we require,

it contains a good selection of minerals, proteins and all the amino acids in the right proportions. It is, then, but natural that the health conscious people will be drawn to seafood.

### Materials and Methods

In this study, special emphasis has been given to literature dealing with the marine products export sector. To understand the performance of marine products export sector of India. There are number of studies available which give detailed outlook of seafood export business, and the researcher has taken various literatures from research papers, books, Government reports, and internet sources for this study.

### Conclusion

MPEDA (Marine Products Export Development Authority) has taken the initiative to plan and execute several development schemes for the modernisation of export processing. The Development Division administers a number of subsidy assistance schemes aimed at improving the facilities at all stages of seafood processing and generally upgrading processing technology. It gives a lot of opportunities to young entrepreneurs of India enter into this marine products export sector.

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