

Role of Kerala in The Marine Products Export Scenario of India- An Analysis

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ABSTRACT

The export of marine products from India was 1,05,124 tonnes valued at Rs.33,441.61 crore during the year 2014-15. The current study attempted to analyse India's marine products export and how Kerala becomes an important contributor to the marine product export from Kerala. Compared to the previous year, a growth of 10.6 % has been recorded in the value of exports. From a 20.17% contribution in 2000-01 in quantity wise exports from India Kerala's contribution has decreased to 15.86% in 2014-15. This decrease can be attributed to increased aquaculture production from other states, especially from Seemandhra . However there is a 9.77% increase in the value wise export from Kerala from 2013-14 to 2014-15, while total marine products exports from India showed 10.68% increase in value during the same period. Kerala being the southern most state of India , bestowed with the most productive area of Arabian sea , gives considerable contribution to the marine product export of India. The analysis reveals Kerala fisheries sector contributes significantly to the marine product export from India.

Keywords

Percentage contribution, Marine products Exports

INTRODUCTION

India is set all to emerge as one of the top economies of the World in the near future ahead of China as per the recent reports by World bank. With a population of 1.295 billion, the GDP of India is \$ 2.049 trillion at market prices. According to IMF World Economic out look April 2015 , India ranks seventh globally in terms of GDP and expected to grow 7.5% in 2016. Export performance is an important tool for measure of the economic development of a developing country. The global slowdown had its impact on the economy of most of the countries, including India. As a result, the trade deficit abruptly increased from

356448 crores in 2007-08 to 533681 crores in 2008-09, an increase by almost 50 %. However, during 2009-10, export recorded marginal positive growth at 0.57% and import recorded marginal negative growth at 0.78 %, which was for the first time over the decade. As a result, the trade deficit stood at Rs. 518202 crores with a negative growth of 2.9 % in 2009-10. Accounting for about 5.4% of the global fish production, India today is the second largest fish producing nation in the world. India is also a major producer of fish through aquaculture and ranks second in the world after China. The provisional figure for total fish production in India during 2014-15 is 10.06 Million Tonnes (MT) with a contribution of 6.57 MT from Inland sector and 3.49 MT from Marine sector. Fish production has shown a steady increase since 1991. From 3.84 MT in 1991, it increased to 10.06 MT in 2014-15. A steady growth has been observed in marine sector since 2008-09. Inland fisheries presently has a share of about 65% in total fish production of the country. The sector contributes about 1% to the overall GDP and around 5.5% of the GDP from agriculture and allied activities. Till the end of 1960, export of Indian marine products mainly consisted of dried items like dried fish and dried shrimp. Although frozen items were present in the export basket from 1953 onwards in negligible quantities, it was only since 1961 the export of dried marine products was overtaken by export of frozen items leading to a steady progress in export earnings. With the devaluation of Indian currency in 1966 the export of frozen and canned items registered a significant rise. Frozen items continued to dominate the trade. Markets for Indian products also spread fast to developed countries from the traditional buyers in neighboring countries. (Sricharan et al,2012). During 2014-15, export of marine products from India was 10,51,243 tonnes valued at Rs.33,441.61 crore. Compared to the previous fiscal, a growth of 10.6% has been recorded in the value of exports.

OBJECTIVES OF THE STUDY

1. To compare the Indian marine product export scenario with that of Kerala.
2. To analyse the importance of Kerala in contributing to marine product export from India.

MATERIALS AND METHODS

The study is mainly done using the secondary data collected from the publications of Government of India,

Directorate of Fisheries, Government of Kerala, Central marine Fisheries Research Institute, Marine Products Export Development Authority etc. The statistical tool used is percentage analysis.

RESULTS AND DISCUSSION

The following figure represents the growth of India's exports and Imports from 2001-02 to 2011-12.

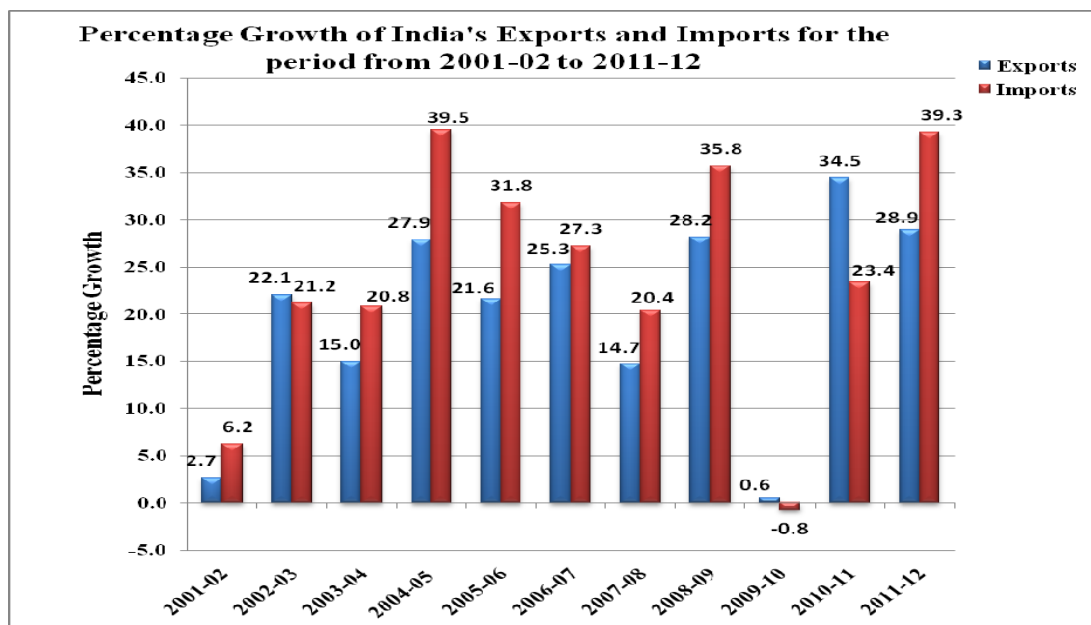


Fig 1 Percentage growth of India's Exports and Imports for the period from 2001-02 to 2011-12

Source: DCIS, 2015

India's merchandise exports stood at Rs. 1465959 crores in 2011-12 as compared to Rs. 1136964 crores in 2010-11 and Rs.845534 crores during 2009-10. This has resulted in a growth of 28.9 % in 2011-12 against 34.5 % growth in 2010-11. The growth was 0.6 % in 2009-10 thus indicating

that there was more impact of global recess/slowdown on India's economy in the initial year.

The following table analyses the percentage share of marine products exports from India and its percentage share to total agricultural exports from India.

Table 1 Percentage share of marine product exports to agricultural exports

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total Value of Indian Exports in Rs. million crore	0.655	0.84	0.85	1.13	1.4
Total value of Exports from Agricultural and allied sector in Rs Lakh crore	0.4	0.51	0.53	0.61	0.89
Percentage contribution of Agricultural sector to total exports	6.63%	6.09%	6.29%	5.38%	6.08%
Percentage contribution of marine products exports to Agricultural exports	15.52%	13.78%	18.59%	19.95%	18.54%

Source: Calculated from DCIS data

From the table 1 it is clear that the percentage contribution of marine products is increasing from 15.52% in 2007-08 to about 19% in 2011-12. This can be attributed to increased production capacity of seafood exporting firms and increased aquaculture production of disease resistant species like *Litopenaeus vannamei*.

The following table presents item wise exports of marine products from 2007-08 to 2014-15. The major items are Frozen shrimp, Frozen fin fish, Frozen cuttle fish, Frozen squid, Dried items, Live items, Chilled items. The quantity wise exports and value wise exports are given in the table.

Table 2 Marine Products Exports From India from 2007-08 to 2014-15

Marine Products Exports From India from 2007-08 to 2014-15									
Item		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Fr. Shrimp	Quantity in ton	136223	126039	130553	151465	189125	228620	301435	357505
	Value in Crore	3941.62	3779.8	4182.35	5718.13	8175.26	9706.36	19368.3	22468.12
	US\$ Million	980.62	839.28	883.03	1261.81	1741.2	1803.26	3210.94	3709.76
Fr. Fin Fish	Quantity in ton	220200	238544	260979	312358	347118	343876	324359	309434
	Value in Crore	1303.41	1722.34	2032.33	2623.89	3284.15	3296.86	4294.81	3778.5
	US\$ Million	326.29	375.24	430.94	583.48	683.5	617.59	708.63	619.66
Fr. Cuttlefish	Quantity in ton	45955	50750	63504	59159	54671	63296	68577	82353
	Value in Crore	744.13	761.05	923.83	1104.57	1346.72	1354.28	1386.98	1833.21
	US\$ Million	185.66	168.27	195.69	244.62	282.72	251.54	228.13	300.69
Fr. Squid	Quantity in ton	34172	57125	61445	87579	77373	75387	87437	69569
	Value in Crore	408.42	632.35	622.63	1010.57	1228.19	1378.08	1731.97	1275.25
	US\$ Million	101.29	142.87	132.24	223.67	262.72	256.9	284.6	209.84
Dried items	Quantity in ton	22414	31688	47053	79059	53721	72953	67901	70544
	Value in Crore	258.88	420.75	981.11	954.94	562.65	819.9	998	1010.16
	US\$ Million	64.72	92.51	208.72	212.22	117.66	152.81	167.89	165.52
Live items	Quantity in ton	2498	3434	5492	5208	4199	4373	5080	5488
	Value in Crore	69.07	99	139.14	142.15	154.61	197.89	281.85	301.51
	US\$ Million	17.21	21.82	29.52	31.46	32.46	36.82	46.7	49.62
Chilled items	Quantity in ton	6541	21453	28817	21118	21278	26868	19755	31404
	Value in Crore	118.11	217.34	264.49	257.54	357.42	537.11	527.84	635.93
	US\$ Million	29.62	48.39	55.87	56.93	74.03	99.87	88.48	104.71
Others	Quantity in ton	73698	73801	80592	97145	114538	112841	109212	124947
	Value in Crore	777.29	975.33	902.64	1089.67	1488.24	1565.78	1623.5	2138.94
	US\$ Million	193.68	220.24	196.84	242.72	314.16	292.86	272.34	351.31
Total	Quantity in ton	541701	602835	678436	813091	862021	928215	983756	1051243
	Value in Crore	7620.92	8607.94	10048.5	12901.4	16597.2	18856.26	30213.2	33441.61
	US\$ Million	1899.09	1908.63	2132.84	2856.92	3508.45	3511.67	5007.7	5511.12

Source:MPEDA

There is a tremendous increase in the value of the exports from 2012-13 to 2013-14. ie an increase of 60.229% is recorded. Before 1960, when Indian marine exports were dominated by dried items and the markets of Indian marine products were largely confined to neighbouring countries like Sri Lanka, Myanmar (formerly Burma),

Singapore etc. This situation changed with the development of technology/modernization; dried products gave way to canned and frozen items. The product shift also resulted in market shift.

A BRIEF SKETCH OF KERALA SEAFOOD INDUSTRY

During 1960's Kerala's seafood exports were largely confined to items like dried fish, dried prawns, dried shark fins and dried fish. However, after 1961 the position has changed. Marine

products started witnessing a downward trend, frozen and canned items made their appearance and they began to make steady progress. Especially after 1966, the export of canned and frozen products have showed a significant rise. (Rao, 1983). Another remarkable feature of this period was the opening up of markets in many of the developed countries. As a result, Kerala's foreign trade in processed seafood has made rapid strides.

The following table provides quantity and value wise marine product exports from 1962-63 to 1971-72 from Kerala and percentage change in quantity and value.

Table 3 Marine products export from Kerala from 1962-63 to 1971-72

S. no	Year	Quantity in tonnes	Percentage change in Quantity	Value in Rs '000	Percentage change in Value
1	1962-63	6870		32720	-
2	1963-64	8249	20.07278	39434	20.51956
3	1964-65	9750	18.196145	50445	27.9226
4	1965-66	9561	-1.9384615	60140	19.21895
5	1966-67	13175	37.799393	146401	143.4337
6	1967-68	15245	15.711575	167496	14.40905
7	1968-69	18481	21.226632	202451	20.86916
8	1969-70	22172	19.971863	272291	34.49724
9	1970-71	23896	7.7755728	275665	1.239116
10	1971-72	21892	-8.3863408	336970	22.23895

Source: Kerala Economic Review ,1972

During 1970-71 there is an all time increase in the quantity of exports (23,896 tonnes), and shows an increase of 7.77%. There was a decline in 1971-72 in the quantity of exports as compared to 1970-71. The fall in shrimp catch all over the west coast particularly in Kerala region was mainly responsible for the decline in volume. (Economic Review, 1972)

The following table provides quantity and value wise marine product exports from 1975-76 to 1979-80 from Kerala and percentage change in quantity and value.

Table 4 Marine products export from Kerala from 1975-76 to 1979-80

Year	Quantity in tonnes	Value in Rs crores	Percentage change in Quantity	Percentage change in Value
1975-76	44559	70.86	-	-
1976-77	44692	88.73	.29	25.21
1977-78	42049	77.49	-5.92	-12.66
1978-79	45530	98.71	8.27	27.38
1979-80	43916	97.38	-3.5	-1.34

Source: Kerala Economic Review ,1980

Later on more and more value added items came in export basket of Kerala. During 1978-79 there was a highest value of exports and the percentage increase is 27.38%.

The following figure shows quantity and value wise export from Kerala from 1980-81 to 1989-90.



Fig 2 Line diagram showing quantity and value of Marine product export from Kerala from 1980-81 to 1989-90

Source: Kerala Economic Review ,1990

During 1980-81 the quantity wise export was 29148 tonnes and value wise export was Rs 9534 Lakh. Highest figure of quantity and value exported was observed in the year 1989-90 (47245 tonnes, Rs 24096 Lakhs).

The following table provides quantity and value wise marine product exports from 1990-91 to 1999-00 from Kerala and percentage change in quantity and value.

Table 5 Marine products export from Kerala from 1990-91 to 1999-00

S. No.	Year	Quantity ['000 Metric tonnes]	Percentage change in Quantity	Value [in Rs Lakh]	Percentage change in value
1	1990-91	50997		31379	
2	1991-92	58743	15.19	44446	41.64
3	1992-93	49094	-16.43	41425	-6.80
4	1993-94	63809	29.97	62153	50.04
5	1994-95	74576	16.87	81496	31.12
6	1995-96	78896	5.79	85690	5.15
7	1996-97	92288	16.97	93622	9.26
8	1997-98	89366	-3.17	94803	1.26
9	1998-99	70641	-20.95	81655	-13.87
10	1999-00	91759	29.89	114239	39.90

Export of marine products from India has gone up from 3,02,934 M.T in 1998-99 to 3,43,131 MT in 1999-2000. In value terms it went up from Rs 4626.87 crores in 1998-99 to Rs 5116.67 crore in 1999-2000 registering an increase of 10.59% in terms of value and 13.24% in terms of volume over the previous year. During 1990's Kerala Marine products exports from Kerala has gone up from 70,641 MT valued at Rs.816.55 crore in 1998-99 to 92,148 MT valued at Rs.1146.96 crore in 1999-2000. Overall share of marine exports from Kerala was 26.86% in quantity, 22.42% in value during 1999-2000 in the total seafood exports from India. Frozen cuttlefish is the largest item contributing 54.26% in volume and 65.59% in value followed by frozen squid with 45.96% and 47.32%, frozen shrimp with 32.38% and 19.36%, and frozen fish accounted for 10.11% and 9.78% in quantity and value. Share of Kerala to Japan on the overall exports from India was 19.75% in quantity an 11.47% in value. But the major share of exports to European union, 54.13% and 46.37%. USA 42.2% and 38.08%. Middle east 25.25% and 31.52% in terms of quantity and value respectively. (Kerala economic review, 2000). Overall share of marine product exports from Kerala was 26.86% in quantity and 22.42% in value during 1999-00 in the total sea food export from India. Frozen cuttle fish is the largest item contributing 59.26% in volume and 65.59% in value followed by frozen squid with 45.96% and 47.32% and frozen shrimp with 32.38% and 19.36%. Frozen fish accounted for 10.11% in quantity and 9.78% in value.

The subsequent table gives quantity wise and value wise exports from Kerala from 2000-01 to 2014-15.

Table 6 Marine product export from Kerala from 2000-01 to 2012-13

S. No	Year	Quantity ['000 tonnes]	%change in Quantity	Value [in Rs Crores]	%change in value
1	2000-01	88852		1046	
2	2001-02	72756	-18.12	951	-9.08
3	2002-03	81393	11.87	1046	9.99
4	2003-04	76627	-5.86	1099	5.07
5	2004-05	87378	14.03	1158	5.37
6	2005-06	97311	11.37	1258	8.64
7	2006-07	108616	11.62	1524	21.14
8	2007-08	100318	-7.64	1431	-6.10
9	2008-09	100780	0.46	1572	9.85
10	2009-10	107293	6.46	1670	6.23
11	2010-11	124615	16.14	2002	19.88
12	2011-12	155714	24.96	2988	49.25
13	2012-13	166399	6.86	3435	14.96
14	2013-14	165698	-0.42	4706.36	37.01
15	2014-15	166754	0.64	5166.08	9.77

Source: MPEDA, 2014

World economy witnessed a rapid growth and vigorous trade expansion in real terms in the year 2006. During 2010-2011 frozen shrimp accounted for 25,301 MT in quantity and 655.19 Rs crore in value from Kerala seafood export. It has increased to 33,031 MT in quantity and 1081.97 Rs crore in value (MPEDA, 2011). Globalization gave birth to structural innovation and commercialization of fisheries sector in the economy of Kerala. There are conscientious changes in the structure of production, processing, export and marketing activities in Kerala's seafood industry.

Following table shows quantity wise and value wise exports from India and Kerala and percentage of Kerala share to the total marine product export from India.

Table 7 Export of Marine Products from India and Kerala

S. No	Year	Quantity And Value	India	Kerala	% of Kerala share
1	2009-10	Q	678436	107293	15.81
		V	10048.52	1670.02	16.62
2	2010-11	Q	813091	124615	15.33
		V	12901.47	2002.10	15.52
3	2011-12	Q	862021	155714	18.06
		V	16597.23	2988.33	18.00
4	2012-13	Q	928215	166399	17.93
		V	18856.26	3435.85	18.22
5	2013-14	Q	983756	165698	16.84
		V	30213.26	4706.36	15.58
6	2014-15	Q	1051243	166754	15.86
		V	33441.61	5166.08	15.45

Though Kochi continues to be the largest seafood exporting portal, Thiruvananthapuram is also emerging as one of the major outlets for export of frozen shrimps and fin fishes. Frozen shrimp, finfish, cuttlefish, squid and the dried fishery items are the major items in the Indian export basket. Among which frozen shrimp and finfish continues to be the major items of export. During 2013-14 percentage share of the value from export of frozen shrimp to the total export value of India was 64.10% and during 2014-15 it has increased to 67.185%. The details are given in the following table. During 2000-01 Kerala contributed 20.17% to the quantity wise marine product export from India, and value wise it was 16.23%. Highest percentage contribution was shown during 2012-13 and it gradually decreases in the subsequent years. This decrease can be attributed to increase in the value of exports from other states due to increased aquaculture production.

CONCLUSION

India, with a coast line of 8129 Kms, possess vast marine potential in terms of capture as well as culture fisheries. Therefore Growth in exports, in fact is the real barometer to measure the economic health of a developing country. With a total population of 1.295 billion, India is a home to nearly one third of world's poorest individuals with severe

malnutrition. The economic development is possible by the sustainable exploitation of India's precious marine resources. In Kerala Fisheries sector contributes significantly to foreign exchange earnings, productive employment generation and nutritional security. By utilising underexploited resources, more and more value added items can be added to the export basket of Kerala.

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