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MVIRDC World Trade Center Mumbai

Study on

PROMOTING INDIA'S MARINE PRODUCT EXPORTS





Bharat Ratna Sir M. Visvesvaraya
(15 September, 1860 - 14 April, 1962)

FIFTY YEARS AND COUNTING

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मंत्री
मत्स्यपालन, पशुपालन एवं डेयरी
भारत सरकार
Minister
Fisheries, Animal Husbandry and Dairying
Government of India

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Message

I am happy to learn that the Visvesaraya Industrial Research and Development Centre (MVIRDC) World Trade Center Mumbai has conducted the research study on promoting India's Marine Product Exports at a time when fisheries has been identified as a sunrise sector. The study has examined the key trends in production and international trade in the marine product sector. The study carries in-depth analysis of India's export trend in the marine product sector in the last two decades. The report combines extensive secondary data analysis with primary survey of key stakeholders such as sea food exporters, experts from fisheries institutes, fish feed and fish meal producers.

India's fisheries sector has immense significance in the socio-economic development of the country as it provides livelihood to more than 28 million fish farmers in coastal and rural areas, besides generating thousands of jobs in value addition activities in urban areas. Creating a world-class marine export sector can promote gender equality as women account for 44% of the fisher population in the country. The sector generates employment and domestic manufacturing opportunities in allied sectors such as manufacture of fishing crafts, gears, specialized cages or nets, cold storage infrastructure, fish seed & feed, processing machineries and so on. With an emphasis on sustainable fishing, the aquaculture can also be used as a tool to promote marine biodiversity.

India's fishing sector is an export-oriented activity as it contributes around 17% to Agriculture exports, even though its share in agriculture value addition is around 7%. Fisheries is also an important industry for attaining nutritional security as aqua products are major sources of protein and omega three fatty acids. There is a need to enhance exports of value added fish products to increase income of fish farmers and generate jobs in commercial aquaculture, post-harvest processing and logistics sector. This will not only increase income of farmers, but also ensure balanced regional development and inclusive growth as majority of the fishing community belong to the marginalized and vulnerable sections of the society.

Recognizing the importance of the fisheries sector and to unlock its true potential in the national economic development, the Government of India launched a flag ship scheme in May 2020 and is implementing the Pradhan Mantri Matsya Sampada Yojana (PMMSY) with the highest ever investment of Rs. 20,050 crore with a vision to bring Blue Revolution through sustainable and holistic development of fisheries sector including development of Inland fisheries and Aquaculture in the country. I am confident that our Government will achieve the target of increasing farmers' income, aquaculture productivity, reducing post-harvest losses and doubling export earnings under this ambitious scheme in due course. I hope the findings of this study will be a useful source of reference for policymakers and will generate further public discussion on the roadmap to enhance global competitiveness of India's marine product sector.

I extend my best wishes to MVIRDC for all success of the study on promoting India's Marine Product Exports.

(Parshottam Rupala)

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PROMOTING INDIA'S MARINE PRODUCT EXPORTS

By MVIRDC World Trade Center Mumbai

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Preface

India's fisheries sector is at the cusp of an inflection as we are witnessing remarkable growth in production and export in recent years. Since FY14, fisheries production has grown 70% and especially output from inland fisheries & aquaculture has doubled because of progressive government policies and enterprising spirit of our fishing community.



The government's path-breaking recent initiatives such as the Pradhan Mantri Matsya Sampada Yojana (PMMSY) are truly laudable in promoting fishing infrastructure, upgradation or modernization of fishing vessels, identifying and addressing critical gaps in the entire value chain, right from fish capture to value addition and exports. I am confident that this visionary scheme will encourage rural entrepreneurship, especially among marginalized sections of society, and improve their standard of living.

There is a need to create awareness among the youth to consider marine product value addition as a viable option for entrepreneurship. Specifically, there is growing opportunity for entrepreneurship in hatcheries, fish nurseries, marine feed production, seaweed culture, post-harvest cold chain infrastructure and manufacturing of deep-sea fishing vessels, to name a few. Aspiring youth can also pursue entrepreneurship in running disease diagnostic and quality testing labs, production of fishing nets, fishermen's safety devices and equipments.

Government of India, along with state governments and fisheries institutes need to work jointly with the industry to develop a world-class fishing ecosystem by conducting training and capacity building programs on emerging aquaculture practices to improve productivity, adopt Good Manufacturing Practices and reduce post-harvest losses. In order to boost exports, our fishermen need handholding in post-harvest value addition, identifying potential markets for exports and adhering to global quality standards.

Today, India is the third largest fish producing country with a global share of 8% and it ranks second in aquaculture production. Yet, our contribution is hardly 4% to the world marine product exports and we rank seventh below Norway, China, Chile and other countries. Promoting inland water and coastal aquaculture is a promising way to promote exports from India.

Specifically, India can leverage its existing strength in harnessing brackish water aquaculture and shrimp aquaculture as it is already a global pioneer in culture shrimp production. Shrimp accounts for more than 65% of India's marine product export basket and India ranks second in world shrimp exports. State and central governments may support marine product industry by promoting shrimp aquaculture in saline land, which are not fit for crop cultivation. According to a report by the Central Institute of Brackishwater Aquaculture of ICAR, India uses hardly 0.13 million hectares out of the 8.62 million hectares of inland saline soil available for aquaculture.

I am happy to inform that MVIRDC WTC Mumbai has prepared this marine export potential study at this landmark period when the sector has received renewed policy attention. This study has been prepared based on in-depth analysis of key trends shaping the global and Indian marine export market. I thank all the stakeholders from industry and research institutions for sharing their valuable insights for this report.

I hope this report will supplement the existing literature on the marine product sector and create awareness about the untapped export opportunity for aspiring and existing entrepreneurs in this industry.

Dr. Vijay Kalantri

Chairman
MVIRDC WTC Mumbai

Executive Summary

Fisheries play an important role in the Indian economy, contributing 6.7% to the agriculture sector and 1.1% to the economy as a whole. The Fisheries sector in India is also a major source of employment and livelihood to fisherfolk, and people involved along the value chain. At present, India is among the top fish producing nations with around 8% share in global production. The marine product sector in India is a key player in the international market, emerging as a significant avenue for exports.



As of 2022, the global export market for marine products stood at USD 190 billion. India is the seventh largest marine product exporter with a share of 4% in world exports and an annual export value of USD 7.9 billion. The marine sector also accounted for 15% of India's total agricultural exports. However, India's marine product exports are concentrated on a few commodities with frozen shrimps alone accounting for 61% of our total shipments. Frozen squid and cuttlefish are our second highest exported marine products with a 9% share in the export basket. Together, these two commodities account for 70% of our total marine export basket.

The country's extensive coastline and complex river system provides a huge untapped potential in this sector. Recognizing the pivotal role of the fisheries sector, the government has undertaken fresh policy initiatives, through the Blue Revolution 2.0 and schemes like the Pradhan Mantri Matsya Sampada Yojna. These initiatives aim not only to address existing gaps in the fisheries value chain but also to expedite the overall development of the Indian fisheries sector.

Against this backdrop, MVIRDC WTC Mumbai has conducted this study, at a time when there is a heightened policy focus on the marine sector. The study has analysed key trends in the Indian marine export basket and has highlighted various challenges faced by the sector through the valuable insights received by the industry and research institutions.

Based on its in-depth analysis, the study has also identified untapped export potential for India in the marine product sector and underscores the value of certain indigenous species awaiting exploration in international markets.

The Indian marine sector stands at a crucial juncture, presenting both challenges and immense opportunities. Diversification, technological integration, and sustainable practices will be instrumental in realizing the sector's untapped potential and achieving the ambitious export targets set by the government. I hope that this study will serve as a valuable roadmap, providing insights that can guide policymakers, industry players, and stakeholders towards a more resilient and prosperous future for India's marine product exports.

Rupa Naik

Executive Director
MVIRDC WTC Mumbai

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Objectives of the study

- To understand the strengths and weaknesses of India's marine export industry.
- To highlight the challenges and bottlenecks faced by Indian marine exporters.
- To formulate actionable policy suggestions to boost marine exports from India.
- To identify potential products and markets for India's marine exports.



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