This concluding chapter presents the major findings of the study on marine export practice and problems, with constructive suggestions as remedial measures to set the industry back on the right track.

Marine industry in India, being labour intensive in nature accommodates more number of workers for its various direct and indirect activities. Right from the catchments of fish, a lot of manual labour is required. In the processing of fish, introduction of machines in export business is inevitable. The catchments of fish are done almost throughout the year except the two months during April 15 to May 31 which is strictly banned by the Government in order to preserve the natural resources from depletion.

In Tamil Nadu, Ramanathapuram district is industrially a backward district but by natural gift it has a lengthiest coastal line. The coastal landing centres are located in the most conducive spots suitable for marine catching and as a result the marine export simultaneously has turned around. Therefore, a study relating to the marine industry in Ramanathapuram District is expected to bring to light the most crucial problems associated with the marine industry as a whole in India.

The present study has been undertaken to acquire an overall understanding about marine export practice and problems, it’s economic significance and problems faced by the wholesalers and exporter in Ramanathapuram district. An
attempt has also been made by the researcher to study the type of problems encountered by the wholesalers, exporters the various practices followed in this industry and the attitude of the wholesalers and exporters towards the problems that crop up by them were analysed.

7.2 MAJOR FINDINGS

The study of the issues pertaining to marine export practice and problems elucidated the inherent weaknesses and the prospects with the help of which the major findings and observations are presented here.

Marine Industry in India

Tamil Nadu is a major share provider to the Indian marine export basket. Kanyakumari, Ramanathapuram, Nagapattinam and Chennai are the other important districts in marine fishing activities in Tamil Nadu. Indian marine products are very popular in the international market for its delicious taste. The species available in Ramanathapuram District coastal area nearer to Gulf of Mannar are of very pungent taste and is demanded all over the world.

Japan, United States and European Union countries account for three fourths of India’s export in terms of value. The European Union has emerged as a major importer of marine products recently.

Marine Industry in Ramanathapuram
Ramanathapuram District is one of the districts located in the coastal area accounts for one fourth of the total length of the coast line of the state. The Ramanathapuram District has 6 taluks, 11 blocks and 2087 villages. The climate of the district is normally hot and dry with a degree of humidity. This district is industrially backward one. The handloom weaving of cotton textiles is the traditional occupation in the district. Ramanathapuram district has many famous temples and tourist spots like Ramanathaswamy temple at Rameswaram which attracts people from different parts of the country and even from abroad.

**Growth in Export of Indian Marine Products**

The growth in export of Indian marine products were analysed with the using of growth rate analysis. It is known from the study that the actual export during 1961-1962 was to the extent 15732 tonnes in quantity valued at Rs.3.92 crores and for the next eight years there was an increasing trend both in terms of quantity and value except in the year 65-66. The study has been divided into two periods namely post-liberalisation and pre-liberalisation. The growth of export in terms of volume, value and unit value realisation was analysed using exponential growth function. To know about the export instability the Coppock’s Instability Index was used and it was observed from the study that the export growth estimates for the commodities indicated that there were significant growth in the
export parameters for the major marine products with the emergence of new commodities for export, although there was decrease in unit value realization.

The post-liberalisation period scenario of marine products export registered considerable geographic diversification with the emergence of new export markets like South East Asia and Middle East as compared to the pre-liberalisation period. The post-liberalisation period generated a higher degree of instability for frozen shrimp and others whereas a lesser degree of instability was noticed for frozen squid, frozen cuttlefish and fresh and frozen fish. With regard to the markets, Japan, SEA and ME exhibited higher degree of instability when compared with the pre-liberalisation period. In general, the results indicated that the post-liberalisation period produced a higher degree of instability as compared to the pre-liberalisation period.

**Problems of Indian Sea Food Export**

The consumption of fish and fishery product has increased in recent years across the world which has generated the trade flow in the international market. The problems in majority of the landing centres, poor hygienic standards threaten the exporters. The seafood prices are also influenced and affected by the strengths and weaknesses of major currencies against the US dollar.

**Characteristics of the Wholesalers**
It was found from the present study that out of total respondent wholesalers, 35 per cent of them were in the age group of 50 to 60 years. 57.5 per cent of the total respondent wholesalers were having education upto SSLC. Only 15 per cent of the wholesalers were having graduation. Ninety per cent of the respondents wholesalers were in the joint family. 57.5 per cent of respondent wholesalers belonged to Christianity and the Muslims representing only 27.5 per cent. 45 per cent of respondent wholesalers were having 20 to 30 years of experience.

The study revealed that 95 per cent of respondent wholesalers purchase marine products from fishermen engaged door delivery and 60 per cent of the respondents procure material from fisherman selling at sea shore itself. 90 respondents purchase above three tonnes of frozen shrimp, 100 respondents procure frozen cuttlefish between one to two tonnes, 145 respondents purchase frozen fish upto one tonnes, 185 respondents procure frozen squad upto 1 tonnes during the peak season. 145 respondent wholesalers purchase frozen shrimp, 155 respondents buy frozen cuttlefish, 175 respondents procure frozen fish and 170 respondents procure upto one tonne each during the lean season.

It was inferred from the study that in all items of marine products the terms and conditions of purchase during peak and lean seasons show only 100 per cent cash from fishermen by the wholesalers.
A majority of wholesalers sell their marine products through exporters. Wholesale mostly sell the marine products viz., frozen shrimp, frozen cuttlefish, frozen fish and the like for cash only during the peak season. In the lean season also marine products are sold for cash only. A majority of the wholesalers earn a profit between 9 and 12 per cent for all the marine products like frozen shrimp, frozen cuttlefish, frozen fish and frozen squid during the peak season. But in the lean season they get a profit of only three per cent. All the wholesalers use head load as the mode of transport for bringing produce to the warehouse. Cycle is also used as mode of transport. Fifty per cent of the wholesalers incur above Rs.2000 as ice cost, 155 respondents spend between Rs.500 and 1000 as loading and unloading, 100 respondents spend Rs.500-1000 as transportation cost and 175 respondents spend above Rs.2000 as labour cost.

**Marine Products Purchase**

Out of 200 respondents 15 per cent (30) have low level opinion, 70 per cent (140) have medium level opinion and 15 per cent (30) have high level opinion of the marine products.

It was inferred that, age, educational qualifications, religion and experience were the factors influencing the opinion about the marine products purchased by the wholesalers. The nature of family seemed to have no bearing on the purchase.
The problems faced by the wholesalers in marine products purchase were put into further analysis using Garrett’s Ranking. It was found that unremunerative prices paid by exporters was ranked first followed by price fluctuations. Delay in payment by exporters was the third problem. Labour problem was not found in the study area as it had ranked as twelfth and last problem.

**Export of Marine Products**

100 per cent exporters procured material both from wholesalers and direct auction. It was also observed from the study that all the 22 sample respondent exporters procured frozen shrimp above 60 tonnes during peak season and 18 exporters procure frozen shrimp above six tonnes during lean season.

All the 22 respondents purchased material both for cash and credit. Majority of the exporters used their processing plant with a capacity of above 40 tonnes. Export of frozen shrimp stood above the value of Rs.75 crores. Majority of the exporters exported frozen item and only one respondent exported dried item. Majority of the respondent exporters used shipping as their mode of transport for exporting marine products and only 9.09 per cent of exporters use air transport. All the exporters agreed that there is a prompt payment in the international market by the buyers. All the respondents had insured with Export
Credit Guarantee Corporation. Some had insured with ECGC for above Rs.40000 and many of the exporters had been paying insurance premium upto Rs.10000 per annum.

It was also observed that all the respondents attended trade fairs, had utilized the duty entitlement pass book scheme, about 50 per cent of the respondents had got back 6 per cent of the duty paid to the Government. Exporters did not avail any export subsidy.

Majority of the exporters, exported to European Union and Japan, 36.36 per cent exported to Middle East countries and all the exporters exported either through wholesalers or directly. It was inferred from the study that all the respondents expressed their view that the procedures followed in the USA were very strict followed by European Union 95.4 per cent. In Far East and Middle East countries the procedures are normal.

All the exporters had registered with MPEDA. They had viewed that registration charge with MPEDA is not high. Twelve respondents viewed that USA is a more difficult country to register with MPEDA. It was seen by the exporters that the subsidy available from MPEDA is not adequate and they had a feeling that the export tax exemption available for their business is inadequate. Majority of the exporters felt that SEAI (Seafood Exporters Association of India)
was beneficial to the exporters and they had viewed that preparation of document for seafood export is a cumbersome process.

The problems faced by the exporters at the time of purchase, processing and export were analysed with the help of Garrett-Ranking technique and results were obtained as follows.

It was known that, irregular and inadequate supply of raw material was ranked first and high cost of raw material ranked as the eleventh problem at the time of purchase. At the time of processing lack of integrated approach in marine business had been ranked as first whereas lack of finance were ranked as eleventh problem. At the time of export fluctuating exchange rate was ranked as first and delay in payment were ranked as eleventh problem.

7.3 Suggestions

The sustenance and survival of the marine product industry mostly depend upon the various policies of the Government, standard maintenance, and so on. To ensure healthy development of marine industry, selected suggestions are offered on the basis of the findings of the study.

There is need for diversification in the geographic concentration and commodity concentration, as these are the important parameters determining the volatility and export instability. The results indicate that there are welcome signs for a quantum jump in fisheries trade. The absence of proper infrastructure to
maintain quality standards of marine products is likely to affect Indian exports to a large extent because of rejection of consignments on quality complaints. In order to curb these externalities, the acceptance of the Hazard Analysis and Critical Control Points (HACCP) guidelines to make the Indian seafood industry to conform to the International quality standards is necessary. Further, product diversification tailored to the varied consumption patterns would ensure competitiveness of Indian exports in the world market in the wake of the new WTO order.

To brave the WTO challenges, India has to take some serious steps in the coming years. One of the important steps is to adopt HACCP. The adoption of HACCP requires huge amount of investment. Therefore, the Government should come forward to grant subsidy for the initial seed costs associated with its implementation, and the recurring costs can be borne by the respective enterprises.

In India, there are numerous food laws and equally numerous states that implement these laws. As a result, there are overlapping responsibilities and controls and none of them is properly implemented. Indian laws need to be integrated and should come under a single Ministry which would be very useful in facing the WTO challenges. In India, it is important to establish many more state-of-the-art testing and analysis laboratories for examining food products. Investment in such laboratories is essential. Otherwise, it is not easy to withstand the SPS (Sanitary and Phyto-sanitary) measures.
The majority of the respondent wholesalers use head load and cycles to transport material from sea shore. The district administration should provide pucca road facilities in the sea shore area.

The price paid by the exporters to wholesalers are low and also the price fluctuations are a major problem which prevents to evolve a system centralising the pricing of raw materials with daily price indicators to avoid unnecessary individual hedging. This may be done by Sea Food Exporters Association of India and all member exporters are to strictly adhere to it irrespective of their price affordability. This may bring a uniform single price on daily basis. Only by redressing the wholesalers and exporters problems and maintenance of hygienic standards in the export, the industry can be developed.

The subsidy given by the State Government is not enough to meet their requirements. The diesel subsidy should be granted at a still more concessional rate. It is suggested that storage facility on seashore, at ports and air ports be established by the Fisheries Department to avoid loss due to perishability of material.

Now Indian exporters mostly rely upon the frozen item of fish as their export item. But during the lean season some of the varieties are found inadequate supply to regular market. To avoid these problems the value added
products in other items during these seasons may be concentrated to increase export as well as to keep our market in tact.

The lack of integrated approach and ignorance on the buyers standard shows that exporters need proper guidance. In this regard, Directorate General of Forgein Trade officials should be trained well in advance to assist exporters to give proper guidance.

Modernisation in landing centres and hygenical standards to be maintained by the exporters are insisted continuously by the importing countries. These problems in marine product export threatens not only the very survival of the industry, but also might be a major challenge to compete in the international market. The only solution is to modernise the landing centres and maintaining the hygienical standards without compromising for the sustainability of exporters and for the welfare of fishermen. The State Government should give financial assistance to modernise the landing centres and MPEDA should come forward to give loan at low rates of interest for improving their processing plants. It is suggested that the rate of duty entitlement pass book scheme should be increased.

Indian fisheries export at aggregate level is highly responsive to international prices. There is a need for an export stabilization fund to support the export. Resources for this can be mobilised by putting appropriate tariff on export
when the international prices are high. The export of Indian marine products includes both marine catch and aquaculture as a whole. This study concentrates on marine products export. In order to augment exports it is suggested particularly that the shrimp farms avoid the use of banned drugs in the form of antibiotics, or in any manner in their aquacultural activities. It is needed to create awareness on abuse of antibiotics in the name of growth promoters in the shrimp aquacultural activities.

7.4 CONCLUSION

Marine product export occupies an important place in the economic development of our country. It has increased the food supply. It provides large scale employment both directly and indirectly to the fishermen and above all, this industry fetches considerable foreign exchange too. Marine products include both marine and inland fish but more than fifty per cent of the production comes from marine catch. European Union, United States and Japan continue to be largest markets for India. The China, Middle East and Fareast countries are emerging as the next largest markets. There is an urgent to diversify the market.

Many factors hit the industry in recent years were not redressed. The problems faced by the exporters and wholesalers and industry as whole seem to be identical in nature for India as whole. There is no denying the fact that available
food products should be safe, hygienically produced, wholesome with right nutritional configuration, and free from infection causing bacterial contaminants and other adulterants. Even though SPS (Sanitary and Phyto-sanitary) and TBT (Technical Barriers to Trade) agreements are in favour of developed nations, on certain grounds, its concerns over food quality and food safety should not be overlooked. In India, the quality of processed sea foods is found to be poor because of lack of proper quality management practices. Lack of hygiene and presence of chemical, biological and physical contaminants become impediments to their exports. It, thus, becomes obvious that India will have to improve its quality norms to face the WTO challenges.

The foreign exchange fluctuations, increase in the idle capacity of freezing plants for want of fish supply, problems relating to modernisation of processing plants, financial crunch, activities of the bureaucrats by delaying the accrual of benefits to the exporters and the problems relating to the price fluctuations in the over seas market are common. The intermediaries also face many problems both from fishermen as well as from exporters. In majority of the cases the money invested on fishing boats becomes fruitless when the fishermen lose their boat due to natural calamities. Some times, the fishermen receive advances from more than one wholesaler which leads to greater amount of confrontation. The fishermen
also face certain problems by exporters and middlemen while fixing price and by weighing their catch.

To evolve a congenial solution and augment the marine product export, to minimise problems faced by the fishermen, wholesalers and exporters, proper approach and remedies should be taken up. These problems which could be solved to maximum extent both by the stakeholders and by the concerned State and Central Governments by means of implementing various technical and welfare schemes for the fishermen, by improving the infrastructure facilities in their markets for the wholesalers and by providing all the types of promotional measures, schemes and granting subsidy for the betterment of exporters in the country in general.

There is an ample scope for undertaking further research for the development of marine industry.

Suggested areas of research are:

1. Role of Government in strengthening marine products industry.
2. Impact of value added products in marine products industry.
3. Socio-economic status of fishers in Ramanathapuram District.
4. A comparative study between marine products export and aquaculture export