

## **CHAPTER V**

### **SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS**

#### **5.1 Introduction**

In this chapter, the findings of the study are summarised and measures are suggested for marine exporter and government to modify their strategies and / or policies, for the healthy growth of marine products exports in the Tamil Nadu state. The scope for further research is also stated in this chapter.

A marine products exporter is considered as one of the important determinants of the economic development of a country. The developments of marine exports through marine products industries are ideally suited to our socio-economic conditions which constitute a valuable adjunct to our plans for rapid industrialization.

Developing the infrastructure facilities like for the Marine Park to be setup in Tamil Nadu will feature seafood pre-processing units, value-added marine products centre, fishing boat repair and service facility, data and communication centre and the marine park includes construction of a modern boat yard. For adequate development of the sector, besides intensifying coastal aquaculture, sea farming, intensification of deep-sea fishing, better management

of coastal fisheries with application of principles of sustainability and stock enhancement measures needs to be practiced for maximising the returns.

## **5.2 Summary of Findings**

Summary of findings were made as to how the access of the small- and medium-scale fisheries sector in general and of the value-added fishery products sector in particular to institutional credit could be improved. These findings can be summarized as follows:

1. The major value of export of the Frozen Shrimp from 4481.51crores in 2000-2001 to 4506.08 crores in 2006-2007 and then it was gradually declining to 4182.35 crores in 2009-2010. The compound growth rates of the Calcutta and Pipavav were 0.326 percent and 0.114 percent respectively and the compound growth rate of share value of export were 40.48 and 25.86 percent respectively.
2. The major value of export of the Chennai from 1505.51crores in 2003-2004 to 1332.58 crores in 2006-2007 and then it was gradually declining to 1314.10 crores in 2009-2010. The major quantity of export of the Japan from 68983 tonnes in 2000-2001 to 67437 tonnes in 2006-2007 and then it was gradually declining to 62690 tonnes in 2009-2010. The compound growth rate of the Middle East was greater than the compound growth rate of the European Union, whereas the compound growth rate of export was more or less similar in case of Middle and European Union.
3. The compound growth rates of the Middle East and South East Asia including China were 0.128 percent and 0.062 percent respectively and

the compound growth rate of share value of export were 42.18 and 38.63 percent respectively. The compound growth rate of the Middle East was greater than the compound growth rate of the South East Asia including China, whereas the compound growth rate of export was more or less similar in case of Middle East and South East Asia including China.

4. The quantity of export of the Tamil Nadu from 70147 tonnes in 2002-2003 to 68397 tonnes in 2008-2009 and then it was gradually increasing to 73327 tonnes in 2009-2010. The major value of export of the Tamil Nadu from 201640 lakhs in 2000-2001 to 181314 lakhs in 2007-2008 and then it was gradually declining to 198207.47 lakhs in 2009-2010. It is observed from Table 4.14 that trend in exports of fish and fish product in Tamil Nadu is negative and not significant. Tamil Nadu fish and fish products quantity of exports increased at the rate of 3.75 percent. The value of export is decreased at the rate of -5.43.
5. The quantity of marine products exports in pre liberalisation period from 35883 tonnes in 1970-1971 to 70105 tonnes in 1980-1981 and then it was gradually increased to 139419 tonnes in 1990-1991. It is observed from Table 4.16 that trend of Indian marine products exports in pre liberalisation period positive and significant at one percent level. The quantity of exports increased at the rate of 14.02 percent. The value of export is increased at the rate of 38.99.
6. The value of marine products exports in post liberalisation period from 1375.89.crores in 1991-1992 to 6443.89 in 2000-2001 and then it was

gradually increased to 10048.53 crores in 2009-2010. It is observed from Table 4.18 that trend of Indian marine products exports in post liberalization period positive and significant at one percent level. The quantity of exports increased at the rate of 24.73 percent. The value of export is increased at the rate of 31.82.

7. The higher factor loading on its attributes helps in identifying attributes associated with factor 2. All the attributes have high communality, indicating that the variables within factor 2 have very high association. The higher factor loading of the attributes indicate that the factor 3 underlines that variable. The higher value of communality for the five attributes indicates that higher amount of variance is explained by the extracted factors. The higher factor loadings of the attributes indicate that the factor 5 underlines the above two variables. The high communality value of the attributes indicates that the attributes within the factor 5 have very high association among them.
8. Factor analysis of twenty two attributes relating to the exporting behaviour of marine products exporters identified five export decision factors and the results are presented in table 4.25. The first factor, 'Government Incentives' provides the maximum insights of exports decision of marine products export in the study area. It is a very important factor, because the respondents prefer to export the marine products for Fisheries Subsidies Loan, Transit Duties, Export Duties, Protective Tariff, Compound Duties, Single-Column Tariff and Double-Column Tariff. To

improve this situation, exporters in the marine products industry shall give more importance to the attributes concerning Tariff of the marine products.

9. The third and the fourth factors More Employment Opportunities and Wide Scope account for 7.6 percent and 6.16 percent variance with the Eigen value of 1.6931 and 1.3566 respectively. It shows that exporters are encouraged to export marine products if the attributes of employment opportunities and it must be available at a reasonable future scope. The fifth factor hereditary account for 5.42 percent variance with the Eigen values of 1.1930. This factor is also important in exports decision of marine products.
10. High value of Kaiser-Mayer-Olkin (KMO) test of sampling adequacy (0.867) indicates the correlation between the pairs of variables explained by other variables and thus factor analysis is considered to be appropriate in this model.
11. The export decision behavior was also influenced by 'Wide Scope' of the marine products exports. The co-efficient of cost was 0.0315 which was significant at one percent level. This shows that one percent increase in wide scope of the marine products would increase the export decision by 0.0315 percent from its mean level.
12. The analysis reveals that more trade constraints during the time of exports are attributed as major expectation of marine products exporters with a mean score of 53.78. Tariff was the second expectation of marine

products exporters with a mean score of 49.78. Government support was the third expectation of marine products exporters with a mean score of 45.54. The fourth and fifth expectation was modern technology and quality assurance scheme. Market Promotion was the least expectation of marine products exporters with a mean score of 33.97.

13. The perception on the variable in marine products exporters' facilities perceived more on know to satisfy all part of one self since its mean score is a maximum of 3.320. The significant difference among the three exporters identified in the perception on three variables in exporters facilities since the respective 'F' statistics are significant at five percent.
14. Trade Constraints on the variable in marine products exports perceived more on know to satisfy all part of one self since its mean score is a maximum of 4.311. The men score of all thirteen variables in trade constraints among manufacturer exporters, merchant exporter and ornamental fish exporters are 3.80, 2.84 and 2.82 respectively. The significant difference among the three exporters identified in the trade constraints on eight variables in exports since the respective 'F' statistics are significant at five percent.
15. In total, a maximum of 82 percent of the exporters have a TCI of 50 to 100 percent. The analysis infers that the trade constraints among the exporter is very poor compared to others. So, the Government takes quick action regarding their trade constraints to the exports of marine products in Tamil Nadu – India.

### 5.3 Suggestions

The following suggestions are offered in the light of the findings of the present study summarized above.

1. To reach the envisaged level of export earnings, greater emphasis will have to be laid on value added marine products such as cuttlefish, shrimp, lobster, crab, fin fish, breaded fish fillets, surimi, whole cooked lobster, accelerated freeze dried, Fish fillets, fish steaks, sushi shrimp, cephalopods fish, cuttlefish fillets, squid fillets, squid rings, tray pack cuttlefish, stuffed crab, soft shell crab and seafood mix.
2. Efforts are needed to enhance fish productivity, processing and preservation facilities for marine products. This will add to marine exportable surplus, reduce post-harvest loss and enhance value added exports.
3. Intensive research on post-harvest grading, packaging and quality improvement of the material being exported is required. This includes extending necessary assistance on matters such as communication, packaging, ware-housing, transportation and speedy customs clearance. It is also equally important to ensure co-ordination with various organisations.
4. Export potential of marine products from the country should be studied closely from time to time.
5. Export-led marine products growth paves the way to achieving higher levels of overall exports from the country in the coming years. For

instance, there is a growing demand for good quality products. It is possible to boost exports of products by ten times in a short period. A marine product holds tremendous potential for export.

6. There is a need to frame a suitable marketing strategy which can generate surplus for exports, rationalization of financial and fiscal incentives, price competitiveness through vital backward linkages and spread of risk by diversifying the marine products exported as well as the rules and regulations of exports.
7. There is a need to concentrate on boosting the exports of new marine products which have been introduced in our export basket.
8. There is a need to provide assistance for raising small and large industry for production of good quality planting material, up-gradation of technical know-how of exporters through demonstrations, training and publicity.
9. It is necessary to arrange promotional campaigns such as buyer-seller meets and participation in important fairs, conference, seminar and exhibitions.
10. Assistance must be provided to develop a data-base and disseminate market information.
11. Assistance should also be given to set up of laboratories for testing of products to ensure quality.
12. There is need to provide assistance for various inputs, implements and integrated best management for increasing production.

13. Policies and support system to be evolved for minimizing the cost and reducing scale biasness.
14. SPS measures should be taken up vigorously to ensure the international hygiene standards of fishery products to have better access in the international market.
15. Seminars and workshops are conducted to make exporters aware of the various aspects of international trade.
16. Give necessary legal aid to the trade for fighting international trade disputes as they are not be in a position to take these issues independently.
17. Evolve a code of conduct for the traders to have a common approach to trade related issues.
18. Conduct awareness programmes for disseminating latest information about the quality standards stipulated by the various importing countries and take necessary steps to achieve those.
19. To encourage the existing mechanized vessels and deep sea trawlers to adopt modern technology for scientific exploitation of our marine resources in an eco-friendly manner and boost marine sector exports, it is proposed to allow import of monofilament long line system for tuna fishing at a concessional rate of duty.
20. To enhance the role and improve the efficiency of institutional credit for value-added production, marketing and development of fishery products.

21. Introduce scientific and participatory management systems to manage marine fisheries through development of appropriate tools and techniques in harmony with International Guidelines.
22. To encourage the existing mechanized vessels and deep sea trawlers to adopt modern technology for scientific exploitation of our marine resources in an eco-friendly manner and boost marine sector exports, it is proposed to allow import of monofilament long line system for tuna fishing at a concessional rate of duty.
23. To enhance the role and improve the efficiency of institutional credit for value-added production, marketing and development of fishery product and marketing of value-added fishery products.
24. The emerging environment of globalization and deregulation and in the context of discontinuation of subsidized and target group oriented credit programmes, agricultural and rural banks were looking for orientation and for new investment opportunities. In this context, regular contacts and meetings between banks and organizations and agencies involved in fisheries development would be of great help.
25. To develop additional fishing harbours/fish landing centres, expand the existing fishing harbours/fish landing centres to relieve congestion and to accommodate increased requirements; Upgrade the existing fishing harbours/fish landing centres to improve hygienic conditions.

Constraints in the identifying and promoting new local and international markets for the products like any other industry, the trade of fishery

product is also facing very tight competition in the international market. The future of an entire social group dependant on marine/fishery for their livelihood is determined by choice made by a large number of consumers, business houses and government officials. This is an issue that must be brought to the top of the trade agenda.

#### **5.4 Policy Implication**

One of the major threats faced by the marine products industry is the declining growth in productions as well as exports. The implications of globalisation for a national economy are many. Globalisation has intensified interdependence and competition between economies in the world market. This is reflected in Interdependence in regard to trading in goods and services and in movement of capital. As a result domestic economic developments are not determined entirely by domestic policies and market conditions. Rather, they are influenced by both domestic and international policies and economic conditions. It is thus clear that a globalising economy, while formulating and evaluating its domestic policy cannot afford to ignore the possible actions and reactions of policies and developments in the rest of the world. This constrained the policy option available to the government which implies loss of policy autonomy to some extent, in decision-making at the national level.

The policy implications emerging out of the study are outlined below in brief.

1. In each country, the making of trade policy should be brought into the open. The costs and benefits of trade policy actions, existing and prospective, should be analyzed through a "protection balance sheet".

Private and public companies should be required to reveal in their financial statements any subsidies received. Public support for open trade policies should be fostered.

2. Rules on subsidies need to be revised, clarified and made more effective. When subsidies are permitted they should be granted only after full and detailed scrutiny.
3. The GATT "codes" governing non-tariff distortions of trade should be improved and vigorously applied to make trade more open and fair.
4. The rules permitting customs unions and free-trade areas have been distorted and abused. To prevent further erosion of the multilateral trading system, they need to be clarified and tightened up.
5. At the international level, trade policy and the functioning of the trading system should be made more open. Countries should be subject to regular oversight or surveillance of their policies and actions, about which the WTO secretariat should collect and publish information.
6. Government should be ready to examine ways and means of expanding trade in services, and to explore whether multilateral rules can appropriately be devised for the marine fisheries sector.
7. We support the launching of a new round of WTO negotiations, provided they are directed toward the primary goal of strengthening the multilateral trading system and further opening world markets.

8. To ensure continuous high-level attention to problems in international trade policy, and to encourage prompt negotiation of solutions to them, a permanent Ministerial-level body should be established in World Trade Organisation.
9. The health and even the maintenance of the trading system, and the stability of the financial system, are linked to a satisfactory resolution of the world debt problem, adequate flows of development finance, better international coordination of macroeconomic policies, and greater consistency between trade and financial policies.
10. In support of improved and strengthened rules, GATT's dispute settlement procedures should be reinforced by building up a permanent roster of non-governmental experts to examine disputes, and by improving the implementation of panel recommendations.

India must have a strategy for negotiating and arriving at just and fair food standards for its strategically important marine food products. Hence, policy prescriptions for India are two-fold. One for the domestic reforms and other for strategic re-negotiation of SPS and TBT clauses. Let's consider these policy prescriptions. Modify and analysis for fisheries policy in the global trend. So, need for policy research in marine fisheries sectors in Tamil Nadu – India. Indian Government laid down its industrial policy, provided infrastructural facilities and incentives to marine products exporters.

The Marine fishery sector has been playing an important role in international trade. It has assumed greater significance in the context of the

World Trade Organisation (WTO). Effective policies are strategies for the amelioration of the trade constraints in marine products and efficient utilization of the country's resources are essential for boosting the exports in future. At this juncture, there is a critical need for reforms in marine fishery sector.

### **5.6 Scope of Future Research**

In the light of studying the marine products exports trade constraints, some issues have cropped up at different stages, which the present study could not attempt and hence offer these along with new areas for future research consideration. The future studies also follow the above scale based on its merit, will surely fill the gap of common measurement scale.

This study examined only trade constraints of marine products exports field. However, some other factors which also influence the exports of marine products should also be considered in the future research.

### **5.7 Conclusion**

More effective to give a much needed boost to the marine fish processing sector. The consumption of marine products in the domestic market and there was a good demand for Indian marine products, such as shrimp, in the markets abroad. But proper preservation and packaging were of the utmost importance to reduce handling losses and get the best value for exports. Therefore, marine products exporters should focus on packaging. Proper packaging of marine products is vital to boost exports, both in quantity terms and also for better unit value realization.

Global competitiveness is the way forward. It may be defined as the ability to produce globally acceptable quality at globally comparable cost.

Along with attaining global competitiveness, diversification of products and markets is the key to future growth. Use of special ingredients for marine product processing will enable us to achieve a higher value addition and enter new export markets.

Global consumption of fish and fish products continues to expand. Demand for high value fish products has increased significantly. The globalisation of the fish processing industry has provided new opportunities for developing countries, making them by far the largest producers of fish and fish products, accounting for more than half of world trade in this sector.