

International Journal of Agriculture Extension and Social Development

Volume 7; Issue 12; December 2024; Page No. 532-536

Received: 02-10-2024
Accepted: 07-11-2024

Indexed Journal
Peer Reviewed Journal

Export performance of fish (Fresh or chilled) from Sri Lanka

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DOI: <https://doi.org/10.33545/26180723.2024.v7.i12h.1468>

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Abstract

The study attempted to investigate the Export Performance of Fish (Fresh or Chilled) from Sri Lanka. The study utilized secondary data from various sources, including export performance reports of the Export Development Board; Ministry of Fisheries, Aquatic and Ocean Resources; and TRADEMAP. The two parameters relative market share and market growth rate were used to classify the export market. It was found that the major importers of Sri Lanka's fish (fresh or chilled) are France, Israel, the United States of America, Italy, Canada, Germany, and Belgium. France was the leading importer in 2021; approximately 28% of the fish exports went to France. Over the last three years, from 2019-21 the growth rate of market share increased in increasing rates for Denmark, Poland, Portugal, and Belgium. To ensure a competitive advantage in the world market, Sri Lanka should emphasize reducing post-harvest loss and improving quality standards. To improve the quality and marketability of its fish exports, a country should foster engagement with regional and global events. Policymakers should focus on fishery policies aligned with export market dynamics. These actions can improve branding, expand markets, and increase Sri Lanka's fish export competitiveness internationally.

Keywords: Export performance, fish, Sri Lanka, market growth rate, relative market share

1. Introduction

A major industry with a distinct culture, the fishing industry in Sri Lanka employs 2% of the nation's workforce (Ministry of Fisheries, Sri Lanka). It contributes to the country's GDP, food security, employment opportunities, and foreign exchange earnings. In 2022, the fisheries industry contributed 1.1% to the GDP at current market prices. In 2022, total annual fish production was 3,97,230 Mt of which the Marine sector contributed 2,80,610 Mt, and the Inland and Aquaculture sector contributed 1,16,620 Mt (Ministry of Fisheries, Sri Lanka). Sri Lankans obtain about 50% of their animal protein from fish, which is three times the global average, and the annual per capita fish consumption in 2019 was approximately 16.6 kg. Around 65 percent of the total quantity of fish needed for national consumption in 2022 came from local fish production (Ministry of Fisheries, Sri Lanka). Sri Lanka has a large number of fisheries harbors, anchorages, and landing sites for marine fishing along its 1,620 km coastline and in its 517,000 sq. km in the Indian Ocean.

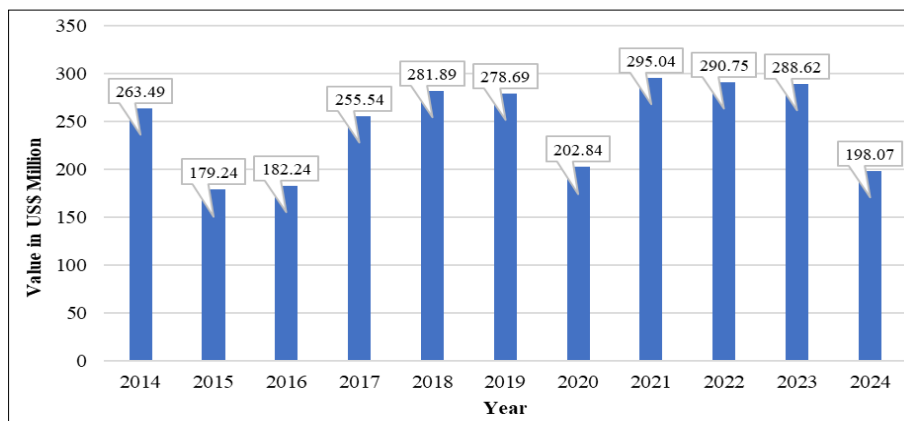
The primary product categories include Tuna, Swordfish, Prawns and Shrimps, Mud and Blue Swimming Crabs, Lobsters, Sea Cucumber, Barramundi fish, and other species. In 2022, annual export earnings from the fish sector were 97,243 million. Annual import expenditure in fish import was 21,664 million in 2022 (Ministry of Fisheries, Sri Lanka). Fisheries exports have increased tremendously after the complete lifting of the ban imposed on fisheries exports from Sri Lanka. Sri Lanka exports a variety of fish

to the rest of the world in various forms such as live fish, fresh or chilled, frozen fish, fish fillets, dry, salted & smoked fish, etc. Sri Lanka is very popular in the world market for bluefin tuna and yellowfin tuna fish. In recognition of its reputation for manufacturing and exporting high-quality bluefin tuna while maintaining its natural freshness, Sri Lankan bluefin tuna is a popular ingredient in sushi. Similar to yellowfin tuna, bluefin tuna is likewise a nutritious powerhouse.

Overall, Sri Lanka's fish are preferred by the world due to eco-friendly and non-harmful techniques and machinery of fish harvesting and processing endorsed by modern technology and traditional know-how, tropical island provides a favorable climate and excellent quality. The fish sector in Sri Lanka complies with the rules set forth by importing nations as well as HACCP, BRP, Friend of Sea, and other environmentally friendly standards for food security.

In the dynamic global market, there is a great rivalry among significant competitor countries. This challenge to establish and maintain the country's fish in the international market effectively and efficiently forces it to make potential strategic marketing decisions. The study aims to analyze the fishery export market of Sri Lanka, assess market share and growth, and evaluate the export performance of the fishery sector, to gain insights into the key markets, identify growth opportunities, and inform strategic decision-making in the fishery industry.

Export Performance – Total Fish and Fisheries Products – 2014 – 2024 / October



Source: Export Development Board, 2024

Fig 1: Export Performance – Total Fish and Fisheries Products – 2014 – 2024 / October

The information provided shows the trend of Sri Lanka's fish and seafood exports over the years, with some notable fluctuations due to various reasons.

According to Figure 1, Sri Lanka's fish and fisheries product exports decreased from 2014 to 2015, with the value of exports decreasing from 263.49 million US dollars in 2014 to 179.24 million US dollars in 2015. In January 2015, the European Union imposed a ban on Sri Lanka's Fish exports to European countries, which were a significant market for Sri Lanka's fish and seafood exports. As a result, the export value fell sharply in 2015, reaching 179.24 million US dollars.

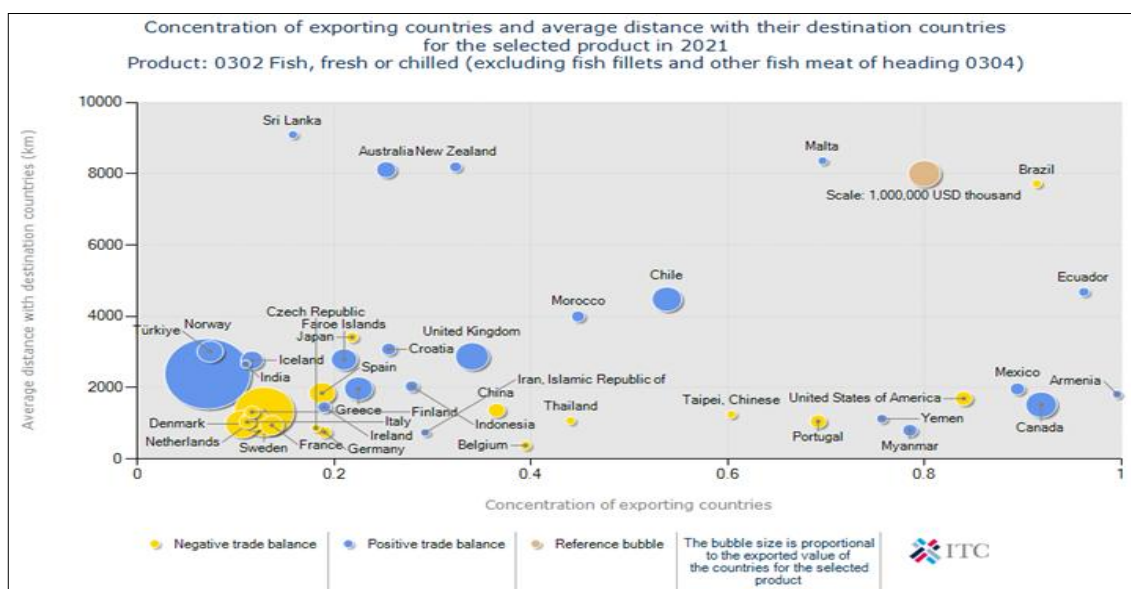
The lifting of the ban on Sri Lankan fish exports to the European Union in 2016 and the restoration of the GSP+ concession in 2017 gave a significant boost to the fish and seafood export industry in post-war Sri Lanka. The export value in 2016 was 182.24 million US dollars, which increased substantially in 2017 and 2018 to reach 255.54

and 281.89 million US dollars, respectively.

However, the COVID-19 pandemic had a significant impact on Sri Lanka's fish and seafood export performance, with a decline in 2020, reaching 202.84 US million dollars from 278.69 US million dollars in 2019. However, the industry seems to have revived in 2021, with the export value reaching 295.04 US million dollars, and a slight decline was observed in 2022, with the export value reaching 290.75 US million dollars.

As of 2023, the export value of fish and seafood from Sri Lanka was 288.62 million US dollars and in 2024 / October it is estimated 198.07 million US dollars. Overall, Sri Lanka's fish and seafood export industry has seen fluctuations over the years, impacted by various factors such as market access restrictions, pandemics, and economic conditions. However, the industry has shown resilience and has been able to recover from setbacks in the past.

The concentration of exporting countries and average distance with their destination for the fish, fresh or chilled (excluding fish fillets and other fish meal of heading) in 2021



Source: TRADEMAP, 2021

Fig 2: The concentration of exporting countries and average distance with their destination for the fish, fresh or chilled (excluding fish fillets and other fish meal of heading) in 2021

Figure 2. shows the trade balance of the fish, fresh or chilled excluding fish fillets and other fish meat of heading. The color of the bubble expresses the sign of the trade balance where blue expresses a positive trade balance, while yellow expresses a negative trade balance.

The size of the bubble is proportional to the exported value of the countries for fresh or chilled fish. According to the trade balance, Norway is ranked first, followed by the United Kingdom, Canada, Chile, Greece, Faroe Island, Iceland, Australia, Croatia, Mexico, Myanmar, Ireland,

Morocco, Indonesia, New Zealand, Ecuador, Yemen, Malta, Armenia, Iran, Sri Lanka, and India.

The following Table 1 shows the export value of fresh or chilled fish and their percentage of the total fresh or chilled fish exports to the importing countries in 2021. Sri Lanka's primary importer of fresh or chilled fish is France, which accounted for 28.26% followed by Israel (17.70%), the United States of America (15.95%), Italy (8.68%), Canada (6.63%), Germany (6.59%) and Belgium (4.79%).

Table 1: Value of exported fresh or chilled fish (excluding fish fillets and other fish meal of heading) by destination in 2021

Country	The export value in 2021 (US Dollar thousand)	Percentage of exports in 2021 (%)
France	48775	28.26
Israel	13784	17.70
United States of America	8631	15.95
Italy	7779	8.68
Canada	4234	6.63
Germany	3234	6.59
Belgium	3212	4.79
Spain	2334	3.46
United Kingdom	1688	2.80
Switzerland	1364	2.08
Russian Federation	1016	1.12
Netherlands	546	0.74
United Arab Emirates	363	0.33
Portugal	163	0.17
Poland	85	0.14
Japan	66	0.12
Maldives	57	0.10
Qatar	50	0.08
Cambodia	39	0.08
Denmark	38	0.05
Austria	24	0.05
Ukraine	23	0.03
Australia	15	0.02
Eswatini	11	0.02
Bulgaria	9	0.01
Ireland	4	0.01

Source: TRADEMAP, 2021

2. Materials and Methods

The study utilized secondary data, collected from various sources, including annual reports of the Central Bank of Sri Lanka, export performance reports of the Export Development Board, and TRADEMAP. The data were tabulated and presented as graphs to identify market share and growth. The two parameters relative market share and market growth rate were used to classify the export market. These formulas were used to calculate the rate of market growth.

$$G = \frac{P1 - P0}{P0}$$

Where P1 is the value of fish exported in a particular year (Year 1) in million US dollars and, P0 is the value of fish exported in the previous year (Year 0) in million US dollars. G is a percentage that shows the market growth rate between particular years. The average rate of market growth for two years, AG can be measured as follows.

$$G = 1/2 \left(\frac{P1 - P0}{P0} + \frac{P2 - P1}{P1} \right)$$

The following formula was used to determine the relative market share of a specific destination.

$$MS = \frac{VD}{VL}$$

Where MS is the relative market share, VD is the value of fish exported to a given destination at a given period, and VL is the value of exported fish by the market leader in the same period.

3. Results and Discussion

3.1 Market Growth Rate

Even though the export market share is high, it does not necessarily have a positive growth rate. Figure 2 depicts the average growth rate of the market share of significant importers of fresh or chilled fish over the last three years from 2019-2021. Countries such as Denmark, Poland, Portugal, Belgium, Maldives, France, Australia, Germany, Ukraine, Switzerland, Israel, Italy, United Kingdom showed a positive growth rate. On the other hand, exports to Saudi

Arabia, Jordan, China, Thailand, Eswatini, Singapore, the United States of America, Japan, Netherlands, Canada, Hong Kong, the Russian Federation, Spain, the United Arab

Emirates, Qatar, and New Zealand displayed a negative growth rate.

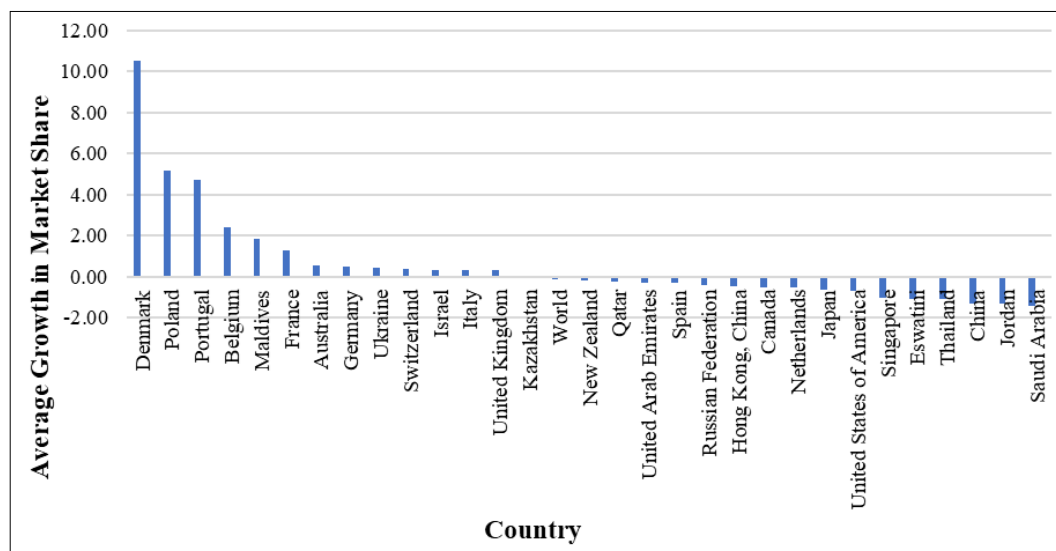


Fig 2: The average growth rate of the market share of fresh or chilled fish against its importing countries

3.2 Relative Market Share

In general, exports of fresh or chilled fish from Sri Lanka account for 0.2% of world exports of fresh or chilled fish. Sri Lanka's ranking in world exports is 39 for fresh or chilled fish (2021). It has been identified that France, Israel, the United States of America, and Italy are the key markets for fresh or chilled fish (Table 2). Relative market share is very low for the countries, namely Portugal, UAE, and Netherlands.

Table 2: Relative Market Share of fresh or chilled fish against its importing countries

Country	Relative Market Share
France	1.60
Israel	0.63
United States of America	0.56
Italy	0.31
Canada	0.23
Germany	0.23
Belgium	0.17
Spain	0.12
United Kingdom	0.10
Switzerland	0.07
Russian Federation	0.04
Netherlands	0.03
United Arab Emirates	0.01
Portugal	0.01

4. Conclusions

According to the recorded data by TRADEMAP, the major importers of Sri Lanka's fish (fresh or chilled) are France, Israel, the United States of America, Italy, Canada, Germany, and Belgium. France was the leading importer in 2021; approximately 28% of the fish exports went to France. Over the last three years, from 2019-21 the growth rate of market share increased in increasing rates for Denmark, Poland, Portugal, Belgium, Maldives, France, Australia, Germany, Ukraine, Switzerland, Israel, Italy,

United Kingdom. It has been identified that France, Israel, the United States of America, and Italy occupied a high relative market share for fresh or chilled fish in 2021. To ensure a competitive advantage in the world market, Sri Lanka should emphasize reducing post-harvest loss and improving quality standards. To improve the quality and marketability of its fish exports, a country should foster engagement with regional and global events. Policymakers should focus on fishery policies aligned with export market dynamics. These actions can improve branding, expand markets, and increase Sri Lanka's fish export competitiveness internationally.

5. Acknowledgement

The authors are grateful for the support of the Sabaragamuwa University of Sri Lanka, Belihuloya 70140, Sri Lanka, and the Centre for Agricultural Market Intelligence, NAHEP-CAAST, Anand, for providing technical and financial assistance.

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