

Some Salient Features Of Fruit & Vegetable Imports Into Maldives In Recent Years With Special Reference To Sri Lanka.

Introduction

The Maldives which consists of 1190 islands scattered over an area of 90000 sq.km. is located in the Indian Ocean. However, out of this area of 90000 sq.km, the total land area available is limited to 1 % of the total area and the rest is the ocean.

The Maldives can be categorized as country with a limited land space and natural resources. The economy of Maldives depends mainly on tourism and fisheries sectors. Due to limitations of natural resources, the industrial development in Maldives has been confined to a few industrial sectors such as fisheries, boat building, garments and handicrafts. Further, the developments in the agricultural sector has also been limited due to lack of land space, unfavourable soil conditions and the high cost of transport of agricultural produces from one island to the other in fresh form.

The tourist industry has been very well developed in Maldives and the tourist arrivals for a year has been almost double the total population in the Maldives. The annual growth of tourist arrivals in number has been much higher than the annual population growth in number. The growth in population and the tourist arrivals will increase the demand in the future for almost all products from consumer items, boats to building materials etc. However, due to limitations in the production and manufacturing sectors, most of the above items have been imported into the country to meet the demand.

When we consider the total imports into Maldives for a year during the last few years, it is interesting to note that it has been four to five times of the total exports. However, Maldives has achieved a higher export growth rate in 2002 over 2001 and this has resulted in the imports to exports ratio of 5:1 recorded in 2001 has been narrow down to 4:1 in 2002.

In this report an attempt has been made to highlight the salient features of fruit and vegetable imports into Maldives with special reference to Sri Lanka. It should be noted that the fruits and vegetables considered and analyzed in this report has been mainly the produce that have been imported from Sri Lanka in significant volumes and values. Further the imports from Sri Lanka have been compared with its main competitors, such as India, the United Arab Emirates and Australia. It should also be noted that only the total value of imports of fruits and vegetables have been considered for the analysis and the percentages have been calculated based on the value of the imports.

Total Imports

The value of total imports into Maldives, total imports from Sri Lanka and Sri Lanka's percentage share of total imports into Maldives from 2000 – 2002 are given in the following table:

IMPORT STATISTICS OF MALDIVES 2000 – 2002 - TOTAL

YEAR	Total Imports CIF Value in US\$ (Mn)	Growth Rate	Total Imports from Sri Lanka CIF Value in US\$ (Mn)	Growth Rate	Sri Lanka's % Share of Total Imports
2000	388.6	-3.37	52.6	22.6	13.5
2001	387.3	-0.33	50.6	-3.8	13.1
2002	391.7	1.13	59.5	17.6	15.2

Source – Statistical Year Book of Maldives 2003

It is evident from the above table that the increase in total CIF value of imports in US\$ terms from 2000 – 2001 has been marginal. There has been a slight decrease in value of total import from 2000 – 2001. However, in 2002 the total value has increased by 1% over 2001 figure.

The total import from Sri Lanka in 2000 has been US\$ Mn 52.6. This has been an increase of 22.6% over the previous year and has accounted for 13.5% of total imports into Maldives. However, in 2001 the total imports from Sri Lanka has decreased marginally to US\$ Mn 50.6, which has shown a drop of 3.8% over the previous year. The percentage share of total imports from Sri Lanka has also dropped marginally from 13.5% to 13.1%. The 2002 has been a good year for Sri Lankan exporters. In that year the total imports from Sri Lanka has accounted for US\$ Mn 59.5, which has shown a growth of 17.6% over the previous year and has accounted for 15.2% share of total imports. Sri Lanka is one of the major exporting countries to Maldives and second only to Singapore, which had a market share of 25.8% in 2002.

Vegetables Imports

The CIF value of all vegetables imported into Maldives has been US\$ Mn 10.3 in 2002. There has been a slight decrease of 2.8% in value over the 2001 figure. The vegetable imports as a percentage share of total imports has been 2.6% in 2002 compared to 2.7% in 2001 as given in the following table:

IMPORT STATISTICS OF MALDIVES 2000 – 2002 - VEGETABLES

YEAR	Total vegetable Imports CIF Value in US\$ (Mn)	Growth Rate	Vegetables Imports as a % Share of Total Imports	Vegetable Imports from Sri Lanka CIF Value in US\$ (Mn)*	Growth Rate	Sri Lanka's % Share of Vegetable Imports	Growth rate of Vegetable Imports from Sri Lanka
2000	10.8	N/A	2.8	2.42	0.3	22.4	N/A
2001	10.6	-1.85	2.7	2.30	-4.8	21.7	-3.1
2002	10.3	-2.80	2.6	1.93	-16.0	18.7	-13.82

Source – Statistical Year Book of Maldives 2003

* Data obtained from Export performance indicators 1993 - 2002 - EDB Publication.

P.S Data (Total imports from Sri Lanka) obtained from Statistical Year Book of Maldives - 2003 are slightly different from the data in Export performance indicators 1993 - 2002 - EDB Publication.

Since the statistical data are from 2 different sources the Sri Lanka's % share of Fruits & Vegetables imports may not be 100% accurate.

According to the statistics obtained from the EDB publication of Export Performance Indicators 1993 – 2002 the total vegetable imports from Sri Lanka has been US\$ Mn 1.93 in 2002 and there has been a significant drop in value over 2001 figure which has recorded US\$ Mn 2.30. As a percentage there has been a 16% drop in value in 2002 over 2001. Sri Lanka had a 18.7% share of total vegetables imported into Maldives in 2002. However, this has shown a significant drop over 2001 in which Sri Lanka has recorded 21.7%.

When we analyse further, the reasons for the drop in imports of vegetables from Sri Lanka in 2002 over 2001, the following could be assumed:

- a) When we consider the eight major types of vegetables (Tomato, Onion, Lettuce , Potato, Chilli (fresh), Cabbage, Carrot and Cucumber) imported into Maldives from Sri Lanka, Sri Lanka's Chilli (fresh) and Carrot have lost a major portion of its share to India and Australia respectively in 2002 over 2001. In the case of Chilli Sri Lanka had a share of 35% in 2001 and it has been reduced to 18% in 2002. On the other hand India has increased its share from 64% in 2001 to 80% in 2002. Further, the average Sri Lankan price per kg of Chilli (fresh) has been less than that of average Indian price. (please refer annex 1 for details.)

In the case of Carrot Sri Lanka had a share of 29% in 2001 and it has been reduced to 17% in 2002. On the other hand, Australia has increased its share from 48% to 68%. . It could be assumed that the main reason for the drop in Sri Lanka's share has been the price factor. The average price per kg of Carrot imported from Australia has been half the average price offered by Sri Lanka. Further, the quality of Carrot imported from Australia is superior to the produce from Sri Lanka. They are almost uniform in size and shape and packed in polythene bags in one kg packs. This factor has also contributed to the decrease in Sri Lanka's share.

- b) In addition to reduction in imports of Chilli (fresh) and Carrot the Maldives have commenced cultivating some vegetables in the islands for their consumptions and for the use in the resorts. Tomato, Chilli, and Drumsticks are some of the vegetables cultivated in the islands and this has also resulted in reduction of imports from Sri Lanka to a certain extent.

In addition to above, it is also evident that out of the eight major type of the vegetables imported into Maldives, Sri Lanka has not achieved a significant percentage share of exports of Onion, Lettuce and Potato. (please refer annex 1 for details). Further, since Sri Lanka is also depend on import of Onion and Potato, the figures reflected in annex 1 could be assumed as re-exports.

Asparagus, Artichoke heart (canned), Olives (preserved) Peas (fresh) are some of the other types of the vegetables which have not been considered in this report, but imported into Maldives in significant quantities. The total value of imports of above four types of vegetables in 2001 and 2002 have accounted for US\$ 272,000 and US\$ 264,000 respectively.

Fruits Imports

The import statistics of Maldives for fruits and nuts from 2000 – 2002 are given in the table below:

IMPORT STATISTICS OF MALDIVES 2000 – 2002 – FRUITS & NUTS

YEAR	Total Fruits & Nuts Imports CIF Value in US\$ (Mn)	Growth Rate	Fruits & Nuts Imports as a % Share of Total Imports	Fruits Imports from Sri Lanka CIF Value in US\$ (Mn)*	Growth Rate	Sri Lanka's % Share of Fruits Imports	Growth rate of Fruits Imports from Sri Lanka
2000	8.6	N/A	2.2	1.09	10.1	12.7	N/A
2001	8.0	-7.0	2.1	1.06	-2.75	13.2	3.9
2002	8.1	1.25	2.1	1.05	-0.94	12.9	-2.2

Source – Statistical Year Book of Maldives 2003

* Data obtained from Export performance indicators 1993 - 2002 - EDB Publication.

P.S Data (Total imports from Sri Lanka) obtained from Statistical Year Book of Maldives - 2003 are slightly different from the data in Export performance indicators 1993 - 2002 - EDB Publication.

Since the statistical data are from 2 different sources the Sri Lanka's % share of Fruits & Vegetables imports may not be 100% accurate.

The CIF value of all fruits and nuts imported into Maldives has been US\$ Mn 8.0 in 2001 and US\$ Mn 8.1 in 2002. The growth rate in 2002 over 2001 has been marginal. The value of Fruits imported from Sri Lanka has been US\$ Mn 1.06 in 2001 and US\$ Mn 1.05 in 2002. There has been a marginal decrease in value in 2002 over 2001. Sri Lanka's percentage share of fruit imports has been 13.2% in 2001 and 12.9% in 2002. This has also shown a slight drop in Sri Lanka's percentage share of fruit imports in 2002 over 2001.

Pineapple, Melon, (excluding watermelon) Lime, Mango, Watermelon (fresh) and Banana are the six major type of fruits imported into Maldives from Sri Lanka. When we consider the above six major types of fruits imported into Maldives, Sri Lanka had lost its percentage share in five types and gained only in Pineapple in 2002 over 2001. (please refer annex 2 for details.) Sri Lanka has a market share of around 90% for Pineapple, Papaw and Passion fruits.

Sri Lanka has lost major portion of the share of Watermelon (fresh) from 44% in 2001 to 29% in 2002. On the other hand India has gained from 30% in 2001 to 51% in 2002. The price factor may be the reason for the loss in percentage share since the average Sri Lankan price per kg of Watermelon has been more than three times the average Indian price per kg.

As in the case of vegetables, Maldives has also commenced cultivation of fruits specially Papaw, Banana and Watermelon in the islands. The retail selling price of papaw grown in the islands are very much less than that of papaw imported from Sri Lanka. However, this has not affected the imports very much since the drop in import value of Papaw and Banana has marginal, compared to the drop in import value of Watermelon (fresh) which has been higher than that of Papaw and Banana.

Apple and Orange are the two major type of fruits imported into Maldives. Since Sri Lanka is not a producer and exporter of above fruits, Sri Lanka's percentage share of fruits imported into Maldives has affected to a certain extent. Apple, Orange, Grapes (fresh), Grapefruit, Date, Pear, and Mandarin are some of the other types of the fruits, which have not been considered in this study, but imported into Maldives in significant quantities. The total value of imports of above seven types of fruits in 2001 and 2002 have accounted for US\$ 1,872,000 and US\$ 2,050,000 respectively.

Conclusion

It is evident from the study that the price factor has not been the only criteria, which decides the import share of fruits and vegetables in Maldives. For example, Sri Lanka's average price per kg of Melon (excluding Watermelon) has been less than that of Australia and the UAE. However, Australia and the UAE have a higher import share for Melon (excluding Watermelon) in Maldives. On the other hand the average price per kg of Sri Lanka's Mango has been higher than that of India. However, Sri Lanka has a higher import share than India. It should also be noted that in the case of Mango, different varieties have been imported into Maldives and it is difficult to arrive at a conclusion based on the average price. Further, the average price per kg of tomato offered by Sri Lanka has been more than double the average price offered by India. However, Sri Lanka has more than double the percentage share of India.

In the case of Melon (excluding Watermelon) Sri Lanka has a price advantage over Australia and the UAE. Therefore, it could be assumed that with regular supply of Melon Sri Lanka should be able to increase the percentage share of imports. Further, the average price per kg of Strawberry offered by Sri Lanka in 2002 has been very much less than that of Australia. Although the annual import value of Strawberry has not been very significant Sri Lanka could increase its percentage share provided if there is a regular supply. It should be noted that the quality of the fruit is also play a vital role in marketing since Sri Lanka has to compete with Australia.

From the above analysis it could be assumed that the percentage share of imports of fruits and vegetables into Maldives depends on the price, quality and the country of origin.