



INDUSTRY CAPABILITY REPORT



SRI LANKAN FISHERIES SECTOR

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1. INTRODUCTION

Sri Lanka has a well-established fishery industry. The total production of sea food in Sri Lanka was around 400,000 metric tons in 2010 and 5 % of this produce was exported in the same year equating to 171 million USD in the same year. There are around 14 deep sea fishing harbours in Sri Lanka. The sector has shown a growth rate of 5% in the last 5 years and the key buyers remain as UK, France, Italy, Japan, Netherlands and USA.

The main product categories are Tuna, Sword tail, Marlin and other fish species exported in fresh, frozen filleted form. With rapid advancements in increased shipping fleet capacity and the culturing of new species inland, the stage is set for significant expansion of the sector in years to come.

2. TYPES OF PLAYERS

The majority of exporters are operating in large scale by networking with cooperative societies and also through backward integration in collecting fish through their own boats and infrastructure.

3. KEY PRODUCTS AND VARIETIES

HS No.	Definition	Main Products
0303	Fish frozen	Tuna, Sword fish, Marlin
030613 030623	Crustaceans	Fresh, chilled and frozen prawns
0302	Fish, fresh, chilled	Tuna, Sword fish, Marlin
0307	Fisheries products	Beche-de-mer, Cuttle Fish, Molluscscs
030614 030624	Crustaceans	Fresh, live, chilled and frozen crabs
030612 030621	Crustaceans	Fresh, live chilled and frozen lobsters
0305	Preserved fish	Maldivie fish, sprats, shark fins, fish maws

4. SEASONAL VARIATION

Round the year availability.

5. SPECIALTIES ASSOCIATED WITH PRODUCTS

Sri Lankan Tuna, shrimps and crabs have quality of unique taste and the texture

6. GEOGRAPHICAL DISTRIBUTION ACROSS THE COUNTRY

- Most of the sea food processing plants are situated in the Western Province in the Gampaha and Colombo districts.

There are also a few associations which support the sea food sector by addressing the sector related issues through coordination with the Government institutions. These associations are listed as follows

- Sea Food Exporters Association
- Aquaculture Development Alliance
- Prawn Farmers Association
- Consortium for the development of Aquaculture
- Fisheries cooperative societies around the country

7. NUMBER OF EXPORTERS

There are more than 75 medium and large scale companies engaged in exporting seas foods but only 32 companies have EU Approved processing plants.

8. KEY PLAYERS

Name & address of the exporting company	Products
1. Global Sea Foods (Pvt) Ltd., Perakolawatta, Badalgama. Tel: 0094-31-2269590 Fax: 0094-31-2269591 E.mail:prabash@amaseuro.com Web:www.amaseuro.com	Fresh fish & Frozen fish
2. Jay Sea Foods Processing (Pvt) Ltd., No. 1395/6 Church Road, Kepungoda,	Fresh fish, Frozen fish, Fresh cuttle fish & Squid

Pamunugama. Tel: 0094- 11- 4925146/8 Fax: 0094-01-2580508 E.mail: jsfp@dimond.lanka.net	
3. CEYLON FRESH SEAFOOD PVT LTD No.71,Kudahakapola Road, Thudella,Ja Ela,	
4. Apollo Marine International (Pvt) Ltd. Block 9C, Export Processing Zone, Wathupitiwala, Nittambuwa. Tel: 0094-033-2282290/91 Fax:0094-033-2281784 E.mail: david@apollo-marine.com	Fresh fish
5. Tropic Frozen Foods Ltd. No.16/1, Tammita Road, Negombo Tel: 0094- 31-2222959/2237100 Fax: 0094- 31-2233348 E-mail: roshan_f@slt.lk	Fresh fish

9. NUMBER OF PEOPLE EMPLOYED IN THE SECTOR

There is close to 2.4 Million direct and indirect employments being generated in this sector. The key stakeholders are fisherman, breeders, processors, logistics, cold chain, packing and other service suppliers.

10. GOVERNMENT POLICY AND SUPPORT AVAILABLE IN THE SECTOR

Under the fisheries sector development strategy, a modern and technically improved Vessel Monitoring System (VMS) will be established in order to curtail IUU fishing; this will be able to prevent national fishing vessels from drifting to other countries' territorial waters.

Sri Lankan fisheries is managed by two core legislative instruments

- Fisheries and Aquatic Resources Act 1996 No. 2; and
- Fisheries (Regulations for Foreign Fishing Boats) Act No. 59 of 1979 and several regulations to assist in the implementation of these acts.

The other legislations impact on fisheries management in the areas of:

- endangered species (CITES);
- export and trade;
- biodiversity;
- marine park/sanctuary legislation especially the lagoon areas and the use of Special Area Management areas through the CCD;
- fisheries port management (Ceylon Fisheries Harbour Corporation - CFHC); and
- Coastal legislation under CCD and Fisheries.

11. R&D AND PRODUCT DEVELOPMENT FACILITIES AVAILABLE

There are some organizations dedicated for the development of Fisheries industry in Sri Lanka as follows.

- National Aquatic Resources Research and Development Agency (NARA) for research and Development
- National Aquaculture Development Authority (NAQDA) for development and management of all freshwater aquatic resources in the country. It also promotes development of aquaculture and sea farming.
- Ceylon Fisheries Cooperation (maintenance of cold storage facilities and production and sale of fishery by-products)
- Ceylon Fisheries Harbors' cooperation (and maintain fisheries infrastructure facilities such as proper landing facilities through construction, maintenance and management of harbors and anchorages.
- Dept of Fisheries (Management, regulation, conservation and development of fisheries and aquatic resources
- Cey-Nor Foundation Limited- Building, manufacturing and selling of fishing crafts, engines, & gear and the operation of workshops for repairing of fishing crafts

12. INFRASTRUCTURE AVAILABLE FOR THE SECTOR

There are 26 600 fishing boats in the sector including:

- 15 022 small traditional craft (48 percent motorized) used in the lagoons and coastal areas;
- 8 334 fibreglass speedboats with kerosene outboard motors (18-24 ft and 25-40hp motors);
- 1 550 (21-24 ft) day boats; and
- 1 700 larger multi-day boats (32-52 ft), some of which venture as far afield

In addition to

- Availability of 32 numbers EU approved processing plants
- Cold chain facilities
- Well equipped harbor facilities
- Well developed roads and highways to transport fish from harbor to processing plants and then to the air port (shorter supply chain) within a short period
- Used of e business facilities
- 1700 deep sea fishing fleets

In addition to lack of technology for post harvest processing and lack of investment on deep sea fishing are the required areas to look into.

13. AVAILABILITY OF TECHNOLOGY AND SKILLED LABOUR

- Ministry of Fisheries is establishing Vessel Monitoring System (VMS) to avoid IUU fishing
- Strengthening of Cey-Nor foundation to supply of fishing vessels and gear at reasonable cost
- Introduction of Long line fishing technology to produce good quality tuna to the export market
- Established university for fisheries sector such as Nifne

14. TOTAL EXPORTS OF PRODUCTS IN SELECTED CATEGORIES

Sri Lanka is ranked amongst the first 50 countries in the world exports with total share 0.2% in the world export market.

The main product categories are fresh fish, frozen fish and fish fillets of Tuna, Sword tail, Marlin and other fish species.

15. POTENTIAL FOR EXPANSION IN THE SECTOR

- After the 30 years war is over , liberalizing the huge area of land and coast in the North and East are available for Aquaculture and sea farming of various varieties of fish and also to develop processing factories
- More concentrate on value added and convenient food production with the limited production
- Promote Organic Aquaculture production especially organic shrimps targeting high end markets.

- Production of value added freshwater fish products for export is also has the potential for expansion by using the available reservoirs for freshwater fish culture,
- Commercial culture of oysters, mussels and sea weed farming are lucrative areas to look into

16. STRENGTHS AND WEAKNESSES OF THE SECTOR

Strengths	Weaknesses
Year-round fishing and decentralized fish harbour facilities	Inadequate applications of modern technology for deep sea / offshore fishing and value addition techniques
Exclusive Economic Zone (EEZ) of 517,000 km ²	Lack of raw material for processing and value addition
Sri Lanka has a coastline of around 1,700 km and the coastal zone is of considerable socioeconomic importance. More importantly it contains a variety of coastal habitats that include estuaries and lagoons, mangroves, sea grass beds, salt marshes, coral reefs and large extents of beaches and dunes that are vital to ecological functioning and maintenance of coastal biodiversity.	Under-utilization of deep sea fisheries resources
Sri Lanka has an extensive freshwater and brackish water resource to sustain viable fishing and can be used for Aquaculture .	Growing consumer concern towards eco-friendly chemical free fishery products.
Adherence to CITES regulations to protect endangered fish species	Decline of shrimp supply for export due to sudden disease outbreaks.

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