



INDUSTRY CAPABILITY REPORT



Sri Lankan Fisheries Sector

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1. INTRODUCTION

Seafood are the most important international food commodity in the world. Seafood enters a new era of consumption and ready foods with the increasing of world the global demand for seafood protein.

Sri Lankan Seafood and aquaculture industry is a one of the major industry in Sri Lanka with its own culture and provides livelihood to a massive population in all over the country. It is a well-established sector and plays an important role generating considerable annual income. The main product categories are Tuna, Swordfish, Prawns and Shrimps, Mud and blue swimming crabs, lobsters, Sea cucumber, Baramundi fish and other species.

Sri Lanka has a well-established fishery industry. The total fish production in 2019 was 505,830,000Mt including 415,490 Mt from marine fish and 90,340 Mt from Inland and aquaculture sector. There are around 19 fishery harbours operated in Sri Lanka and 10 harbours are proposed to construct with the requirement of the country.

Fisheries sector of Sri Lanka consists of three main sub sectors namely off shore & deep-sea fishery, coastal fishery and inland fisheries & aquaculture. Sri Lankan coastal zone 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. Sri Lanka has an extensive freshwater and brackish water resource to sustain viable fishing and can be used for Aquaculture.

2. AQUACULTURE SECTOR

According to FAO, most of the fish production depends on the wild catch and few but considerable amount comes from Aquaculture. Currently it is developing as a blooming sector and concentration into one of the main drivers of the industry which includes shrimp and sea cucumber farming.

Sri Lankan government agencies are also seeking to position the country's inland fishing industries as major export earning sectors by establishing aquaculture and looking for new investments and offering from private and public sector to provide interest free loans and support them to scale up their businesses.

In line with the world market demand for pacific white shrimp (*L. vannamei*), high-yield prawn variety, which was introduced to Sri Lanka in 2018.

3. EMPLOYMENT OPPORTUNITIES

Each and every step in the Seafood and Aquaculture industry generates more and more employment opportunities while uplifting livelihood of fisheries communities' mainly in coastal area. Around 8,500,000 actively engage in the seafood and aquaculture industry 2019). There are many direct and indirect employment opportunities are being generated in this industry. The key stakeholders are fisherman, breeders, processors, logistics, cold chain, packing and other service suppliers.

Further increase of employment opportunities could be done by expansion of production chain aquaculture farming, fish catching, Juvenile supply and export processing.

4. 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	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	Maldive fish, sprats, shark fins, fish maws

5. EXPORT PERFORMANCE

USD Thousand

Description	2019		2020		2021	
	Quantity	Value	Quantity	Value	Quantity	Value
Edible Fish Products	27,262,898 Kg	262,452.66	19,214,866 Kg	189,811.69	25,494,252 Kg	274,069.67
Ornamental Fish	549,481 Kg	16,241.65	457,723 Kg	13,030.39	1,140,821 Kg	20,968.26
Live Fish	2,814 Kg	27.85	227 Kg	2.93	3,043 Kg	45.35
Total:	24,859,906	255,660	26,448,010	281,966	25,178,685	252,617

Source: Sri Lanka Customs

USD Thousand

2021	Quantity	Value
Edible Fish Products		274,069.67
France	2,588,115 Kg	32,256.12
Italy	2,149,150 Kg	29,368.94
Germany	1,585,344 Kg	24,528.80
Japan	2,124,974 Kg	21,801.12
United Kingdom	2,055,000 Kg	20,619.37
Others		129,592
Ornamental Fish		20,968.26
United States	449,333 Kg	8,093.32
United Kingdom	51,124 Kg	1,416.81
Germany	68,799 Kg	1,394.56
France	43,480 Kg	731.13
China	39,235 Kg	697.35
Others	179,802 Kg	
Live Fish		45.35
United States	1,610 Kg	17.67
United Arab Emirates	969 Kg	13.11
Indonesia	147 Kg	4.83
Netherlands	147 Kg	2.31
Israel	129 Kg	2.01
Others	398 Kg	1
Total :		295,083.28

Source: Sri Lanka Customs

6. FISH PRODUCTION AND CONTRIBUTION TO ECONOMY

Annual fish production are mainly contributed by marine sector and Inland and aquaculture sector. Total fish production of Sri Lanka in 2019 is reported as 505,830 Mt. 415,490 Mt of total production is covered by Marine Sector and 90,340 Mt is fulfilled by Inland and aquaculture sector.

Annual Fisheries Production 2019		Metric Ton
Marine sector	Coastal Waters	242,490
	Offshore/ Deep Sea Water	172,910
Inland and aquaculture sector	Inland capture fisheries	73,230
	Aquaculture Fisheries	10,710
	Shrimp Farms	6,400
Total Production		505,830

Contribution to Gross domestic Production at Current Market Prices	
Marine fishing	1.1%
Inland fishing	0.2%
Total Contribution to GDP	1.3%

Source: Department of Fisheries

Growth Rate of Fisheries Contribution to GDP (at Current Market Prices) is 9.9%

7. EXPORT DESTINATIONS

Sri Lanka is positioned among first 50 Seafood and Aquaculture fish supplying countries in the world & currently covers around 60 markets.

USD Thousand

2021		
Destinations	Quantity	Value
France	2,588,115 Kg	32,256.12
Italy	2,149,150 Kg	29,368.94
Germany	1,585,344 Kg	24,528.80
Japan	2,124,974 Kg	21,801.12
United Kingdom	2,055,000 Kg	20,619.37
United States	1,806,573 Kg	19,979.14
Netherlands	832,277 Kg	18,103.15

Source: Sri Lanka Customs

8. KEY PLAYERS

- John Sea Foods Pvt Ltd
- Lihini Sea Foods Pvt Ltd
- Global Sea Foods Pvt Ltd
- Ceylon Catch Pvt Ltd
- New Madu Nadee Interational Pvt Ltd
- Alpex Marine Pvt Ltd
- Jay Sea Foods Processing Pvt Ltd
- H & M Western Pvt Ltd
- V S Sea Food Pvt Ltd
- Blue Line Ocean Pvt Ltd

9. GOVERNMENT POLICY AND SUPPORT AVAILABLE IN THE SECTOR

Rules and regulations have been formulated and enforced by Department of Fisheries and Aquatic Resources and National Aquaculture Development Authority of Sri Lanka. These regulations are amended times to times with the requirement of the country and sector.

Year - 2019

Regulations

1. Minimum standards for the citizens of Sri Lanka engaged in fishing operations in foreign flagged fishing boats Regulations (Amendment) Gazette extraordinary No .2107/50 and dated 2019.01.25
2. The Fishing Operations Regulations of 1996 (Amendment) Gazette extraordinary No .2115/8 and dated 2019.03.18
3. Issuance of Certificates of Competence for Skippers (local fishing boats) Regulations 2019 Gazette extraordinary No. 2126/6 and dated 2019.06.03

Year - 2020

Imports and export (control) Act Gazette extraordinary No.2171/5 and dated 2020/04/16
Some regulations have been formulated by National Aquaculture Development Authority of Sri Lanka.

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
<http://www.nara.ac.lk/>
- 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.
<http://www.naqda.gov.lk/>
- Ceylon Fisheries Cooperation (maintenance of cold storage facilities and production and sale of fishery by-products)
<https://www.cfc.gov.lk/>
- Ceylon Fisheries Harbors' cooperation (delivering quality fishery (delivering quality fishery-harbour related services and providing the fishing community with modern infrastructure and facilities)
<http://www.cfhc.gov.lk/>
- Department of Fisheries (Management, regulation, conservation and development of fisheries and aquatic resources)
<https://www.fisheriesdept.gov.lk/>

10. INFRASTRUCTURE AVAILABLE FOR THE SECTOR

Current Infrastructure Facilities

- Major Fishery harbours - 22
- Anchorages - 42
- Minor fish landing centers - 883
- Ice Plants - 104
- Boat manufacturing yards - 72
- Fishing Gear Factories – 10

Source: Department of Fisheries 2019

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 airport (shorter supply chain) within a short period
- Used of e business facilities

11. TOTAL EXPORTS OF PRODUCTS IN SELECTED CATEGORIES OF THE SECTOR

Sri Lanka is ranked amongst the first 60 countries (2020 records) in the world exports with total share 0.2% in the world export market.

Exports (Value In US\$ Mn)

Code	2019		2020		2021	
	Quantity	Value	Quantity	Value	Quantity	Value
H.0303	10,795,898 Kg	86.15	7,103,829 Kg	62.62	8,542,091 Kg	86.32
H.0306	3,789,328 Kg	39.19	3,023,848 Kg	29.77	6,202,123 Kg	58.33
H.0304	4,532,895 Kg	51.76	3,859,618 Kg	40.4	4,685,848 Kg	55.05
H.0302	4,556,818 Kg	53.85	2,888,514 Kg	34.87	2,917,510 Kg	45.33
H.0307	2,587,854 Kg	12.78	1,474,531 Kg	7.62	2,163,353 Kg	11.16
H.0308	465,715 Kg	11.82	317,369 Kg	8.35	335,028 Kg	9.83
H.0305	534,390 Kg	6.9	547,157 Kg	6.17	648,299 Kg	8.05
Total		262.45		189.81		274.07

Source: Sri Lanka Customs

Main Seafood and Aquaculture product categories are Tuna, Sword fish, Shrimps, Baramundi, Sea Cucumber and crabs which have quality of unique taste and the texture. These products are exported in fresh, chilled, frozen form few in live form which are coming under HS code 0302, 0303, 0304, 0305, 0306, 0307, 0308 and some are exported in processed form under HS code 1603 and 1605.

12. POTENTIAL FOR EXPANSION IN THE SECTOR

All states around Indian Ocean needed to take a concerted action to secure existing Tuna harvest in the Indian Ocean since yellowfin tuna is overfished. Action need to be taken to minimize post-harvest losses to assure harvested product quantity and quality.

Diversify the products, develop innovative processing methods and increase value addition along the value chain are the possible area to address. There is high potential to diversify products into other high-value species such as sea bass, scampi, mud crab, sea cucumber and seaweed.

Sri Lank is currently practicing the aquaculture farming especially for L.Vannamei shrimp and crabs. These are good income sources to the industry will help to improve fishing stock status and market recognition.

With the promising developments in technology training, infrastructure development and sustainable harvesting practices, the Fishing industry in Sri Lanka is in for a better future in the years to come.

13. STRENGTHS AND WEAKNESSES OF THE SECTOR

Strengths	Weakness
<ul style="list-style-type: none"> • Year-round fishing and decentralized fish harbor facilities • Economic Zone (EEZ) of 517,000 km² • Sri Lankan coastal zone 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 • Sri Lanka has an extensive freshwater and brackish water resource to sustain viable fishing and can be used for Aquaculture. • Adherence to CITES regulations to protect endangered fish species • Adherence to the latest technology in product development, processing and packaging 	<ul style="list-style-type: none"> • Post-harvest losses - high quality fish catch Provide good quality breeding stocks to the growers. • Inadequate applications of modern technology for deep sea/ offshore fishing • Underutilization of deep sea and inland reservoirs • Lack of lab facilities and quarantine facilities • No focusing more on deep sea/off shore fishery to use the underutilized fishery resources • Use of obsolete technology

<p>techniques ensuring the superior quality, taste and texture of export product. (68 EU approved processing plants in Sri Lanka)</p> <ul style="list-style-type: none"> • Comply with the international best practices, and regulations and quality standards (IUU, IOTC Friend of Sea) 	<ul style="list-style-type: none"> • Lack of products diversification and market diversification • Lack of value-added products • Untapped water bodies for fish cultivation
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