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Executive Summary

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The purpose of this business guide is to provide Canadian firms with a snapshot of the aquaculture industry in India, and to indicate the potential opportunities for direct sales, technology licensing or formation of joint ventures in India. The guide includes numerous sources of information - directories of companies, industry associations, research institutions and government agencies, Internet web sites, and various publications - which Canadian firms can access to better define the market opportunities that suit their specific business interests and objectives, as they seek ways to enter the Indian market.

When one considers what India has to offer - expanding markets, growing infrastructure of scores of hatcheries, grow-out farms, feed producers and fish packaging centres, British-based language and laws, well educated manpower, a growing biotech sector, significant government incentives for the aquaculture industry and, both public and private sector financing - Canadian firms may find it advantageous to establish a presence in India and use it as a springboard to the burgeoning Asian, Mid-East and European markets.

The potential for aquaculture in India has been barely tapped. India has up to 4 million ha of fresh water, 1 million ha of brackish water, and about 8 million ha of inshore sea water available for aquaculture, along with a tropical climate and a tremendous diversity of fin fish, shell fish and seaweed. However, current aquaculture production, of which a majority is fresh water fin fish (i.e. carp), amounts to hardly one million tonnes/yr. Coastal aquaculture in the form of tiger shrimp farming produces 75,000 tonnes/yr, spread over only 100,000 ha.

The SEMB virus has hurt India's coastal shrimp farms, but not to the extent that it damaged South-East Asia's shrimp farms. This sector in India has been influenced much more by environmentalists raising concerns about pollution from farm effluents, and very recently by strictures placed by the Supreme Court on their operations regarding noncompliance with environmental regulations. Also, in the key states of Andhra Pradesh and Tamil Nadu, less than 50% of the hatcheries are operating, and insurance companies are reluctant to insure the coastal farms unless the farm owners implement better operating practices in compliance with Supreme Court orders. According to the Aquaculture Foundation of India (AFI), an industry group, the demand for better disease diagnostic and prevention technologies, feed production, and operating equipment such as aerators, has never been greater.

The AFI has offered to assist Canadian firms to identify potential opportunities and partners specific to the firms' interests and capabilities, but strongly recommends that Canadian firms should offer a multi-disciplinary, one-stop shopping approach to the Indian aquaculture firms. Relaxation of import restrictions, full convertibility of the Indian currency, and additional incentives to fish exporters, which are all underway, further make the Indian aquaculture market a more attractive target for Canadian firms, especially those offering biotech products and services.

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