

Seafood

Industry Code (as per CMIE Prowess): 0101011101702000'

June 2022

Overall Industry Risk Score: **12/20 | Marginally Favourable**

Sample Size: 5 Companies

Median Rating Value of sample size: BBB

Individual Parameters Contributing to the Score

Demand & Supply Balance



8/20

Moderate Over Supply

The industry faced challenges during the lockdowns imposed in FY21 on the account of capture production slowdown and supply chain disruptions. As per CMIE data, the industry witnessed growth in sales by 12.1% from Rs.3.7 billion in March 2021 quarter to Rs.4.2 billion during the quarter ended March 2022. The export values of the industry also increased by 31.09% from Rs.441.7 billion in FY21 to Rs.579.1 billion in FY22. The outlook for the industry is expected to be healthy.

Extent of Competition



12/20

Neutral

Extent of competition in the industry is fairly intense as the players have to compete with exporters from different nations. However, players who have made significant investments in processing technology and are able to ensure quality and consistency are able to garner healthy margins.

Regulatory Risk



16/20

Stable Regulatory environment

The industry is important for the livelihood of a significant part of the low income population adjacent to the coastal areas. Therefore, the government is keen to encourage fresh investments in the industry. MPEDA is the nodal agency for development of seafood exports. The National Fishery Policy 2020 aims to generate a sustainable growth in sea food exports.

Input Related Risk



12/20

Largely predictable supply of inputs from diversified sources or Raw Materials with rare, occasional disruptions / fairly predictable price band

The industry is subject to the risks of lower catch due to increasing climatic changes and the spread of diseases. The exchange rate also adds to the volatility in the export revenues.