

A STUDY ON THE FACTORS LEADING TO START THE SEAFOOD EXPORT BUSINESS IN THOOTHUKUDI DISTRICT, SOUTH INDIA

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Abstract *Export of seafood has played a key role in developing the fishing and aquaculture sectors in India and this makes the fishery sector a key player in poverty alleviation and employment. Their reasons may be related to personal factors, locational advantage, past experience and environmental factors, etc. It is imperative to examine the relative importance given to the various factors leading to start the seafood export business in the study area. The study will throw light on the views of the manufacturing, merchant and ornamental fish exporters towards the factors responsible for starting the seafood export business.*

Keywords *Seafood, Aquaculture, Fishery Sector, Environmental Factors*

INTRODUCTION

The fisheries sector has been recognised as a powerful income and employment generator as it stimulates growth of a number of subsidiary industries and is a source of cheap and nutritious food. At the same time it is an instrument of livelihood for a large section of economically backward population of the country. Export expands the market for a product and its marketability increases the scale of operation and capacity utilization which in turn enhances its profitability. Thus export ensures the viability of an industry. In developing countries like India fisheries play a significant role in the economy not only as a source of providing maximum employment opportunity, but also as a main source of earning foreign exchange. Tamil Nadu is one of the major fishing states in India, and Thoothukudi is one of the major seafood export destinations in the southern part of India. Thoothukudi is one of the major ports in India.

Indian seafood is wanted internationally and there is a higher market potential in the importing countries. The potential market for seafood exports is in its value added products namely cooked ready to eat, ready to table, dried shrimps and canned fish. Export of seafood have played a key role in developing the fishery sector in India and this makes the fishery sector a key player for the generation of employment.

This paper aims at analyzing the factors leading to start the seafood export business in Thoothukudi district. Number of factors may induce a person to start the seafood export business. Though number of factors may influence a person to start the seafood export business, the important factors were considered for the purpose of analysis of the present study.

OBJECTIVES OF THE STUDY

- To identify the factors influencing to start the seafood export business
- To analyze the factors leading to start the seafood Export in Thoothukudi District
- To summarize the findings and suggestions based on the analyzes

SCOPE OF THE STUDY

This study aims at analysing the factors leading to start the seafood export business in Thoothukudi district. Thoothukudi being a port town and more number of coastal villages are situated in the Thoothukudi district, seafood export units are functioning in large number in Thoothukudi district.

SAMPLING

There are 179 exporters who have registered their names and units in Marine Product Export Development Authority (MPEDA) in Thoothukudi. They are permitted to export their seafood. Out of 179 exporters only 130 are exporting their seafood from Thoothukudi port. All the 130 seafood exporters have been included in the study.

DATA COLLECTION

This analytical study is based on primary data. Primary data was collected from 130 seafood exporters in Thoothukudi district. Interview schedule was used to collect the data from the respondents. Before finalizing the final draft of the interview schedule, a pilot study was conducted and the final draft was fine tuned on the basis of the opinion

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given by the respondents during the pilot study.

PLAN OF ANALYSIS

Factor Analysis was used to reduce the factors identified to start the seafood export business. Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's Test of Sphericity was applied to test the adequacy and validity of the data. The reliability of variables has been estimated with the help of cronbach's alpha.

FACTORS LEADING TO START THE SEAFOOD EXPORT BUSINESS

The exporters were asked to rate the reasons at five point scale according to their order of importance for the 23 identified variables which leads to start the seafood export business in the study area. The scores given for the variables by the respondents have been included for factor analysis in order to narrate the reasons into factors (important reasons) for further analysis. Initially, the validity of data for factor analysis has been conducted with the help of Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's Test of Sphericity. The results are shown in Table 1.

The KMO measure of sampling adequacy is greater than 0.60 and the chi-square value is significant at five per cent level. Both these two tests satisfy the validity of data for factor analysis. The factor analysis results in seven important factors leading to start the seafood export business. The identified factors are product, government policy, business, management, financial, personnel and environmental. The most important factors which lead to start the seafood export business are product and Government policy related factors since their Eigen values are 4.379 and 2.906 respectively.

The per cent of variation explained by these two factors are 19.04 and 12.64 per cent respectively.

The next two factors are business and management, related factors since their eigen values are 2.152 and 1.62 respectively. The per cent of variation explained by the above said two factors are 9.36 and 7.04 per cent respectively. The last three factors identified by the factor analysis are financial, personal and environmental related factors since their respective eigen values are 1.36, 1.32 and 1.09 respectively. The per cent of variation explained by the above said three factors are 5.93, 5.74 and 4.77 per cent respectively. In total, the narrated seven factors explain the variables leading to start the export of seafood business to an extent of 64.52 per cent.

Test for Reliability and validity

The factor analysis identified the variables which are having higher factor loading for all the important factors. The factor loading, its communality and cronbach alpha have been computed for all the variables to test the reliability and validity of the variables. The results are given in Table 2.

Reliability test was conducted for all the variables included under each of the identified factors with the help of cronbach's alpha and found that the factor loading of the variables in all these factors are more than 0.60 which is above the required level. The communality (H2) value of each variable indicates the power of variable to explain all factors altogether. The communality (H2) value is more than 0.5 in the entire identified variable. It indicates the power of the variable to explain the factor.

Exporters view on the factors leading to start the export of seafood

Table 1. Factors leading to Start SeafoodExport Business

S.No	Factors	Eigen value	Per cent of varianceexplained	Cumulative percentage of variance
1.	Product related factors	4.379	19.04	19.04
2.	Government policy related factors	2.906	12.636	31.68
3.	Business related factors	2.152	9.359	41.04
4.	Management related factors	1.62	7.044	48.08
5.	Financial related factors	1.364	5.932	54.01
6.	Personal factors	1.32	5.741	59.75
7.	Environmental factors	1.097	4.77	64.52

* Kaiser-Meyer-Olkin measure of Sampling Adequacy : 0.622

* Bartlett's Test of Sphericity Chi-Square : 1044.006

Degree of Freedom : 253

Significance : 0.000

Table 2. Test for Reliability and validity.

Sl. No	Variables	Factor loading	Communality	Cronbach's Alpha
1.	Variables in Government Policy Related Factor: Favorable export policy and Govt. Subsidies	0.916	0.886	0.753
2.	Infrastructural facilities & Intermediate services	0.797	0.74	
3.	Receptive policies of importing countries	0.792	0.682	
1.	Variables in Business Related Factor Reasonable profitability of the business	0.767	0.671	0.697
2.	Easy availability of products	0.758	0.654	
3.	Good demand of the product	0.641	0.647	
1.	Variables in Management Related Factor Availability of different modes of transportation	0.805	0.692	0.739
2.	Favorable policies of the importing countries	0.71	0.61	
3.	Availability of intermediate service	0.706	0.547	
1.	Variables in Finance Related Factor Comparatively less financial requirements	0.808	0.768	0.752
2.	Availability of Government subsidies	0.695	0.557	
3.	Access to finance	0.561	0.505	
1.	Variables in Personal Factor Ancestral Business	0.72	0.56	0.689
2.	Association with fishery activities	0.67	0.659	
3.	Belongs to Fishermen community	0.595	0.651	
4.	Support from financial institution	0.484	0.584	
1.	Variables in Environmental Factor Presence of the major port	0.764	0.644	0.673
2.	More Coastal area	0.67	0.602	
3.	Availability of fishing harbor	0.516	0.554	

The exporters view on the factors leading to start the export of seafood have been examined with the help of the mean score of each factor among the respondents of manufacturer exporters (MUE), merchant exporters (MEE) and ornamental fish exporters (OFE). The one way analysis of variance has been administered to find out the significant difference among the three groups of exporters regarding their view on the factors leading to start the seafood export business in the study area. The results are given in Table 3.

The highly viewed factors by the respondents of MUE are environmental and Government policies since their mean scores are 3.6808 and 3.6227 respectively. Among the respondents of MEE, these are environmental and product since their mean scores is 3.7768 and 3.6508 respectively. Among the respondents in OFE, these are environmental and business since their mean scores is 3.8182 and 3.7882 respectively.

Regarding the factors leading to start the export of seafood, significant difference among the three groups of exporters

have been noticed in their view regarding the product and business related factors since their respective 'F' statistics are significant at five per cent level.

FINDINGS

- It is identified that the important factors leading to start the export of seafood among the exporters are product, government policy, business, management, financial, personal and environmental related factors. The most important factors are product and government policy related factors since their Eigen values are 4.379 and 2.906 respectively. The variables in the above said factors explain each factor to the extent of reliable level.
- It is observed that the highly viewed factors by the manufacturer exporters are environmental and government policy related factors since its mean scores are 3.6808 and 3.6227 respectively.

Table 3. Exporters view on the Factors leading to Start the Seafood Export Business

S.No	Factors	Mean score among respondents in			'F' Statistics
		MUE	MEE	OFE	
1.	Product	3.1458	3.6508	3.0899	3.1173*
2.	Government policy	3.6227	3.3089	3.6071	2.0884 NS
3.	Business	3.3882	3.5117	3.7882	3.0889*
4.	Management	3.0891	3.1108	3.2671	1.0173 NS
5.	Financial	3.2089	3.3011	3.2171	0.8996 NS
6.	Personal	3.1186	3.2732	3.0896	1.2341 NS
7.	Environmental	3.6808	3.7768	3.8182	1.4547 NS

* Significant at five per cent level

- Among the merchant exporters, there are environmental and product related factors, since their mean scores are 3.7768 and 3.6508 respectively.
- As regards the ornamental fish exporters, the highly viewed factors are 'environmental' and 'business' related factors since their mean scores are 3.8182 and 3.7882 respectively.
- Among the three groups of exporters significant difference has been noticed in the case of products and business related factors as their 'F' statistics are significant at five percent level.
- The registration formalities and other related norms for the export of seafood may be relaxed for the micro and small entrepreneurs to enter in to the seafood export business.
- MPEDA and other supporting institutions must conduct survey to assess the seafood market potentials in the foreign countries and can organize trade fairs in the foreign countries to expose the Indian seafood in the foreign countries.

CONCLUSION

The analysis of factors leading to start the export of seafood export business revealed the factors to be considered most at the time of starting the seafood export business. The most important factors are product and government policy related factors which plays a vital role in starting the seafood export business.

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