

Policy brief urges low interest loans for seafood

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India's marine products sector needs a four-pronged strategy, including concessional loans, export market diversification, value addition and domestic market development, to cope with the enhanced tariffs on shrimp exports by the US, according to a policy brief on the sector prepared by Kotak Karma-ICRIER.

Such a strategy must examine trade competitiveness with major exporters, demand patterns in major importing countries, and both tariff and non-tariff barriers in key markets, the report pointed out.

India is predicted to



emerge as a key player in the global shrimp market, which is projected to grow to over \$74 billion by 2032 with a CAGR of 7.1 per cent from around \$42.9 billion in 2024.

Out of India's agri-exports to the US worth \$5.9 billion in 2024-25, shrimp is the largest commodity valued at \$2.4 billion.

Until April 2025, the effective tariff on shrimp stood at 8.26 per cent, including

5.77 per cent countervailing duty and 2.49 per cent anti-dumping duty.

The effective duty was raised to 58.26 per cent in August, dealing a severe blow to India's shrimp sector, which has been excessively dependent on the single market of the US (-48 per cent).

PRESSURE TO GROW

This has undermined competitiveness in the export market, resulting in a decline in the farmgate price by 8-10 per cent for farmers operating within a capital-intensive production system. The pressure is expected to intensify further in the next season if the punitive tariffs imposed by the US persist.

The policy brief called for value-chain financing in the

short run through concessional working capital loan for exporters, freight subsidies, interest free loans for farmers and wage compensation schemes for workers to reduce risks and to ensure liquidity across the shrimp value chain.

Concurrently, efforts should be made to continue trade negotiations with the US to at least reduce the additional 25 percent penalty tariff, it added.

In the medium and long-run, the report suggested the prioritisation of export market diversification to China, Japan, South Korea, European Union countries and Russia, supported by tariff negotiations, trade agreements and compliance facilitation.