

**IMPACT OF TECHNICAL BARRIERS TO TRADE
(TBT) ON SEAFOOD EXPORTS OF INDIA:
A STUDY OF EU APPROVED MANUFACTURER
EXPORT UNITS IN KERALA**

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ABSTRACT

Health aspects together with the income elasticity of demand of the fish-eating population of the developed economies have helped to increase the demand for seafood. One side in the seafood export chain is the exporting developing countries and the other side is the developed importing countries. Being the importers of the seafood products, the developing countries face several technical barriers from the side of importers contrary to the concept of the WTO regime. Kerala has also benefitted from this seafood trade bonanza, as Kerala has good potential in exportable species and a prominent marine product producer and processing state in India. Though WTO has helped to a change in the reduction of tariff barriers, but technical and non-tariff barriers by the developed countries, as elsewhere, have far reaching implications in the seafood export units in Kerala. Sometimes, Technical Barriers to Trade (TBT) has been misused by the importers for their self-interest.

There are cases of rejection of seafood exports from Kerala for not following technical standards prescribed by export markets and these stipulations create trade distortion in the sector. Any changes in the quality stipulations through the WTO regime, like TBT or quality standards, makes big challenges in Kerala seafood sector from the beginning to the end of the nodes of the supply chain. The challenges faced by the seafood exporters and processors in the state in the background of importers challenges of quality standards and the wherewithal of its addressing mechanisms are indeed significantly related. The basic objective of the study is to analyse the market-wise trend and pattern of exports of seafood products from Kerala in the contours of TBT stipulations.

The main primary data source is from the seafood export units and workers reliant on it. Sample constitute 30 EU approved seafood export processing units out of the 123 units from Kerala. From this, proportionate random sampling is used to amass primary data and 13 units are surveyed from Ernakulam, 3 from Kollam and 14 from Alappuzha.

Though the study connects to primary data for basic inferences, secondary data are also used for unearthing the pertinent variables like market concentration, diversification, WTO-linked market stipulations and technical barriers for observing the research issue in a wider canvass. Statistical tools and econometric modelling techniques like Gravity model, regression, Factor Analysis, Ranking, Indexing, Time series forecasting etc. are made use of to analyse the data with an empirical rigour.

The study well infers that the issue of the TBT is visible in the export of seafood in the developing countries. This too is giving some adjustment problems in the seafood export of both India and Kerala, as endorsed by the data sets, both primary and secondary. The result highlighted that India could come out from the shackles of TBT conundrums. Though the importance of the TBT stipulations could be ruled out, it showed it was varying based on country and when one of the issues was settled the EU and the US are coming with newer stipulations.

The Gravity model explanation is giving a clear espousal that the values under TBT stipulations are significantly related. The TBT impeded trade between nations and imposition of duties negatively impacts the quantity exported. The instability model also authenticates that there are instabilities in varying proportions from market to market and this could in turn force to reorient the fishery trade from the traditional and non-traditional markets. The study shows that there was a change from traditional to new markets in some cases whereas the US and EU still dominated as major importers of the seafood from Kerala. The identification of newer markets was positive. A clear perusal of the present status of Kerala's seafood trade and the wherewithal's of the seafood trade in the years to come and how the market concentration, market diversification and instabilities in trade are properly attached to maximise gain from seafood trade. The exporters in Kerala, so far have been in a better position to overcome the TBT challenges, but the issue was that when one issue was solved new issues have been emerged in the system and hence the TBT issue could be perennial in nature. The TBT issue of Kerala can well be overcome with specific trade agreements like ASEAN, which could result in lesser stipulations and other quality restrictions. This would make seafood from Kerala cheaper and thereby giving the exporters an edge over the competitors.