

The US's move to introduce measures to prevent illegal, unreported and unregulated (IUU) fishing and misrepresented seafood from entering the country is likely to help [Indian shrimp exports](#) because new regulations will hurt exports from Vietnam, India's main competitor.

The key market for global seafood producers, the US, has introduced the Seafood Import Monitoring Programme (SIMP), covering 13 species, including shrimp.

[SIMP](#) becomes applicable for shrimp on December 31 this year. The programme mandates additional data requirements to trace the supply chain of seafood from the point of harvest to the point of entry into the [US](#).

For the period ended March 2018, 2,433 aquaculture farms totalling 12,509 hectares of farmed area in India were registered under the Coastal Aquaculture Authority (CAA).

“Most of [Indian shrimp exports](#) to the [US](#) and [EU](#) are from registered farms; however, [shrimp exports](#) to [Vietnam](#) (for forward shipping to America after value addition) come both from registered and unregistered farms and thereby hampers Vietnam’s re-export prospects to the [US](#) (owing to the lack of traceability). This is expected to support a shift in shrimp exports from [Vietnam](#) to India,” said Pavethra Ponniah, vice-president and sector head, [ICRA](#) Ltd.

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[SIMP](#) requirements are expected to create temporary headwinds for the export of Indian shrimp harvested from unregistered farms, rating agency [ICRA](#) said.

India is the largest exporter of shrimp to the US. During the calendar year 2017, India accounted for 32 per cent (in volume) of the US's shrimp requirements, followed by Indonesia (17.8 per cent), Thailand (11.3 per cent), Ecuador (10.8 per cent) and [Vietnam](#) (8.4 per cent).

Given the introduction of [SIMP](#) in 2019, Vietnam's contribution to the [US shrimp imports](#) is expected to drop, with India as a likely beneficiary, [ICRA](#) said in a statement.

US's VOLUME OF SHRIMP IMPORTS						(%)
Year	India	Indonesia	Thailand	Equador	Vietnam	Others
2015	23.1	19.5	12.5	14.6	10.3	19.8
2016	25.5	19.4	13.6	12.1	10.5	18.8
2017	32.2	17.8	11.3	10.8	8.4	19.5
2017*	27.8	20.9	10.8	13	7.9	6.4
2018*	32.2	22.4	7.5	12.2	7.1	18.7

During 2017, Vietnam exported 350,000 tonnes of shrimp (as against 540,000 tonnes by

*Four months

Sources: USFDA, ICRA Research

with 19 per cent exported to the [EU](#) followed by 17 per cent to Japan and 16 per cent to the US.

Of Vietnam's shrimp exports, 150,000 tonnes of raw material was sourced through imports from India for further re-processing. Further, Vietnam exported 30,150 tonnes of value-added shrimp to the US (as against 16,700 tonnes by India) and contributed to 54 per cent (as against 5 per cent of India) of Vietnam's shrimp exports to the US during CY2017.

“Going forward, as Vietnam's shrimp exports to the US could be hampered by the SIMP requirements and high anti-dumping duty, this would impact India's exports to Vietnam. However, this opens up direct export opportunities for Indian exports to the US, particularly of VA shrimp.

Further, we have also recently witnessed an inflow of foreign investments into the Indian aquaculture industry with the US's Aquastar Inc. picking up stake in Sagar Grandhi Exports Pvt Ltd during March 2018. Dutch's Nutreco N.V has also entered into a joint venture with West Coast Group to set up an aqua feed plant in India during June 2018. Similar developments augur well for the Indian shrimp sector in the long-term,” Ponniah added.