

Demonetisation impacts fish retailers

Rajesh Ravi

Kochi, Jan 13: Demonetisation has not caused much damage to fishing operations but it has affected consumption and retail trade, said a study conducted by the state-run Central Marine Fisheries Research Institute (CMFRI).

India is the second-largest fish producer in the world after China and accounts for nearly 6% of global production. An impulse effect survey in selected fish landing centres and markets of Ernakulam by the CMFRI officials reveals that bottom players in the value chain — retailers and consumers — were affected due to non-



cash transactions and non-availability of smaller denominations.

There was a 15-20% reduction in the landing centre prices of major species due to inconsistent or precautionary demand while the consumption of fish came down by 30-40% during the

period studied. The study had analysed the difference between the fishing operations during the pre-demonetised (prior to November 8) period and post-demonetised period (November 9-23), covering a fortnight.

Shyam S Salim, principal scientist at CMFRI, told FE

that there weren't any considerable reduction in fishing operations consequent to demonetisation.

"As the denominations of ₹500 and ₹1,000 could be used towards the purchase of fuel, the fishing activities could be carried out. The commission agents, or intermediaries, ensured adequate liquidity to settle the daily wages of the crew. Profit share of the crew was deferred," he said.

"The 'trust' among various stakeholders — boat owners, commission agents, labourers and traders — to ensure that fishing operations and trade weren't affected by the demonetisation was unique to the sector.