



## **Externality Of The Indo-Pak Tensions**

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The Fishing Industry in Gujarat is bearing the brunt of the heightened Indo-Pak tensions, notching up losses of nearly 1,000 million, as nearly 5,000 fishing boats belonging to the coastal towns of Saurashtra region have come back from the Gulf of Kutch leaving their fishing endeavours incomplete and insufficient.

The implications of this shall be that the overall loss to the entire value chain of the fishing industry would be much bigger in the coming days if the tension between the two nations continues. The boats had ventured into high seas for a better quality of fishes, off the Jakhau port in Kutch district. However, they had to return following an alert raised by the state fisheries department. This return meant an indefinite period of uncertainty resulting in significant losses for the economy.

According to the estimates of the National Fish Forum, five to six fishermen remain onboard in a single boat when they leave the coast for fishing. Going by this calculation at least 25,000 fishermen have returned back, with an indefinite period of uncertainty. The repercussion of sudden restraint in fishing activities would be much bigger, as nearly 100 people get employment per boat. Once the boat returns from high-seas with a catch, processing activities continue till fishes reach domestic as well as foreign markets.

People engaged in cold storage, transportation and packaging would face a cascading effect if the situation will remain the same for a longer period. The cost of fishing in high seas for 10 days is around 0.2 million per boat irrespective of the fishermen attaining the target or otherwise. If the entire value chain of the fishing industry is taken into consideration, it would be much much higher. Moreover, those who are engaged in maintenance of boats would lose businesses, as boats wouldn't venture in high-seas till the situation normalizes.

In Gujarat, nearly 25,000 boats have been registered. However, boats from western Gujarat towns, including that of Porbandar, Mangrol, Veraval, Okha, Dwarka and other smaller towns generally venture into the

sea from Jakhau as large amount of sweet water of river Sindhu pours into the Bay of Kutch from Pakistan side. As a result, fishermen from India and Pakistan get a better catch. There are 150 cold storages across these coastal towns which too would get adversely affected.

On one hand, The Government of India has asked the exporters to stop the supply of essential raw materials for Pakistan's drug industry, which can run their production units out of stock in less than two weeks whereas no side is stupid enough to be suicidal. Losses to Gujarat's fishing industry is just one of the negative externality of Indo-Pak tensions.

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