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Coronavirus impacts global shrimp demand, prices: Report

PTI ■ MUMBAI

The unprecedented shutdown in China following the coronavirus pandemic will lead to global price correction and affect Indian companies with high exposure to the Chinese markets, according to a report.

Global shrimp prices are expected to face pressure over the next few months, as global trade adjusts to the changing demand dynamics in China, a key importer and consumer of farmed shrimp, which will affect the entire value chain, rating agency Icra said in a report.

The sizable domestic production (estimated at over 10.0 lakh tonne) and consumption of shrimp in China, makes it a key price-mover in global markets. In fact, China was a market stabiliser during 2019, when global demand from the US, EU and Japan went down, it said.

China and Vietnam together now account for 25 per cent of shrimp exports from India (in value terms), while 45 per cent plus of India's exports are shipped to the US.

In terms of global trade, the US has traditionally been the largest importer of shrimp, with imports of 6.98 lakh tonne of frozen shrimp in 2019, closely followed by China with imports of 6.5 lakh tonne.