

# **Sri Lanka: Oceans silenced, communities whipped: Energy crisis on fisheries**

Friday 14 October 2022, by [AMARASINGHE Oscar](#), [PIYASIRI Kaumi](#) (Date first published: 9 October 2022).

**The energy crisis has hit both the producers and consumers of fish with a monstrous force. Fishers are out of sea: no fishing, no fish and no income!! Fish prices have reached unbelievably high levels, some exceeding even Rs. 3,000/kg mark. Many families have neither physical nor economic access to fish. The World Food Programme has estimated that 37 per cent of Sri Lanka's families are acutely food insecure. Fish had definitely contributed significantly to this crisis, although there is enough fish to be caught! The oceans have been silenced by the calamitous state of affairs of the economy, while the communities have been whisked and whipped!**

## **Setting**

The onset of the energy crisis in Sri Lanka dates back to March 2022, when both high prices and low supply of fuel hit the country's economy with a tremendous force. Both, soaring foreign debt and severe foreign exchange crisis, had a calamitous impact on highly energy dependent sectors, such as fisheries, which use 0.67 litres of fuel for each kg of live fish and shellfish landed. Sri Lanka's fishing fleet consists of 58,846 crafts (in 2020) of which, 31,377 (53 per cent) are completely fuel-dependent for their operations. Due to the inability of the country to secure the required foreign exchange for fuel imports, the fuel supply dropped to very low levels. With a drastic drop in remittances and tourism earnings, which were the major foreign exchange earners of the country, the energy crisis reached its peak earlier this year. While diesel and petrol supply continued at a very slow pace and in a quite irregular manner, kerosene supply came down to zero at certain times hitting the poor who used kerosene for lighting and the small scale fishers using kerosene to propel their crafts.

## **Energy crisis and increased COP**

There have been gigantic increases in the cost of craft operations during the past few months. For a single fishing trip to the sea a small fibre glass boat with Outboard Engine (25-40 hp) requires 30-45 l of kerosene (average of 37.5 l) and 1/4 l of oil for every 5 l of kerosene. The total average fuel cost of a single fishing trip would then be Rs. 7,263. A single fishing trip would bring an average catch of about 25 kg which would be worth Rs. 25,000 at an average producer price of Rs. 1,000 / kg (for small fish types). This will yield a gross profit of Rs. 17,737 (Revenue - Cost). This is divided into two parts; one half going to the boat (capital owner) and the other half is shared by the two member crew, each earning about Rs. 4,434. Assuming 20 fishing days a month, this would be equal to a monthly income of Rs. 88,685 for a crew member and Rs.177,380 for a boat owner (it should be noted that all other expenses, other than cost of craft operations are borne by the owner, including maintenance cost and annual depreciation in value of craft and gear).

With the current price increase in kerosene (from Rs. 87 to 340 per litre), the gross profit will fall to Rs. 8,250, and the monthly income of a crew worker to Rs. 41,260 and Rs. 82,500 for a craft owner. Assuming that a fishing household has only one income earner, which is true with many poor

households including fishing crew workers, fishing incomes need to be compared with the average monthly household income of Rs. 69,517 for rural areas (income and expenditure survey, 2019). This comparison shows that income of an asset-less fisher would be only 61 per cent of the average monthly income of a rural household.

### **Lament of fishers**

When fuel imports came down to zero levels and for weeks and months crafts remained in anchorage; no fuel, no fishing!! For prolonged periods of time, not a litre of kerosene was available for fisheries and only 5-10 per cent of small boats were in operation during the months of June and July 2022. The fish production dropped to very low levels. Yet, even under very low supply of diesel, many multiday crafts were at sea, securing diesel from various sources. Many had access to bunkering facilities extended by those having dollars in their possession. Thus exports were not seriously affected by the energy crisis and total exports of fish and fishery products recorded 17,954 MT in 2022 in comparison to 16,999 MT during the same period in 2021.

Of course the immediate response of the fishing community was to reduce consumption (tightening the belt), which would have definitely fuelled the currently-heard pathetic affairs concerning malnutrition of the children. Instances of fishers taking up labour jobs, mortgaging jewellery, resorting to borrowing from various sources, have been reported.

### **Impact on consumer (threats to nutritional security)**

The energy crisis resulting in a drop in fish production and increased cost of production has caused a rise in fish prices, often reporting more than a three-fold increase in almost all varieties of fish. Food inflation in Sri Lanka in August 2022 was 93.7 per cent, while the overall inflation was 64.3 per cent. While exact data showing the relationship between rising food prices and fish consumption are not available, the World Food Programme reports, that more than 6 million people – nearly 30 per cent of the population – are currently food—insecure

It is thus evident that the energy crisis has hit both the small scale fish producer and the low income groups with a monstrous force.

### **Way forward**

While the most popular action at present is to perform robust analyses of the reasons for the current crisis and blaming and recriminating those in power, it is equally important to devise means of facing the governance challenges. In more simple terms, the government needs to promote and increase its exports, and it has to reduce its dependency on fuel from outside. Improving fuel use efficiency in fishing and changing over to renewable sources of energy could be two such strategies. In this particular regard and also in finding ways and means of improving fuel use efficiency in fishing crafts, a few rounds of talks were organised by Sri Lanka Forum for Small Scale Fisheries (SLFSSF) recently with the participation of the state officers, boat yards, marine engineers, solar power and battery power experts, etc and policy briefs have been submitted to the Ministry of Fisheries, recommending the formation of an expert team to see how fuel use efficiency in fishing crafts could be improved and to look into the possibility of developing fishing vessels that could use battery power as their major source of energy.

In the short run, there is an urgent need to protect the small scale fishermen and the consumers of this country. As a temporary measure, the government has to ensure a regular and uninterrupted supply of kerosene to small-scale fishermen and undertake more widespread fish distribution through the Ceylon Fisheries Corporation to ensure continuous supply of fish to consuming areas. In

order to redress the situation emerging from the four-fold increase in kerosene prices, a fuel subsidy could be granted to fishers, which should not be less than 40 per cent, if fishing incomes are to be elevated to the national average monthly income of a rural household.

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