



**Papua New Guinea Experience in Sustainable
Fisheries Value-Adding and Development-
Consultation on Challenges and Opportunities on
Oceans Economy, Trade and Sustainable Fisheries
for Pacific SIDS, Melanesian Hotel, Port Vila,
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“Developing and Managing Fisheries for Sustainable and Equitable Benefits”

OUTLINE

- 1. Overview of Fisheries Development**
- 2. Implementation Status of Impact Priority Projects**
- 3. Institutional strengthening**
- 4. Way Forward**

SECTOR OVERVIEW IN BRIEF

- **Past 10 years:- PNG witnessed significant growth in the fisheries sector due to political stability and GoPNG ' s focus and support on downstream processing through export led growth strategy thus increasing contribution from the fisheries sector from 3 - 5% of GDP.**
- **A total of K350m is expected from Foreign Direct Investments for 5 more processing plants within these 5 years.**
- **The FDIs in Malahang, Lae + Development of the Pacific Marine Industrial Zone(PMIZ) in Madang will lead PNG to achieve economies of scale & competitiveness internationally in tuna processing thus providing impetus for development and growth of SMEs in aquaculture, inland, coastal and inshore fisheries with available basic/support infrastructure and accessibility to markets addressed.**
- **Securing of duty/quota free Mkt Access and Global Sourcing under PACP-EU Interim EPA further cements our commitment to integrate the fisheries sector into the global economy.**

DEVELOPMENT PRIORITIES OF THE FISHERIES SECTOR

□ **National Fisheries Authority has three (3) key broader Sector Development priorities:**

1. Foreign Direct Investment (FDI's);
2. Coastal and Inland Fisheries Development;
3. Monitoring, Control and Surveillance;

□ **Supported by:**

- Institutional Strengthening and Legislative Reforms;
- Aquaculture (Inland) & Mariculture (Coastal) Fisheries Development; and
- Research and Development.

1. 1. COASTAL/INLAND FISHERIES DEVELOPMENT PRIORITY IMPACT PROJECTS

- **Madang Fish Market & Jetty:** (K26m) by GoPNG and Japan International Development Agency currently under construction and will be commissioned in January 2016;
- **Project Development Fund (PDF):** 2013 funding (K22m), 2014 (K17m) - 2013 payments completed while 2014 applications currently in progress;
- **Coastal Fish Markets and Jetties Development:** in Milne Bay and Morobe (Nawae, Siassi) with a nation-wide roll out programme expected to be underway under NFA's grant assistance to the provincial governments;
- **Small Loan Facility** (K10m) for SME Development with (PNG Microfinance) & Nationwide Microfinance Ltd – K2m initial payment for 2014 is complete;

1.2. COASTAL/INLAND FISHERIES DEVELOPMENT PRIORITY IMPACT PROJECTS CONT...

Aquaculture Development:

- 1. Aquaculture Development roll out programme:** of more than 20,000 fish farms around the country is ongoing;
- 2. Seaweed Farming Pilot Project:** by NFA (K4M) is ongoing in Milne Bay and Bougainville will run over 5 years;
- 3. Construction of Nago Research Station:** (K7m) jointly funded and established by NFA & AusAID - ACIAR for mariculture research and breeding of sea-cucumber & other marine species is ongoing;
- 4. Aiyura Highlands Aquaculture Development Center Rehabilitation:** (K4.5m) by NFA and ACIAR is ongoing;
- 5. Lowland Aquaculture Development Center Facility Funding Support:** (K0.25m) to Western Province for completion has been provided by NFA;
- 6. Recreational Fishing Development of Black Bass:** (K4m) by NFA over 5 years is ongoing with increasing interests from international game fishing organisations from the National Geographic Channel and Fishing with ET in Northern Australia.

1.3. COASTAL/INLAND FISHERIES DEVELOPMENT PRIORITY IMPACT PROJECTS CONT...

- **Rehabilitation of Coastal Fisheries Infrastructure:** jointly funded by Overseas Fishery Cooperation Foundation (Japan) and GoPNG-NFA (K1m) is ongoing with two ice making facilities built in ENB & Madang while work is underway for Alotau in Milne Bay;
- **Support to Provincial Fisheries Extension Programs through MoA's with Provinces:** by NFA (K735,000) is ongoing with some provinces already signed with others yet to sign;
- **Kurakakaul Fish Market, Jetty & Ice plant:** (K3m) for East New Britain Province is ongoing and in planning and mobilization phase;
- **Kimbe Fish Market:** (K2m) for West New Britain Province is ongoing and in planning and mobilization phase;
- **Others include Tufi (Oro Province) Red Snapper Canoe Project & Port Moresby Fish Market** currently under construction.

2.1. FOREIGN DIRECT INVESTMENT (FDI) NEW SHORE-BASED IMPACT PROJECTS

Existing Projects-RD Fishing and Canning(Madang), Frabelle Fishing Corporation(Lae), South Seas Tuna Corporation(Wewak) and International Food Corporation in Lae. All producing canned tuna and pre-cooked loins for the EU market under IEPA which grants Duty and Quota Free plus Rules of Origin. Already have created 10,000 direct jobs, local spin-off businesses and annual export revenue of US\$200 million.

New Projects recently in operation or are in construction and planning stage.

1.Majestic Seafoods Ltd – JV between Frabelle (PNG) Ltd, Thai Union of Thailand and Century Canning of Philippines: (US\$49.6m), Malahang, Lae with 350mt daily production capacity is complete, was opened by the PM in 2013 and currently producing 150mt/day of loins and canned tuna with an estimated direct jobs of 3,500 and 7,000 indirect jobs;

2.Nambawan Seafoods Ltd – JV between FCF of Taiwan, TSP Marine Industries and Trans-Pacific Journey (Philippines): (US\$22m), Malahang, Lae with daily production capacity of 200mt/day of loins and canned tuna has commenced construction of processing plant is expected to be

2.2. FOREIGN DIRECT INVESTMENT (FDI) NEW IMPACT PRIORITY PROJECTS

4. Haliheng Group of China (US\$25m), Malahang, Lae with production capacity of 300mt/day will generate 1,000 direct jobs and 2,000 indirect jobs for PNG. The Project has been approved by NEC and construction will commence soon.

5. Sapmer of France (US\$400m), PMIZ Madang, capacity of 300mt with actual production capacity of 150mt/day, will provide 2,500 direct jobs and 5,000 indirect jobs. The parent company has undertaken reform and delayed its investment plan. This is a strategic project to guarantee mkt access into the EU. **High Value Added Fresh Tuna Products@-60 Degrees Celsius** .

6. Dongwon Fishing of Korea, (US\$35m), Malahang, Lae, with a production capacity of 200mt/day will create 2,000 direct jobs and 4,000 indirect jobs. The NEC has approved the project and is awaiting signing of Project Agreement.

7. Admiralty Offshore (Philippines), (US\$200m), JV with Manus Provincial Govt., with capacity of 120mt/day of fresh and frozen fish will create 4,579 direct jobs .The project is currently being discussed to develop Agreement with the National Government.

3.1. SUSTAINABLE FISHERIES MANAGEMENT IMPACT PRIORITY PROJECTS

- 1. Tuna Tagging Project:** (K3.1m) jointly funded by GoPNG and SPC to determine migratory range of tuna stocks. Tagging project is 100% complete with data analysis ongoing;
- 2. Tuna Port Sampling Project:** ongoing under recurrent budget to determine the size and population of fish stocks. 40% of catch landed in PNG. To date, more than 1million fish samples from 56 vessels have been sampled.
- 3. Stock Assessment of Sea Cucumber Fishery Programme (currently under moratorium):** ongoing under recurrent budget to determine stock status of fishery. Annual surveys have been done for 8 provinces (main BDM producing provs.) Manus, ABG and ESP surveys done in last qtr of 2013. New BDM Management Plan is being developed in consultation with the provincial governments and local resource owners

3.2. SUSTAINABLE FISHERIES MANAGEMENT IMPACT PRIORITY PROJECTS CONT...

4. Inshore FAD Project: (K3m/yr) funded by NFA and CTI to target food security and poverty alleviation. To date, 50 iFADs have been deployed in MBP, ESP, WSP & Manus. Construction of 45 more FADs for Madang, Morobe and Bougainville is ongoing.

5. PNG Maritime Delimitation Project: (K3m) jointly funded by NFA and DJAG to define the maritime boundaries of PNG including the extended continental shelves. Completed Baseline Studies and Coordinates. OJP submission is 32nd on the queue to go before UN.

6. PNG Trapnet Project: (K500,000) currently piloted in ESP to target food security & poverty alleviation. 2 trapnets deployed in ESP, and plan is to trial out two more larger fish traps in ESP and Morobe this year at a cost of K2m.

4.1 MONITORING, COMPLIANCE & ENFORCEMENT PRIORITY IMPACT PROJECTS CONT...

Capacity Building of Monitoring, Compliance & Enforcement Systems: Plans are in place for the establishment of the National Coordination Center and forward bases in key border provinces as forward bases in Vanimo to the North, Kurakakaul in NGI and Weam (Western) in the South. The Command Center will house NFA and other line enforcement agencies including RPNGC, PNGDF, Customs, NAQIA & Immigration at Pearl Farm in Port Moresby next to Napanapa Oil Refinery with recurrent budget of K5m although more will be required.

- NFA is currently utilising the National Surveillance Centre with PNGDF Maritime Element and is exploring close working relations with other line enforcement agencies to improve the facility.
- Construction of a temporary floating jetty and construction of the permanent 70m wharf & detention centre and facilities is ongoing.
- Hydrological survey and wharf design & tender for construction in progress
- In 2014 NFA will continue programmes from 2013 – including revisiting the MOAs with line enforcement agencies to align them with the Gov' t policies.
- NFA is supportive of the initiative of the Government proposal on the establishment of the National Surveillance Project. Plan is underway to acquire patrol boats to combat IUU Fishing inside PNG' s fishing grounds with the assistance of the Israeli Govt. 12

4.2 MONITORING, COMPLIANCE & ENFORCEMENT PRIORITY IMPACT PROJECTS

Ongoing developments in Monitoring, Control and Surveillance Programmes. Following programmes are developed under recurrent budget to improve data collection and management, improved licensing system and turnaround time, prevent, deter and eliminate illegal, unregulated and unreported fishing activities in PNG as well as for Fish Origin Environmental Certification under PNA Pacific Brand under the MSC Certification System.

- 1. Fisheries Information & Management System (FIMs):** now complete & assisting PNA Office and PNA members set up theirs;
- 2. FAD tacking:** trial continuing (e.g. FAD tracking & recovery);
- 3. E-Forms:** development complete, actual trial of data transmission from vessel to NFA database complete;
- 4. Licensing database:** development ongoing;
- 5. Observer database:** development of database, e-forms & recruitment of 400 observer personnel ongoing;
- 6. IUU Traceability & Catch Documentation Scheme:** development of electronic CDS and recruitment of 80 CDS Officers ongoing.

5.1. TRADE & INVESTMENT PRIORITY IMPACT PROJECTS

- 1. Seafood Market Expositions:** to promote and market PNG fish and fishery products to overseas markets to attract Foreign Direct Investment is ongoing;
- 2. EU – IEPA (Global Sourcing):** to maintain market access into EU Market for tuna products – 2011. EU and PNG Parliaments have ratified the Interim EPA in 2011.
- 3. Maintenance of Competent Authority (CA) Status:** by complying with EU IUU and SPS Requirements. Competency to export to EU officially approved in October 2002 – ongoing improvement in our inspection systems and increases in staff capacity to maintain Competency status.

5.2. TRADE & INVESTMENT EXPORT STATISTICS

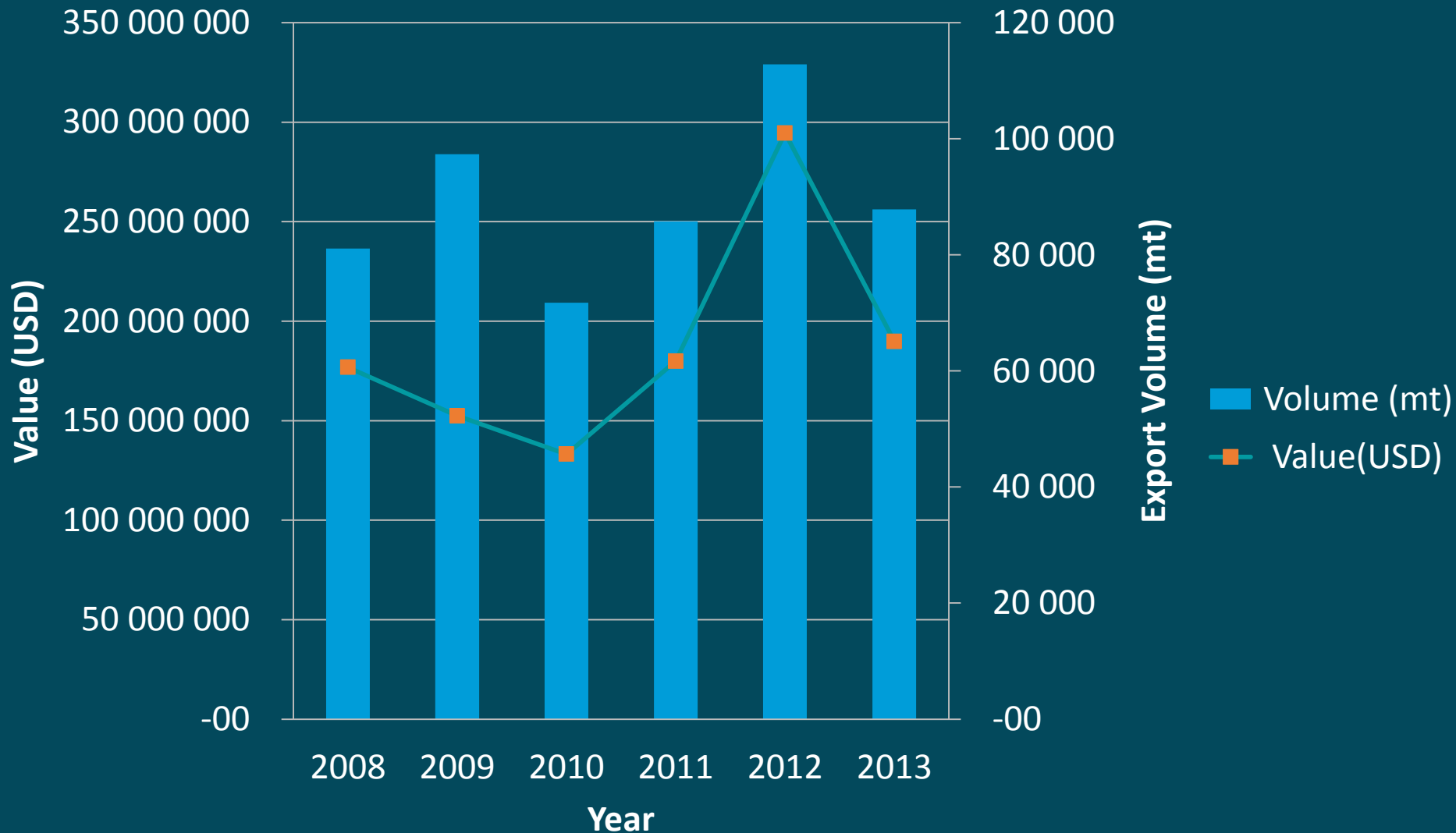
PNG Fish and Marine Resources Exports by Year, 2008-2013

Year	Quantity (mt)	Value (USD)	Value (PGK)
2008	81,086.0	176,806,863	474,365,691
2009	97,320.0	152,410,576	417,251,105
2010	71,755.6	133,174,616	361,226,084
2011	85,781.5	179,892,097	422,354,279
2012	112,794.8	294,503,558	612,440,672
2013	87,842.4	189,807,536	424,117,479
TOTAL	536,580.3	1,126,595,245	2,711,755,311

5.3. TRADE & INVESTMENT

EXPORT STATISTICS CONT...

Total Export Volume and Value (USD)



5.4. TRADE & INVESTMENT EXPORT STATISTICS CONT...

Export By Destinations, 2008-2013

Country	Quantity (mt)	Value (USD)
EU	126,492.4	486,249,910.5
US	24,764.7	19,100,343.5
Solomon Is.	435.7	2,391,409.0

As a percentage exports (by qty)

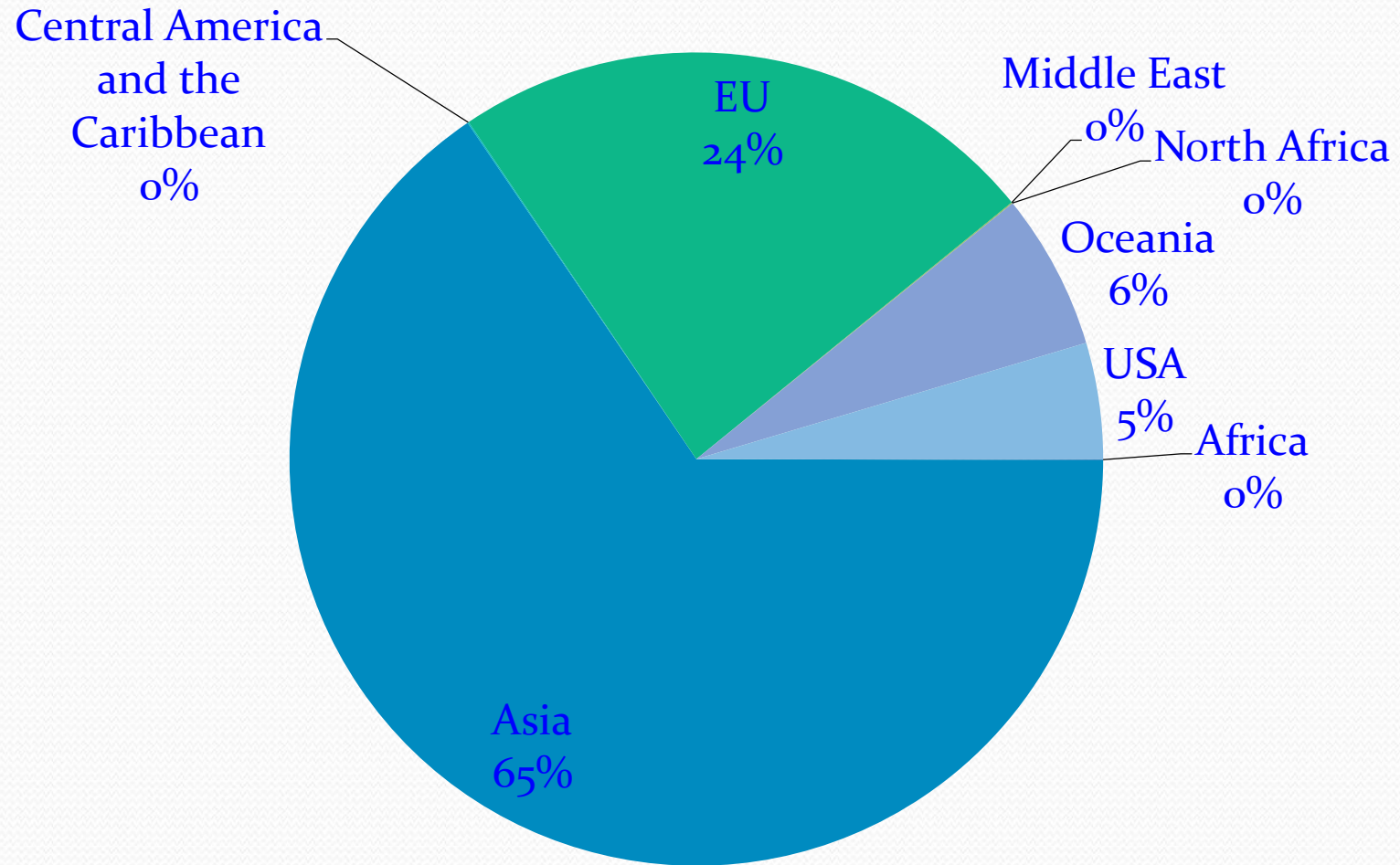
☐ EU = 23.6% (Germany, Spain, UK)

☐ US = 4.6%

☐ Solomon Islands = 0.1%

5.5. TRADE & INVESTMENT EXPORT STATISTICS CONT...

Percentage Exports by Volume by Region
2008-2013



Way Forward

1. NFA remains committed to strengthen (i.e. technical support, basic infrastructure, market access etc.) community centred institutions, fisheries SMEs and Provincial Fisheries Administrations with a view to improve and safeguard the people's quality of life through programs targeted at addressing food security, income generation and poverty alleviation;
2. NFA is committed to enhance shore-based investment by developing dedicated infrastructure such as fish ports for the fishing industry;
3. To remain compliant with market access requirements, NFA is reviewing its National Tuna Management & Development Plan to align the industry to promote downstream processing and adhere to the national laws;
4. NFA is committed to safeguard the duty/quota-free market access we have secured with the EU through the interim EPA. Our PM has written to the EU Parliament re-assuring the EU of our Political Commitment to comply with their market access rules.

Way Forward cont...

7. Capacity building through re-establishment of Fisheries Surveillance Centre in Pearl Farm, Port Moresby as a Central Command Center with forward bases in border ports starting with Vanimo on the North, Kurakakaul in the NGI region and Weam Patrol Post in Daru in the Southern region. Positioning of Inshore Patrol Crafts in those key forward bases;
8. NFA is committed to ensure compliance to appropriate international, regional and national Conservation and Management Measures in accordance with our national laws and relevant sector policies to manage our fisheries resources on sustainable basis in order to maximise the economic benefits to encourage PNG participation;
9. NFA is committed to institutional strengthening by aligning its programmes within each business unit and line government agencies in promoting the larger policy objectives of the government; and
10. NFA is in the process of finalizing its Corporate Plan (2013 – 2017) to strengthen its institutional capacity in supporting the overall sector development objectives in line with government's national development priorities.

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