

## **Fifteen Priority Issues for the Tuna Industry in Melanesia**

The DevFish meeting for tuna industry participants from Fiji, Papua New Guinea, Solomon Islands and Vanuatu was held in Lami, Fiji from 4-6<sup>th</sup> September 2006.

The key theme that came out of the discussions was the need to maximize the economic benefits for the Pacific Island states derived from their tuna resources. A concerted strategy to achieve this goal needs to be adopted. The development of strategies for domestic industry development is a major objective of the DevFish Project, and a regional framework is being developed by FFA under as part of its current annual work plan.

Addressing the problems in more detail, the meeting identified 15 priority areas, which were ranked in approximate order of importance (using a scoring system). Many of these could be addressed in the broader regional strategy.

### ***1. A coordinated approach on seafood safety and sanitary issues***

Seafood safety and sanitary controls were recognized as crucial in securing access to major overseas markets. The meeting strongly supported the idea of a coordinated approach by countries in the region to seafood safety and sanitary issues, particularly with regard to requirements for export to the EU. This could include harmonized regulations and standards, regional training of inspectors, and centralized laboratory facilities for testing of samples.

Noting that teams from the 8<sup>th</sup> EDF SFP project would be visiting the region within the next few weeks to identify the need for EU funded assistance in this area, the meeting agreed it would be wise to await the outcome of this before deciding what further action by the regional agencies would be necessary.

### ***2. Sea freight and air freight services and costs***

The meeting identified the high cost and often monopolistic nature of air and sea freight services as a major constraint to development of the tuna industry. It was noted, however, that there have been recent studies on these issues, and there were no easy short-term solutions. On the other hand, development of the industry will lead to economies of scale and high fuel costs increasingly favoured countries near to the resource. It was felt that it would be useful to carry out a study on the competitive advantage of the private sector tuna industry in the region and develop a strategy to improve competitiveness.

DevFish will undertake this activity.

### ***3. Fuel efficiency and alternative fuels for tuna fishing vessels***

High fuel costs have greatly reduced the profitability of tuna fishing in the region, and there are both economic and environmental reasons for reducing consumption of petroleum products. Many of the vessels in the region are old and inefficient, and were built in an era of cheap fuel. Several countries in the region also produce large volumes coconut and/or palm oil with potential for use as bio-fuels.

The meeting noted that the fishing industry in Papua New Guinea has requested CDE for a technical assessment of the options for the longline fleet. If/when this is carried out, DevFish will make the report available to other interested fishing companies, and will follow up as appropriate.

#### ***4. Strengthening of the Pacific Islands Tuna Industry Association (PITIA)***

The meeting agreed that the need for strong representation of the position of the tuna industry on regional issues had, if anything, increased since the 2004 meeting at which PITIA was formed. There has been some progress in formalizing the association's status – registration, a constitution and bye-laws – but there had still been no meeting of the membership or election of office bearers. It was noted that some national associations also needed strengthening in order to feed effectively into the PITIA process.

The following course of action was supported:

- Use of CDE funding of €5,000 to engage the chairman of the PITIA steering committee to develop a strategic plan;
- The application to CDE for funding of €50,000 for HTIA operations, with complementary funding of 33% from the GEF project provided in kind;
- Funding of a general meeting of fishing industry association heads to, *inter alia*, review the strategic plan and elect office bearers - to be funded by DevFish;
- Continuing support for national associations by DevFish.

#### ***5. Specific proposals from the tuna industry for incorporation into the Economic Partnership Agreement and Fishery Partnership Agreement negotiating process***

It was noted that the negotiation process for the EPA provided opportunities to negotiate for EU assistance that could directly benefit the tuna industry, including funding to improve competitiveness, and reorganization of CDE and EIB programmes to make them more responsive to the needs of the Pacific Islands. It was also learned that significant elements of the P.I. position on fisheries access for EU vessels had not been discussed with key industry players.

The Forum Secretariat representative to the meeting noted the views of industry participants. ForSec, working with PITIA, will increase efforts to inform the region's tuna industry on the key issues before the November meeting of Trade and Fisheries Ministers, so that they can have input into the positions of their national delegations to this key meeting.

#### ***6. Development of a strong industry position on key trade issues including tariff preferences into the EU market, relaxation of the rules of origin, and new efforts to secure duty free access for canned tuna into the US market***

The importance of tariff preferences, particularly for canning and loining operations in the region exporting to the EU, was stressed. Increased opportunities for onshore processing would be increased by relaxation of the rules of origin allowing processors to source raw material from any fleet fishing in the region. Efforts to link market access to fishing access in the US tuna treaty have so far been unsuccessful, although the US does provide concessions to other countries.

FFA will circulate widely the relevant results of its study on trade and market access to inform industry and governments of the key issues. As noted under point 5, input from industry into the EPA process provides an important opportunity to move forward on these issues.

#### ***7. The high cost of regional registration and VMS for domestic vessels***

Participants from Fiji raised the issue of the high charges levied by FFA for regional registration and participation in the regional VMS scheme – more than US\$2,000 per year. This is a significant cost for local industry, particularly for smaller longliners that fish only in

Fiji waters. The high cost compares unfavourably with charges levied on the domestic industry in New Zealand for a similar service (US\$117 per vessel per year), and may affect the fleets of other Pacific Island countries that do not have their own VMS for domestic vessels.

FFA officials noted the concern, but explained that the organization was committed to full cost recovery on these services. It was pointed out that the decision to include domestic vessels which did not fish outside Fiji waters in the scheme was an internal matter decided by the Fiji Government and not a regional requirement. If Fiji preferred to set up a domestic VMS system to cover these vessels, registration with FFA would not be necessary.

#### ***8. Strengthened regional efforts in Monitoring, Control and Surveillance***

The importance of effective regional cooperation to increase the effectiveness of monitoring, control and surveillance was recognized. Industry representatives believed that IUU fishing represents a major threat to the region's tuna resources and undermines stock assessments and management measures.

FFA staff informed the participants of a number of initiatives – sharing of VMS data, joint enforcement patrols under the Niue treaty, as well as training and coordination of observer programmes – that help to address the issue but recognized that more needs to be done. A project to reduce IUU fishing is also a priority for EU funding proposals under EDF10.

#### ***9. Greater transparency in access agreements and vessel licensing***

It was noted that greater exchange of information on access agreements would generally benefit the Pacific Island countries in their dealings with distant water fishing interests, and that transparency would help to eliminate corruption. Disclosure of licensing arrangements to domestic operators was also important for the detection of illegal fishing.

Although certain countries seem to prefer secrecy in access matters, the trend is towards greater transparency, for example all EU access agreements can be found on the internet. FFA is also becoming involved more in bilateral negotiations. Greater transparency will be proposed in the strategy for responsible development of the region's fisheries, which is being prepared for approval by member countries as part of the FFA work programme for 2006/07.

#### ***10. Port State measures to prevent IUU fishing***

Again on the subject of IUU fishing, the meeting observed that some ports in the region such as Suva are used by many fishing vessels that fish on the high seas and in neighbouring zones. It was important that the economic benefits of port calls or the demand for fish for local processing plants did not take precedence over national obligations to prevent IUU fishing.

Participants were informed that FFA continues to provide training for authorized officers in all Pacific Island member countries on dock-side boarding and prosecution of offences and is also assisting with the review and updating of national legislation to reflect international obligations. The meeting supported further strengthening of national capacity in this area.

#### ***11. Use of Carbon Monoxide in tuna products***

The meeting discussed a proposal that the use of CO in tuna products should be banned across the region. On the one hand it was argued that this process is already banned in many importing countries, allows the misrepresentation of stale fish as fresh, and will undermine the reputation of producers across the region. On the other hand some participants felt that it

is a genuine value-adding process, allows the export of sashimi grade frozen fish without the use of ULT, and should be permitted as long as major export markets (USA and Australia) demand it. There may also be a distinction between use of industrial CO gas and so called odourless smoke processes which deliver a lower concentration of CO.

The meeting agreed that the use of CO should be closely monitored by the responsible authorities in the different countries, and that changes in the policy of importing countries should be similarly monitored and complied with.

#### ***12. Crewing of vessels by Pacific Island nationals***

The meeting noted that the tuna industry in many countries employed large numbers of crew from outside the region, and that efforts should be made to increase the employment of Pacific Islanders to retain economic benefits in the region.

#### ***13. A coordinated approach on by-catch issues***

The meeting was briefed on moves in the WCPFC to mitigate the impact of tuna fisheries on other species, notably sharks and turtles. There is likely to be pressure for a ban on shark finning, and perhaps for the compulsory use of large circle hooks to prevent hooking of turtles.

The meeting was informed of a study on the economic impact of a shark finning ban, which has been commissioned by FFA; and industry was asked to cooperate with the consultant carrying out this work. National industry associations and PITIA will work to develop a common industry position on these issues.

#### ***14. Depredation by whales***

The meeting considered the problem of depredation by whales, which one company estimated results in the loss of 6-7% of catches in Fiji waters. Previous meetings have recommended closer monitoring of these losses, including modification of the standard regional logsheet, but these have not been actioned. No representative from the Pacific Islands will attend the upcoming meeting in British Columbia on the issue.

The meeting suggested that the regional agencies should monitor international developments in quantifying and tackling the problem. An offer from Solander (Fiji) to assist any research scientist interested in studying the issue was noted.

#### ***15. A possible multilateral agreement for longline access between Pacific island countries***

This was rated the lowest priority by meeting participants. Most industry participants from Fiji have made satisfactory bilateral access arrangements for their vessels, and there is currently no demand for access into neighbouring zones from other Melanesian countries. Concern was also expressed over eligibility to participate in the agreement – it could act as a backdoor for foreign owned and controlled vessels to gain access to fisheries reserved for locals.

The meeting was informed, however, that there is a trend for countries to close their zones to access arrangements which may restrict domestic fleets more in future; also that there is more interest in such an arrangement in countries to the South East of the region.