



Happenings in the months of January to March 2018

- 1st Consultation on Rebate Scheme Policy, 20 Jan 2018, Lae Int'l Hotel, Morobe Province
- Lae Fishing Port Feasibility Study, 20 Feb 2018
- 2nd Consultation on Rebate Scheme Policy, 14 March 2018, Crowne Plaza Hotel, POM
- PNA Meeting Outcome
- Fisheries Trade Lobby Committee Meeting, 22 March 2018, NFA Boardroom

1st Consultation on Rebate Scheme Policy, Lae International Hotel, 20 Jan 18



Photo: Fisheries Minister, Board Chairman, NFA MD & Staff, FIA Staff and Representatives of the Tuna Processors attending the Rebate Scheme Consultation

The first consultation on the Rebate Scheme (RBS) between the National Fisheries Authority and the Tuna Processors was held on the 20th January, at the Lae International Hotel, Lae, Morobe Province.

The consultation was attended by the Minister of Fisheries and Marine Resources, Hon. Patrick Basa, MP and his staff, the Chairman of the Fisheries Board Rueben Kautu, NFA Managing Director and staff, the Fishing Industry Association Chairman Sylvester Pokajam and his staff, and representatives from RD Tuna Cannery, Frabelle PNG Ltd, International Food Corporation, Majestic Seafoods Ltd, Nambawan Seafoods Ltd and South Seas Tuna Corporation.

The goal of the consultation meeting was to make an awareness to the tuna processors regarding the Government's directive to implement the RBS policy and to engage with the tuna processors.

The overall objective of the Government's newly introduced RBS Policy is to increase the offloading and processing of tuna resources onshore in PNG. Thereby creating employment, foreign exchange earnings, generate direct, indirect and induced business opportunities and spin-offs, and other socio-economic benefits to the economy.

The salient features of the RBS Policy that were discussed and consulted on included the following:

- The existing NFA Catch Documentation Scheme (CDS) will be the basis of the Rebate Scheme implementation,
- It is important that the definition of processing is clearly defined to ensure that only those tunas that qualify are rebated,
- The sourcing of fish (tuna) was discussed extensively during the consultation. Whilst the potential for global sourcing exists, the main concern is that it may render the scheme unsustainable in the medium to long term,
- Payment of RBS will be made on a monthly basis to the processors,
- RBS to be reviewed after the first (6) months and lessons learnt will assist the NFA to develop the Standard Operating

Procedure (SOP) and the blueprint of the Rebate Policy. These are critical governance instruments that must be developed,

- NFA to consider capping or introducing a ceiling that triggers the review of the rebate. For example, it is proposed once processing reach 150,000 metric tonnes per annum or after three years, a review should be undertaken to assess the scheme.
- In the event that NFA is unable to pay the rebates, the processors have suggested the possibility of off-setting the rebate equivalent from VDS fees. However, the NFA is not in a position to support such off-settings from the VDS.
- NFA is planning to automate the Rebate Scheme into the existing Industry Fisheries Information Management System (IFIMS). The NFA has initiated consultation with the FIMS developers to develop a rebate module on the existing IFIMS platform. Once that is done, the processors can directly upload their rebate data into IFIMS

Whilst the processors expressed their support for the scheme, the only regret was that they were never consulted and fully involved in the initial discussion process which finally led to the approval by the Government for implementation. However all in all, the consultation was conducted in a true spirit of open and frank manner where everyone expressed their views unreservedly given that this was the very first time that this scheme was brought before all the relevant stakeholders for discussion after it has already been approved for implementation by the Government.

Lae Fishing Port Feasibility Study, 20 February 2018

The FIA Executive Officer, Jonathan Manieva, FIA Treasurer, Fabian Chow, and Consultant, Mr Mick Payze, were in Lae on 20 February 2018, to meet with local processors and fishing operators to discuss the feasibility of having a dedicated port facility for fishing vessel berths.

The anticipated increase in catch and subsequent port calls for landing of catches have necessitated the need for a study into the feasibility of building a new fishing port at Wagang, East of Lae.

This is favoured by NFA as the long-term solution although it will be a very costly project and will take at least five and possibly ten years to bring to fruition.

In the meantime, other options need to be developed in the interim to cater for the immediate needs of fishing vessel berths. In the interim, there are 3 options as identified by the team following consultation in Lae;

- Short-term use of the berth facilities at the old Port of Lae utilising the space generated by the commencement of the new container terminal concession overseen by the terminal operator, ICTSI; and
- The potential of utilising floating wharves at the Northern end of the Lae Tidal Basin if the wharves at the Old Port are insufficient or prove to be located too close to the proposed concentrate loading facility at Berth 6; and/or

- The development of an area of the Lae Foreshore to the East of the Frabelle wharves, the lease of which is understood to be owned by Wally Kiong.

The above steps will lead to, and possibly defer, the requirement for the development of a larger single facility such as that proposed for Wagang.



Photo: F. Chow, Consultant, Nambawan Seafood Staff, M Luvt MD Nambawan Seafood and J Manieva

2nd Consultation on the Rebate Scheme Policy, Crowne Plaza Hotel, POM,

The 2nd Rebate Scheme Consultation between the National Fisheries Authority and the Tuna Processors that was held on the 14th March 2018 at the Crown Plaza Hotel, Port Moresby.

The consultation was officially opened by NFA Managing Director, Mr John Kasu, and attended by representatives from all tuna processors (RDTC, SSTC, Frabelle, Majestic, Nambawan and IFC), the Fishing Industry Association and staff from the NFA.

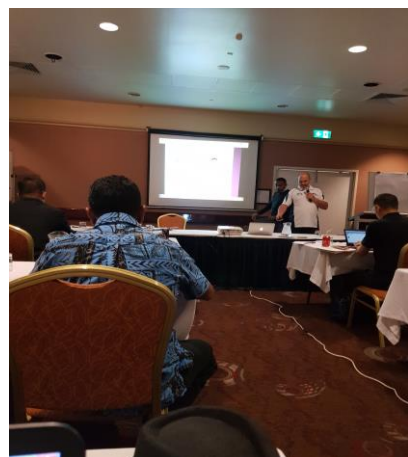


Photo: IFIMS presentation by Mark Oates

The RBS principles were presented and elaborated by the Professor Hurry during the consultation. The key discussions that emanated from the RBS principles were the definitions of processing, global sourcing and the need to establish a Tuna Management Advisory Committee (TMAC) to oversee the implementation of VDS.

The consultation was facilitated by Prof Glen Hurry and Rodney Kirarock.

The primary objective of the consultation was to review the draft RBS Guideline. Tuna processors provided their comments and sought any clarification on the draft guidelines.

The initial six months' review of the RBS will be implemented as planned to measure and monitor the impact of the RBS against a set of key economic benchmark indicators.

The indicators specifications included employment, offloading/landings, processing, spin-offs, exports and import data.

Mark Oates from FIMS was invited by NFA to make a presentation on the development of the RBS onto IFIMS. Initial work started in 2012 but was incomplete. Representatives from SSTC and RDTC met separately with Mark to discuss how to work together and develop the RBS onto IFIMS.

**Announcement
Box**

**“FIA Annual General Meeting”
Week 2 of May
(Actual date and venue to be announced soon)**

PNA Meeting Outcome, 4 – 16 March 2018

The first round of technical sessions for the PNA set of meetings was completed during the last week of February 2018 with outcomes taken to the official PNA meeting held in Nauru from 4 -16 March 2018.

Some agenda discussions which were noted and thought would be of direct implication to companies operations. For your information and awareness.

Meeting	Issues/Matters for Noting	Time Implication
Outcome of VDS-T & SC7	Vessel Operators to provide logsheet catch & effort eReports direct to FIMS; <ul style="list-style-type: none"> Companies undertaking such through their respective headquarters need to be alerted on this requirement. Official meeting will be confirming txt insertion into PS VDS Scheme to ensure application. 	Official meeting to decide
	<i>FAD charging;</i> <ul style="list-style-type: none"> For those with FAD operation Ongoing discussion. Now indication of an imminent FAD charging trial including tracking 	Need to confirm schedule of trial plans
	<i>VDS Officers Workshop;</i> <ul style="list-style-type: none"> A technical workshop including QAC on the counting of days. Outcomes of Industry consultation (in Manila 2017) would be included and workshoped i.e., timely processing of NFD Industry should confirm participation and companies VDS officers involved. 	Need to confirm schedule of plans
PA23		
	<i>VDS Counting-Bilateral v multilateral:</i> <ul style="list-style-type: none"> To maintain the current arrangement for counting bilateral days before multilateral days To maintain the current closeout dates of 28 February for NFDs and 31 March for vessel days, including transfers of days. 	Current
	<i>TAE for 2019 - 2021 for Purse Seine VDS;</i> <ul style="list-style-type: none"> provisional 2019 PNA TAE set last year of 44,033 days to be confirmed as the 2019 PNA TAE 	Current
	PAEs for 2019 - 2021 for Purse Seine VDS; <ul style="list-style-type: none"> Refer to Table #2 below. Distribution by 7years and 10years options 	To be decided at the Officials meeting in July 2018



Table # 2- PAEs for 2019 - 2021 for Purse Seine VDS

	10-year Effort	7-year Effort	5.5% Smoothing Method		PAEs	Current PAEs
FSM	7,545	7,627	3.33%	-117	7,510	7,268
Kiribati	9,872	10,407	2.43%	-159	10,248	10,005
Marshall Islands	3,092	3,223	5.21%	-50	3,173	3,016
Nauru	3,190	3,455	2.87%	-53	3,402	3,307
Palau	746	745	1.94%	-11	734	720
PNG	13,811	12,804	-5.50%	477	13,281	14,054
Solomon Islands	3,673	3,565	-1.15%	-53	3,512	3,553
Tuvalu	2,104	2,207	2.99%	-34	2,173	2,110
PNA TAE	44,033	44,033		0	44,033	44,033

1. Most Parties expressed support for the 10-year average with their understanding that this had been agreed at last year's meeting.
2. Kiribati said they never agreed to use the 10-year effort and want the 7-year effort used instead.
3. Not resolved at Officials meeting so will be referred to the Ministerial meeting in July 2018



“National Fisheries Industry Summit”
Crowne Plaza Hotel, Port Moresby, 14-16 August 2018



Photo: Presentation by Pete Celso to the Fisheries Trade Lobby Committee

Members of the Fisheries Trade Lobby Committee (FTLC) met at the NFA Board Room on Thursday 22 March to consider the Report by Pete Celso, Consultant. The FIA Chair/President, Executive Officer and Secretary also attended the meeting.

An extract of the general summary of the Report is provided below:

- The world market is big and will continue growing for tuna and fisheries products considering the continuing increase in population
- PNG canned tuna and other fisheries products are not internationally competitive mainly due to cost factor and lack of economies of scale
- Trade lobbies and duty free access to selected markets can help but the main issue is still the high cost of doing business in PNG
- The VDS rebate scheme can temporarily help and can encourage the industry to expand and increase economies of scale.
- Sustainability of this scheme can go a long way in improving the competitiveness of the tuna processing industry
- Major reforms in various aspects need to be done whose initiative should come from the government and the private sector working hand in hand to accomplish the desired objectives
- Global value chain analysis needs to be worked out as a comprehensive guide to all

The presentation also suggested some of the immediate steps for PNG (the Government and the Industry to act on):

- Implement immediately and properly a sustainable vessel day rebate scheme mechanism
- Lobby for the immediate approval and inclusion of the fresh and frozen fish exports to the EU through the IEPA
- Work on increasing the import duty for imported canned tuna and other fish products to assist local manufacturers
- Enact and implement the IUU law for imported canned tuna and fisheries products
- Work and implement the MSC accreditation for PNG immediately
- Review and improve the incentive schemes for investors to invest in PNG and implement measures to lure more fishing companies to reflag to PNG flag status
- Improve the governance mechanism in implementing State Agreements and in generally administering investments in the country
- The foreign exchange shortage in PNG needs to be sorted out immediately



Photo: FIA President/Chair attending the FTLC meeting