

Tuna Market Intelligence

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Your fortnightly report on trends and influencers on the global tuna market from the Pacific Islands.

MARKET UPDATE

Bangkok insiders report that skipjack tuna prices have inched its way a bit further to as high as US\$1080 per metric tonne.

This could be due to a number of factors including uncertainty, tying up of vessels fishing in PNA waters under the US treaty, and El Nino.

Parties to Nauru Agreement (PNA) Chief Executive Officer Dr Transform Aqorau said they are anticipating a slow increase of prices: "I think we could also pencil in uncertainty more than scarcity as a reason for the slow climb." Dr Aqorau said it may take another month before the full financial impact of the US fleet's inaction in PNA waters is realised.

However, the World Tuna Purse Seine Organisation believes the tying up of US vessels and high cost of VDS days is the reason.

"The slow climb in prices is mainly due to many boats tied up as they cannot afford to pay the high vessel days being charged, plus low prices on the Bangkok market," WTPO President Francisco Tiu Laurel said

Send us your tips to marketintel@pnatuna.com

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INFLUENCERS REPORT

Palau laws requires offloading in Port

All fishing vessels in Palau are now required to offload their catch in Malakal Harbor.

Longline fishing vessels registered in Palau are prohibited from offloading or transshipping catch in any port outside the country, according to the new Interim Uniform Longline Fishing Agreement.

Minister of Natural Resources, Environment and Tourism Umiich Sengebau said the new agreement makes clear Palau's stand on transshipment and offloading catch outside of the Malakal Harbor.

"The biggest change is that they now have fuel in Palau. It will prevent a lot of suspected off-loading in high seas," Sengebau said.

"Every licensed vessel shall off-load or transship its entire catch, fish or fish products at facilities within Malakal Harbor. The company shall provide the government with 24 hours written notice of any licensed vessel planning to off-load or transship at Malakal Harbor," the agreement stipulates.

The new interim also took into account relevant laws such as the Palau National Marine Sanctuary legislation, Palau National Code and the requirements under the Parties to the Nauru Agreement (PNA).

Tokelau to explore fisheries options

Tokelau is looking at a options for a new fisheries arrangement for the Pacific as a region. Responding to queries on the failure by the US to honour a deal it signed with Pacific island States in August last year, General Manager for Tokelau's Office of the Council for the Ongoing Government of Tokelau, Jovilisi Suveinakama, said there was no doubt that this would be a multi-faceted and complex process: "Tokelau is certainly not just looking at this situation in terms of lost revenue but

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as an opportunity to work together as a region and stakeholders for brighter and sustainable arrangement for the region."

Most of Tokelau's budget is funded by Exclusive Economic Zone fishing and it had committed a lot of its Vessel Day Scheme to the United States treaty. Most of its funding comes from the Parties to Nauru Agreement Vessel Day Scheme (VDS).

PNG to upskill locals for processing

With significant changes to the development of the fisheries industry in Papua New Guinea, locals need to be upskilled to keep updated with various changes.

National Fisheries Authority's (NFA) Managing Director John Kasu said more up-skilling of people are needed: "Looking back at all the developments in fisheries for the last 10-15 years, there is a dramatic change in a number of areas that require skill change. You would see that by the various processing plants that have come on board, we currently have about five, three coming on board, so there will be eight processing plants, including the recent opening of the PMIZ project (Pacific Marine Industrial Zone)."

During the launch of the PMIZ project, Prime Minister Peter O'Neill said that project alone would generate 20,000 jobs for locals.

Kasu said: "One day we will own our own processing plant and we need to up skill our people to manage such a processing plant."

The National Fisheries College (NFC)'s Commercial Fishing Operation Department team leader Bernard Bua said the college has all facilities that a training center should require to empower locals who are keen in the fisheries industry. "Every year we have industry visits like South Seas Tuna in Wewak, we go to Madang's RD (Tuna Cannery), then Lae Frabelle and International Food Corporation, Port Moresby the Prawn Trawlers and all the others and then we interview on what type of training they need."

US withdrawal to take effect in January 2017

The decision by the United States to withdraw from the 30-year Tuna Treaty with Pacific Island Countries will not take effect until January 2017, says Pacific Islands Forum Fisheries Agency (FFA) deputy director general, Wez Norris.

In his initial response to *PACNEWS* queries, Norris admits the impact of the US withdrawal will be different from country to country: "Some of them have viable alternative markets that could absorb their fishing days with relatively little impact. Others, however that are reliant on the Treaty to sell their days would struggle to achieve revenues similar to those currently enjoyed."

While the PNA countries can sell days under the PNA Vessel Day Scheme (VDS), some of the other countries will suffer significant losses of funding from the treaty's aid allocations. The Forum Fisheries Agency provides technical advice to the Pacific Island countries covered by the US Treaty.

"Our work will focus on redesigning the Treaty so that it can still play its vital government to government roles, but can cater for more flexible commercial arrangements between individual vessel operators and countries that sell their fishing days," says Norris. "This will ensure that the Treaty adequately reflects the nature of the fishery and respects the VDS."

Despite all the media hype about the US treaty, Pacific Islands Forum Fisheries Agency (FFA) headquarters in Honiara reports that there could be some light for the treaty in its current erratic state.

Norris acknowledged the: "high level of frustration from Pacific nations where budgets are being skewered by this news, especially as US and Pacific delegations held three specific formal negotiations in the last 12 months to reach a hard-won agreement achieved through compromise, effort, and good faith from all sides."

"As the US Treaty Administrator, the secretariat recognises the impacts of this decision by the US on our members and remains committed to identifying available options and continued communication with the US to seek resolution," says Norris.

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US industry responds to Treaty crisis

Parties to Nauru Agreement (PNA) Chief Executive Officer, Dr Transform Aqorau has told a United States newspaper that the PNA is not interested in boats that cannot pay, as mixed messages have surfaced among the US players about who should pay for US fishing access.

“You come fish in our waters, you fish according to our rules and regulations,” Aqorau said. “We don’t tell the U.S. and Japan how to fish their waters.”

The *San Diego Tribune* reported that Dr Aqorau said the island nations were not hurting because U.S. companies were not filling island canneries. Instead, he said the waters could now be open to more competition for fishing — including from local entrepreneurs.

The media outlet, based in the city where most of the US fleet that operates in Pacific waters are based, had reported that the US State Department had stepped in to help American tuna boats deal with Pacific states.

The newspaper had also reported Tri Marine as saying paying for fishing days as opposed to fish was a broken system.

It had also reported that whilst crew members on boats can transfer to other boats - canneries like the one in American Samoa would lose thousands of jobs.

At the same time, the newspaper also reports that whilst US tuna operators claim 2015 was a bad year some boat owners were still willing to pay Pacific nations what was agreed to in August.

The Global Companies, a group of three Nevada-based firms with offices in San Diego, says it will pay its portion of the \$17 million first quarter payment owed under the deal struck in August, 2015. However, Global said it could not cover the cost of the entire fleet itself.

One of the boats managed by San Diego-based South Pacific Tuna Corp has docked all its boats because of the dispute among American vessel owners.

FSM spreads fisheries message in China

Federated States of Micronesia has taken their fisheries message to China in an aim to woo longline fishing vessels to fish in their waters under the Parties to Nauru Agreement (PNA) Longline Vessel Day Scheme. Headed by top officials from the National Oceanic Resource Management Authority (NORMA) like Board chairman Churchill Edward and executive director Eugene Pangelinan, FSM, small in land mass but with large ocean areas rich with skipjack tuna, conducted a fisheries seminar in Beijing last month.

It also encouraged longline fishing vessels from China to invest in the FSM and secure vessel days for longline fishing in FSM waters.

With the implementation of the Parties to the Nauru Agreement long line vessel day scheme in 2016, Pangelinan advised Chinese long line fishing companies “that the opportunity exists now for China to play a major role in its (FSM) long line fisheries development and for China to secure a place in the limited fishery once it goes into full implementation in 2017.”

Pangelinan further requested China to seriously look to the FSM as a partner in improving relations on the management of the longline fishery, through a strategic partnership in the Western and Central Pacific Fisheries Commission.

Solomons fish for Japan market

The first consignment of tuna catch from longline fishing vessels operating in Solomon waters were offloaded over the weekend and bound for Japan as part of government’s effort to gain more from its resources, Pacnews reports.

Tuna was transferred from Leroy wharf, Lunga point, East Honiara and is expected to boost the country’s export in tuna catch.

It's the first time for licensed longline fishing vessels from Global Fisheries Limited from Taiwan and SolFish Company to offload their catch in the nation’s capital, Honiara. The catch has been unloaded and loaded again into freezer containers bound for Japanese markets.

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Under the Solomon Island government's policy, a minimum of 80% of the boat's respective catch must be offloaded locally this year. By 2017, all tuna caught in Solomon waters will be offloaded in the Solomons.

The Purse Seine Vessel Day Scheme usage for 2016

The effort in Vessel Day Scheme participants' EEZs for 2015 is illustrated in the graph below, where the yellow line represents the constant monthly usage for staying within the TAE (total allowable effort), and the red line shows the total VDS days in zones, taking into account non fishing days.

As shown by the graph, the effort level in Parties' zones for 2015 was much lower than the TAE, allocated for the year.

