



CREDIT: R D TUNA

MAKING THE MOST OF THE CATCH

Papua New Guinea’s fisheries sector has come a long way over the past 12 years, with significant new foreign investment in the pipeline.

Although Papua New Guinea’s Exclusive Economic Zone covers 2.4 million square kilometres and accounts for a hefty 10% of the world’s tuna catch, it used to be dominated by ‘distant water’ fishing companies. Such foreign fleets simply paid a comparatively small fee for the privilege of fishing in PNG’s waters and then took their catch home with them. Clearly, the country was missing out on a major opportunity to add value onshore.

PREFERENTIAL ACCESS TO EU

Things really began to change in 1997 when the PNG Government encouraged major Philippine group R D Tuna to set up a processing plant in the northern town of Madang.

R D Tuna Cannery now employs over 3500 people in PNG, processes over 200 metric tonnes of tuna daily and earns well over US\$25 million per annum in exports.

While most of R D Tuna’s production is exported to the European Union under PNG’s tariff-free access arrangements, the company also sells the popular Diana and Dolly brands in PNG and the rest of the Pacific. The European Union is the biggest consumer of Pacific tuna and recently made conditions more favorable for the importation of PNG tuna.

FRABELLE’S BIG PLANS FOR LAE

Happily, other companies have since followed suit, most notably another Philippine company, Frabelle Fishing Corporation, which has established its own processing facilities in PNG’s industrial hub of Lae. Ironically, Frabelle is itself one of those ‘distant water’ fishing companies, but in recent times it has come to see the benefit

- PNG accounts for 10% of global tuna catch
- Onshore processing commenced in the mid 1990s
- Significant new foreign investments pending

of setting up a local operation in PNG. In fact, it is now planning a second, distinct plant in Lae, on a much larger scale than the first. Its US\$25 million investment, in partnership with two other Asian investors, will enable it to process 350 tonnes of raw tuna a day and employ up to 6000 people. Its first stage should be completed before the end of 2010.

PACIFIC MARINE INDUSTRIAL ZONE

In spite of this recent progress, PNG is still only processing a small portion of its tuna onshore. To encourage more onshore processing in the fisheries industry in PNG, and to support its export-driven industry strategy, the PNG Government is currently considering a US\$33 million investment in a Pacific Marine Industrial Zone in Madang, in partnership with key industry players. The industrial park would include a fish market, cold storage facilities, an ice-making plant and improved port facilities.

It would boost revenue and industry capacity tenfold, and act as a regional tuna transshipment and processing hub for the Western and Central Pacific. The PNG Government has already invited the eight countries that are parties to the Nauru Agreement—which between them control 20% of the world’s tuna catch—to participate in the park. ■