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**SOUTH PACIFIC COMMISSION**

**TWENTY-SIXTH REGIONAL TECHNICAL MEETING ON FISHERIES**  
(Noumea, New Caledonia, 5 - 9 August 1996)

**COUNTRY STATEMENT**

**PAPUA NEW GUINEA**

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## **ACKNOWLEDGMENT OF SOUTH PACIFIC COMMISSION ASSISTANCE**

Papua New Guinea would like to thank the South Pacific Commission for assistance over the last two years. SPC, jointly with the National Fisheries Authority conducted a two weeks training course on Port Sampling of Tuna Vessels during 1996. The trained nationals will be able to undertake port sampling work for Fisheries as required. Later on in September of this year, SPC is providing a staff to assist PNG to joint work with on a Bech-de-mer management plan for Milne Bay Province .

## **THE COUNTRY**

Papua New Guinea, is the eastern half of the world's largest tropical island of New Guinea. Situated between the Equator and 12 degrees South, the total land area is 462,840 square kilometres with most of the larger islands having a rugged geography, generally with steep mountain terrains leading either to extensive flood plains and swamps or a narrow coastal fringe. PNG has over 5, 000 lakes and numerous rivers and streams of which the largest in terms of mean discharge are the Fly and the Sepik. The potential of Inland waters and wetlands towards fisheries production remains untapped.

PNG's total EEZ area is 2.4 million square kilometres, containing a large and diverse fisheries resource. Major coastal ecosystems supporting these fish resources comprises flood plain and near shore estuaries, tidal flats and mangroves, beaches, near shore bays and lagoons, seagrass flats, coral reefs and the offshore waters and environment. The coastline of PNG is 17,500 km in length. Deltaic flood plains and lagoons account for 4,250 km, islands and atolls contribute 5, 440 km while the extent of the mainland (Eastern New Guinea) is 7,800km.

The population of PNG in 1993 was 4.1 million with an annual growth rate of 2.3 %, adding 97,000 people more every year. With a population doubling time of 30 years, by the year 2025, the population is expected to be in the order of 7.8 million. Of the 1993 population, an estimated 570,000 live in urban areas and the rest in rural areas. Less than 500,000 people live along the coast. The estimated coastal fishing population of 120,000 people ( fishing once a week), fish part time. The bulk of the population live in inland areas and like the rest of the rural population live subsistence lifestyles which for most purposes are outside the formal economy. Fishing for most Papua New Guineans is mainly for subsistence purposes, although interest in commercial fishing has grown in recent years and is expected to grow over the next ten years.

## **OVERVIEW OF THE FISHERIES SECTOR IN PAPUA NEW GUINEA**

Based on a 1995 review of the Fisheries Sector, approximately a quarter of a million tonnes of fish is taken from Papua New Guinea's (PNG) coastal waters annually. About 90 % of this catch is taken by foreign licensed vessels, which until recently never made port calls in PNG. During 1995, 236 foreign vessels, worth about PNGK550 million and employing 4,000 crew caught an estimated 220,000 mt of tuna ( skipjack 160,000, Yellowfin 50,000 and Sashimi tuna 10,000). A domestic fleet of thirty boats, worth about PNGK12 million and employing 370 people, caught around 8,000 mt. The domestic catch of 8,000 mt comprises of prawns and lobsters ( 1900 mt), Reef fish and large pelagics ( 4,000 mt), Sharks, shells and bech-de-mer (2,100 mt). An estimated 100,000 artisanal and subsistence fisherfolks using about 30,000 small crafts landed about 26,000 mt of marine products. Inland fisheries production is estimated at about 13,500 mt annually, largely a subsistence catch of tilapia, carp and freshwater prawns. Aquaculture production is negligible.

Using the 1995 catch estimates, an estimated PNGK360 m (million of PNG Kina) worth of fish were caught by foreign vessels and earning for PNG approximately PNGK20 million in license fees. The domestic commercial and marine subsistence catch earned an estimated PNGK50 million. The inland freshwater resources sector earned an estimated PNGK34 million in domestic sales. At the National level, the fisheries sector contributes less than 1 % to Gross Domestic Product (GDP).

As at 1995, the coastal resource base estimates of annual sustainable yields (mt/yr) were; Skipjack (240,000) , Yellowfin (100,000), Deep tunas ( 10,000), Coastal pelagics (130,000), Demersals (50,000), Reef fish(100,000), Sharks and rays (10,000), Squids and Octopus (5,000), Prawns and other crustacea (10,000), Estuarine fish (20,000) and other marine animals (5000). In the inland areas, assuming adequate and appropriate management inputs, sustained catches of over 400,000 mt per annum is possible, considering the extent and diversity of PNG's inland aquatic and wetland resources.

## **HIGHLIGHTS IN THE PROMOTION OF FISHERIES DEVELOPMENT 1994 TO 1996**

### **A. GOVERNMENT**

The period 1994 to 1996 has seen crucial changes in national legislations and economic changes which are currently shaping how the Fisheries sector is to be developed over the next several years. A new Fisheries Act was passed in August 1994, amalgamating the 1978 Fisheries Act and the 1984 Continental Shelf (Living natural resources) Act. A supplementary Fisheries Regulation was passed in Parliament in March 1995. Key changes include the establishment of a non-commercial Statutory Authority, the PNG National Fisheries Authority (NFA) to replace the old Department of Fisheries and

Marine Resources. Another key change under the new Fisheries Act, 1994 is a legal requirement to produce Fishery Management Plans for all fisheries. Fishery management plans have now been drawn up for the Gulf of Papua prawn fishery, the Lobster fishery (the migratory *P. ornatus* and residential coral reef lobsters) and the Bech-de-mer fishery. A management plan for Coral Reef Fisheries is being developed.

In May 1994, an Asian Development Bank (ADB) Study on the Institutional Strengthening on Fisheries. That work was a continuation of previous world Missions on the Fisheries sector to seek a fisheries loan is now leading into obtaining a major Fisheries Loan from the ADB to domesticate the tuna fishery.

In September of 1995, the Government, under the direction of the World Bank was working on implementing structural reforms to the PNG economy. PNG had a negative growth during 1995, following two decades of unrestrained spending and no savings resulting in the world bank's arrival in PNG. These structural changes required macro-economic and policy reforms across all sectors of government to get PNG out of debt.

Thirdly, in October 1995, Constitutional Reforms to PNG's Organic Law on Provinces decentralised most government functions from the national authorities to the Provinces and along with this most of consolidated revenue to develop the rural sector. Under the Reforms, PNG's 19 provinces will be receiving almost all of Government's consolidated revenue as a move to redirect resources to develop the rural sector while the National functions including the NFA are directed to restructure and transfer various functions to the provinces.

The current impact of these wide changes on the development of fisheries within government is to now pursue the facilitation of private-sector led development, an approach which differs from the previous government led development. The NFA is directed to simply make money for PNG. Organisationally, the evolving corporate NFA based on the 1994 Fisheries Act is now being restructured into a fully commercialised business body by the end of 1996. Beginning 1997, the NFA will only deal with revenue generating fisheries.

All other socially oriented fisheries activities that rely heavily on government funding are now being transferred to the provinces. These include inland fisheries development, inshore artisanal/subsistence reef fisheries and rural based aquaculture. All these changes will again be reviewed in 1997 because of the upcoming national elections. A new government may again change current changes.

The NFA is working towards an Asian Development Bank Loan of PNGK40 million to domesticate the Tuna Fishery. The components of the Loan if approved comprises of Developmental Finance for the private sector to

purchase boats and fishing gear, construction of onshore processing facilities, initial working capital and capacity building for the National Fisheries Authority.

## **B. NATIONAL PRIVATE SECTOR**

In the midst of turbulent government changes, PNG's first Mackerel cannery was established in Lae, Morobe Province now producing canned mackerel imported from overseas. In the longer term, local stocks will be used for canning.

Two other tuna canneries are being developed in Madang. The first, the RD cannery worth about PNGK15 million is being constructed. The other, the Zuanich triple ZZZ company is to resume construction of a cannery this year. Over the last two years, construction was delayed due to conflicts on import duty tariffs imposed by government on imported material.

In the Gulf of Papua prawn fishery, recent management plans resulted in some prawn trawlers moving out of the fishery and converting trawlers into longliners. This company based in Port Moresby has since established logline operations and onshore facilities in Port Moresby. The company is now successfully airfreighting fresh and chilled Yellowfin tuna to Japan via a flight connection through Cairns, Australia.

Another national forest land-owner company has diversified from logging into fishing. This company is now Longlining in West New Britain and airfreighting Yellowfin tuna for the sashimi market in Japan.

There were notable changes in the Orangerie Bay prawn fishery in Milne bay Province. Previously in the 1980's, prawn trawlers working these grounds steam to Port Moresby to land and sell their catch. During 1994, national company, Masurina Pty Ltd acquired two prawn trawlers through its' subsidiary company and constructed a processing factory for prawns in Alotau, the main town. The subsidiary company, NAKA Fisheries is first to negotiate a joint venture with resource owners of the Orangerie Bay area. The involvement of resource owners in Papua New Guinea is a risky business as resource owners truly display typical Melanesian aggression at any foul play in joint-ventures both from their own fault and the other partner by holding trawlers for ransom. So far this business partnership is still surviving.

An artisanal fishery for penaeid prawn in a local village, Hisiu, outside of Port Moresby has during 1996, decided to work together with the National Fisheries Authority on a Community based Management Plan. This has also been a first of such co-operation. In the past, the Department of Fisheries has always maintained a western approach to management in artisanal fisheries knowingly or unknowingly. These invariably fail because resources owners views were never integrated in the drawing up of management plans. Violent opposition to such measures is normal in artisanal fisheries. In Western

Province for example current gazetted management plans in the form of a ban on fishing is simply ignored. However, examples of co-operation such as the Hisiu case are indications of changes in some coastal communities attitude towards government.