

Sustainable Fisheries – PNG Ready for Investment

2024 PNG Investment Week

8th December 2024, Sydney, Australia

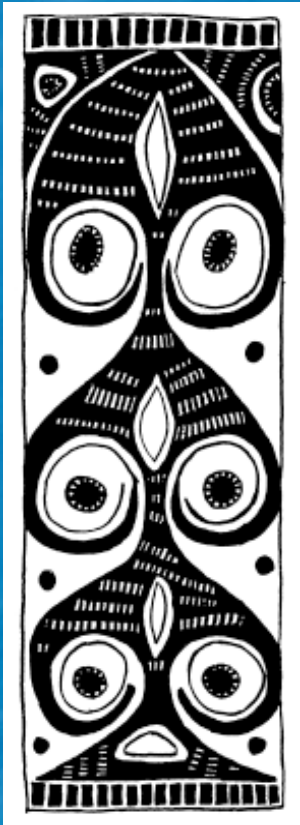
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NATIONAL FISHERIES AUTHORITY
PAPUA NEW GUINEA



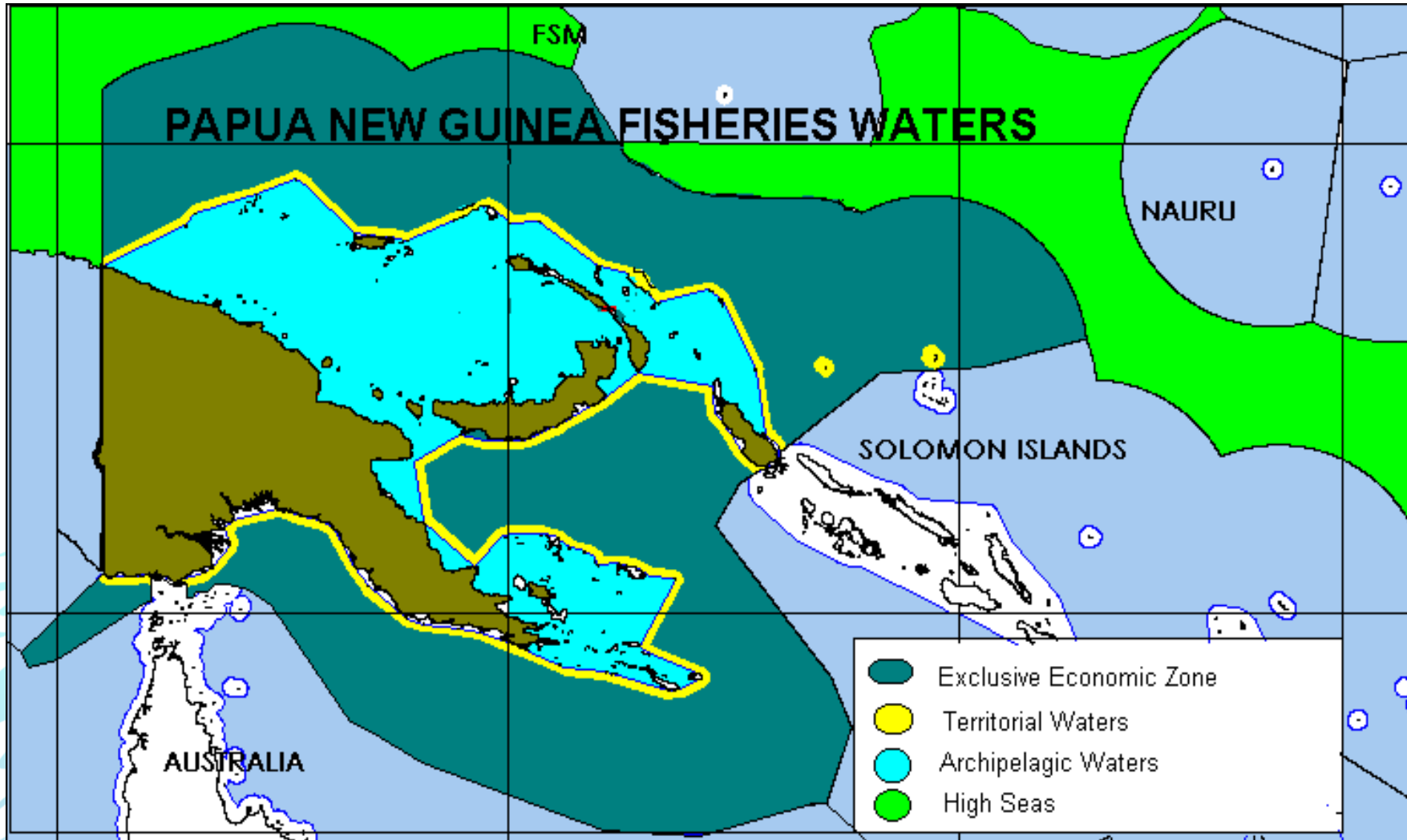
Outline



- 1. Potential of the fisheries sector**
- 2. Development targets**
- 3. Level of capital investment Required**
- 4. Investment Opportunities**
- 5. Investor Ready: Structural reforms & legislative changes**
- 6. Conclusion**



PAPUA NEW GUINEA FISHERIES WATERS



- **Large EEZ -2.4 million sq km**
- **17,000 km of coastline**
- **4,250 km of extended reef system, deltaic flood plains, lagoons**
- **4,180 km Islands and atolls**



PNG's Fisheries Resources *(Munro (1967; Kailola (1987a, 1987b))*

Habitat	Resource Potential	Area (sq km)	Species groups
1. Reef, bay, lagoon	144,000	40,000	Reef & inshore fish, sharks, pelagic species, sedentary resources
2. Estuarine	16,000	6,000	Demersal fin-fish, barramundi, sharks, pelagic, crabs, etc
3. Continental shelf	105,000	128,000	Demersal fish, coastal pelagic fish, deep water shrimps
4. Deep reef	26,000	25,000	Demersal fish, pelagic fish, sharks, shrimps
5. Deep slope	62,000	520,000	Demersal finfish/sharks, tunas, billfishes, oceanic sharks
6. Deep Ocean	315,000	1,664,000	Demersal finfish, tunas, billfishes, oceanic sharks
Total	668,000	2,383,000	

- Modest harvest levels (5kg/ha/yr)
- 3,000 species
- 2,000 found in inshore habitats





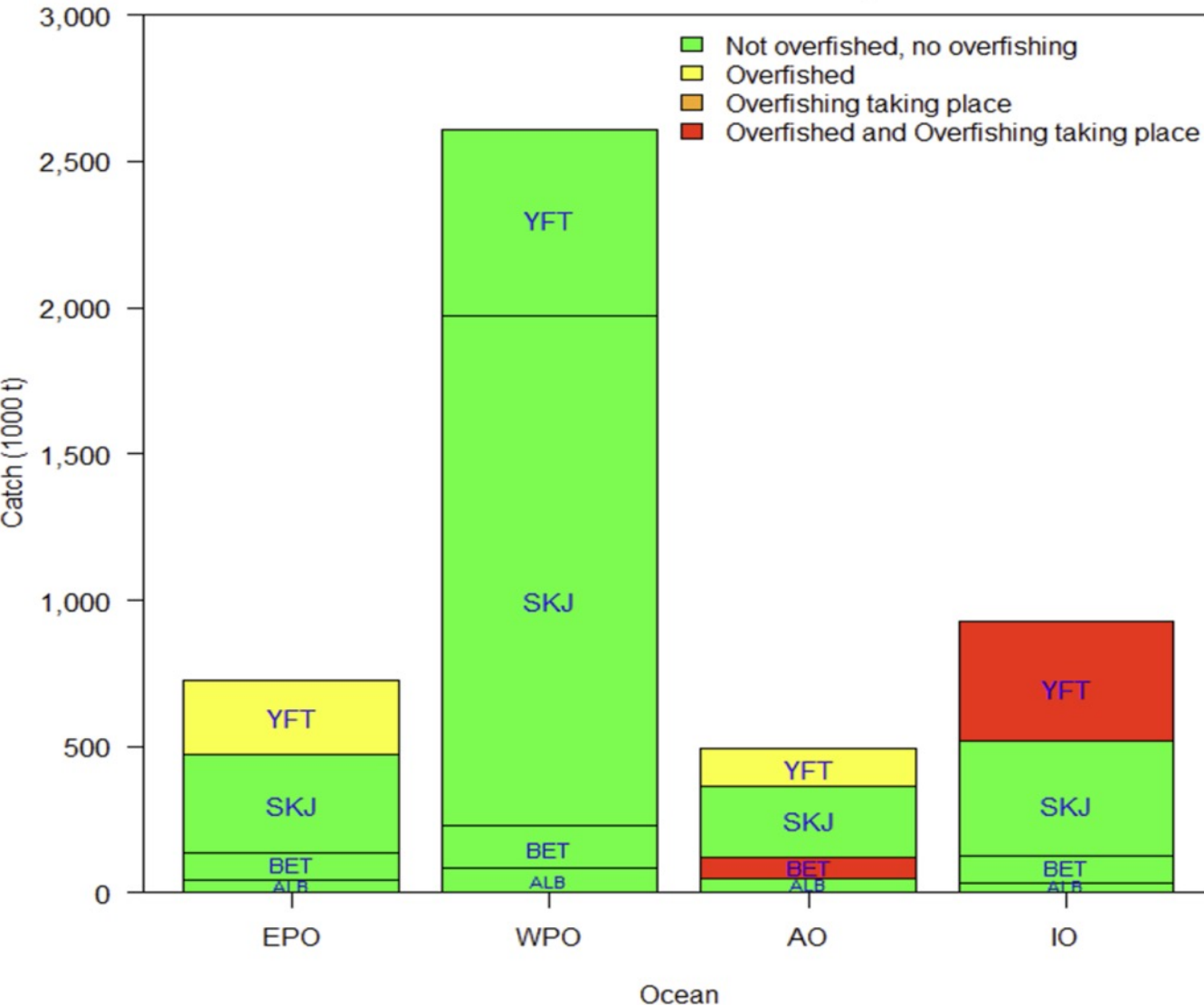
Potential in our provinces

(20kg/ha/yr) (Munro (1967; Kailola (1987a, 1987b))

Province/Area	Reef area (to 30m ('000 ha))	Reef Potential (mt)	Shelf potential (<200m) ('000 ha)	Shelf potential (mt)
Western/Gulf	-	-	4,578	91,560
Central	187	3,740	582	11,640
Milne Bay	1,287	25,740	4,115	82,300
Oro	517	10,340	1,652	33,040
Morobe	77	1,540	246	4,920
Madang	29	520	89	1,780
ESP	21	420	63	1,260
WSP	20	400	61	1,220
Manus	230	4,600	737	14,740
NIP	139	2,780	446	8,920
ENB	68	1,360	216	4,320
WNB	137	2,740	439	8,780
ABG	240	4,800	768	15,360
TOTAL	2,952	58,980	13,992	279,840

PAPUA NEW GUINEA TUNA STOCK STATUS

Catch and stock status by ocean

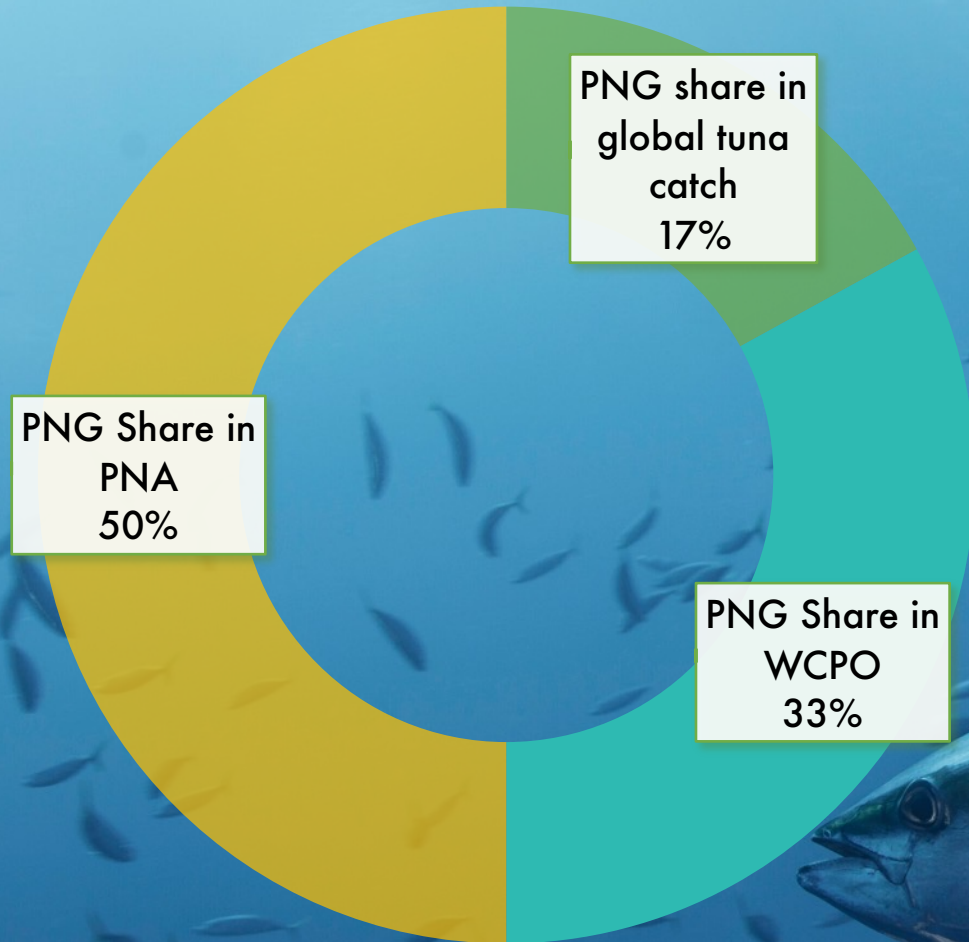


- **WCPO**

- All key tuna stocks are healthy and not being overfished
- Well-managed fishery in the world
- 2.7 million metric tones (SPC, 2022)
- 60 per cent of the global tuna catch
- Tuna Processed onshore in the region 196,300mt (only 7% of total WCPFC tuna catch)
- People employed in the region 23,941
- Market value US\$5.9billion (2022)
- Total value of global tuna market for food 2022 US\$42 billion
- Tuna market projected to increase to US\$50.2 billion in 2028.



PAPUA NEW GUINEA TUNA CONTRIBUTION

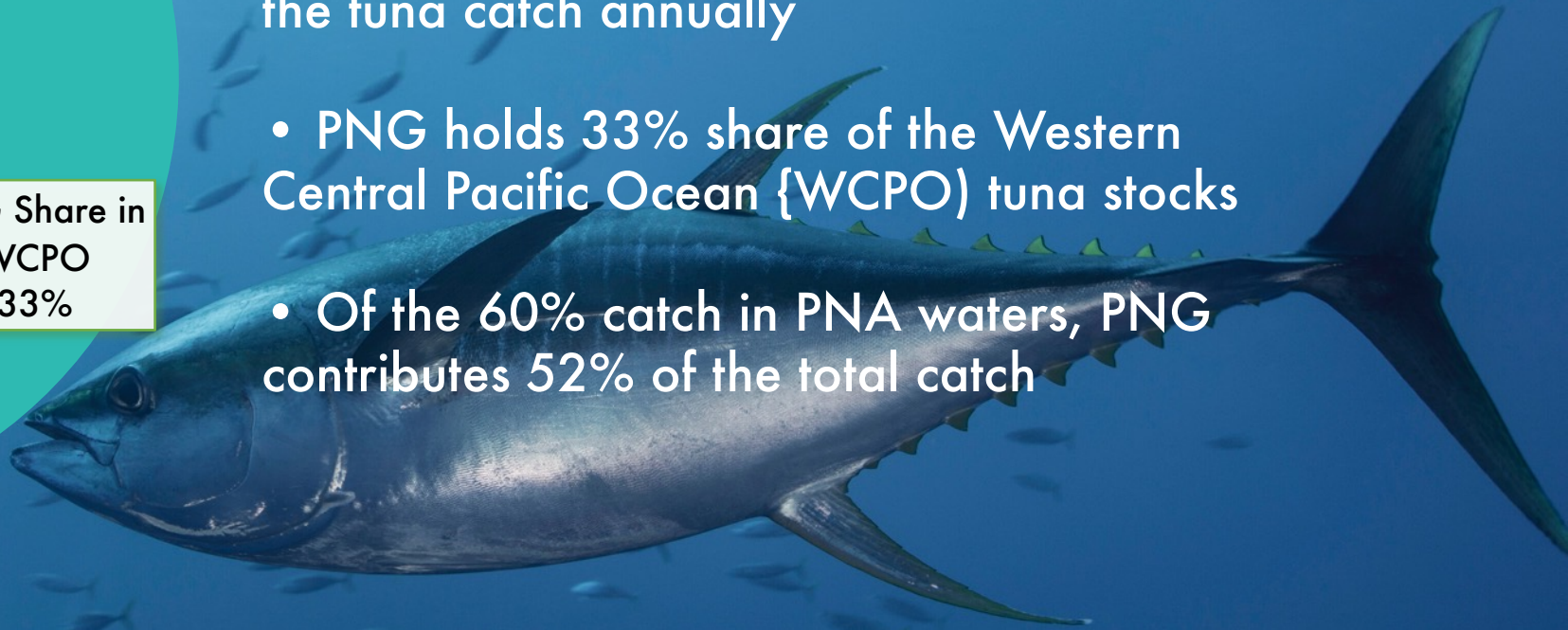


- Papua New Guinea Exclusive Economic Zone {EEZ) has highly productive tuna stocks,

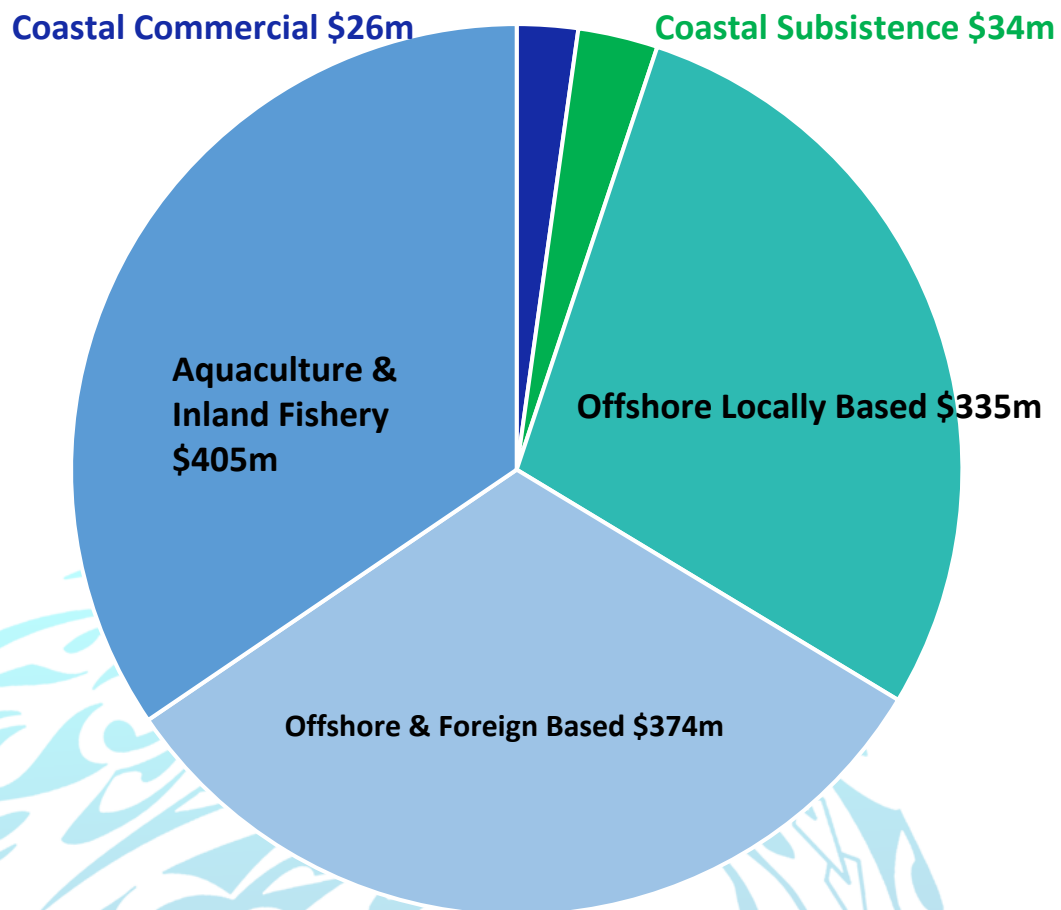
- Globally, PNG's contributes about 17% of the tuna catch annually

- PNG holds 33% share of the Western Central Pacific Ocean {WCPO) tuna stocks

- Of the 60% catch in PNA waters, PNG contributes 52% of the total catch



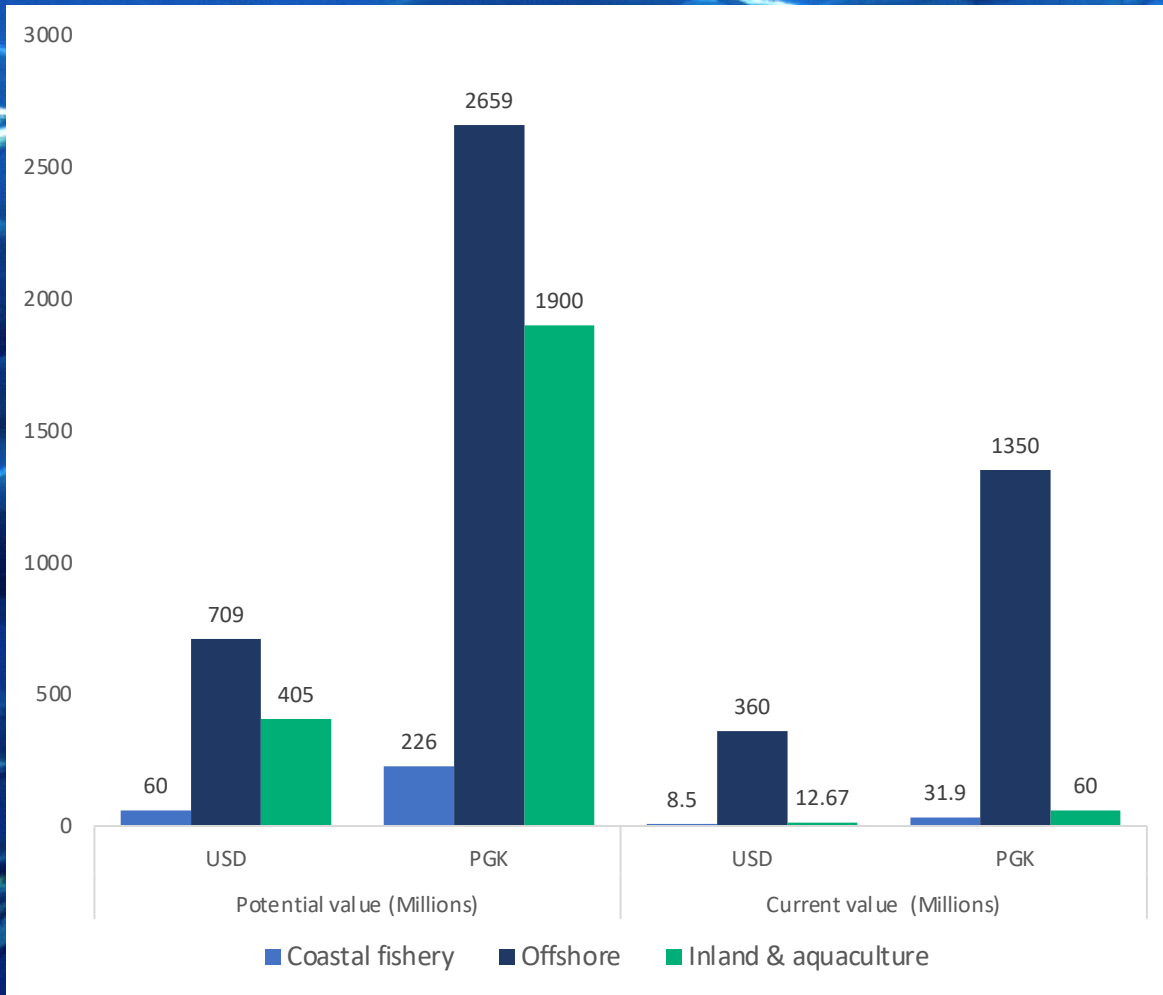
Estimates of potential annual production value



Fisheries Sub-sectors	Potential value	
	USD (millions)	PGK (Millions)
Coastal Commercial	26	98
Coastal Subsistence	34	128
Offshore Locally Based	335	1257
Offshore Foreign Based	374	1403
Aquaculture & Inland Fisheries	405	1900
Total	1,174	4,786



VALUE: CURRENT VS. POTENTIAL



Fisheries Sub-sectors	Potential value (Millions)		Current value (Millions)	
	USD	PGK	USD	PGK
Coastal fishery	60	226	8.5	31.9
Offshore	709	2660	360	1350
Inland & aquaculture	405	1900	12.67	60
Total	1,174	4,786	381	1,442





FISHERIES SECTOR DEVELOPMENT TARGETS: 2022 - 2030



1. Increased productive capacity of fisheries through commercial scale aquaculture

Key Performance Indicators	2022 Baseline	2024	2030
Marine & Freshwater (PGK m)	27	20	104
River systems, lakes/reservoirs (PGK m)		40	97
Total		60	200



2. Increased productive capacity of commercial fisheries through commercial scale capture fisheries

KEY PERFORMANCE INDICATORS	2022 BASELINE	2024	2030
OFFSHORE (increasing production capacity)			
- Increase in landing of tuna catches MT	118,105	130,000	170,000
- Increase in number of PNG flagged PS vessels	16	30	90
- Increase in tuna processing capacity	117,000	165,000	250,000
- Increase in cold storage capacity			
- Delivery of PMIZ		Land surveyed	Construction & operation



3. Domestic fisheries development (general fishing) targets

KEY PERFORMANCE INDICATORS	2022 BASELINE	2024	2030
- Increase in the number of fishing vessels (#)	6	20	80
- Increase in catch and landings (Mt)	60	80	140
- Increase in production value (PGK'm)	7	32	100
- Increase in number of PNG nationals in fishing businesses (#)	50	70	130

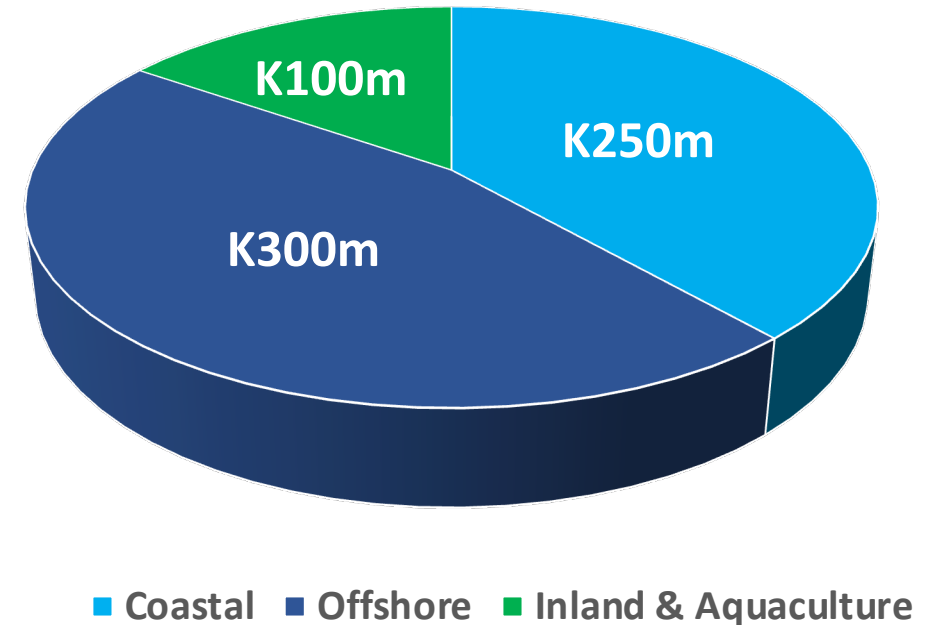


4. Increase fisheries sector contribution to PNG's GDP

KEY PERFORMANCE INDICATORS	2006 BASELINE	2024	2030
- Fisheries sector contribution to the GDP (%)	2.7	3.1	10
- Total number of people employed in the sector		14,000	60,000
Tuna fishing and processing (#)		12,000	50,000
Other fisheries (#)		2,000	10,000

CAPITAL INVESTMENT REQUIRED

Category	Capital injection required per Annum*
Coastal	K250 million
Offshore	K300 million
Inland & Aquaculture Fisheries	K100 million
Total	K650 million



**NFA current spending is around K150m*

**Govt (PIP) current spending is K57m*

** Capital investment into infrastructure – 40% of NFA Budget (K200m/annum)*



INVESTMENT OPPORTUNITIES - TUNA

Fishery	Management	Catch Production (mt)	Investment Opportunity	Future Investment
Tuna Purse Seine	<ul style="list-style-type: none"> • Effort controlled • Managed under Tuna Management and Development Plan 2014 • Operate under PNGFV, LBFV and BA • Some PS vessels operate under FSMA arrangement 	<ul style="list-style-type: none"> • Historical high in 2010, >700, 000mt • Current average catch is around 350, 000mt/yr • Current Processing is at 200,000mt (provisional data-2024) 	<ul style="list-style-type: none"> • Fishing vessels • Shore base processing plants • Cold storage facility • Trade and market • By catch – value adding 	<ul style="list-style-type: none"> • Investment in sector SoE • Infrastructure • ENBi and PMIZ
Tuna Long Line	<ul style="list-style-type: none"> • Effort based control - capped by number of fishing vessels • Current- only BA access LL operating (ULT, Fresh Chilled) • No domestic fleet 	<ul style="list-style-type: none"> • Highest catch in 2022 – 12,000 mt • Annual average is 7,000mt • Catch composition by quantity YFT, ALB and BET 	<ul style="list-style-type: none"> • Fishing vessels (LBFV, PNGFV or BA) • Processing facilities • Market & Trade • Value adding 	<ul style="list-style-type: none"> • Wharves and jetties • LL hubs

INVESTMENT OPPORTUNITIES – COASTAL FISHERIES

Fishery	Management	Catch Production (mt)	Investment Opportunity	Future Investment
Prawn	<ul style="list-style-type: none"> • Capped off with number licenses – 15 vessels • Fully domesticated • All licenses issued • Managed under GoP Prawn Fishery management plan • Orangerie Bay is managed under Orangerie Bay Prawn fishery management plan – reserved for locals • Management plans under review 	<ul style="list-style-type: none"> • Annual catches ranges from 200mt to 1,300mt for all species • Current average catch is around 300mt/yr • Current average catch value US\$3.3 million/yr 	<ul style="list-style-type: none"> • Trade and market • Value adding • Gear and technology supply 	<ul style="list-style-type: none"> • Aquaculture
Lobster	<ul style="list-style-type: none"> • TAC and vessel number-based control • Shared management with Australia under TSPZ treaty • All license fully occupied 	<ul style="list-style-type: none"> • Highest catch in 2022 at 212mt with an annual average of 161mt • Average annual catch value at US\$3.2 million • Exports in live and frozen 	<ul style="list-style-type: none"> • Market & Trade • Value adding 	<ul style="list-style-type: none"> • Aquaculture

INVESTMENT OPPORTUNITIES – COASTAL FISHERIES

Fishery	Management	Catch Production (mt)	Investment Opportunity	Future Investment
Crab fishery	<ul style="list-style-type: none">• TAC based capped at 1,380mt• Managed under National Mud crab Fishery Management Plan	<ul style="list-style-type: none">• Highest catch in 2019 at 815mt• Annual average catch is 541mt/yr• Annual average catch value of US\$2.0 million/yr	<ul style="list-style-type: none">• Trade and market• Value adding• Gear and technology supply	<ul style="list-style-type: none">• Aquaculture• Crab fattening
Reef finfish fishery	<ul style="list-style-type: none">• Developing fishery – no fisheries management plan at present• Applying precautionary management approach	<ul style="list-style-type: none">• Annual average of 416mt• Average annual catch value at US\$1.2 million	<ul style="list-style-type: none">• Partnership with local communities/business• Market & Trade• Value adding	<ul style="list-style-type: none">• Aquaculture – barramundi, milk fish• Deepwater snapper• Mackerel (TSPZ)

Investor Ready: Structure reforms and legislative changes

- Broad based sector
- Commercialization of the inland and aquaculture sector
- Coastal Fisheries Development Rollout program
- Downstream processing and value adding
- Expand Market Access Opportunities
- Establishment of sectoral SOE
- Modernization of fisheries management plans
- Fostering partnerships to deliver critical development infrastructures
- Renewed drive to encourage FDI
- Domestication Policy
- East New Britain Initiative (ENBi)
- Review of the Fisheries Management Act



CONCLUSION

- Government capital injection (K650m/yr)
- Potential value of the sector: K4.78/yr (US\$968m)
- Current estimated value of the sector: K1.44b/yr (US\$381m/yr)
- Value yet to be realized: K3.75b (US\$793m)
- Fisheries is investor Ready: Structural reforms and legislative changes
- Contribute to K200b economy
- GDP contribution: Current 2.7% to 10% of GDP





THANK YOU



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