Promotion of Small to Medium Enterprises in Fisheries to Address Poverty Alleviation and Income Generation

Purpose: Information
Submitted by: Papua New Guinea
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1.0 Introduction

The National Fisheries Authority of Papua New Guinea like all governmental agencies are tasked to implement government’s overall policy objective to alleviate poverty and provide income opportunity to the bulk of the population. Apart from the industrial tuna purse seine and onshore processing which create employment opportunities, self-sustenance business ventures by locals is the much effective way to alleviate poverty and promote income generations in the most under-developed areas of the country. The authority promotes sustainable use of fisheries, aquaculture and marine ecosystem resources in line one of the commitments of APEC’s Ocean and Fisheries Working Group through the license process in issuing fish buying and factory licenses. This strategy is effective is converting fisheries resources at rural coastal areas to cash through to both domestic and export markets for tuna, prawns, lobster and reef fisheries.

2.0 Strategic Focus

- SME has been identified as a vehicle to deliver broad government policy objective of poverty alleviation and income generation for the rural population through developing coastal fisheries and aquaculture that have access to export market through ecologically friendly harvesting methods;
- To ensure revitalization and growth is experienced in all SME fishing industry through identification of effective development and marketing strategies/concepts;
- Realizing the potential for the development of the industry through appropriate technology, logistical efficiency and infrastructure at all stages from harvesting to retail;
- To ensure there is harmony in all what is done by the GoPNG through NFA to growing the SME Fishing Industry;
- To ensure the Tuna Industry is the driver of the domestic SME fishing industry development.

3.0 Scope

3.1 Review Current status of the SME in Papua New Guinea including;
   - tuna long line,
   - bech-de-mer (placed under moratorium)
   - prawn,
   - coastal fisheries(wet fish),
   - Aquaculture industry.

This will include the identification and assessment of the current operations, issues and challenges. The review and assessment will be revealed in statistical forms where possible.

3.2 Identify related development project, scenarios or trends of the PNG economy and how that can be seen to enhance SME development.
   - Border Development and plans
   - Mining
   - LNG
   - Oil and gas
   - Oil palm

3.3 Identify strategic development programs/projects/concepts in each SME Industry sector that can be implemented to achieve general focus.
   Access to credit facilities
   Identification of growth/development hub
   Feed development
   Infrastructure/facilities
The strategic goals that have been identified to move the sector forward can be summarized as follows:

- Sustainable utilization of the resources
- A profitable, competitive and innovative SME Industry sector
- A governance framework to support the modernization of the sector
- Empowerment of coastal fishing communities

Mostly, SME is made up of the domesticated fisheries meaning that citizens are only allowed to do the business. However, foreign interests are allowed in those domesticated fisheries through joint venture with the locals.

4.0 Constraints

Key constraints affecting SME as identified by NFA includes:

- Access to finance
- Access to markets
- Access to business infrastructure & facilities
- Access to information
- Access to skills development
- Access to appropriate technology

NFA has realised the importance of SME in bringing economic development to the communities. Therefore even in remote areas where people lack market access NFA has assisted SMEs by partnering with major resource developers such as mining, agriculture and forestry to assist with power and other facilities to get fishing and processing up so that fishers can sell their catch.

Easy access to finance is one key components of starting or running a business. NFA has created a revolving facility of K15 million with National Development Bank in 2007 with first instalment of K5 million remitted to NDB for fisheries business operators to borrow money. Considerable demand is placed on NDB by small fishers but they cannot access due to stringent requirements. Therefore NFA through its Board has approved K10 million in 2014 budget to be rolled out through Nationwide Micro Bank Limited and PNG Microfinance Limited with K5 million each.

On the training and capacity, these areas will be covered including business planning, accounting package for small businesses, business contracts, audit and certification and export through creation of niche market for example eco-labelling. Training will be done at National Fisheries College which is the division of the National Fisheries Authority.

NFA has been supporting SMEs in the fisheries sector in the following areas;

1. Organises SME fisheries consultation meetings for interaction and information sharing by government and industry players.
2. Export market awareness through seafood exposition programs
3. Project Development Funding under the SME category of funding
4. Training of SME operators in post- harvest operation courses, and HACCP
5. Export market development through product branding that is eco-labelling
6. Piloting fisheries co-operatives to tie fragmented fishers into groups amendable to moving volume to markets and for extension services
7. Set up inshore fish aggregating devices (IFAD) in various fishing areas in order to reduce over use of reefs and improve catch
8. Build fish markets, jetties, and ice plants.
9. Pilot trap net fishing techniques also for coastal fisheries
10. Funding provincial fisheries with logistics and infrastructure under Provincial grants
The current SME fisheries development strategy has been synchronised with the National SME Master Plan which is orchestrated by the current PNG Government.

5.0 Conclusion and way forward

The country still needs the services of partner members of APEC to promote its mostly wild capture fishery through niche market development and promotion of the products for export. That will only unravel cash income opportunity and resource management at the community level.