

MINISTRY OF FISHERIES & MARINE RESOURCES
OFFICE OF THE MINISTER

FISHERIES SECTOR PERFORMANCE REPORT 2023

**ACHIEVEMENTS AGAINST TARGETS
AND
2024 PRIORITIES**

HON. JELTA WONG, MP
MINISTER FOR FISHERIES AND MARINE RESOURCES
2024



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EXECUTIVE SUMMARY

STATEMENT BY THE MINISTER

As the Minister for Fisheries and Marine Resources, I am honored to oversee this crucial renewable sector, on behalf of this Government and the people of Papua New Guinea.

Over the past 15 months my focus has been on refining and consolidating the work being done by the NFA which has undergone significant organizational reforms. These efforts align with broader sectoral reform initiatives, aimed at ensuring that the fisheries and marine resources sector contributes significantly to the renewable resource sector's target of a 70% GDP contribution by 2030.

The Prime Minister's call to increase the economy to K200 billion by 2030 is well received by the fisheries sector, as we are on the verge of a transformative policy- shift. This shift aims to develop PNG's fisheries sector into a globally competitive, diversified, and value adding industry that generates robust government revenue, provides food security, and supports the livelihoods of ordinary people.

Achieving this transformational outcome will require initiatives across various levels – legislative, policy, regulatory and operational. Through the NFA, my Ministry is rolling out sectoral reforms to maximize revenue through legislative improvements and structural changes. This includes expanding commercial scale capture fisheries to establish a broad-based fisheries sector and enhancing productive capacity through commercial-scale aquaculture.

The NFA has been a significant revenue generator for the government, mainly through resource rents, totaling K5.4 billion since 2010, with K1.7 billion paid as dividends. During the period of the Public Money Management Regularization Act (2017), the NFA was the largest contributor to government revenue. With the Non-Tax Revenue Administration Act (2022) now in effect, K203.9 million was collected for 2023. However, revenue from resource rents, particularly from the Vessel Day Scheme (VDS), has peaked and subsequently levelled off, posing a challenge for future direct revenue maximization.

To diversify revenue, the NFA is pursuing structural reforms by entering the commercial space, aligning with government interest to invest in the fisheries sector. Legislative reviews are underway to enable the NFA to open up additional revenue streams. It is anticipated that promoting sectoral State-Owned



Hon. Jelta Wong, Minister for Fisheries & Marine Resources

Enterprises (SOEs) will achieve focused effort, Resourcing and results will better leverage strategic assets like fisheries as compared to traditional SOEs.

The NFA is implementing programs to expand commercial activities in non-tuna sectors, primarily coastal and inshore fisheries resources. This initiative intends to create a broad-based fisheries sector, empowering many of our people to participate meaningfully in income generation and business opportunities.

Several programs are being implemented to enhance international market access. These initiatives include facilitating access to the Chinese seafood market, with 77 seafood companies registered to export frozen and dry fish products, and 8 companies approved for exporting live fisheries products. Additionally, consideration has been given to obtaining Marine Stewardship Council Certification for crab, lobster, and prawns. There are plans to include establishing an export market and distribution platform in Singapore with channels to Southeast Asia seafood markets, as well as promoting PNG seafood products internationally at expositions and trade fairs.

Other efforts to improve the seafood handling chain of custody involve rolling out cold chain infrastructure programs to fisheries cooperatives, implementing

rural jetty, shore based and market infrastructure programs, and updating fisheries management plans and licensing regimes for modernization. To bridge any knowledge and skills gaps identified, capacity building and training in post-harvest handling will be expanded to capture the additional revenue streams identified.

Several initiatives are underway to increase the productive capacity of commercial fisheries through commercial-scale aquaculture. These include formulating a National Aquaculture Development Plan, promoting commercial-scale feed production, and acquiring and refurbishing inland and mariculture research facilities to support commercial aquaculture species. Efforts also involve increasing catch volume through the deployment of improved Fish Aggregating Devices (iFADs) and trap net projects, as well as scaling up existing aquaculture farms and facilities to commercial levels. Moreover, there is encouragement for mud crab fattening programs and the establishment of nurseries and hatcheries.

Through our efforts to expand the fisheries sector and address legislative barriers, we aim to achieve our MTDP Key Performance Indicators by 2027. These targets include increasing the export values of various seafood categories: crab by 50% to K10 million annually, prawn by 65% to K20 million annually, lobster by 186% to K20 million annually, reef fish to K20 million annually, and seaweed to K5 million annually. For the tuna fishery, we aim to increase tuna landings by 27% to 150,000 metric tons, have 50 PNG flagged tuna fishing vessels, boost downstream processing by 70% to 200,000 metric tons, establish two new tuna processing plants, and invest in commercial-scale cold storage to support volume-driven exports.

The production outputs aim to support the government's goal of reaching a K200 billion economy by 2030. By 2027, the fisheries sector intends to become a significant contributor, aiming for its own

State-Owned Enterprise (SOE) to drive GDP contribution from 2.7% to 10% by 2030, equating to K20 billion from fisheries and marine resources. Overcoming internal conflicts and policy discrepancies is crucial for achieving these goals. Despite challenges, strategic partnerships have been established to advance Papua New Guinea's development interests and promote regional cooperation in fisheries development, as evidenced by events like the Pacific Islands Fisheries Ministers Dialogue in Kokopo and the Pacific Tuna Forum in Port Moresby.

On September 4th, 2023, I hosted the Special Dialogue of the Pacific Islands Fisheries Ministers, known as the "East New Britain Initiative." Representatives from several Pacific Island nations participated, along with senior officials from various countries. The dialogue focused on Papua New Guinea's proposal to enhance the value of shared tuna resources amidst increasing climate change challenges. The Ministers unanimously supported the proposal, marking a significant milestone for PNG's tuna development aspirations. This initiative will increase tuna supply for processing in PNG's facilities and foster regional integration activities such as labor mobility and sharing of infrastructure.

With climate change. Seasonally impacting fisheries, Eastern Pacific EEZs are also crucial sources of raw material. My ministry and the NFA will continue to work closely with stakeholders to achieve the government's strategic priorities for the fisheries sector. Policy interventions and collaborative actions with other government agencies may be necessary, and I commit to addressing these as Minister. With support from the NFA, I aim to provide political leadership to ensure an internationally competitive and sustainable fishing industry that fosters socioeconomic growth and food security. In conclusion, I extend my gratitude to the government for acknowledging the sector's vital role in national economic development.



Pacific Islands Fisheries Ministers and representatives attending the 'East New Britain Initiative', held September 2023 in Kokopo, East New Britain Province

NATIONAL FISHERIES AUTHORITY

CORPORATE SCORECARD

BACK-DROP OVERVIEW

Fisheries has been providing economic and the social gains for both the government and people of Papua New Guinea for decades. Due to its renewable nature, the fisheries sector is valuable to the Pacific Islands economies, and because of its high economic importance, the Pacific Island Forum Leaders during 2015 Leader's Summit in Port Moresby elevated fisheries as a standing agenda in annual Leaders' Summit. This decision was a clarion call for regional fisheries reform for Pacific peoples. The PNG Government has also explicitly identified the renewable resource sector to be the backbone of economic growth and development, one of these sectors being fisheries. Blending both the Government and the Regional Leaders' aspirations, the following priorities stand out as the core areas that underpin the work programs of National Fisheries Authority and the Pacific Islands fisheries regional organizations.

- Sustainable fisheries management
- Action against illegal, unreported and unregulated fishing activities
- Increase economic gains to resource owners

Following on from the 2022 National Fisheries Authority Corporate Progressive Performance Report submitted to the Government in March 2023, below provides the snapshot of the fiscal year 2023 high-level achievements by PNG fisheries and its priorities for the fiscal year 2024.

CORPORATE GOVERNANCE

The performance of NFA in terms of corporate governance is measured against the public service governance standards and best practice expectations. The NFA, the Board and the Ministry, in the last 18 months embarked on instilling the principles of responsibility, accountability and transparency. Progress of strengthening governance standards in key governance areas within NFA is as follows:



Annual audited financial statements

- 2019 and 2020 Audited Annual Financial Statements were delivered in 2023.
- There is ongoing work on the fast-track of the reports of the remaining years.
- The Risk and Audit Committee of the Board has been established to work with NFA in ensuring a high level of corporate compliance with governance.



- Review of financial management policy guidelines has been instituted.
- Strict monitoring of compliance with governance policies and staff code of conduct.
- New HR system – iCHRIS, was introduced for full implementation from 2023 onwards.



Cost control measures implementation

- Strict monitoring of compliance with governance policies and management directive on cost control measures.
- Work has begun on the automation of NFA business processes to improve efficiency and reduce costs.

Procurement, contract award and management

- The National Procurement Commission (NPC) approved for the NFA to operate a subsidiary procurement committee with the maximum ceiling set.
- All processes were completed for the committee to be operational.
- Contract monitoring and reporting system to be linked to the NFA monitoring and evaluation system.



NFA governance policies and internal controls

- The updating of the NFA Administrative Policies and Guidelines was 98% completed by the end of 2023. It will be delivered in early 2024.



Accountability systems and processes - Reporting against MTDP IV KPIs, NFA annual works plans and business plans

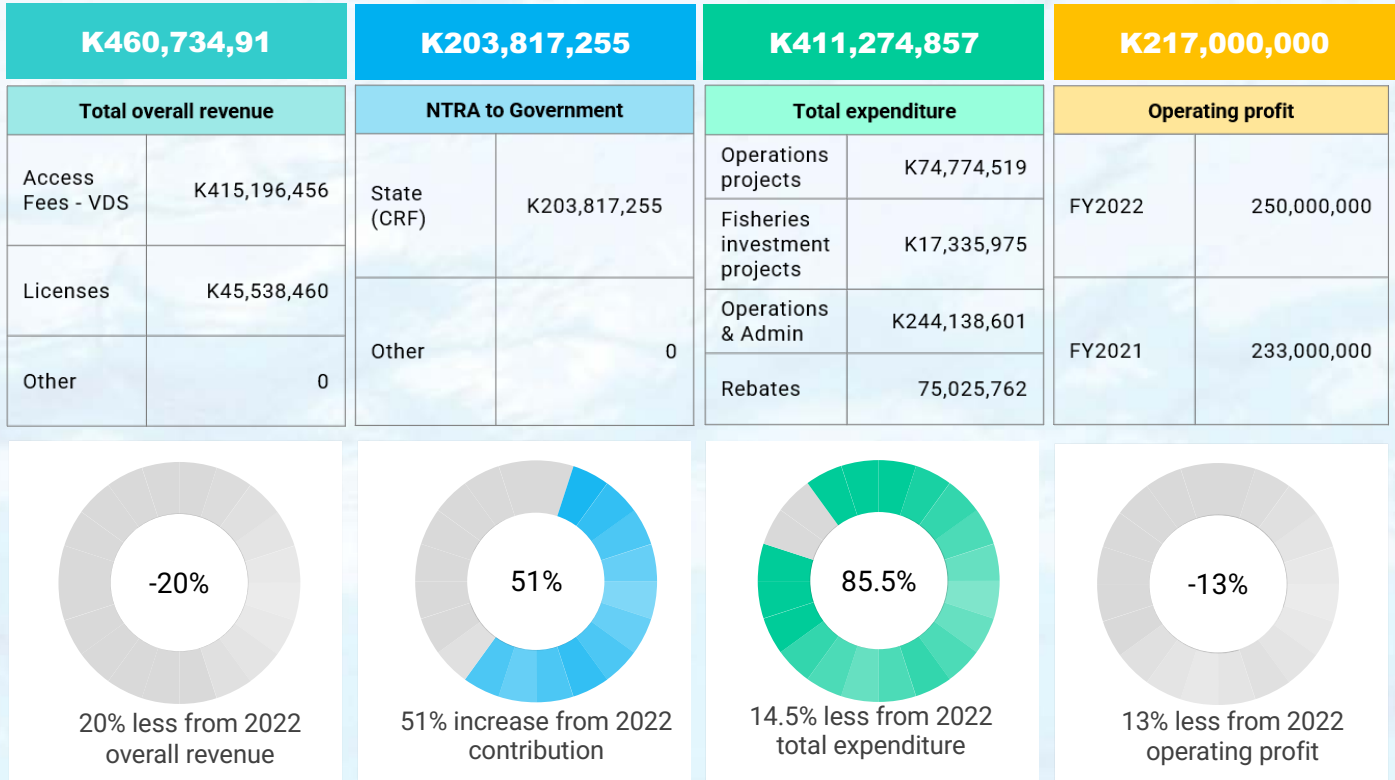
- Internal accountability processes have been refined and strengthened and under implementation.
- Annual reporting to government on achievements against KPIs - NFA Corporate Progressive Performance Scorecard implemented.
- Staff performance linked to staff remuneration and a reward system.
- Quarterly reporting on annual work plans systemized and automated to provide dashboard reports on expenditure against implementation progress.
- Annual budget linked to annual work planning and resource planning processes.
- Monitoring and evaluation framework and plan approved and to be implemented in 2024.



FINANCIAL PERFORMANCE

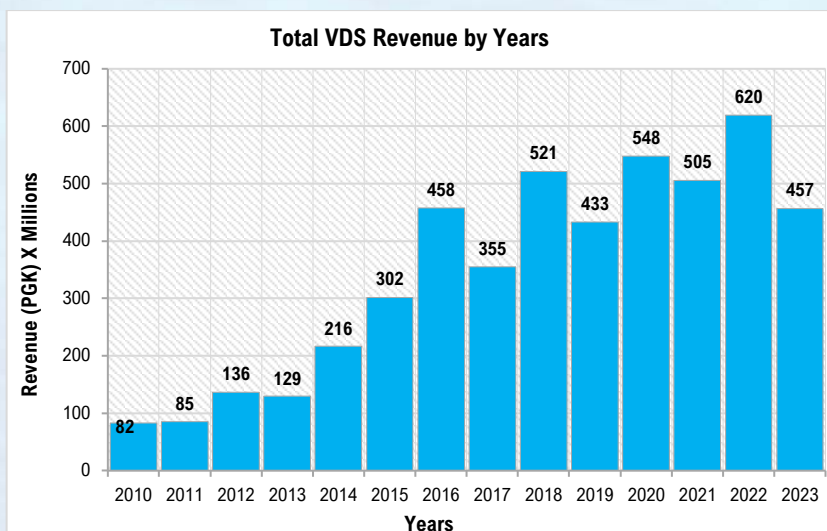
Financial performance KPI dashboard

This summary of the financial performance KPI dashboard presents the highlight of the 2023 financial year.



Explanatory notes to KPI dashboard

Access fees revenue from the vessel day scheme (VDS)



- Annual VDS revenue is influenced by climate change (ENSO events), global economic climate, fishing effort distribution, and the regional competition in selling VDS days.
- Declining trend shown on the graph has been attributed to the decline in the parties' allowable efforts allocated to PNG under the Parties to Nauru Agreement agreed formula.
- It is important to note that the revenue from VDS has seemed to reach maturity and plateaued since 2016 as the graph shows.
- With this in mind, the Government, through the NFA has now embarked on the initiatives to capitalize VDS revenues in order to generate additional value.

NFA operating profit in 2023



- The cost of operations remained steady in the last 3 years. There was a significant decline in the operating profit in 2023 compared to the previous 2 years which is a direct reflection on the decline in revenue during that period.

Non-tax income to government (dividend)

- NFA is a consistent contributor to the consolidated revenue fund.
- In 2023, K203,817,255 was paid to the Consolidated Revenue Fund.
- Before the NTRA came into effect, NFA had paid surplus revenue to the State.
- Since 2014, a total amount of K1,712.9 billion has been paid as dividend to the State to date.

Capital investment projects

- Operational projects (including K5 million NFA's commitment to ABG) totaled K74,774,519 in 2023.
- NFA has been investing significantly in fishing industry infrastructure support and market access programs to provide an enabling environment and to support the growth of the fishing industry and the small to medium scale fishing enterprises and artisanal fisheries. This program is consistent with the Government's Connect PNG plan.
- In the NTRA period, these fisheries development programs will take a backstage as NFA prioritizes its investments on its core functions of fisheries management, and monitoring, control and surveillance.
- It is expected that the national budget will maintain investment costs in the large fisheries infrastructure projects.

Fisheries sector investment projects

- Over K300 million has been expended since 2010 on building enabling infrastructure such as town markets, wharves, jetties, cold storage and ice making facilities to develop both the tuna industry and the coastal and inland fisheries.
- In 2023, K17,335,975 was expended in delivering fisheries public investment projects mainly fisheries jetties, ice making facilities, coastal and inland fishponds materials and fish feed, and provincial fisheries facilities.
- There is a significant scale down of funding in these areas as NFA prioritizes funding towards its core mandates and functions.



PERFORMANCE AGAINST SECTORAL TARGETS (MTDP-IV)

FISHERIES SECTOR KPI DASHBOARD




Fisheries has been called to increase its portion of the renewable sector's contribution to the country's GDP. By 2030, the renewable sector should be contributing 70% of the country's GDP, hence the formulation of the fisheries sector KPIs towards the achievement of that goal. The fisheries sector's KPIs are built around Increasing Economic Returns to the Economy pillar with the following policy objectives:

1. Encourage broad-based fisheries through expansion of existing production capacity of commercial scale capture fisheries.
2. Increase the productive capacity of commercial fisheries through commercial-scale aquaculture.
3. Maximize revenue through structural reform and legislative draft.
4. Contribution of fisheries to the GDP as part of the sector's contribution to the K200 billion economy by 2030.




To achieve the above policy outcomes, the NFA and the Board developed the fisheries performance indicators matrix for the fisheries sector. The KPIs dashboard below is used as the yardstick to assess the annual progress of implementation and is reported on in this performance report.

Outcome 1 – Expansion of existing production capacity of commercial scale capture fisheries resources


KPI 1.1: Increased productive capacity of commercial scale crab fishery.

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|--|---|-----------------------------|--|
|  634.65 mt | Production volume 80.40 mt | Production volume 700 mt |  122% increase in the export value |
|  K5,209,296.52 | Export value K1,081,363.63 million (to increase by 51% per annum) | Export value K8m | |




KPI 1.2: Increased productive capacity of commercial scale prawn fishery.

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|---|---|----------------------|---|
|  216.87 mt | Production 262.64 mt | Production 434 mt |  69% target production achieved in 2023 |
|  K9,274,844 | Export K10,123,210 (to increase by 65% per annum) | Export K16.7m | |

KPI 1.3: Increased productive capacity of commercial scale lobster fishery.

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|--|-----------------------------|----------------------|---|
|  169 mt | Production 212 mt | Production 250 mt |  23% decline from 2022 production |
|  K 5,391,368 | Export value K10,887,277 | Export K13m | |

KPI 1.4: Increased productive capacity of commercial scale reef finfish fishery.

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|---|----------------------|----------------------|---|
|  584 mt | Production 760 mt | Production 800 mt |  98% export value increase from the 2023 export value level |
|  K4,936,241 | Export K5,691,517 | Export K7m | |

KPI 1.5: Increased productive capacity of commercial scale capture fisheries by increasing tuna catch, landing, and export

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|---|--------------------------------|---------------------------------------|--|
|  330,894 mt | 341,795 mt Catch | 500,000 mt Catch |  Production and export has been consistent 3 years despite recent challenges in the tuna industry. |
|  125,000 mt | 118,105 mt Landed | Landing 150,000 mt | |
|  160,758.7 mt | 160,773.4 mt Export volume | 175,000 mt Export volume target | |
|  USD376,567,300 | USD398,327,400 Export value | USD400,000,000 Export value target | |

KPI 1.6: Increased productive capacity of commercial scale capture fisheries by increasing the number of PNG flagged purse seine vessels

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|--|---|---|--|
|  12 | 16 purse seiners (2022) | 25 purse seiners |  Performance against this KPI is boosted with the new policy initiatives to be implemented |
|  192,594.32 mt | 182,137.27mt Catch & landing by PNG flag p/s vessels | 300,000 mt Catch & landing by PNG flag p/s vessels | |

KPI 1.7: Increased productive capacity of commercial scale capture fisheries by increasing production in tuna downstream processing

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|---|---|---|--|
|  123,919 mt | 117,483 mt Processing production | 150,000 mt Processing production |  17% decline (83% achievement) from the 2023 export value target |
|  10,138 | 12,469 nationals employed in processing sector | 13,000 nationals employed in processing sector | |

KPI 1.8: Increased productive capacity of commercial scale capture fisheries by establishing new onshore investments in tuna processing




| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|--|---|-----------------------------|--|
|  0 new investments | 6 onshore existing investments in tuna processing | 1 new facility in operation |  0% increase from baseline |
|  0 | Nil Value of new investments | K0m | |

KPI 1.9: Increased productive capacity of commercial scale capture fisheries through domestic fisheries (general fishing)

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|---|---|--|---|
|  17 | 6 Fishing boats [collector, fishing boats, trawler] | 22 Fishing boats |  <p>Significant increase in activity in the general fishing in the last 18 months in terms of increases in production and export in general.</p> |
|  1,967 mt | 2,018 mt Combined catch & landings (production) | 2,500 mt Combined catch & landings (production) | |
|  K40,366,119.69 | K58,708,029.86 Combined export value | K60m Combined export value | |
|  60 | 52 nationals in fishing businesses (2022) | 65 nationals in fishing businesses (SMEs) | |
|  695 Both tuna & general fishing | 1,628 fishing and shore-base licenses - tuna & general fishing (2022) | 0 fishing and shore-base licenses - tuna & general fishing | |

Outcome 2 – Increasing the productive capacity of commercial fisheries through commercial scale aquaculture

KPI 2.1: Increased productive capacity of commercial scale aquaculture of seaweed.

| 2023 Achievements | Baseline Year 2023 | Year 2024 Target | Status at Reporting Year |
|--|---------------------------------|-------------------------|---|
|  Production 210mt | Production 210mt | Production 365mt |  <p>0% increase from baseline</p> |
|  Export value K630,000 | Export K983,000 (2017 baseline) | Export K5m | |
|  n/a | n/a – smallholder farms | n/a – smallholder farms | |

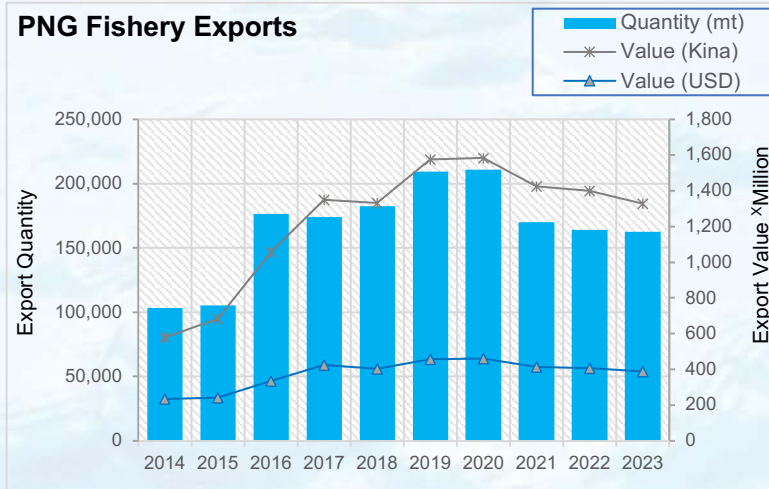
KPI 2.2: Increased productive capacity of commercial scale aquaculture of inland fishery.

| 2023 Achievements | Baseline Year 2022 | Year 2024 Target | Status at Reporting Year |
|--|---|--|--|
|  1,097mt | Production 546mt | Production 7,921mt |  <p>50% increase in production from the baseline year</p> |
|  0 | Export No exports, products sold and consumed locally | Export 0 | |
|  19 | 19 - commercial scale farms | Focus is to increase production of current farms | |

- The fisheries sector will maximize revenue through the fisheries SOE. The fisheries commercial entity implementation is based on the NEC Decision 33/2020 for the Government to consider investing in the fisheries and marine resources sector.
- Steps have been taken by the Government to take advantage of the commercial opportunities by initiating consultations with the industry members on potential joint venture arrangements with the State, which involves extensive feasibility assessment and due diligence exercise; and drafting of the legislation for the commercialization of the sector.
- From the policy and regulatory side, the NFA has also embarked on the wholesale review and modernization of all fisheries management plans to capture the Government's interest in the commercialisation agenda, and broadening the fisheries sector to allow wider participation by Papua New Guineans.

PRODUCTION AND EXPORT

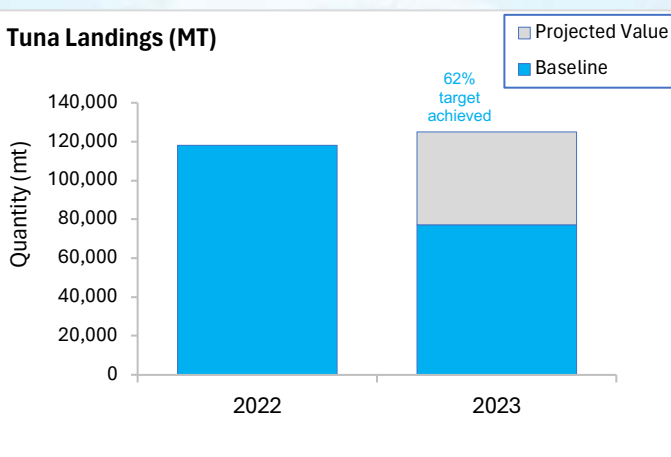
All fish and fishery products production and export performance



- Overall production output of fishery exports has remained steady above K1billion mark since 2016.
- Total value of export in Kina was K1.3billion in 2023, registering a slight decline of K0.1m compared to 2022.
- The slight decline can be attributed to drop in production output in the tuna processing sector, whilst coastal fisheries (crab and reef fish subsectors) compensated with notable increases in production outputs.
- Tuna exports however dominate export volume at 97% of the total fishery products exported in 2023.

Tuna fishery

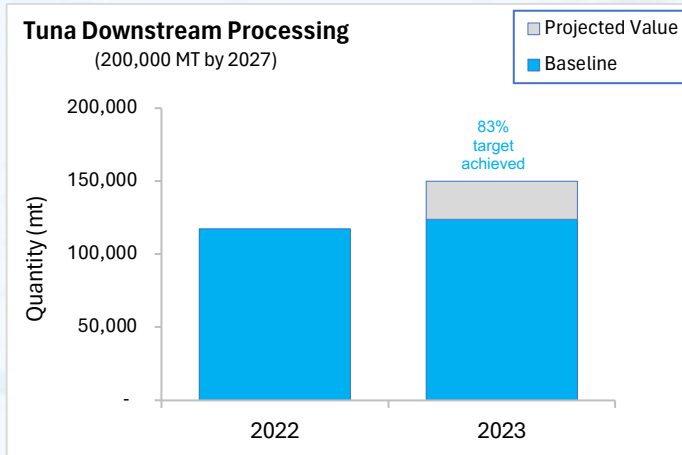
Tuna Landings



- Recent scaling down of production by RD Tuna Cannery and Majestic Seafoods shutdown contributed also to the decline in 2023.
- Revised VDS rates and Rebate Scheme are maintained to encourage tuna landing as per policy.
- Total tuna landed achieved 62% of projected target for 2023, with a 34% drop against total tuna landed in 2022.
- Total tuna landings and exports can be expected to increase in 2024 onward with MOA arrangements with fishing and processing companies to be signed in 2024.
- Volume of tuna landed is determined by various factors including supply contracts, movement of vessels as determined by fish price and concentration of fishing.

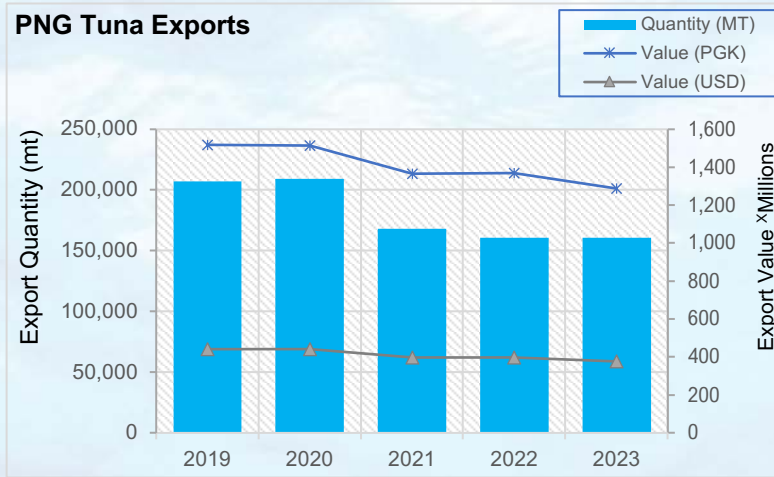


Tuna Downstream Processing



- Total tuna processed achieved 83% of projected target for 2023, and registered a 5% increase against total tuna processed in 2022.
- Volume of raw material processed is largely determined by inventory held in stock with decisions influenced by prevailing market conditions such as fish price, and cost of doing business amongst others.
- Similar to encouraging tuna landings, Rebate Scheme is maintained to encourage increase domestic processing of tuna.
- Increase domestic processing of tuna will be encouraged through MOAs with fishing and processing companies commencing in 2024.

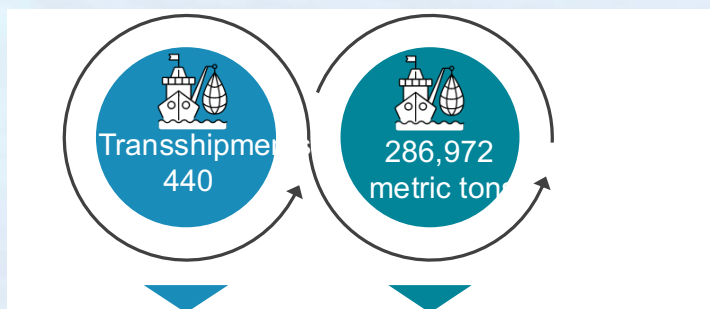
Tuna Exports



- Tuna remains the leading seafood export commodity with over K1billion worth of export receipts generated in 2023.
- With a devalued kina, export of tuna continues to exceed the K1billion mark since 2019, almost reaching the K2billion mark in 2020.
- Going forward, export of tuna products can be expected to increase in the coming years on the back of the government's commercialization agenda for the fisheries sector.

Transshipments by tuna vessels

Transshipment activities at a glance



Total number of transshipments recorded in PNG designated ports.

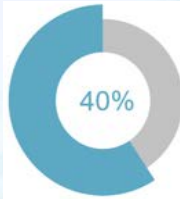
Total quantity of Tuna transhipped in PNG designated ports.

- Total number of transshipments was at 440, with 286,972 mt of tuna involved in the entire 440 transshipments.
- The graphs below show whole round tuna transhipped with domestic vessels accounting for 56,179 metric tons, locally-based foreign flagged vessels at 115,433 metric tons, and bilateral access at 115,360 metric tons totaling at 286,972 metric tons.



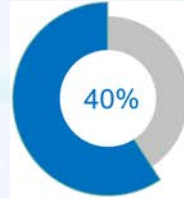
Domestic vessels (PNG flagged)

Account for the 20% of the total volume of tuna transhipped in PNG ports.



Locale-based foreign flagged vessels (LBFV)

Account for the 40% of the total volume of tuna transhipped in PNG ports.



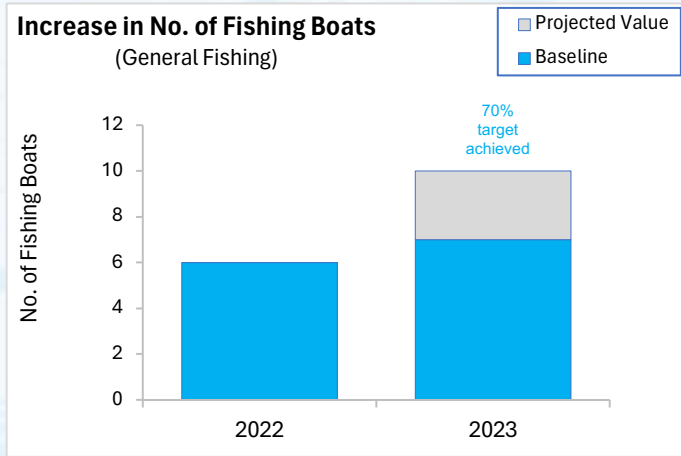
Foreign flagged vessels operating under the bilateral access agreements

Account for the 40% of the total volume of tuna transhipped in PNG ports.



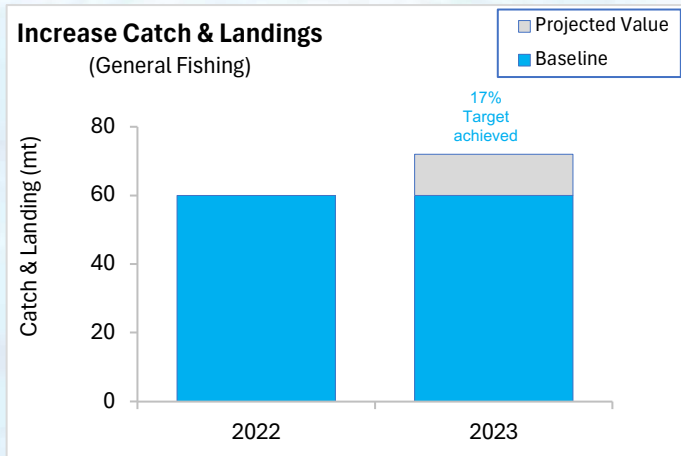
Non-tuna sector key performance indicators

Number of fishing boats in general fishing



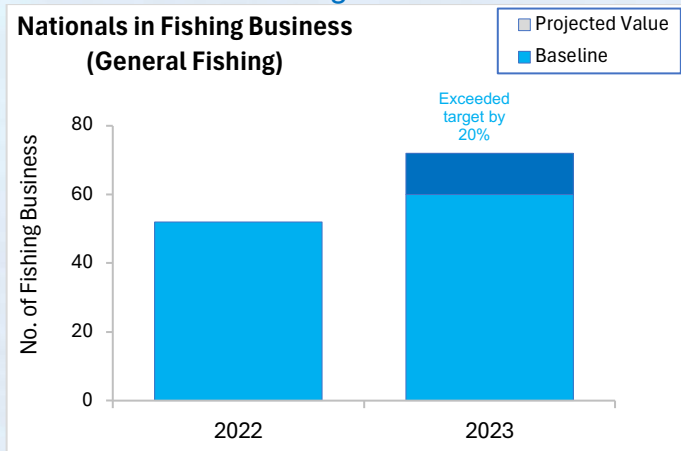
- Total number of fishing boats in the general fishing sector achieved 70% of projected target for 2023, with four (4) more additional vessels added against only 6 vessels in 2022.
- The focus to encourage a broad-based fishery sector will be maintained with the promotion to encourage more nationals to actively participate in the sector.

General fishing catch and landings



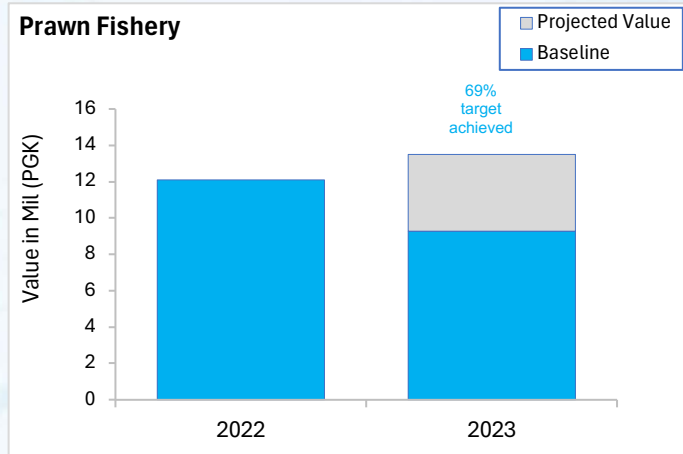
- Total catch and landing achieved a 17% increase against the projected target of 2023 and exceeded the 2022 catch and landing figure by 10mt.
- The increase is attributed to fishery diversification and opening of seasonal fisheries
- Further increases of general fishing catch and landing can be expected to increase as existing fisheries management plans are modernised to encourage the capitalization of the sector.

PNG nationals in fishing businesses



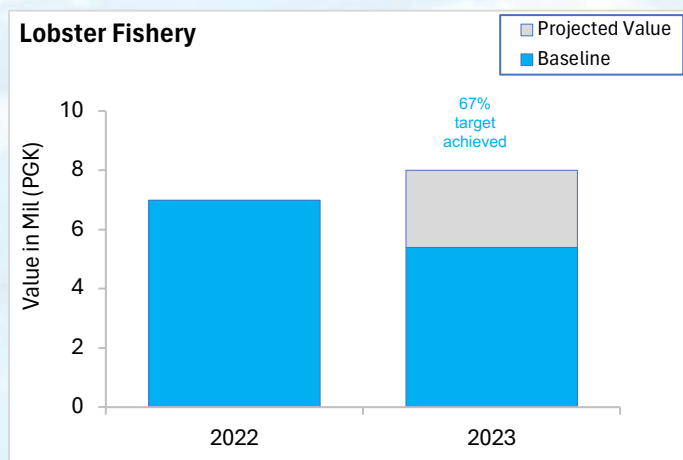
- The total number of Nationals engaged in fishing businesses achieved a 20% increase against the projected target of 2023, and exceeded the 2022 figure by 38%.
- The 72 nationals engaged in fishing business employ a total of 1,130 employees.
- Increase is triggered by diversification of non-tuna fisheries sector, mariculture, and opening of seasonal fisheries
- This number excludes number of nationals engaged in inland aquaculture farming.

Prawn fishery



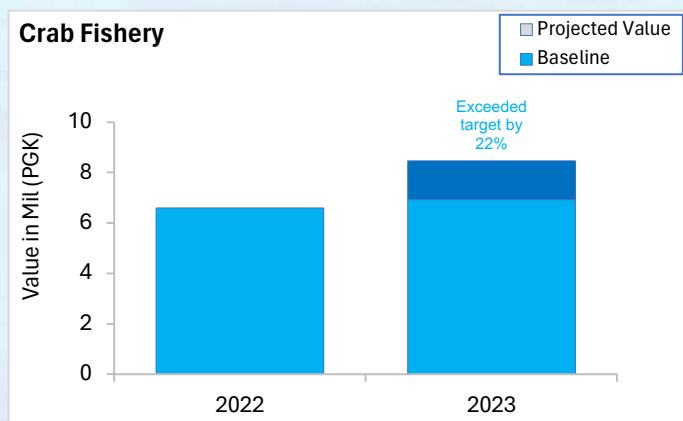
- Total export value of prawns achieved 69% of projected target for 2023, and registered a 23% decline against the total value of prawns exported in 2022.
- The decline can be attributed to low catch per unit effort (CPUE) of existing prawn trawlers, and the fishery having reached its maximum sustainable yield (MSY).
- The fishery should pick up in the coming years with new investment in more efficient boats, including opening up of the Orangerie Bay prawn fishery under a revised Prawn fishery management plan being currently assessed.

Lobster fishery



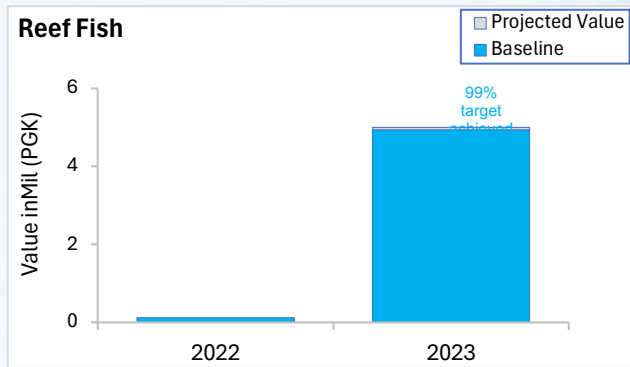
- Total export value of lobster achieved 67% of projected target for 2023 and registered a 23% decline against the total value of lobster exported in 2022.
- Attaining MSC accreditation is expected to increase value of lobster exports in 2024 onwards.
- Cross border endorsement will be strongly encouraged to promote an increase in export value of lobster with securing of increased quota for 2023-2024 periods.
- Critical infrastructure support and inflow of capital investment should strengthen the fishery future growth prospects.

Crab fishery



- Total export value for crab exceeded the projected target for 2023 by 22%.
- The crab fishery has undergone comprehensive review and modernization of the plan. The fishery has established merchandise distributing depot in Singapore for onward export, hence, export production and value on target.
- Further increases are expected with the opening up of the Chinese market.

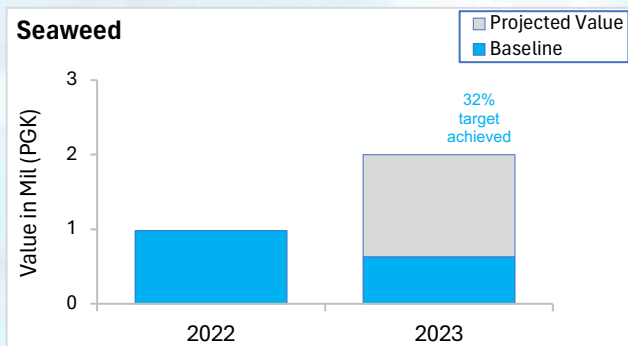
Reef fish fishery



- Empowerment of new entrants into the fishery is expected to see increase in catch and export of reef into the future.
- The total export value for reef fish achieved 99% of the projected target for 2023, and registered a 98% increase against total value of reef fish in 2022.

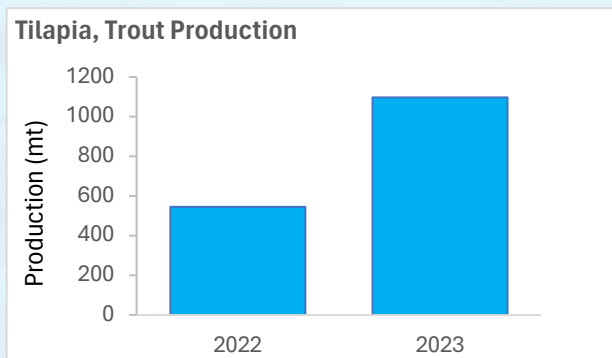
Aquaculture and inland fisheries

Seaweed production and export



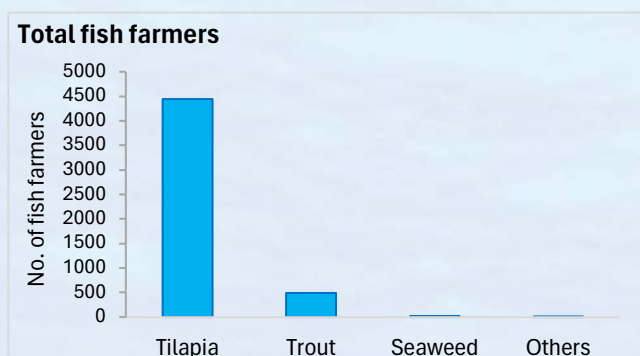
- Total production output for seaweed achieved 32% of projected target for 2023.
- Seaweed production and export is set to increase with an uptake of seaweed projects being promoted in Manus, AROB, West New Britain, New Ireland and Milne Bay Provinces.
- As production at the community level transition into commercial scale, export volume and value should increase.

Tilapia and Trout Product



- Inland and aquaculture farming has seen a general growth in the sector.
- Most production output is mainly at artisanal level where it could be more than what is recorded
- It is anticipated that 2024 could see an increase in the production output for the sector.

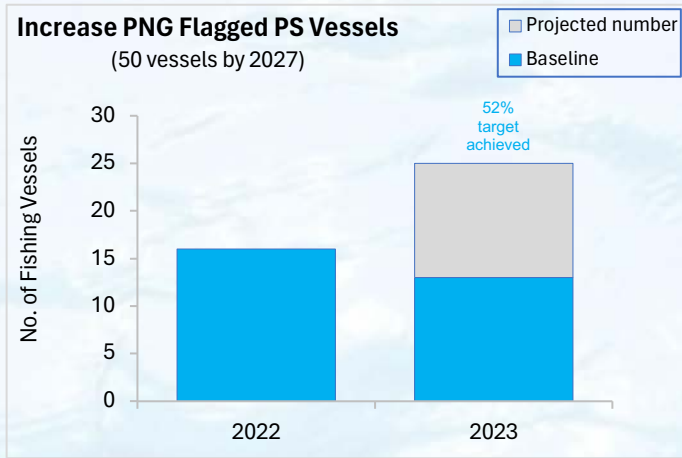
Total fish farmers



- Total aquaculture farmers stand at 4,948, with tilapia farming being the leading aquaculture activity with 89% of farmers, followed by trout farming at 9.8%, seaweed and others making up the balance.
- Aquaculture production was mainly for food security purposes until recently with a few but growing number of commercial Aquaculture set ups.
- With the drive now to encourage commercial Aquaculture, it is expected that culture fisheries will soon replace capture fisheries production in the not-too-distant future.

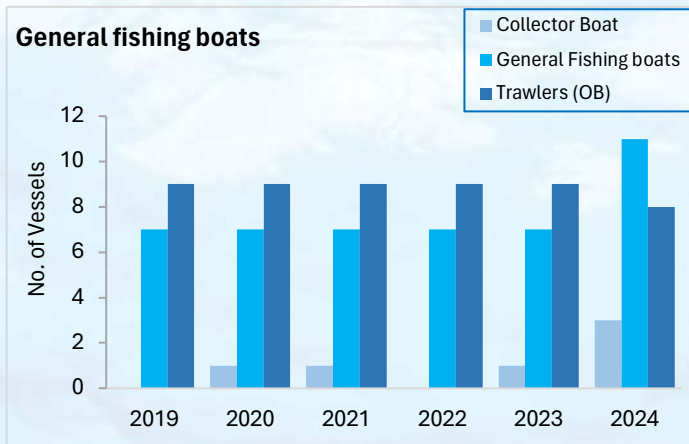
FISHING VESSEL LICENSE

Tuna fleet



- The total number of tuna fishing vessels carrying PNG flag achieved 52% of the projected target for 2023, which is 19% below the 2022 figure.
- There is now strong indication of vessels returning to reflag to PNG with the revised VDS rates approved in 2023.
- With increase confidence against a more stable policy environment, number of PNG flag vessels is expected to increase over time.

General fishing sector



- Total number of fishing boats in the general fishing sector has been stable over the last five (5) years.
- General fishing boats and trawlers dominate the general fishing sector with the Gulf of Papua and the Dog Leg areas being the main fishing grounds.
- Total number of fishing boats is expected to increase from 17 in 2023 to 22 in 2024. This is encouraged by the drive to have more PNG flag boats enter the fishery with more nationals participating.

EMPLOYMENT

Tuna fishing and processing industry



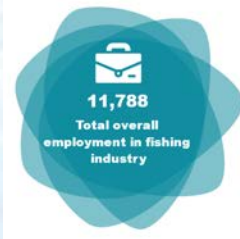
11% decline from 2022 level

- Employment in tuna processing fell by 11% from previous year.
- Main reason for the fall in employment can be attributed to the scaling-down of production by RD Tuna Cannery and shut down by Majestic Seafoods Ltd.
- 70% of the total number of employees in the tuna processing industry are women.
- Rabate Scheme is maintained to encourage employment and local spin off benefits, whilst fiscal measures such as export levy on unprocessed fish is sure to raise grave concern on employment prospects.
- Employment should rebound in 2025 with vessels reflagging to PNG and the commercialization agenda of Government kicks in.

General fishing (non-tuna) sector



- There has been a steady growth of employment in the non-tuna industry segment of the sector
- A total of 1,130 jobs were created in the general fishing sector in 2023.
- Growth in employment in the general fishing sector is projected for 2025 with an uptake of new vessels and expansion of operation of existing companies through new business arrangements (joint ventures) and favorable fishing conditions (lobster cross-border endorsement).



- Total employment in the fisheries sector, excluding employment on board tuna fishing vessels is around 11,788.



2023 NFA KEY ACHIEVEMENTS

NFA was awarded the best performing statutory authority by the Government in 2023 implementation year. Below are key highlights of the achievements.

Revised VDS and rebate scheme



Sought and obtained Government approval for the revision and full implementation of the revised VDS rates and Rebate rates in 2023, which resulted in improving the attractiveness of the PNG EEZ and the renewed interest by the tuna fishing industry in PNG.

Fostering and harnessing strategic partnerships for effective service delivery



A number of important partnerships were fostered in 2023 to ensure effective cooperation and collaboration is key to delivering NFA's mandates. MOUs were signed between NFA relevant government agencies to cooperate in areas of common interest and bordering mandates and responsibilities.

Q-Report planning tool and NFA planning framework



Design and implementation of a home-grown planning and budgeting tool for effective planning and budgeting ensured that the alignment of budget to the FSP, Business Plans and work plans were implemented to enhance budget integrity.

NFA 2019 & 2020 annual audited financial statements



Annual reports completed and delivered to Government to comply with the governance and fiscal responsibility requirements.

Modernization of the fishery management plans



Fishery management plans review commenced and are ongoing to be completed by mid-2024, with focus on alignment with the government's commercialization agenda.

National aquaculture strategy



Commencement of work on the National Aquaculture Strategy with the objective of modernizing and commercialization of the Aquaculture fisheries.

NFA right-sizing and right-skilling



NFA corporate restructure, involved review of structure and right-sizing, review of jobs for right-skill-setting, job valuation and recruitment. The whole exercise is 80% complete. The target is for the full completion of the exercise and to achieve a 25% reduction in the current staffing number.

Developing, establishing and strengthening the NFA governance and internal control systems



- Finalization of administrative guidelines and policies to strengthen internal controls for delivery in 2024.
- Commenced putting in place performance management systems to achieve a high level of efficiency gains, reducing costs and improving productivity.
- 100% compliant to internal and statutory reporting requirements
- Outsourcing of observer agency.
- Enhanced organizational capabilities, capacity to deliver.
- Move to new and modern NFA head office.
- New HR management system (iCHRIS)

Acquisition of land for NFA's one-stop-shop head office



Future planning to establish NFA as a premiere government agency was strengthened by the acquisition of land in 2023 for the construction of NFA head office at Motukea.

Regional fisheries leadership



Significant achievements at the regional fisheries stage where PNG, through NFA and the Minister for Fisheries & Marine Resources, led in a number of initiatives to ensure PNG's leadership visibility such as the mobilization of Pacific Islands Fisheries Ministers for collective decisions and actions for regional cooperation on climate change and retention of tuna value through the East New Britain initiative (ENBi), MSG support to elevate fisheries as a priority, brokering deadlock amongst the FFA membership on the US Treaty renegotiations, and bringing back the Pacific Tuna Forum as the region's high-level dialogue for tuna players.

ENB Initiative and FFC hosted



Pacific Islands Fisheries Ministers endorsement of the East New Britain Initiative (ENBi) and elevating the initiative as the regional program to realize the Leaders' fisheries development aspirations.

Access to China market

- ✓ Gaining more access for PNG fishing companies to export seafood to mainland China market by ensuring more PNG companies were registered with the relevant China authorities.

Fishing industry – NFA MOAs

- ✓ Commencement of work to put in place clear lines of commitments on the part of the tuna fishing industry and processors, and NFA to ensure the strengthened and renewed commitment to the implementation of the State Agreements to meet the government's domestication policy expectations through increased downstream processing and exports.

Free School Tuna MSC Accreditation Certificate

- ✓ PNG EEZ has attained MSC certificate for free school tuna to enhance and harness its credibility as a sustainably managed fishery in the supply chain to EU market and other markets.

8th Pacific Tuna Forum

- ✓ The COVID pandemic brought a pause to the regular convening of the Pacific Tuna Forum

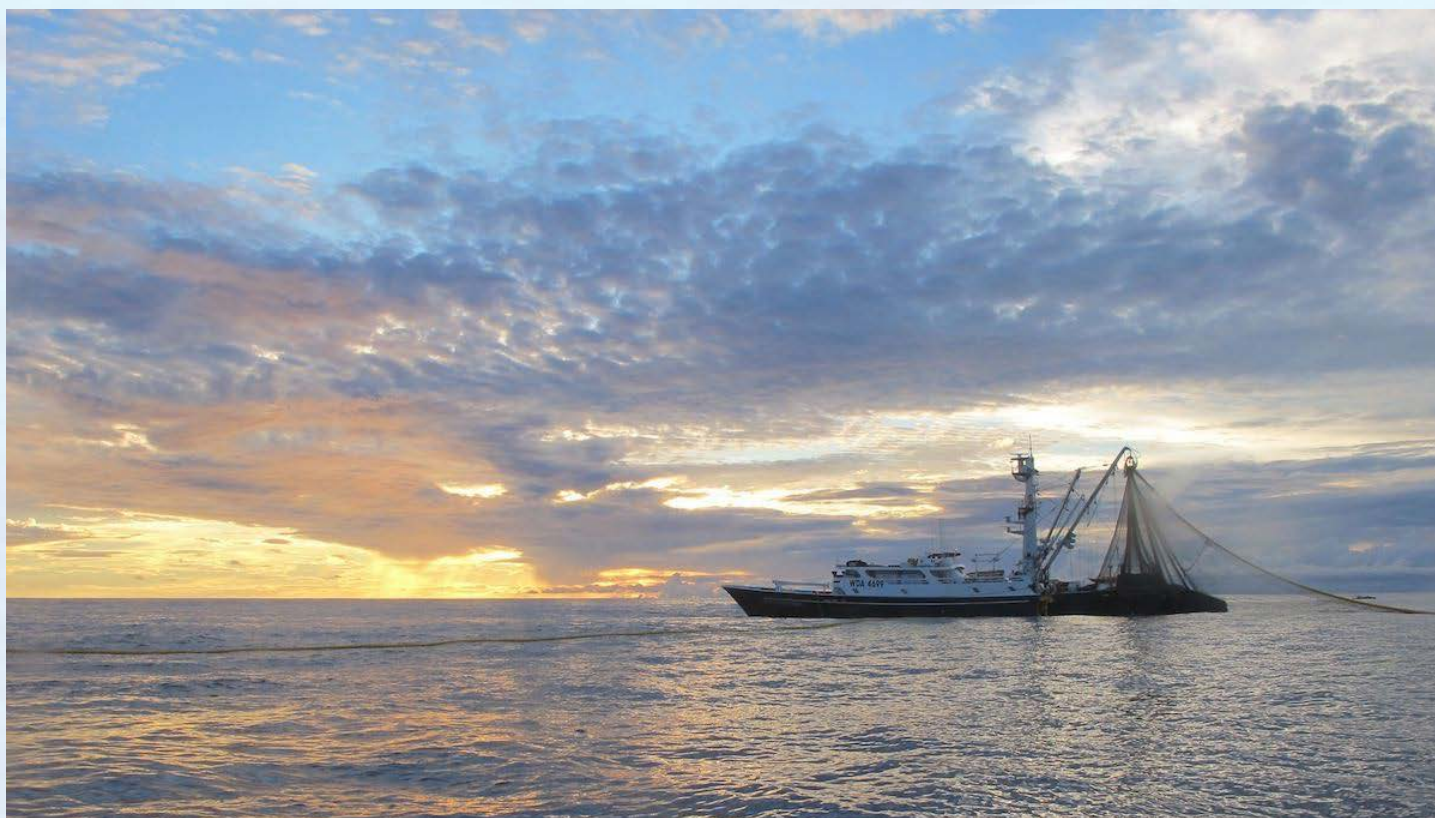
until in 2022, the Minister for Fisheries announced in Bangkok, Thailand, that PNG would re-introduce and host the Pacific Tuna Forum in Port Moresby, which was successfully held in September 2023.

Launch of the small craft platform

- ✓ Development and launch of the monitoring and reporting system for small craft.

International Highlights

- ✓ PNG through the NFA actively participated in the conclusion of the UNFAO Port State Measures Agreement (PSMA), which NFA facilitated in collaboration with relevant government agencies for the ratification by Parliament in 2023.
- WTO Fisheries Subsidies Agreement finalization in 2023 and now awaiting ratification in 2024.



2024 PRIORITIES

PRIORITIES AND TARGETS

Priority areas and targets

2024 key priority areas and targets/ outcomes are incorporated into the various NFA business units' 2024 annual work plans. The priorities and targets comprised ongoing actions and emerging actions highlighted below:



Organizational reform

- Completion of organizational rightsizing and right-skill setting restructure and internal control system.
- 25% of staff number reduced.
- Right-skilling exercise completed.
- Modernization of plans, policies, processes and procedures.
- Modernization and automation of the NFA HR system – iCHRIS.
- Full implementation and enforcement of Staff performance management
- Outsourcing observer agency –selection of consultants to undertake consultations, to work on concept paper, business model, etc.,
- Fisheries MCS – command centers –building, automation, PSMA ports.



NFA culture & rebranding

- Office modernization & rebranding.
- Establish governance standards and internal control systems.
- Full delivery of the budget expenditure control measures.
- Completion of public service governance standards.
- Establishing talent management & retention system.
- Full delivery of staff accountability process.



Sectoral reform

- Fisheries commercial entity legislation and institutional set-up.
- Fishery management plans modernized to promote commercialization agenda within sustainability reference limits.
- At least 2 new fisheries operationalized.
- Commercialization of non-tuna sector with focus on aquaculture.
- Research to operationalize commercially viable mariculture species.
- MSC Rock lobster certificate award which was launched by PNG Fishing Industry Association Inc., in 2023.
- MSC Crab fishery certification – work to begin.
- Infrastructure support in strategic locations



International engagements & leadership

- Implementation of regional initiatives with special focus on the ENB Initiative workplan.
- Development and strengthening strategic partnership development.
- Active regional partner in fisheries protection and conservation efforts.
- Maintain the leadership role in ensuring a strong Pacific fisheries voice through cooperation for regional fisheries management and development.



ICT transformation

- Full implementation of the ICT transformation.
- Integration, alignment and harmonization of NFA databases and development of central data warehouse.
- Automation of key NFA internal business processes and procedures.
- Improving business analytics capacities and capabilities.





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