



REPUBLIC OF NAMIBIA

MINISTRY OF FISHERIES AND MARINE RESOURCES

2018 ANNUAL MINISTERIAL ADDRESS

FISHING INDUSTRY

BY

BERNHARD ESAU, MP

MINISTER

AT

WALVIS BAY – ERONGO REGION

16 FEBRUARY 2017

- Dr. Moses Maurihungirire, Director of Ceremonies;
- Honorable Sylvia Magone; Deputy Minister of Fisheries and Marine Resources;
- Honorable Cleophas Mutjavikua, Governor of the Erongo Region;
- Councilor Wilfred Immanuel, His Worship the Mayor of Walvis Bay;
- Distinguished Councilors present;
- Matti Amukwa, Chairperson of Confederation of Namibian Fishing Associations;
- Leaders of Labor Movements;
- Captains of Industry;
- Distinguished right holders in our fisheries;
- Members of the Media;
- Invited Guests;

Ladies and Gentlemen;

Good Morning,

I welcome you all to the **2018 Annual Address** to the Fisheries Industry/Sector, which includes the fishing and other fisheries related industries, Ministry of Fisheries and Marine Resources and other related line ministries, SOEs under MFMR and related SOEs, Workers Unions in the fisheries industry, leadership of regional and local councils and traditional authorities in riparian and coastal areas, NGOs involved in fisheries activities, members of the media, and other key stakeholders.

The **Annual Address to the Industry** is a good tradition, when we take stock of what has happened in the past year, the status of our fisheries, and key policies that we will implement in the coming one year.

Ladies and Gentlemen, as you are aware, His Excellency the President, Dr Hage G. Geingob, has declared '**2018, the Year of Reckoning**'. This reckoning

is already underway, and I will be responsible for implementing this reckoning in the fisheries sector.

EXPIRING OF FISHING RIGHTS

Distinguished members of the Fishing Industry, I would like to start my speech by addressing the issue of fishing rights, which is important not only to right holders, but to the fisheries sector, and indeed to all Namibians. By 31st December 2017, there were 32 (thirty-two) fishing rights which had attained 20 years. By 31st December 2018, there will be a further 75 (seventy-five) fishing rights which will have attained 20 years. In line with our Laws and Government Policies on this matter, I have communicated to all affected right holders that these rights have now terminated, having attained the maximum 20-year period. These expiring rights are spread across all the sub-sectors of our marine fisheries. This 20-year condition is not new, it has been Government Policy in marine fisheries for many years, and all right holders are well aware of this fact. **20 years means exactly that, 20 years.** In line with provisions in the Marine Resources Act, 2000, I will be inviting all interested Namibians, including those whose rights have terminated, to apply for new fishing rights during the course of this year.

Ladies and Gentlemen, allow me to dwell a bit on this point and clarify as follows:

One: The fact that someone's fishing right has expired does not imply that they cannot continue participating in the fishing industry, or that their investments in this sector are no longer required. The fisheries sector comprises of several levels in the value chain, beginning with fishing, where fishing rights are exercised, processing, logistics, supplies and many other economic activities. Many of the large investors in this sector are in fact operators, processors, suppliers and logistics companies who do not have fishing rights. We value these investors a lot, as they are important to the success of this sector, and the Government will continue to promote their businesses.

Two: Owners of expired, or expiring fishing rights are legally allowed to apply, alongside other Namibians, for new fishing rights once a public call is made. Evaluation of all applications will be based on provisions in the Marine Resources Act, 2000, on this matter. Those expired, or expiring right holders who have invested and complied with other conditions as per the Law would be more competitive than those who have not done so.

Expiry of fishing rights, and the public call that follows such expiry, allows the Government to affirm the fact that our fisheries belongs to all Namibians, and demonstrate that there is a time when all Namibians can apply and compete fairly for a fishing right. As has already been demonstrated in the case of rights that expired in 2017, my Ministry is determined to manage this process in a way that protects Namibian jobs, and investments in the fisheries sector, for all rights that expire in 2018 and 2019.

I would like to stress that, in line with the criteria as set out in the Law, and as articulated by HE the President in the Harambee Prosperity Plan, economic inclusivity will be a key consideration in the application for new rights in 2018. I therefore wish to assure all members of the public, including all those whose rights have expired or are expiring this year, that the process of evaluating new right holders will be done transparently, in a timely manner, and in accordance with the Law, and therefore there is no cause of alarm on this matter.

LEVIES AND FEES

Ladies and Gentlemen, in 2017 I gazetted new levies and fees on marine resources, which included quota fees, marine resources fund levies and by-catch fees. The combined total of these levies and fees is now 5.1% of the landed value, in N\$/kg, of our marine resources. This adjustment was brought about by the earlier untenable situation whereby the fishing industry paid between 1-2% of the landed value as resource rent, which was way too low, when compared with other similar fisheries. I am sure the industry appreciates the fact Namibian fisheries belongs to all Namibians, and that we need to optimise resource rent to Government, so that fisheries can contribute to building hospitals, schools, roads and other services to all Namibians, without making the fishing industry non-competitive.

I have taken note of fishing Industry concerns on this matter, and have instructed my officials to consult thoroughly with all stakeholders on fees and levies, including landed value, and report back to me with well-considered options for my consideration. I am informed that this consultation process is now underway, and I hope to receive the report soon.

RECREATIONAL FISHING LEVIES

As you are aware, I have suspended the implementation of paragraph 4 of Government Notice No. 158 of 26th June 2017, on imposition of levies on Marine Resources, which introduced a levy of N\$ 1 500 per month for recreational /sport fishing, excluding subsistence fishing, to allow for further consultations with all stakeholders on this matter. I am minded by the need to sustain jobs in hotel, tourism and other industries which are sustained by sport and recreational fishing, and promoting Namibians pass-time leisure fishing, whilst ensuring that the costs associated with management of this fishing activity is sustained by the fees collected. However, artisanal fishing must be protected from costly levies, which can jeopardise food security of this vulnerable category of our fishers.

Consultations on this matter took place at Henties Bay in September 2017 and in November 2017 in Swakopmund and Walvis Bay. I really appreciate the fruitful discussions that took place in these coastal towns, during when the residents advanced very good ideas that will be taken into account in the final analysis on what will constitute a new recreational levy. However, I am aware that this consultation process has not yet been concluded and my staff need to engage the residence of Luderitz and Windhoek on this matter. I have given my staff a deadline to finalize the whole process by the first quarter of 2018/19 financial year.

SCORECARD FOR FISHING QUOTA ALLOCATIONS

Ladies and Gentlemen, in my Annual Address to the Fishing Industry in 2017, I explained my commitment to develop a Scorecard to evaluate the performance of each right holder, and hence determine the amount of fishing quota to be allocated to each right holder. As explained, the 8 criteria that were jointly identified by the fishing industry and the Ministry, based on the Marine Resources Act, were piloted through filling of questionnaires by all right holders. I am happy to note that the officials at the Ministry completed data analysis on this matter, and the results are quite revealing. This Scorecard is now before CABINET, and I will be gazetting details of its implementation shortly.

I would like to reiterate that the Scorecard is based on Sections 33 and 39 of the Marine Resources Act, 2000, and therefore its implementation does not require new policies or promulgation of Bills through Parliament. Nothing in

current Law prevents the Minister from considering scorecard performance in allocating quotas, including current reserve quotas in various fisheries. I therefore call upon all right holders to take advantage of this short delay in implementation of the Scorecard to ensure that you comply to the provisions of the 8 criteria, together with associated sub-criteria.

PLANNING

Ladies and Gentlemen, in 2017, the Government launched the **Fifth National Development Plan (NDP5)**, which was closely preceded by the launch of the **Harambee Prosperity Plan (HPP)** in 2016. These two planning documents, guided by **Vision 2030**, underpin all our development priorities in the fisheries sector. Specifically, the Fisheries Sector in NDP5 has committed to the following objectives, and I quote:

1. By 2020, Namibia will have implemented a Blue Economy governance and management system that sustainably maximizes economic benefits from marine resources and ensures equitable marine wealth distribution to all Namibians.
2. By 2022, Namibia to be the key fisheries and processing hub in the South West Atlantic Ocean through increasing the volume of fish handled, canned or processed in Walvis Bay cumulatively by 40%.
3. To implement the current 70/30 value addition ratio to the horse mackerel subsector.

In addition, the Ministry of Fisheries and Marine Resources launched its **2017-2022 Strategic Plan**, which articulates how these Governmental Objectives will be implemented. I call upon all stakeholders to join hands as we together work towards attaining these important goals.

BILATERAL AGREEMENTS

Ladies and Gentlemen, in 2017 the Ministry concluded a fisheries Memorandum of Understanding with the Galician Government, Kingdom of Spain. This agreement was signed in Vigo, which is the main port destination for Namibian fish in the EU. The MoU deals with matters pertaining to fisheries research, fisheries management, collaboration in international fisheries trade,

and compliance to international fisheries standards, convention and agreements.

This MoU joins a list of other MoUs that we have with several countries, including Angola and DRC, which are aimed at facilitating the development and market access of Namibian fisheries products. On the same note, we have finalised a fisheries MoU with the Republic of South Africa, which is now ready for signing.

I call upon the fishing industry and all other stakeholders to take advantage of the provisions in these MoUs, as we seek to develop Namibian fisheries sector.

MONITORING CONTROL AND SURVEILLANCE (MCS)

Distinguished Participants, I would like to acknowledge that 2017 was a challenging year with regard to implementation of Monitoring Control and Surveillance (MCS) measures, due to budget constraints being experienced across the entire Government. This has resulted in a reduction in patrols and related operations to 65%, when compared to 2016 levels. We have had a challenge with reported Illegal Unreported and Unregulated (IUU) fishing activities in our northern maritime border with Angola. We have also noted the IUU fishing activities in our rivers involving use of illegal (undersize) nets, particularly in the Kavango and Zambezi rivers.

This situation needs to be urgently addressed in 2018, as it is unacceptable. In this regard, I am happy to report that there is a coordinated Government and inter-Governmental approach to address this matter urgently, and resources are being mobilized to this effect. Those involved will soon face the full force of the Law. I call upon the Fisheries Observer Agency and Inspectors (both inland and maritime) to continue discharging your responsibilities diligently, in order to protect our fisheries.

In line with our objective to strengthen MCS activities, Namibia acceded to the UN Ports States Measures Agreement (PSMA) and deposited its instruments with FAO Director General on 18 July 2017. This agreement aims to prevent, deter IUU fishing through the implementation of effective port state measures, and thereby to ensure the long-term conservation and sustainable use of living marine resources and ecosystems.

Namibia plans to exchange information, through this Agreement, with neighbouring countries in order to further assist in the control, entry and denial into our ports of IUU or foreign vessels. This will help to prevent illegally caught fish from entering international markets through any ports in the SADC region.

I also take this opportunity to announce that, with a view to strengthening our Ministry's collaboration with stakeholders in protecting our fisheries, I will be expanding the number of Honorary Fisheries Inspectors in 2018, in line with provisions in the Marine Resources Act, 2000. In this regard I call upon stakeholders, particularly organized fishing and sport fishing associations, including HAFA (Haganeni Artisanal Fishing Association), to forward names of possible honorary inspectors to the Ministry, through the Directorate of Operations, for my consideration.

FISHERIES STOCKS

Ladies and Gentlemen, the status of our fisheries is healthy and sustainable, both in terms of stocks, and economically as well. During the period of 2017/18, the total TAC for various fisheries was 507,276 MT, compared to 521,714MT in 2016/17, representing a marginal decrease of about 3%. This fish and fishery products is valued at about N\$ 10 billion, making fisheries the second largest forex earner for Namibia, after Mining.

I would like to put into context the nature and proportions of our various fisheries resources, especially for the benefit of those who may not be familiar with this sector. Namibia fisheries sector total landings range between 510,000MT and 550,000MT annually. 99.5% of these landings are from our marine subsector, whilst inland fisheries and aquaculture together contribute about 1,500MT annually.

Horse mackerel landings constitute about 65% of total landings, at about 330,000MT annually. Our research has confirmed that this species is being managed sustainably. Our hake fishery, whose landings are on average about 140,000MT, is also stable and sustainably managed. Our monk, lobster, crab and other fisheries stocks, which are harvested in smaller quantities compared to the first two, have been demonstrated to be stable and sustainably managed. Namibia does not fully harvest its albacore and swordfish quota which the Government negotiates with ICCAT periodically, now standing at 1,168MT. We however have had a challenge with our pilchard fishery, which

on average represents about 3% of our marine landings and whose stocks have declined in recent years, necessitating the 3-year moratorium which I imposed in 2017, to facilitate recovery of stocks.

Ladies and Gentlemen, I hope this explanation helps to clear the wrong perception on our fisheries often created in the media, which sometimes may imply that there are problems in our entire fisheries stocks. Such reports usually highlight only the current situation of pilchards. It is important to also clarify that the challenges we are experiencing with pilchard stocks are historic. In 1995, 2001 and 2006, pilchard stocks were either collapsed or near collapse, and then recovered to some extent afterwards, hence this current phenomenon is not restricted to the last few years. In imposing the moratorium, I have also instructed my officials to carry out detailed studies, including a determination of the role that our increasing number of seals colonies play on mortality of this fishery species, and measures that need to be taken to contain the situation.

Ladies and Gentlemen; I note that the ecolabelling process for our hake fisheries through Marine Stewardship Council (MSC), which I announced in 2017, is progressing well, and is expected to be completed in the next 18 months. We remain confident that our sound management measures on this fishery, which are based on international best practises, will be affirmed during this ecolabelling process, and that our hake will benefit from the anticipated increased market access arising from this certification.

EMPLOYMENT

Ladies and Gentlemen, I would like to stress that my Ministry will continue to lay special emphasis on employment in the fisheries sector. This focus is in line with NDP5 and HPP, and is underpinned by the Policy aspiration to enhance distribution of fisheries wealth to all Namibians. Employment, together with resource rent such as taxes, levies and fees; and corporate social responsibility (CSR), are important tools in this policy objective. As already indicated in the Scorecard, we will be evaluating the number of Namibian jobs per MT quota allocated, and the quality of such jobs. I urge the fisheries industry not to see this measure as an unnecessary cost factor, to invest in value addition, associated services, and other activities in order to cost-efficiently maximise the number of Namibian jobs created by our fisheries.

TRADE FACILITATION

As you are aware, **Ladies and Gentlemen**, Namibia together with other SADC countries concluded the Economic Partnership Agreement (EPA) with the European Union, which is now in force. This agreement not only provides continued duty and quota-free market access to EU markets, but also derogations and cumulations on fisheries. This SADC-EU EPA allows Namibian fisheries private sector to source fish from various countries, add value here in Namibia, and export it to EU destinations. It also provides for projects to develop SPS (sanitary and phytosanitary standards) capacity of the private sector and the Ministry, as the Competent Authority on this matter. I call upon the private sector to take advantage of the provisions in this trade agreement, in order to improve our competitiveness in global fisheries markets.

Namibia has also initiated discussions with Britain at SACU level, in preparation for a trade agreement once BREXIT happens. I call upon the private sector to join hands with the Ministry in the negotiations.

RFMOs

Ladies and Gentlemen, my Ministry continues to participate actively in several Regional Fisheries Management Organizations (RFMOs), including SEAFO, ICCAT and BCC. I welcome the significant research benefits which we gain from participating in projects under these organizations. Research however must not be seen as an end in itself, but rather as information which should be translated into economic benefits. As a Ministry, we invest a lot in terms of finances and human resources in these organizations, and we need to ensure that there are commensurate economic benefits.

In particular:

- I note that Namibia does not benefit significantly from fishing activities in the SEAFO area. I call upon the private sector to invest in harvesting fishery species in the SEAFO area such as deep-sea crab, Patagonian toothfish and bluefin tuna.
- As indicated earlier, Namibia needs to land all its ICCAT quota annually, which has not been the case until now. I invite the fishing industry to work with the Ministry on options such as joint ventures, among others, to enable us to realise this goal.

- On BCC, I expect that programs being coordinated in this organization are integrated into our national research work-plans in both scientific and socio-economic areas of the line ministries concerned.

MFMR STATE OWNED ENTERPRISES

Ladies and Gentlemen, in this Year of Reckoning, I will pay specific attention to the performance of the 5 Public Enterprises, or State-Owned Enterprises (SOEs) under the Ministry of Fisheries and Marine Resources; namely the Fisheries Observer Agency (FOA), Namibian Maritime and Fisheries Institute (NAMFI), National Fishing Corporation (FISHCOR), Namibia Fish Consumption and Promotion Trust (NFCPT), and Haganeni Artisanal Fishers Association (HAFA).

As part of public enterprises hence also part of public service, I would like to reiterate that the current fiscal controls being implemented by Government must also be implemented at your level. In this regard, I will not be approving any budget increases in operational expenditure in the financial year 2018/2019, unless it is accompanied by a justification with source of funds other than subsidies from the Ministry. As a principle, the Government wants to wean all SOEs to be self-sustainable. All business plans of the SOEs associated with MFMR must be revised to reflect targets on self-sustainability in the shortest time possible, before I consider your 2018/2019 budgets for approval.

In line with Government Policy on Performance Contracts, I wish to remind all SOEs that I have taken specific commitments to the Government in relation to your mandates. In 2018/2019 Financial Year, I will be expecting that all SOEs complete a separate Annex 1 on their Performance Agreements as provided, with specific measurables in line with your mandates. In Particular, I would like to highlight as follows:

- 1) **FISHCOR** is a Government company charged with achieving specific Governmental objectives. In line with FISHCOR Act, 1991, the company is charged with undertaking Governmental objectives in fishing, value addition, research, financing Governmental objectives in fisheries and facilitating new businesses and modernization. You do this in partnership with the private sector, as these activities are private sector-led, and where the private sector is not yet fulfilling these objectives, you step in

and fill the gap, so that overall Government objective in the fisheries sector is realised.

As stated earlier, MFMR under NDP5 has committed to 70% value addition in horse mackerel, and a 40% increase in fishing related activities in Walvis Bay port by 2022. I would like to see targets in FISHCOR Board Performance Agreement reflecting how the company intends to facilitate achievement of this goal.

- 2) **Namibia Fish Consumption Promotion Trust (NFCPT)** is an important Government Agency charged with the responsibility of promoting consumption of fish in Namibia. I have taken a commitment to ensure that per capita fish consumption in Namibia increases from 8kg per person per year (in 2016), to the world average of 20.4kg per person per year (FAO).

At the moment we are not doing well on this target, we are now at 9.5 kg per person per year, which is less than 50% of our target. I have directed my officials to include a condition that right holders, particularly in horse mackerel, sell at least 30% of their quota in local markets. We are also increasing CSR fish donations to the public, both as Government as well as private sector, in order to bridge this consumption gap. I would like to see strategies by NFCPT on how you will work with the private sector, and Government, to achieve this goal in 2018/2019 financial year.

- 3) **The Fisheries Observer Agency (FOA)**, is responsible for independently observing the activities of harvesting, handling and processing, and collecting data and biological samples. I would like to stress the fact that this is not just 'observation for the sake of producing a report', but rather your work is only beneficial if it leads to increased compliance.

FOA must observe and work together with MFMR to ensure that the observations are acted upon. If there is no follow up, or implementation, then there is no point in observation. You must report to the Minister with recommendations, in case there is no follow up, so that action is taken promptly. I have taken a specific commitment on addressing illegal fishing activities, and therefore will measure FOA achievements by the

extend to which your activities increase compliance – you must work together with inspectors and other officials in the Ministry so that we together enhance compliance.

- 4) **Namibian Maritime and Fisheries Institute (NAMFI)** is a key Government institution on human resources capacity development. The key measure here is how this Agency articulates industry training needs, and provides international quality (certifiable) training. We must work together to eliminate the situation whereby our Government officials and private sector staff are still seeking training in neighbouring countries for basic skills needed in fishing and other maritime activities. NAMFI must include measurable targets on the proportion (percentage) of skills gap in the industry that you will address in 2018/2019 financial year.

- 5) **Hanganeni Artisanal Fishers Association (HAFA)** is an agency facilitated by the Government to enhance participation of our small scale and artisanal fishers in our fishing industry. We appreciate that our seas are rough and therefore require large boats and ships, whose investments are beyond the capacity of most of our artisanal fishers. However, we need to ensure food security for our coastal and riparian communities, and hence must facilitate angling and other small-scale fishing activities.

HAFA must develop to effectively represent and facilitate all fishers along the coast, and along our perennial rivers. Inclusivity for all fishers, small or large, must be enhanced. I will require HAFA to demonstrate how effectively, in terms of numbers and locations of fishers, you are able to facilitate fishers. This aspect must be included in Annex 1 of your 2018/2019 Performance Agreement.

As I conclude **Ladies and Gentlemen**, let me reiterate that this will be indeed a year of reckoning for the fisheries sector.

I wish to correct the impression that 'once a person is given a fishing right, it is automatically valid for 20 years'. This is simply not true. 20 years is the maximum possible duration for a right, but the validity of each right, such as 7 years, 10 years, 15 years or 20 years, is clearly indicated in the letter of offer, which does not promise extension. If you are invited for evaluation, and it realised you

have changed the conditions of your right without authorisation by the Minister, or you have not met the conditions given during the award, there may be no extension for such a right. It is therefore not true that all rights are entitled to a period of 20 years, because extension is subject to fulfilment of set conditions.

Also, I wish to clarify that, in light of the Scorecard, the fact that you have a right does not automatically mean you will be allocated a quota. The amount of quota you get will depend upon your performance against the 8 criteria, and their sub-criteria.

For the SOEs, as I stated, this year I will pay more attention than ever before to your performance, and take appropriate action on all non-performance.

For all staff in the Ministry, I am sure you have read my speech during my Annual Address to staff last week, and taken notice of Directives from the Prime Minister dated 1st February 2018. These Directives must be implemented in full.

Let us all work together to develop Namibian fisheries. Let us all share the benefits of this fisheries, which belongs to all Namibians. I wish you all an excellent and fruitful 2018.

I Thank You.