



Promoting regional trade and agribusiness development in the Pacific

LINKING FISHERIES TO TOURISM-RELATED MARKETS

Fiji Nadi – July 2015

CONTEXT

As indicated by the introduction to the conference most of the Pacific Islands, especially the ACP, suffer from :

- A lack of natural resources (except from the ocean side for the majority of the countries except for some overfished species);
- Be small and be import dependent economies;
- High geographic dispersion (transport cost);
- Stronger local demands due to population increase with aspiration for highly refined food by local populations (import) and expanding tourism (local high quality produced products) but in competition with product exports;

The consequences are an imminent public health crisis and risks for environmental collapse.

OPPORTUNITIES

- However the two productive sectors, agriculture and tourism, seem to offer the best opportunities for inclusive economic growth (and sound management) in several Pacific Island Countries;
- Agriculture here includes fisheries and aquaculture;
- Therefore, the promotion of linkages between tourism and the fish sector should help to create economic opportunities;
- The tourism market is in strong demand for local and regional quality products to meet the demands of their clients/visitors;
- There is therefore a market here which offers very good opportunities for fish, seafood and aquaculture products;
- But some constraints exist that will be expressed by speakers, here present in the panel;
- It is very important to understand the constraints and problems that limit a good development of these partnerships between the fishery sector and the tourism industry;
- More specifically the constraints/problems are expressed, better will be the answers by all the support players involved (Public and Private).

Tourism opportunity in figures

- More than 500,000 tourists are visiting Fiji each year;
- There is thus increasing opportunities for more of Fijian's farmers/fisheries to supply their produce to hotels, resorts and restaurants;
- Since 2008 the trend appears to have shifted towards a greater demand for local produce. This has largely been driven by hotels and resorts looking to reduce key costs, the devaluation of the Fiji dollar in 2009, and the government increasing focus on curbing imports;
- In addition to this, the interface between agriculture and the tourism sector has become the focus of a number of development efforts;
- While local sourcing has increased, there still remains significant unmet demand for a large number of food items that can potentially be supplied/produced locally;
- many small scale producers who are either not aware of these requirements or have a hard time meeting them due to production-level issues which impact the quality, volume and year-round production;
- Limited marketing channels also keep smaller farmers from getting the right information at the right time about industry needs.

Regional

- The same situation seems to look more or less with the same intensity on the other ACP States of the region (Vanuatu, PNG, etc);
- However it appears a lack of support mechanisms and accurate data to effectively estimate the importance of the effort to bring for improving it;
- This mainly appears in the lack of information on local/regional trading and on connections between Tourism Industry needs and local/regional fish and seafood production possible supplies and constraints encountered;
- International export quotas strategy followed by States could also be questioned.

Seafood Session

- Below are presented some key players that should clarify the issues and needs



Session 3: Linking fisheries to the tourism-related markets

Linkages between the fisheries and tourism sectors in niche products (certified, eco-labeling...), aquaculture, and ranching sectors.

The speakers are:

- *Georges Ringeisen, Executive Chef, The Grand Pacific Hotel *****, Fiji (SUVA). Hotelier tourism position (market position)*
- *Dr Colin Shelley (or Wilco Liebrechts), Co-founder and Executive Director, The Crab Company of (Fiji) Ltd. Producer (aquaculture/farming);*
- *Mr Ronnie HYER of The FIJIFRESH Seafood*
Supplies locally caught seafood to Fiji Island customers;
- *Ms. Reshika Kumar, Business Adviser, Market Development Facility (MDF)*
MDF is supporting various producers with marketing activities
- *Fiji Hotel and Tourism Association (FHTA) and its annual HOTEK trade show*
- Finally the session would like to ask some questions to regional organizations if they are present : Banks, SPC, FFA, PIPSO, CTA, Trade Chamber.

Hotels and Restaurants

- by Georges Ringeisen, Executive Chef, The Grand Pacific Hotel *****, Fiji, in Suva

Speaker

Market demand position



Questions to Hôtels/Restaurants or to Fiji Hotel and Tourism Association (FHTA)

- Do you have an idea of the amount that could represent in volume for fish and seafood still needed ?
- Which % of supplies are from local, regional and from international?
- Which differences are you doing between supplies from aquaculture and supplies from ocean fisheries?
- What would be the Tourism Industry's position on investing in aquaculture and fisheries in order to ensure regular supply and quality (e.g. payment mechanisms? Investments ?)
- Which products are in most demand but offer is not there?
- What processed products are of interest to the tourism industry ?
- Do you require specific labeling ?
- How do you see the competition with the products being internationally exported instead sold to the local Tourism Industry ? Price differences ? Volumes absorbed ?
- Quality and Sanitary issue (see SPS project from FFA)

About Products' Safety & Quality

Safety/Quality

- The Competent Authority (CA) cannot control all the landings and internal transports. It would be too expensive for the State.
- Therefore 3 possible solutions which could be complementary:
 - Having a regional CA run by the FFA and which compensates, but does not replace, national CA according to their needs;
 - Having an association of producers / processors that can support the safety and quality of its members' products (pay a private veterinarian for regular checks and put in place the HACCP or ISO 22000);
 - Develop a close collaboration with the Hotel/Restaurant client(s), the latter supporting producers by regular supports/controls.

The proposal for a regional CA (solution 1) was put to the Officials Forum Fisheries Committee and approved for submission to Fisheries Ministers. This will happen next week and it is expected to be approved. Funding is an issue as the successor to DevFish2 (EC Program) has been delayed but FFA is looking at interim funding options.

About Products' labelings

Other labeling (e.g. MSC, ASC, GAA BAP, etc)

In addition to the quality and safety of the products, more and more consumers are concerned about overfishing and environmental impacts of fisheries and aquacultures. This should be taken in account.

For fisheries the management plans are thus of prior importance.



Aquaculture/farming producers

- *Dr Colin Shelley (or Wilco Liebrechts), Co-founder and Executive Director, The Crab Company of (Fiji) Ltd. Producer (aquaculture/farming)*

SPEAKER



Aquaculture/Farming – Questions

- By priority, which are the main technical problems you are encountering ?
- Which are the problems with finance ? How to manage it ?
- Which are today the local production of aquaculture that are not part of the fattening (not about crabs)?
- For these products how do you feed them and what is the Conversion ratio (FCR)?
- In the case of mud-crabs are the hotels requiring processed crabs ?
- Which parts are sold locally and export on international ? Why international ?
- Which specific problems do you encounter when selling to the Tourism Industry ?
- How are the investments protected (e.g. in case of disasters/typhoon) ?
- In your opinion which is the future for aquaculture in the ACP Pacific States?

Supplier of seafood caught products

- *Mr Ronnie HYER of The FIJIFRESH Seafood*
Supplies locally caught seafood to Fiji Island customers

SPEAKER



Questions to producers

- Which constraints/needs do you meet for supplying correctly the Tourism industry?
- How could you move forward to supply the tourist industry?
- How do you bring the tourist industry leaders to promote domestic product?
- Did someone compare the cost/benefit between sales to local Tourism Industry and to the International markets for specific high value products (deep red snapper, mud crabs, etc)?
- How making the investments and the industry sustainable and develop further ?
- Is there any representative association in your specific domain and country?
- Are you following some Eco label principles or are you certified (MSC or GAA BAP/ASC, for instance)?

Market Development Facility (MDF)

- *Market Development Facility (MDF)* is an Australian Aid project assisting the small local producers for various products in Fiji, Tome Leste and Pakistan. In Fiji at least 2 Fishery/farming projects were assisted.
- *Ms. Reshika Kumar, Business Adviser of MDF*
Speaker

If not present in the session could we ask Mr Ronnie HYER or Mr Colin SHELLEY how it works ?

Questions to MDF (AusAID)

- Who is eligible to MDF support ?
- Which are the conditions required ?
- As MDF is only working on Fiji and Timor Leste (as ACP countries) and for a limited number of fishery/aquaculture projects how could other donors/institutions complement what MDF is doing?

To Commercial Banks/Finance Institutions/Development Banks/SPC/FFA

- Your experience concerning finance/support aquaculture for local/regional market supplies?
- Your experience concerning financing fisheries for local/regional market supplies?
- Which impact on loans and interests? Level of risks considered ?
- Information on the Regional Association of the Development Banks ?
- Which is exactly the range of your intervention in this area (FFA, SPC, PIPSO, Development Banks, other institutions as EC)?
- Which guarantees Development Banks are offering to confidentiality of information when a project is submitted ?
- How works “The Pacific Catastrophe Risk Insurance Pilot” fund? Would it be possible to reinforce it ? By who ?

The dual case in fisheries and aquaculture

Fisheries:

- Natural renewable resource
- But with potential broader eco-system impacts

Aquaculture:

- Controlled production system
- Excess feed, medicine, escapees, space in competition with other users

Seasonality:

- For both production systems seasons have an impact on supplies. This should be taken in account.

How can the marine sector maintain its competitive advantage?

- Pricing pollution and natural resource use
- Remove perverse subsidies
- Regulatory standards to focus on outcomes
- Address inertia through innovation, infrastructure investment
- Augment institutional and governance capacity
- Augment demand for innovation
- Support and valorize short circuit supplies

Summary – Facts

- 44 % of the world's population live within 150 kilometers of the coast.
- The rate of population growth in coastal areas is accelerating and increasing tourism adds to pressure on the environment.
- With more people crowding into coastal areas, the greater the pressure on both land and sea.
- Lagoons and coastal waters are 'reclaimed', wetlands are drained.
- Increasing volumes of waste, particularly sewage, are washed out into coastal waters; this can cause eutrophication and endanger public health.
- Coastal areas are some of the most productive and biologically diverse on the planet.
- The world's oceans play a crucial role in maintaining the health of the planet's ecosystems and serve as a valuable food source for humankind.
- The oceans provide the only means of subsistence for many communities around the world.

Aquaculture to reduce pressure and Community based ecosystem approach for managing resources

- Aquaculture production, on the other hand, has the potential to take some of the pressure off wild fish stocks while supporting livelihoods and food production. This is particularly the case in developing countries, which currently present the largest share of world aquaculture production by volume, but not so much in the ACP Pacific States;
- In the community-based ecosystem approach to fisheries management, the local community manages fish resources in close cooperation with the government and other partners (SPC 2010). This applies, for example, to the “Piaba” (Brazil) and “Seahorse” (The Philippines) in their aquarium fish projects.

In summary : Management and R&D Programs

- Strengthening fisheries management and vessel decommissioning when necessary
- R&D projects as for example:
 - Use of alternative fuel (see DEVFISH II)
 - Use of waste for vegetable production or G production
 - Value addition to by products
 - IT, other new technology use and change labor behavior for costs reduction and GG reduction
 - Etc
- Use new technology and better organization for obtaining a better cost/benefit ratio on control and surveillance (see WWF 2014 : Supporting Technological Solutions for MCS Challenges in the Western and Central Pacific Ocean – Initial Overview)

References

- *“Green Growth in Fisheries and Aquaculture: role of innovation and sustainable management”, Reykjavik 5-6 June 2013, OCDE*
- *Source: UNEP 2011a*
- *Source: TEEB 2012*
- *WWF 2014 : Supporting Technological Solutions for MCS Challenges in the Western and Central Pacific Ocean – Initial Overview*
- *MDF Annual Aggregation of Results, 1014-2015*



Thank You Erik Rotsaert



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