

# | Tuna Fisheries



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# What is the opportunity?

- Pacific Island countries are home to some of the world's richest tuna stocks – supplying some 34 percent of the global tuna catch each year.
- The challenge ahead is to ensure Pacific Island countries capture a greater share of the significant value which flows from this limited natural endowment.
- Pacific Possible: Tuna Fisheries describes a best-case scenario for the year 2040, where the region's tuna resources play a bigger role in economic growth.

## BACKGROUND

Pacific Island countries face unique development challenges. Distance to major markets and dispersed populations have led to generally low rates of economic growth over the last decade. If this trend were to continue over the next 25 years, many countries in the region would fall behind, with only moderate per capita GDP growth – a 'low growth future'.

**One of the few opportunities to avoid a 'low-growth future' is the sustainable utilization of the region's tuna resources – capturing more benefit from a limited resource.**

The ***Pacific Possible: Tuna Fisheries*** study aims to build upon work undertaken by the Forum Fisheries Agency and the Pacific Community, by:

- outlining a series of policy actions for a best-case scenario for tuna fisheries to the year 2040; and
- identifying the potential economic impact on the region should this best-case scenario be achieved.

## CURRENT SITUATION

The stocks of four tuna species in the Western and Central Pacific Ocean – a region that includes the Pacific Island countries and extends south below New Zealand and north to the Bering Sea – collectively form one of the world's largest and most valuable fisheries. This fishery supplies roughly 60 percent of the world's tuna from what are some of the last healthy tuna stocks.



The waters of Pacific Island countries cover half of the Western and Central Pacific Ocean region and supply some 34 percent of the world's tuna catch each year, with an estimated delivered value to processors on the order of US\$3.4 billion in recent years. From this endowment, Pacific Island countries received net economic benefits on the order of US\$500 million in 2013.

While not distributed evenly, the benefits from tuna fisheries have been significant for some countries. For example, public revenues are estimated at 36 percent of GDP in Tuvalu, 32 percent in Kiribati, and 10 percent in FSM, and constitute a much higher proportion of the total public budget (e.g. 63 percent in Kiribati in 2012).

To better capture the benefits of fisheries activities, in 2007 the eight Parties to the Nauru Agreement, followed also by Tokelau, established a *vessel day scheme* to limit and better manage purse seine fishing access to their waters, resulting in a quadrupling of access fees between 2009 and 2015.

Even with the gains from the introduction of reforms in recent years, including the *vessel day scheme*, **the overall benefit Pacific Island countries capture from these high-value resources could be much greater.**

## THE OUTLOOK

A number of key external forces are expected to drive the performance of Western Central Pacific Ocean tuna fisheries over the next 25 years:

- **Climate change** – in 20 years stocks may begin to migrate towards the central and eastern Pacific.
- **Markets and the economy** – the global supply of tuna is approaching its natural limit, while aggregate demand and prices may increase slightly.
- **Science and technology** – technology advancements are expected to enhance fishing efficiency, product quality, and fisheries monitoring and surveillance.
- **Demographic change** – the overall population of the Pacific Island countries is expected to grow by an estimated 50 percent over the next twenty years, with the vast majority of this increase to impact on urban centers.
- **External governance** – trade agreements with the European Union in place with several Pacific Island countries are expected to erode, reducing the competitiveness of regional tuna processors, while foreign fishing subsidies for tuna fleets are expected to continue in some form.

# How can this be realized?

## Recommendations

The paper suggests a pathway based on the four goals outlined in the Regional Roadmap for Sustainable Pacific Fisheries – endorsed by Pacific Island Forum leaders in 2015:

Goal 1 **Enhance sustainability of tuna fisheries resources as a prerequisite for greater benefits**

Goal 2 **Enhance the economic value of the tuna fisheries without increasing production**

Goal 3 **Increase Pacific Island employment in Western and Central Pacific Ocean tuna fisheries**

Goal 4 **Enhance Pacific Island food security**

Across certain Pacific Island countries, achieving these goals could mean a total of:



Between US\$176.6 to US\$344.6 million per year in **additional public revenues.**



Up to \$US88.3 million per year from **additional local tuna processing.**



Between 7,500 and 15,000 **additional jobs.**

The pathway suggested by *Pacific Possible: Tuna Fisheries*, includes five key policy strategies necessary to achieve the four overarching goals:

1

### Regional cooperation

around shared tuna fisheries resources, eventually expanded to include key resource owners such as Indonesia and the Philippines.

2

### Efficient fishing practices and catch limits

that maintain valuable tuna fisheries assets, constrain supply and thus increase prices, with proactive efforts and up-front investments to replenish certain tuna stocks before further declines.

3

### Flexible access and eventual output rights for fleets

that enhance the value of fisheries without increasing production, and provide a tool for Pacific Island countries to leverage greater foreign investment in processing.

4

### Significant investment in skills and capacity

to develop the world's top tuna fisheries managers.

5

### Inclusion of coastal communities

in fisheries where feasible, through dedicated access and inshore networks, as well as targeted investments to maintain local food security.

“HOW MUCH COULD TUNA RESOURCES CONTRIBUTE TO PACIFIC ISLAND COUNTRIES BY 2040?”



# WHAT IS Pacific Possible?



Pacific Island countries face unique development challenges. They are far away from major markets, often with small populations spread across many islands and vast distances, and are at the forefront of climate change and its impacts. Because of this, much research has focused on the challenges and constraints faced by Pacific Island countries, and finding ways to respond to these.

This paper is one part of the Pacific Possible series, which takes a positive focus, looking at genuinely transformative opportunities

that exist for Pacific Island countries over the next 25 years and identifies the region's biggest challenges that require urgent action.

Realizing these opportunities will often require collaboration not only between Pacific Island governments, but also with neighbouring countries on the Pacific Rim. The findings presented in Pacific Possible will provide governments and policy-makers with specific insights into what each area could mean for the economy, for employment, for government income and spending.

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