

# **DEEP SEA FISHING POLICY**

**MINISTRY OF FOOD, AGRICULTURE AND LIVESTOCK**

**(Livestock Wing)**

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### Introduction

With the declaration of Exclusive Economic Zone (EEZ) in 1976, Pakistan extended its jurisdiction upto 200 n. miles in the sea from the coast line and added about 250,000 square k.m. of sea area to its territory. This gave the country exclusive rights over the living resources of this extended jurisdiction and placed a tremendous responsibility on the country for judicious exploitation of the fishery resources of its EEZ.

2. To harvest the deep sea fishery resources industrial fishing started in 1982. Although industrial fishing was allowed beyond 35 n. miles from the coast to safeguard the interest of small-scale fishermen and to provide room for future expansion of their activities through improved craft and gear. But no efforts were made in the past to improve their skills and up-gradation of their craft, with the result that the area between 12 to 35 n miles remained under-exploited. The previous policies were conceived with the notion of harvesting nature's bounty and to divide the harvest without due consideration of the small-scale fishermen, the largest community who has taken this as a profession.

3. The anchor point of this new policy is based on human dimension and the other issues have been dovetailed into this policy. The ideal, for consideration of equity would have been to take into consideration through a survey the requirements and concerns of the small-scale fishermen. However, an indicative survey revealed deep concern of small-scale fishermen to a number of factors like lack of navigational aids and fish finding equipment on board, lack of training and skills in modern fishing technology, post harvest losses due to lack of refrigeration facilities on board, exploitative marketing system and poaching by industrial fishing vessels in their domain.

4. The main thrust of this policy will thus be the socio-economic uplift of the small-scale fishermen by providing them better prices for their harvest through improved marketing system equipping their boats with modern gadgets and up-gradating their skill through training in modern fishing techniques so that they may harvest the fishery resources of the area between 12 to 35 n. miles, which has now been reserved for small-scale fishermen.

### Fishing Zones

5. The area beyond territorial limits has been divided into two zones viz ; Zone-I (between 12 to 35 miles) and Zone-II (35 to 200 miles). The fishing rights in Zone-I (between 12 to 35 miles); have been reserved for traditional small-scale fishermen. Their capabilities will be enhanced to harvest the resources of this Zone through up-gradation of their crafts and skills. In Zone-II (35 to 200 n. miles) fishing will be allowed under a license from Ministry of Food, Agriculture and Livestock. Based on the maximum sustainable yield level of the various fish stocks a maximum of 50 tuna longliners and 20 stern trawlers would be allowed fishing.

6. The policy will have two components namely;

- (A) *Small-Scale Fishing*.—in Zone-I (between 12 to 35 n. miles) and
- (B) *Industrial Fishing*.— in Zone-II (35 to 200 n. miles)

## A. SMALL-SCALE FISHING IN ZONE-I

7. Small-scale fishing is the back bone of our fishing industry. To develop the small-scale fishing sector investment in the following fields will be done:

- (i) *Establishment of Revolving Fund.*—Agriculture Development Bank of Pakistan (ADBP) has been the major source of lending to fisheries sector since 1972. But due to high mark-up rates and the cumbersome procedures of the bank for granting loans, the scheme is no more attractive to fishermen. The bank is also reluctant to give credit to fisheries sector because of the poor recoveries in the past. Therefore to meet the development needs of small-scale fishermen a revolving fund with a seed money of Rs. 30 million will be established with ADBP. 50% of the royalty realized from Industrial Fishing in Zone-II will go towards replenishment of this fund. Loans will be extended to fishermen for purchase of equipment/boats on deferred payment basis. The details will be developed in conjunction with Finance, Planning and Development Division.
- (ii) *Post Harvest Sectoral Improvements.*—A traditional wooden trawler undertakes a fishing trip of about 10 days duration. The fish hold of these trawlers are not insulated. For preservation of catch insufficient crushed ice is applied. Since no boxes are used for keeping the catch, the catch is piled up in the fish hold with the result that the lower layers of the catches are crushed and de-shaped under pressure. All these factors lead to deterioration of the quality of the landed fish. These post harvest losses due to poor quality of fish fetch less price to the fishermen. Therefore to curtail these post harvest losses, the fish holds of the traditional boats will be insulated. A cooling and refrigeration system will be installed and use of plastic boxes for stowing the catch in the fish hold and handling at the port will be encouraged. A credit line for improvement of this sector will be provided. Local manufacturing sector will be encouraged to manufacture the necessary equipment against demand and supply.
- (iii) *Diversification of Fishing Efforts.*—Majority of the 16000 traditional fishing boats currently in operation are concentrating their fishing activities in shallow coastal waters upto 10 miles from the coast line, which has resulted in over-exploitation of the resources of this zone. For exploitation of shrimp resources on sustainable basis the need at the most is for 600 trawlers. At present some 2000 trawlers are operating along Sindh coast. There is an urgent need to diversify these shrimp trawlers towards other fin-fish resources through long lining and gillnetting with some modifications and installation of fish finders, net-haulers on the existing trawlers. Technical assistance in this behalf will be provided by Marine Fisheries Department.
- (iv) *Development of Coastal Aquaculture.*—So far we have been harvesting the natural stocks without any management measures and replenishment program. The natural stocks are limited and not sustainable under such circumstances. Our fishing is an open access fishery. To supplement the production, coastal aquaculture of much sought after species of shrimp and fin-fish will be undertaken. In South East Asian Countries the bulk of the shrimp production is now coming from aquaculture farms. But in Pakistan no real efforts have been made in this direction. Recently Marine Fisheries Department has launched a project for establishment of hatchery complex for shrimp and fin-fish which will provide seed and extension services to the farmers desirous of taking up mariculture in the coastal areas.
- (v) *Training.*—Although considerable mechanization of the fishing craft has taken place over the years and new gear of shrimp trawl was introduced in 1960's yet the majority of the fishermen are still using their traditional craft and methods of fishing. There is an urgent

need for mechanization of fleet. Modern gadgets and up-gradation of fishing skills through training in modern fishing techniques will also be undertaken. Marine Fisheries Department has already established a Fisheries Training Center at Karachi to cater to the training needs of the small as well as industrial fishing personnel in various disciplines of fishing technology. A training vessel is also being procured with the help of Planning and Development Department through a grant from Japanese Government. A special hands on training scheme will have to be developed to impart training to fishermen by the time this training vessel arrives.

- (vi) *Improvement in Marketing System*.-- Under the existing marketing system the fishermen do not get full returns for their harvest. The marketing system is exploitative and the major share of the actual price of the catch went to the middleman. An intervention in the social policy will have to be undertaken. To ensure maximum prices to fishermen for their catch a contractual agreement between fishermen and the processors will have to be developed.
- (vii) *Fish Inspection and Quality Control Program*.-- Pakistan's export earnings from fish and fishery products have reached to the tune of Rs. 5.5 billion in 1993. The importing countries are very much quality conscious. Pakistan is now signatory to GATT and WTO. These organizations are now developing stringent quality standards and hygienic criteria for exportable goods. Lack of a mandatory seafood inspection and quality control program in Pakistan sometimes results in distribution of some detrimental products by unsavory dealers/exporters. Therefore to stay in this competitive world market and to subscribe to the criteria laid down by importing countries a mandatory fish inspection and quality control program will have to be established. Legislation in this behalf will be enacted soon.

#### b. INDUSTRIAL FISHING IN ZONE-II (35 TO 200 N. MILES)

##### Previous Efforts for Exploiting Deep Sea Fisheries Resources

8. Deep sea fishing started in 1982 under a policy of joint ventures. It was abolished in 1986. Then came the policy of 1989 to harvest the fishery resources by Pak flag vessels which is still prevailing. We have been experimenting a set of policies to harvest the fisheries resources of the EEZ without achieving the desired objectives. The main objective of all these policies was to transfer the deep sea fishing technology to Pakistan and to develop its own deep sea fishing fleet. Our approach was not realistic while conceiving the previous policies. The deep sea fishing is a capital intensive business and Pakistan's deep sea fishery resources are not sufficient enough to motivate the private entrepreneurs to establish their own fishing fleet. Therefore, under previous policies actually foreign flag vessels have been fishing in the EEZ, with the collaboration of Pakistani firms, under the disguise of national flag. None of the 20 vessels procured under PAYE scheme and allowed under Pak flag since 1989, could convert its ownership to Pakistani firm nor any technology was transferred to Pakistani fishermen. Almost all these vessels have left Pakistan on one pretext or the other. Korea, Japan, Taiwan, France and Spain are the Distant Water Fishing Nations who have been harvesting the deep sea fishery resources of Indian Ocean under licensing arrangements with the coastal states. None of the coastal state of the Indian Ocean could establish their own deep sea fishing fleet. Therefore, in future policy we shall have to engage the vessels from these Distant Water Fishing Nations to exploit the fisheries resources of our EEZ under some licensing arrangements, in collaboration with the Pakistani firms.

##### Legal Framework

9. The policy encompasses exploitation of fishery resources by national as well as foreign parties in line with the investment policy of the government, which encourages foreign private

Investment. The Foreign Private Investment (Promotion and Protection) Act provides adequate legal framework of protection of foreign investments. Exclusive Fishery Zone (Regulation of Fishing) Act, 1975 as amended from time to time, is the basic law governing deep sea fishing which empowers the Marine Fisheries Department to issue licenses for deep sea fishing vessels and to lay down a regulatory framework.

#### Guidelines

10. The following guidelines may be adopted in Zone-II (35-200 miles) for exploitation of demersal and pelagic fishery resources:

#### *Criteria for Operation of Tuna Longliners/Trawlers beyond 35n. miles from the Coast in EEZ of Pakistan, (Zone-II):*

- (i) Licensee will be allowed fishing beyond 35n. miles from the coastline.
- (ii) The stern trawlers of 300 to 500 GRT and longliners of 300 to 1000 GRT would be allowed for exploitation of demersal and pelagic fish resources.
- (iii) An annual license fee of Rs. 5 lakhs will be charged. A refundable security of Rs. 5 lakhs per vessel will also be deposited with Marine Fisheries Department, Karachi.
- (iv) Licenses will be given to the pre-qualified firms on the recommendations of an Inter-ministerial scrutiny committee.
- (v) A royalty of US\$ 10,000 per fishing trip from a longliner and US\$ 5000 per trip from a stern trawler will be charged in advance prior to the issuance of NOC for each fishing trip.
- (vi) Licensee will be entitled to determine the mode of procurement of vessel either on self-ownership basis or as a joint venture with a foreign party.
- (vii) A fishing trip will be maximum of 90 days for a longliner and 60 days for a stern trawler starting from the date of NOC issued by MFD for fishing. Trip will be completed if a vessel reports at the port for transshipment of the catch earlier.
- (viii) Each party will be given license for maximum of 3 tuna longliners or 2 stern trawlers.
- (ix) The vessels already operating under Pak flag would be allowed to continue fishing for the permitted period on the same terms and conditions, after which terms of new policy will be applicable.
- (x) The Federal Government may grant license, as an exception, to a foreign firm which makes a sizeable investment in establishing shore based facilities for value added products, such as canning/processing industry.

#### Experimental and Exploratory Fishing

11. Experimental and Exploratory Fishing will be allowed for hitherto unexploited deep sea fishery resources such as squids, cuttle fish, deep sea lobsters and mesopelagic fish through jigging, purse seining, mid water trawling so as to determine the commercial viability of such fishing operations

12. Criteria for Operation of Exploratory/Testing Fishing Vessels Beyond 35 N. Miles from the Coast in EEZ of Pakistan

- (i) Exploratory and Test fishing in the EEZ of Pakistan will be governed by the provision of Exclusive fishing zone (Regulation of Fishing) Act, 1975 as amended from time to time and rules made thereunder.
- (ii) Trolling, pot fishing, mid-water trawling, Purse seining will be allowed and licenses will be issued for fishing beyond 35 miles from the coastline.
- (iii) Exploratory and test fishing shall be initially permitted for one year on payment of Rs. 5 lakhs license fee for one vessel which if mutually agreed could be extended for another one year on payment of annual license fee.
- (iv) The party undertaking exploratory and test fishing should be an established fishing company.
- (v) Reasonable number of vessels will be allowed for each type of fishing which will be determined by the Marine Fisheries Department.
- (vi) The party undertaking exploratory and test fishing will enter into an agreement with Marine Fisheries Department and will specifically indicate the objectives of test and exploratory fishing and also agree to furnish complete data to Marine Fisheries Department.
- (viii) An amount of Rs. 200,000 per vessels would be deposited by the operators of these vessels as security.
- (ix) In case of a dispute the decision of Ministry of Food, Agriculture and Livestock, Government of Pakistan would be final and binding on all the parties.

13. General Criteria for Operating of Vessels in The Exclusive Economic Zone of Pakistan

- (i) The fishing will be governed under the provision of the Exclusive Fishery Zone (Regulation of Fishing) Act, 1975 as amended from time to time and rules made thereunder.
- (ii) License issued would be valid for a period of three years but would be renewed annually on payment of requisite fee. Default in renewal of the license will result in its cancellation. The license fee would be same for a year or any part thereof.
- (iii) The licensee shall not trans-ship the fish catch at high seas but would land/export the catch from Korangi Fisheries Harbour, either by the same fishing vessels or through a carrier/container vessel, after getting clearance from the concerned government agencies.
- (iv) The total value of the sale proceeds of the fish exported by Pakistani firm shall be repatriated to Pakistan in foreign exchange. Foreign expenditure incurred (including salary of foreign crew) can be remitted as per government rules and regulations in force.

- (v) All the vessels allowed to operate under this policy will have to employ at least 25% Pakistani crew and arrangements for their training on board will be made.
- (vi) The vessels procured should be in good condition and will be allowed to operate subject to production of satisfactory seaworthiness certificate from an approved surveyor recognized by Mercantile Marine Department.
- (vii) Scientists/observers may be posted by Marine Fisheries Department on selected vessels as and when required for collection of fisheries data. They will be provided with proper accommodation and food etc. while on board the vessel by the licensee. All the vessels will furnish fisheries data to Marine Fisheries Department, on prescribed proforma/log sheets supplied by MFD, at the end of the fishing trip.

**14. Procedure for Submission of Applications and Grant of Licenses to Tuna Longliners/Stern Trawlers and their Operation in EEZ (Zone-II)**

- (i) Application will be submitted to Marine Fisheries Department on prescribed application form (Annexure-B) for pre-qualification.
- (ii) One set of application form will consist of:
  - (a) Composite application form.
  - (b) detailed project feasibility report.
  - (c) details of the experience of the firm.
- (iii) Six copies of the application form will be submitted along-with an application fee of Rs. 2500 (non-refundable) to Marine Fisheries Department, West Wharf, Fish harbor, Karachi.
- (iv) The applications received will be scrutinised by an Inter-ministerial Committee for pre-qualification and only those parties will be allowed which met the conditions of pre-qualification criteria (Annexure-I)
- (v) On receipt of Letter of Intent (LOI) the applicant would deposit license fee in accordance with the policy in the form of a demand draft in the name of Marine Fisheries Department, Karachi, within a period of 90 days from the date of issue of LOI, where after a provisional license will be issued by Marine Fisheries Department. The licensee will have to bring the vessel(s) of the permitted category within a period of 6 months failing which provisional fishing license will automatically stand cancelled and license fee forfeited.
- (vi) Before procuring vessel(s), the licensee shall submit to Marine Fisheries Department, Karachi an inventory in respect of the vessel(s) which consist of the following:
  - (a) General arrangement drawing.
  - (b) Certificate from the builder of the vessel indicating the year in which the vessel was built.
  - (c) A detailed statement of the type and principal dimensions of the vessel(s) indicating its overall length, breadth, particulars of main engine and auxiliary engine, horse power, details of processing, freezing and packing equipments installed on the vessel, fish hold capacity, number of holds and temperature etc.

- (vii) On arrival of vessel in Pakistan, it will be inspected by a team comprising of officers from Mercantile Marine Department and Marine Fisheries Department to ascertain the specifications.
- (viii) Naval Intelligence from security point of view, Customs from custom duties, Mercantile Marine Department for registration and any other concerned agency, will complete their formalities on the request of licensing authority *i.e.* Marine Fisheries Department. After completing the formalities and getting clearance from concerned agencies an NOC for fishing will be issued. No extension in the period of NOC will be allowed. Vessels reporting for transshipment at port will be issued a fresh NOC after transshipment.
- (ix) The licensee will conform to the requirements of concerned government agencies such as Marine Fisheries Department, Pakistan Customs, State Bank of Pakistan, Mercantile Marine Department etc, and directives issued in this behalf from time to time.



**PRE-QUALIFICATION CRITERIA FOR SHORT LISTING PARTIES APPLYING FOR FISHING LICENSE IN EEZ**

- (i) The applicant should be a Pakistani national and the firm should be a registered company under the Companies Act of Pakistan having at least 51% of its stock owned by Pakistani nationals. A foreign company promising substantial investment in Pakistan may be made eligible for a license, as a special case by the Federal Government.
- (ii) The financial viability of the parties will be determined. A documentary proof furnished by a reputable Bank will be required.
- (iii) The party to have sufficient experience and knowledge in regard to operation of deep sea vessels, and should be well versed with international fish marketing procedure.
- (iv) The party to submit an authenticated copy of the offer received from foreign ship owners.
- (v) Particulars of foreign ship owner showing its financial sound position and involvement in fishing activities with documentary proof.

APPLICATION FORM FOR FISHING LICENSE IN THE EEZ OF PAKISTAN

1. Name of applicant and address (local as well as foreign co. investor).
2. Particulars of the company registered under the Companies Act.
  - (a) Date and registration number and place.
  - (b) Authorized, subscribed and paid up share capital.
  - (c) Attach latest balance sheet.
3. Whether the vessel is to be procured through own resources or in joint venture. If joint venture give the name of the company.
4. Type of vessels, type of gears and number of vessels proposed to be brought.
5. Description of the proposed fishing operation:
  - (a) the species of the fish.
  - (b) the method of fishing, type and dimension of the gears to be used and mesh sizes of different parts of fishing net etc.
  - (c) area(s) to be fished.
  - (d) the period of time for which license is sought.
  - (e) the place in which the fish to be landed/processed.
6. I undertake that the information given above is true, complete and correct to the best of my knowledge and belief. I understand that any deliberate and significant misrepresentation and omission discovered may render my license to be withdrawn/cancelled at any time during the validity of the license.

LD. ....DAY.....of.....of the year.

SIGNATURE OF THE APPLICANT