



**APPLICATION (UNDER SECTION 13 OF THE TERRITORIAL
SEA AND EXCLUSIVE ECONOMIC ZONE ACT 1977) BY THE
GOVERNMENT OF WESTERN SAMOA FOR A TOTAL ALLOW-
ABLE FISHING QUOTA OF 14,000 TONS PER ANNUM FROM
WITHIN NEW ZEALAND'S EXCLUSIVE ECONOMIC ZONE**

Apia,
Western Samoa
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*By
Tautote*



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1. INTRODUCTION

Western Samoa is presently confronted with a situation whereby it is vital to this country's economy that it actively take steps to increase its exports whilst at the same time reducing its dependency upon foreign imports.

To assist in this endeavour and enable the country to fulfill its aspirations, it must diversify its economy and give immediate priority to the development of its natural resources. Government has followed with interest the recent fishery developments in Fiji, Papua New Guinea and the Solomon Islands and feels it is now opportune to establish its own fishing industry. To embark upon such a venture requires some assistance and co-operation from the New Zealand Government.

To implement its fishery development, Government intends to establish a private commercial fishing company under majority Government control in joint partnership with overseas companies. At present, we can advise that Government has been negotiating with European, Korean and Japanese companies with regard to this venture, and at this stage, it appears likely a Japanese partner will be selected. The Company's intention is for its New Zealand and other overseas operations to generate sufficient income to develop a local commercial fishing industry in Western Samoa, which in turn would offer increased employment opportunities for our youth, create much needed savings in foreign exchange and also constitute a foreign exchange income earner through the proposed export of fish and its related bi-products. The concept has been verbally discussed with your Prime Minister, the Hon. R. Muldoon by

our Minister of Finance, the Hon. Vaovasamanaia Filipo during both parties' attendance at the World Bank Governors meeting in Washington last September.

2. CONCEPT

Government proposes to incorporate a company to be known as Western Samoa Fisheries Limited to develop a commercial fishing industry based in Western Samoa. The proposed shareholding of the company is as follows:-

Government of Western Samoa	65%
Joint Venture partner	20%
New Zealand partner (W.M.Scollay & Son Ltd)	15%

The initial capital of the company shall be \$500,000 divided into 500,000 shares of \$1 each.

Due to the paucity of research that has been carried out in Western Samoa waters, it is accepted by Government that the initial incorporation of the company to fish solely in Western Samoa's economic zone would be unprofitable. It is therefore envisaged that with the assistance and approval of your Government, the company be licenced to fish in New Zealand territorial waters; the catches thereby giving the company sufficient revenue to permit it to service its financial commitments necessary to undertake the local venture.

3. ADVANTAGES OF NEW ZEALAND OPERATION

The New Zealand fishing operation, whilst giving the company a sound financial base, would give Western Samoa the following benefits:

- (a) The processing and packaging of squid caught in New Zealand waters for export to Japan which would provide additional employment for our citizens;
- (b) A new source of foreign exchange earnings;

- (c) The vessels involved in the New Zealand operation would obtain provisions and fuel in Western Samoa which would assist the local economy;
- (d) The cash flow generated from the New Zealand and other Pacific waters would also encourage International financial institutions to advance loan financing to enable Western Samoa to construct the necessary infrastructure that a local fishery operation requires as well as the secondary manufacturing facilities that are discussed in the application.

4. NATIONAL ECONOMIC ADVANTAGES

We see this venture as a further opportunity for this country to structurally strengthen its economy. It is proposed that at the same time the New Zealand commercial operation would commence, initial research into local fisheries would also get under way. The Government will lease to the company, a 25 ton fishing vessel, recently acquired under Japanese aid together with other smaller vessels to catch fish initially for the local market and create a network of supply that up until now has been sadly lacking. Hopefully, this initial step of a ready supply of fresh fish will lessen our people's reliance on canned fish which up until now has constituted part of the staple diet of the country, thereby giving foreign exchange savings. The company will proceed with this Government's assistance to develop required infrastructure such as wharf, shore freezer and cooler facilities, slipway and repair facilities to ensure the success of the venture. It is also envisaged that the catcher boats that are intended to be deployed in New Zealand and other waters, will on their return to Western Samoa with their catch, also fish and conduct the research within our own economic zone to ensure that we can

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operate a successful commercial venture within our own territorial waters. Upon the expiration of the first three years, it is hoped to have the processing and packaging part of the company's operations well under way for overseas export. At this point in time, a pilot cannery will be built to service the local market and if successful, Government is hoping to obtain a market for the canned fish and related bi-products overseas. We are presently importing over WS\$1.2 million of canned fish per annum and the capability of producing our own product would thus significantly assist our balance of payments problem. This is briefly an outline of Government's intended development of the fishing industry and we will now outline in more detail the Western Samoa Fisheries Limited objects and stages of development.

5. OBJECTS OF THE COMPANY

To establish a fishing industry in Western Samoa through the following:

- (a) To fish in and around Western Samoa territorial waters;
- (b) To develop commercial aquaculture of fish and prawns in Western Samoa;
- (c) To fish in and around New Zealand territorial waters and bring the catches back to Western Samoa for processing and export to Japan and elsewhere;
- (d) To fish in and around the territorial sea of the countries in the South Pacific basin;
- (e) To establish fish processing i.e. processing dried fish, packaging and salted fish, fish cake and fish sausage;
- (f) To establish a cannery to satisfy local demand together with the production and sale of related bi-products e.g. fish meal;
- (g) Marketing to promote the products mentioned herein on the

local and overseas market with special emphasis on export to Japan and countries of the South Pacific basin;

It is envisaged that the venture shall provide considerable employment opportunities for local Samoans both in the fishing operation and processing side of the companies activities.

6. PLAN OF OPERATIONS

STAGE 1 - Proposed size of operation:

In New Zealand, Western Samoa and other South Pacific Counties territorial waters.

- (i) 10 x 350 ton class vessels for squid fishing operation - will be utilised for five months beginning November until April, each year.
- (ii) 5 x 350 ton class multi-purpose vessels - shall operate throughout the year using trawling, long lines and coastal fishing etc;

Fishing in Western Samoan territorial waters to begin contemporaneously with above using:

- (i) 5 x 20 ton class multi-purpose vessels;
- (ii) 20 x 5 ton multi-purpose vessels.

These vessels shall be utilised to research and fish in local Samoan waters. They will initially be used to provide a ready supply of fish for the local market provided however, where particular species of fish caught are in demand in Japan they shall be exported forthwith. Commercial aquaculture of fish and prawns to commence.

STAGE 2 - Fish Processing

- (i) Squid drying shall be commenced in the second year of the

company's operations. Estimated tonnage in the commencement year is 1,000 tons which shall increase thereafter to a maximum yearly take of 4,000 tons.

- (ii) The establishment of a cannery producing canned fish and other related bi-products detailed plan for this part of the operation shall be submitted at a later date. It is proposed that this facility be commenced within three years of the company's incorporation.

7. GENERAL

The management of the company will be in the hands of the chosen joint venture partner who shall also be responsible for implementing training schemes so that eventually the operation will be localised where possible. The industry will also encourage a bait fishing industry which although it is an experimental stage in Western Samoa, if successful, will enable the country to export this commodity to foreign fishing fleets in the Pacific area.

The vessel referred to herein shall carry Western Samoan registration and Government would request special consideration in waiving licence fees for an initial period of five years.

8. SUMMARY OF ADVANTAGES

- (a) Better utilisation of a natural resources.
- (b) Foreign exchange savings/earnings.
- (c) The vessels in New Zealand waters would enable full training for local crews and hopefully reduce our dependency on foreign crews-trained personnel would then be in a good position to assist the establishment of the local fishing industry.

(d) As half of the country's population is under the age of 21, the fishing venture would provide the source of employment for our country's youth in:-

- (i) Fishing crew;
- (ii) Processing plants;
- (iii) Secondary manufacture operations e.g. fish meal etc.