



Fact Sheet: Solomon Islands Seafood Export Industry

The Industry and its significance

Export of tuna as whole fish, frozen loins and canned meat is an important export industry for Solomon Islands (SI), with export returns of SBD366 million (AUD 60 million) in 2015. The largest destination market is the EU, with other markets including Melanesian Pacific Island countries (PNG, Vanuatu, Fiji) and Japan. Both foreign and SI flagged vessels operate in SI waters, with National Fisheries Development (NFD) the largest SI based operator. Soltuna Ltd is the largest processor and exporter. The industry provides employment for 1800 people, 60% of whom are women. The industry also contributes to the SI economy through Government licensing revenue and demand for local services (e.g. fuel, utilities, freight and other services).

Market Access Issues

The EU imposes stringent standards on tuna imports to ensure that products are safe to eat and that the tuna has been legally caught. It requires a 'Competent Authority' (CA) to monitor and control compliance in both areas. The CA for health certification is within the SI Ministry of Health while the CA for catch certification- to comply with illegal, unregulated and unreported fishing (IUU) requirements - is within the Ministry of Fisheries. The CA's are required to maintain appropriate verification and testing systems to certify that products meet EU

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Pacific Horticultural & Agricultural Market Access Program

An Australian Government initiative



requirements. A PHAMA assessment in September 2012 identified that health certification systems were not operating effectively due to technical capacity and resourcing issues, putting market access at risk in the event of an EU audit. In 2014, the EU also issued the SI Government with a "yellow card" on IUU requirements, threatening to withdraw access if improvements were not made. A list of recommended 'action items' was provided. A "red card" would mean loss of EU access, resulting in exports ending until the removal of that card. This would have huge economic impacts, including loss of employment and license fee. It would also deter further investment in the industry.

PHAMA Action

PHAMA has focused support on ensuring that the pathway for tuna exports to the EU is kept open in the face of strict EU standards.

- **CA Health capacity:** In collaboration with the Forum Fisheries Agency (FFA) PHAMA has helped strengthen CA Health capacity through training on health certification systems, and peer mentoring on industry standards and operational practices. Testing pathways have been established using overseas laboratories and options are being considered to develop longer term testing capacity within SI. Since 2014, PHAMA has also supported training of industry and CA staff on food safety assurance systems, including Hazard Analysis Critical Control Point (HACCP), as a means of strengthening industry capacity.



➤ **CA IUU capacity:** In collaboration with FFA and other agencies [such as the New Zealand funded Mekem Strong Solomon Islands Fisheries (MSSIF) program], PHAMA has provided training support to the CA IUU to strengthen catch certification systems and to address further EU requirements.

➤ **Budget and resourcing needs:** PHAMA has assisted the SI Government in defining budget and resourcing needs to support CA operations. Assistance has been given to the CA Health to prepare its budgets and to lobby for funding from the SI government. As a result, the SI government has approved budget support of SBD 600 000 (approximately AUD100,000) to support CA Health operations. PHAMA has also helped to set up an industry-funded CA Health trust account, which pays for samples to be sent to an overseas laboratory for testing. These efforts underpin sustainability, as they have helped to establish sustainable sources of funding for CA Health's important compliance role.

➤ **Industry development:** PHAMA has established a Seafood Industry Working Group (IWG), representative of the private and public sectors. IWG members collaborate on identifying and resolving market access issues for the industry, and plan and coordinate additional relevant assistance to further strengthen SI's fish exports.

Progress

Health certification systems are now considered to be largely compliant with EU requirements. However additional technical support is required to continue mentoring CA staff. Progress has been made to replace donor funding for CA Health operations with government funding. A testing system has been established utilising cost recovery from industry. Broader cost recovery mechanisms to ensure sustainability of CA operations are being examined. Progress has been made with IUU actions required by the EU, including the tabling of revised fisheries legislation and changes in staffing and operations.

Future Actions

PHAMA will continue to work via the IWG to address issues, and collaborate with FFA and MSSIF on appropriate additional interventions to prepare for a potential EU audit of CA Health and progress required actions for IUU CA. Capacity building support will need to be sustained through 2016-2017 to ensure robust CA compliance with EU requirements. PHAMA will also facilitate information sharing between the Health and IUU CAs for mutual benefit, particularly in regards to certification. PHAMA intends to support the development of the Seafood IWG into a formally recognized industry advisory body with sustainable secretariat support, planning capacity and administrative arrangements.

Industry example

Company: Soltuna Ltd

Exporting: Tuna; frozen loins and canned

Markets: EU (80%), US, PNG, Fiji, Vanuatu, Australia

Employee Number: 1,800

VIEWS ON PHAMA SUPPORT

"At stake here is SBD366 million and more than 1,800 full time jobs. Maintaining EU market Access for our product is imperative to the current and future operation of this company. We have seen significant improvement in the inspection work by CA staff thanks to PHAMA and FFA. Having said that there are still some issues to be resolved and while the company and CA are resolving these we still need PHAMA to continue to provide technical support to the CA and the industry."

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