



CBI
Ministry of Foreign Affairs of the Netherlands

Pakistan seafood exports

Quick scan of the EU market potential

Compiled for CBI by LEI Wageningen UR

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Willem van der Pijl
Arie Pieter van Duijn
Rik Beukers

LEI Wageningen UR

Contact

CBI (Centre for the Promotion of Imports from developing countries)
P.O. Box 93144
2509 AC The Hague
The Netherlands

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1 Introduction

1.1 Background and rationale

The Asian region is a major supplier of fish products to the EU market. The aquaculture sector in some Asian countries has become an important producer as well as exporter of white fish and shrimp, especially during the past five years. Within the Asian region CBI is currently developing an integrated programme for the seafood sector. For the development of this programme, a good understanding of the supply and demand side of the industry is necessary. In order to investigate whether it is advisable for CBI to invest in a programme to support further export growth of the seafood sectors of Pakistan and Sri Lanka, additional research is needed.

1.2 Objective

The objective of this report is to investigate whether it is advisable for CBI to further analyse the Pakistani seafood sector and to set up a seafood programme in the country.

1.3 Approach

The research methods used are a desk study of available reports and data sources combined with several key stakeholder interviews with representatives of donors to the Pakistani fisheries sector.

1.4 Structure

The next chapter describes the key characteristics of the Pakistani capture fisheries and aquaculture sector as well as the processing sector. Chapters three through six subsequently give an overview of export figures, the role and policy of the government, the main issues within the sector and the donors that are active in the Pakistani fisheries sector. Finally, chapter seven concludes with recommendations for CBI concerning the further analysis of the Pakistani seafood sector in view of the setting up of a seafood programme in the country.

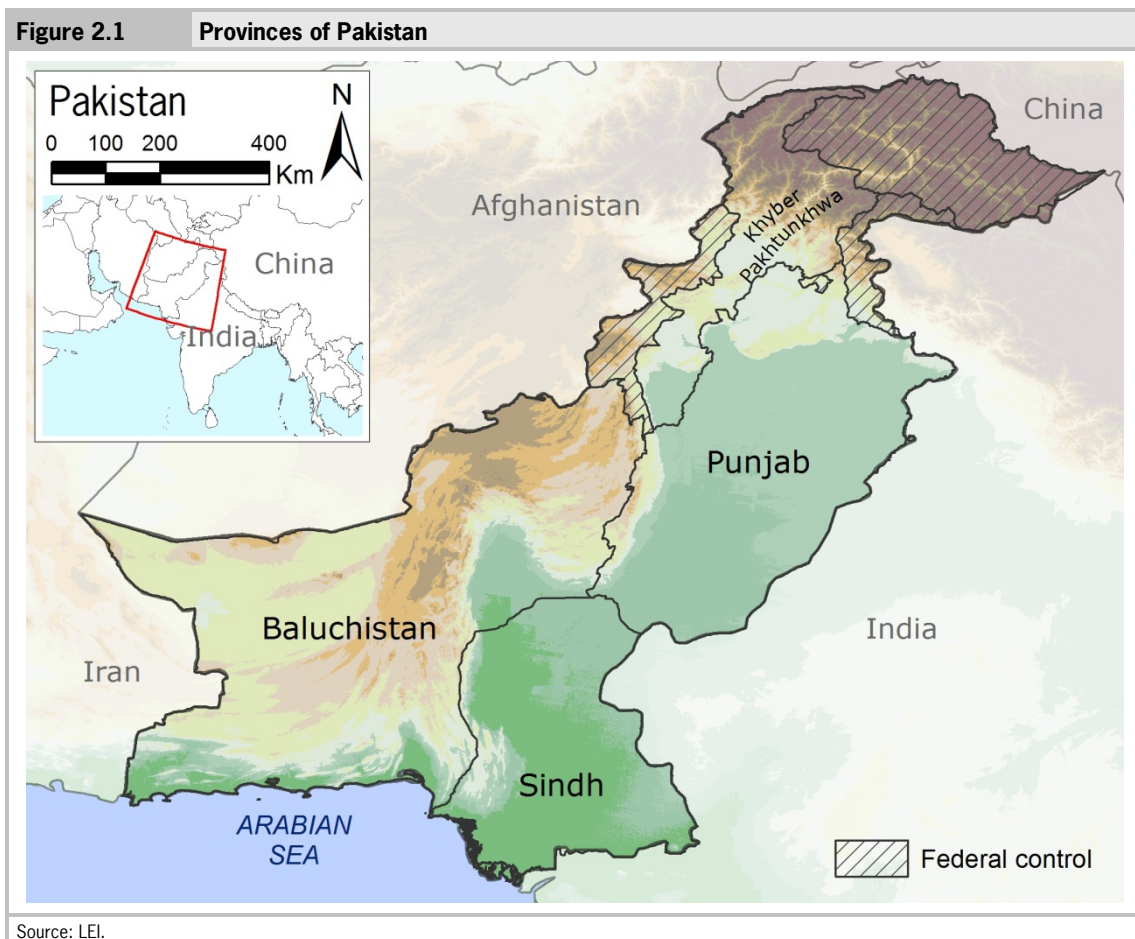
2 Capture fisheries and aquaculture in Pakistan

2.1 Introduction

This chapter reflects on the key characteristics of the Pakistani capture fisheries and aquaculture sector. The next section elaborates on the geography of primary production. The third section discusses the characteristics of the capture fisheries sector and the fourth section discusses the characteristics of the aquaculture sector. The final section provides a short overview of the processing sector.

2.2 General overview of the fisheries sector

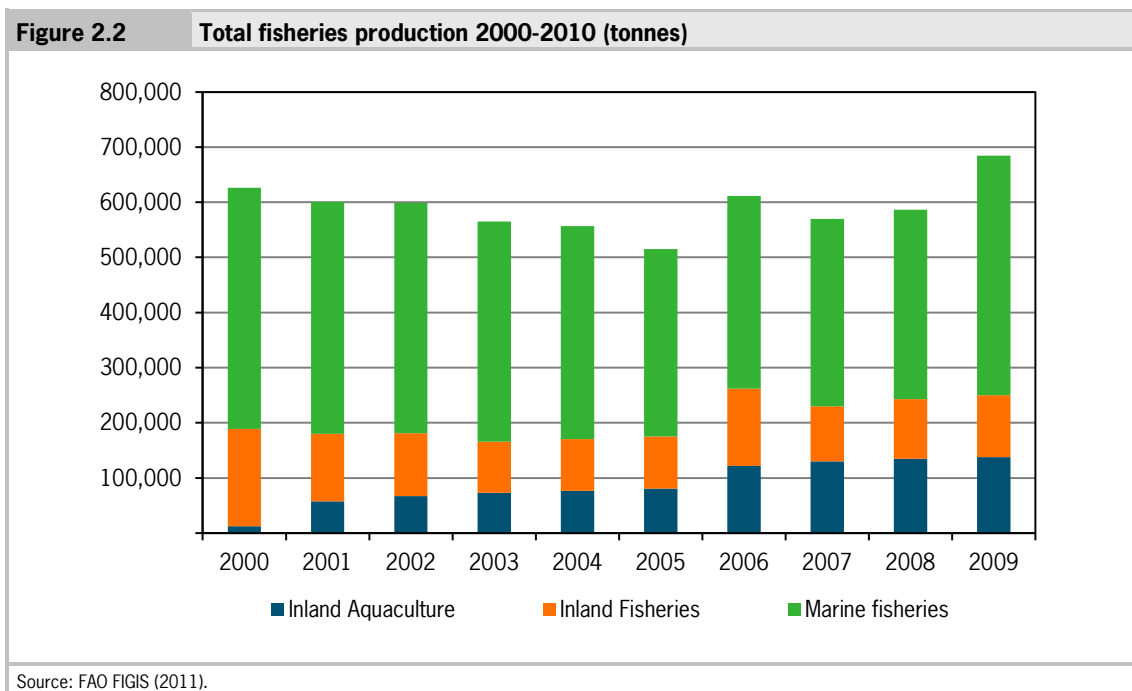
Capture fisheries in Pakistan are concentrated in the Sindh and Baluchistan provinces (Figure 2.1). Inland capture fisheries and aquaculture also take place in Punjab province. It is estimated that the Karachi fish harbour in Sindh province handles approximately 90% of all fish and even 95% of all exported fish.



Capture fisheries plays a relatively important role in the national economy. It provides direct employment to about 300,000 fishermen. In addition, another 400,000 people are employed in ancillary industries. The fisheries sector provides jobs for about 1% of the country's labour force. It contributes only 0.3% to

overall Gross Domestic Product (GDP) (USD210bn in 2010) and 1.3% to agricultural GDP (23% of total GDP in 2010).¹

Figure 2.2 shows that fisheries production decreased slightly between 2000 and 2005 and recovered between 2006 and 2009. The decrease was mainly caused by a decline of capture in the inland fisheries. The increase is mainly caused by increased inland aquaculture and marine fisheries production. In 2009 total fisheries production in Pakistan was almost 700,000 tonnes, of which more than 430,000 tonnes were captured in marine waters, about 100,000 tonnes in inland waters and about 110,000 was cultured (Figure 2.2).



2.3 The capture fisheries sector

The handling of fisheries products is concentrated in the Karachi fish harbour. Note that the Karachi fish harbour is the biggest and oldest of its kind in Pakistan. As already mentioned, it is estimated that the Karachi fish harbour handles 90% of all fish and even 95% of exported fish. Besides the Karachi fish harbour there are three other commercial harbours:

- Korangi fish harbour;
- Pasni fish harbour;
- Gwadar fish harbour.

The capture fisheries sector in Pakistan can be divided into four main sub-fisheries:

1. Shrimp fishery

The shrimp fishery is important because of foreign exchange earned and employment produced from it. It is only permitted in Sindh province. Commercial shrimp trawling started in 1958, after the Marine Fisheries Department (MFD) introduced mechanisation of larger fishing vessels. Now almost all of the shrimp trawlers are equipped with winches for hauling nets. However, shrimp can also be caught by

¹ <http://www.thefishsite.com/fishnews/16165/lahore-market-exports-fish-to-over-15-countries>

the use of cast nets, which is locally termed 'thukri'. The fisheries is mainly carried out in shallow depths from October to March. Shrimp are also caught in estuaries and brackish waters from July to September. The shrimp fishery also is responsible for a large share of the catch of raw material for the fishmeal industry, which consists of mostly small fish species but also immature larger species that would otherwise have been valuable for exports.

2. Small-scale tuna fishery

The capture of a variety of tuna species by small-scale fisheries is another valuable subsector within fisheries. Usually, fishermen place gillnets in the evening and fetch them the next morning. This fishery mainly takes place in the Baluchistan province, where good infrastructure is lacking. A large share of the catches is exported through informal channels as fresh products mainly to Iran, where it is used as a raw material for the canning industry. A smaller share is exported to other regional markets as dried and salted products. However, this is less profitable than exporting it in frozen or fresh forms. The small-scale tuna fishermen also capture other species such as marine jewfish, croakers, grunters, snappers, groupers, ribbonfish and pomfrets.

3. Deep-sea fishery

The deep-sea resources remain comparatively unexploited because local vessels are neither suitable nor equipped for deep-water fishery. However, entrepreneurs attempt to upgrade their deep-sea fishing crafts to be able to exploit the deep sea resources.

4. Small-scale pelagic fishery

The final subsector is the small-scale pelagic fishery that catches mainly raw materials for the fishmeal industry. This fishery is operating in Sindh province, using special nets, locally termed 'katra'. Fishing is carried out from 'hora' boats - wooden sailboats with pointed ends, a broad breadth and long-shaft outboard engine. In depths shallower than 20 m, shoals of clupeids, especially the Indian Oil Sardine, are usually intended. The catch is the prime candidate for conversion into fishmeal.

In 2003, there were a total of 16,409 registered fishing vessels in Sindh province and another 5,996 registered boats in Baluchistan province. In 2003 the fishing fleet consisted of 2,703 trawlers, over 4,000 gillnetters, over 6,800 sailing boats and more than 8,700 motorised sailing boats.¹ All the trawlers are located in Sindh province; the others are distributed over both provinces.

2.4 The aquaculture sector

Aquaculture is still relatively new in Pakistan. However, there is immense potential for development of the sector. Aquaculture production has rapidly increased since 2000 from around 10,000 tonnes to over 100,000 tonnes in 2006 and 2007 (Figure 2.2). Aquaculture has received a substantial amount of government investment, and facilities are now in place that can provide the basis for future expansion.

Inland aquaculture

Freshwater carp culture is mainly practiced in Punjab, Sindh and Khyber Pakhtunkhwa provinces. More than 12,000 fish farms have been established across Pakistan. The average size of a farm ranges from 6 to 9 hectares. About 50,000 people are employed in the sector. Although some farms use semi-intensive production systems, most are extensive. Currently there are no intensive fish farms. For many farmers, fish farming is a subsistence strategy and a commercial mind-set is lacking.

¹ FAO, fishery and aquaculture country profile Pakistan. Food and Agricultural Organization, Rome. 2009.

Cold-water aquaculture provides a unique opportunity in the mountainous provinces of Khyber Pakhtunkhwa, Balochistan, Azad Kashmir and Gilgit-Baltistan. At present two species, brown trout and rainbow trout, are being produced and cultured successfully. However, production volumes are very small and not reported in the FAO FIGIS database (2011).

Coastal aquaculture potential

Coastal aquaculture is almost absent in Pakistan despite its potential. Small-scale marine shrimp farming is carried out mainly near the Indus River Delta, which has yet to produce appreciable results. A mariculture farm was funded by USAID for developing sustainable production of shrimp. A potential for developing hatcheries of other crustacean varieties exist as well. Although Pakistani entrepreneurs and also government officials show interest in the further development of the coastal aquaculture sector, until now it has not taken off at a large scale.

Besides shrimp, Pakistan has nine species of native species oysters belonging to genera of *Crassostrea*, *Saccostrea* and *Ostrea*. However, at present, there is no commercial culture activity of oysters in the country.

2.5 Most important captured and cultured categories

Table 2.1 shows the most important captured and cultured categories and their volumes according to the FAO FIGIS database. As already noted from aquaculture, Pakistan harvests a variety of carp species that are mainly sold on the domestic market. From FAO data it is not completely clear which species are captured in inland fisheries. Also, for marine capture fisheries a large proportion is listed as not-identified species. However, besides the species that are mainly used to produce fishmeal, there are some commercially interesting categories such as shrimp, tuna, mollusc and crab.

Type	categories	2000	2003	2006	2009
Inland aquaculture	Carps, barbels and other cyprinids	12,400	72,978	121,740	138,000
Inland capture fisheries	Freshwater fishes	176,468	92,794	140,000	112,355
Marine capture fisheries	Marine fishes not identified	36,451	35,685	28,719	127,834
	Miscellaneous pelagic fishes	47,076	65,051	73,484	81,883
	Miscellaneous coastal fishes	118,683	96,404	84,632	69,610
	Herrings, sardines, anchovies	73,943	74,786	55,903	48,959
	Tunas, bonitos, billfishes	32,772	25,122	29,593	33,028
	Miscellaneous demersal fishes	34,691	30,205	26,448	25,779
	Shrimps, prawns	25,130	24,411	18,433	20,144
	Sharks, rays, chimaeras	51,170	33,248	20,127	13,019
	Molluscs	9,377	7,235	6,162	7,202
	Crabs, sea-spiders	5,187	4,619	4,218	4,840
	Flounders, halibuts, soles	2,124	1,369	906	1,010

Source: FAO FIGIS (2011).

2.6 The seafood processing sector

In total Pakistan has more than 100 fisheries processing establishments and exporters. However, before the EU ban there were only 11 EU-approved processing establishments. At this moment two processing establishments are ready to be approved for the EU by the Marine Fisheries Department (MFD), which is the competent authority responsible for food safety of imported and exported fishery products. Both pro-

cessing establishments are located in Karachi. In the mid-term it is expected that three more processing establishments from Sindh province and three to five processing establishments from the Baluchistan province will be approved for the EU.

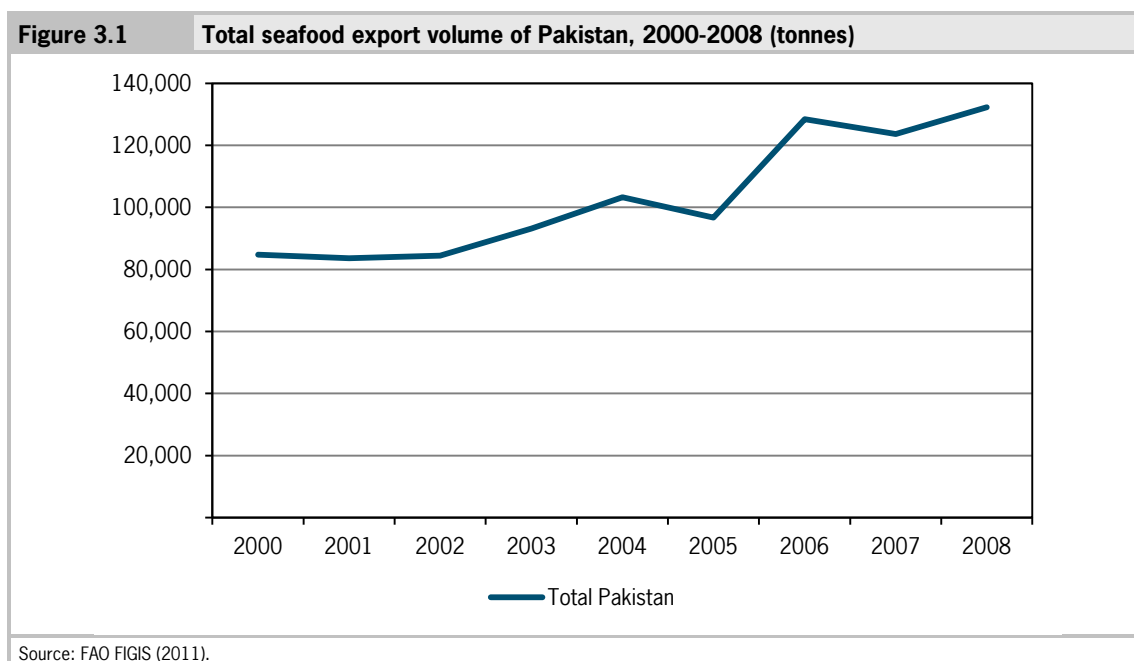
3 Seafood exports products

3.1 Introduction

This chapter reflects on the Pakistani seafood export products. The next section provides an overview of the trend in the export volume of Pakistani seafood export products. The third section elaborates on the different export product categories. The fourth section discusses the Pakistani export markets in 2003 and 2010. The fifth section deals with the most important products for the EU market. The final section provides the most important seafood items that have the highest potential for future seafood exports to the EU and other high value seafood markets.

3.2 Total export volume

The export volume of Pakistani seafood products has increased from about 80,000 tonnes in 2000 to more than 130,000 tonnes in 2008 (Figure 3.1). In 2011, the government reported that the export volume remained stable at 131,000 tonnes, representing a total value of USD226m.¹



3.3 Export products

Table 3.1 gives the shares of the different product categories reported according to value and HS codes. It appears that all product groups have increased in value. Two new product groups (molluscs and fish fillets and pieces) arose and of the larger product groups especially frozen whole fish and smoked fish increased rapidly. Only fresh fish exports decreased in value.

¹ <http://www.brecorder.com/agriculture-a-allied/single/624/183/1213691/>

HS code	HS description	2003	2004	2005	2006	2007	2008	2009	2010	Change 2003-2010 (%)
'0306	Crustaceans	45,618	23,058	34,351	34,297	46,366	58,499	46,843	64,771	42%
'0303	Fish, frozen, whole	70,628	71,107	83,536	101,293	84,101	119,655	121,926	138,814	96%
'0304	Fish fillets and pieces, fresh, chilled or frozen	129	1,503	2,160	7,236	4,242	682	7,956	929	620%
'0305	Fish, cured or smoked and fishmeal fit for human consumption	7,562	7,165	6,451	9,971	11,878	13,707	12,178	17,857	136%
'0301	Live fish	493	185	397	426	359	265	461	1,207	144%
'0302	Fish, fresh, whole	13,512	10,650	19,453	14,251	11,915	23,662	3,545	5,748	-57%
'0307	Molluscs	3	21	309	239	2,194	1,078	0	1,713	5,700%

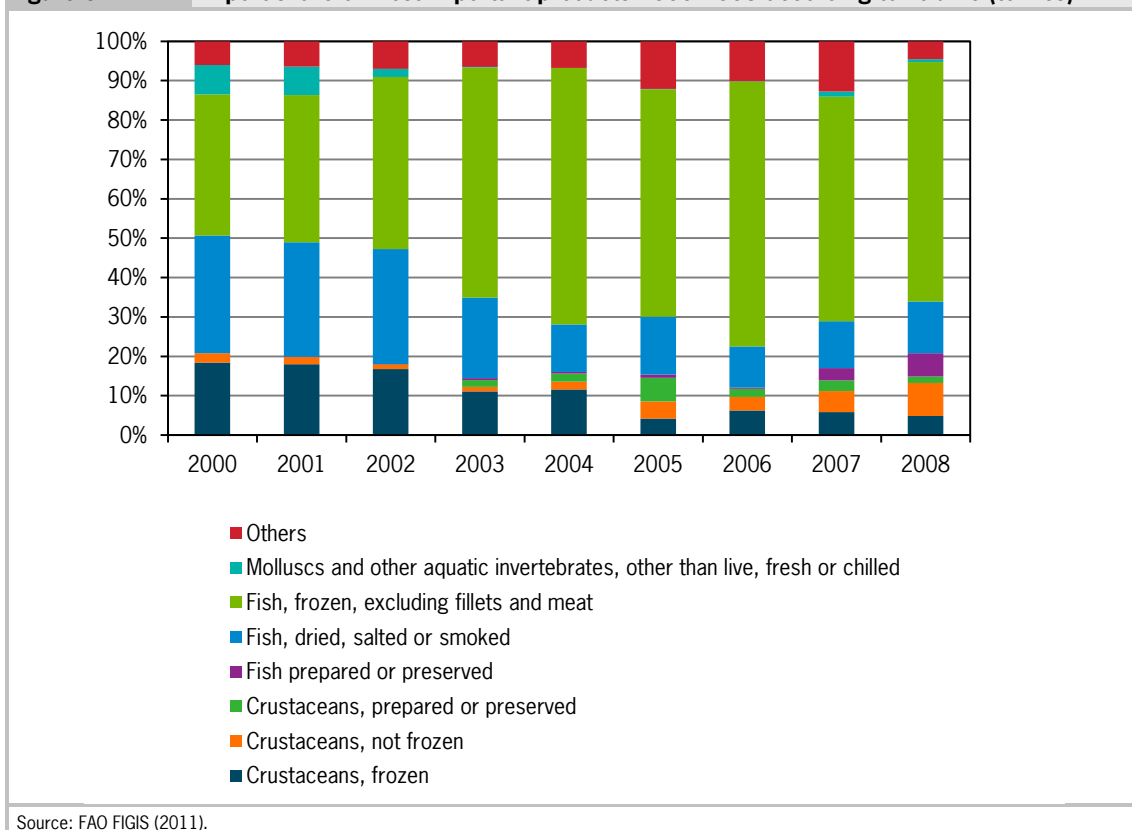
Source: International Trade Centre (2011).

According to volume the proportion of fish products in total exports increased from approximately 65% in 2003 to 80% in 2008. The proportion of shrimp reduced from 20% in 2003 to 15% in 2008. The remainder is accounted for by other products such as molluscs and crabs.

Within total fish exports the proportion of dried fish declined drastically while the proportion of frozen whole fish increased rapidly between 2003 and 2008. The share of fish fillets is insignificant. This is interesting because it indicates that the processing capacity of the Pakistani processors is limited or that processing knowledge such as filleting is missing.

Within total shrimp exports it is interesting to see that while in 2003 the largest part of shrimp exports was frozen, in 2008 more than 50% of shrimp products is exported as live or chilled product. The changes in the trends of the export products can be related to the exclusion of Pakistani seafood from the EU market, which forced the sector to look for alternative markets with different product demands.

Figure 3.2 Export share of most important products 2000-2008 according to volume (tonnes)



3.4 Export markets in 2003 and 2010

Since 2005 Pakistan has been confronted with EU seafood export bans. This section presents the implications of the EU ban for the export markets of Pakistani seafood products. Chapter four will explain more about the specifics of the EU ban.

From Table 3.2 it appears that the export markets of Pakistan changed drastically between 2003 and 2010. One of the main reasons for this change is the ban of Pakistani seafood products from the EU market. While in 2003 Belgium (16%) Germany (3%), Spain (3%) and Great Britain (9%) accounted for 31% of the total value of seafood exports, after the EU ban the shares of the EU countries vanished. The countries that benefited most in market share are China (increased from 15% to 27%), United Arab Emirates (increased from 9% to 14%) and new markets such as Vietnam and Thailand and Indonesia that were not in the top 12 of 2003. Interesting is that also the share of Japan reduced from 7% in 2003 to only 2% in 2010, which may indicate that also Japan became less interested in Pakistani seafood products since the EU banned Pakistan. This confirms the argument of an anonymous government official that the EU ban has consequences for the demand from other high end markets that also are concerned about food safety in the Pakistani fisheries sector.

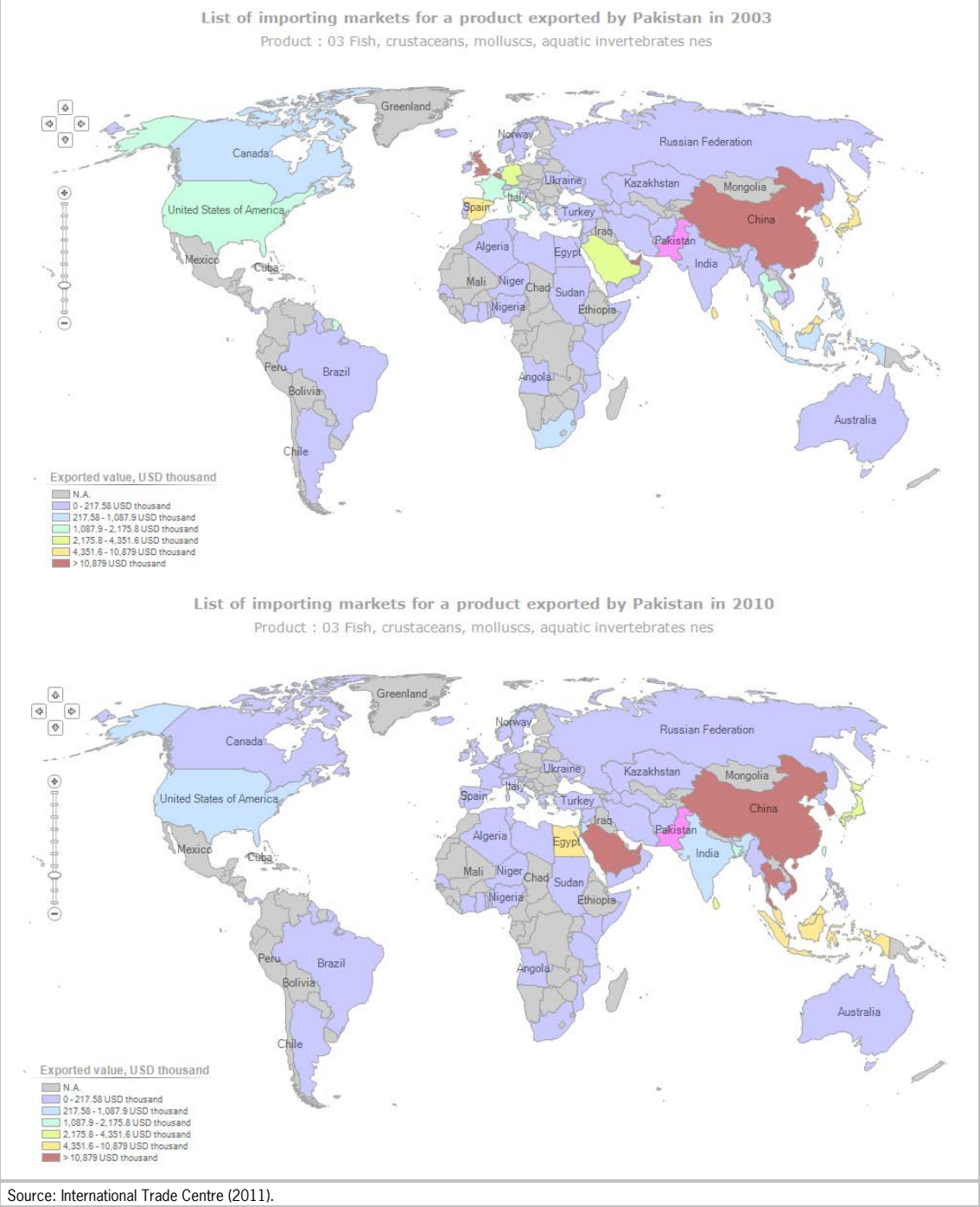
It is important to note that there are concerns that fishery products exported to the United Arab Emirates (UAE) are re-labelled and exported as being of UAE origin.

Table 3.2 Top 12 export markets (HS 03) according to value in 2003 and 2010					
Top 12 2003	Value (USD 000)	Share (%)	Top 12 2010	Value (USD 000)	Share (%)
Belgium	21,758	16	China	63,098	27
China	20,122	15	United Arab Emirates	33,188	14
United Kingdom	13,076	9	Vietnam	20,706	9
United Arab Emirates	11,984	9	Saudi Arabia	20,161	9
Japan	9,833	7	Thailand	19,452	8
Republic of Korea	7,904	6	Republic of Korea	16,601	7
Hong Kong, China	7,006	5	Egypt	10,351	4
Malaysia	6,990	5	Malaysia	9,049	4
Sri Lanka	6,690	5	Kuwait	8,388	4
Kuwait	4,978	4	Hong Kong, China	7,568	3
Germany	4,305	3	Indonesia	5,420	2
Spain	4,505	3	Japan	3,598	2
Others	18,749	14	Others	13,460	6
Total	137,945	100	Total	231,040	100

Source: International Trade Centre (2011).

Figure 3.3 shows the changes in market destinations of exported Pakistani seafood products. It shows the increased significance of markets in the Middle East, China and South East Asia between 2003 and 2010.

Figure 3.3 Export markets for HS code 03 in 2003 vs. 2010 (according to value)



3.5 Most important products for the EU market

Before the EU ban on fishery products from Pakistan, shrimp was the most important export product for the EU market. Table 3.3 shows the most important products according to HS codes and values. Besides shrimp, also frozen whole fish and fish fillet products were exported to the EU. In 2004 the total value of seafood exports from Pakistan to the EU was almost USD40m.

Product code	Product label	Value in 2004	Value in 2005	Value in 2006	Value in 2007	Value in 2008	Value in 2009	Value in 2010
'0306	Crustaceans	27,275	16,711	17,565	3,488	215	119	109
'0303	Fish, frozen, whole	2,806	1,130	2,522	626	23	0	1
'0304	Fish fillets and pieces, fresh, chilled or frozen	2,147	1,451	3,205	1,125	4	2	1
'0305	Fish, cured or smoked and fishmeal fit for human consumption	0	0	4	0	18	0	0
'0301	Live fish	0	0	0	4	0	3	0
'0302	Fish, fresh, whole	122	46	178	24	1	16	0
'0307	Molluscs	7,430	4,360	15,248	3,124	98	0	0

Source: International Trade Centre (2011).

3.6 High potential seafood export products

The EU funded TRTA II Project in Pakistan (see section 6.3) highlights that the most important seafood items that have the highest potential for future seafood exports to the EU and other high value seafood markets are:

1. Captured shrimp
As already noted there is a relatively large shrimp fishery that catches a variety of shrimp species. However, according to the FAO fishery project leader the shrimp fishery in Pakistan is very unsustainable.
2. Captured squid and cuttlefish
Although not much is known about squid and cuttlefish fisheries, relatively large volumes are captured. In the statistics these are included in the mollusc category.
3. Captured tuna
As will be noted in chapter four of the report, relatively large volumes of tuna are captured in the Baluchistan province and exported informally to Iran. For these products higher value markets might be available.
4. Captured crab
Some US companies and USAID have shown interest in the relatively unexploited crab resources along the coastline. Crab is also an interesting product for the EU market.
5. Freshwater aquaculture species from Punjab province
Freshwater aquaculture is developing rapidly and it is possible that more commercial species, e.g. pangasius, become available in the future.

For all the capture fisheries products it is important to note that according to the FAO for the Marine Resource Assessment Project (see section 6.2) it is clear that stocks in Pakistani water are under pressure and that it is not advisable to increase catches from marine sources. Therefore, it is unlikely that the supply of raw material from fisheries will increase in the future. Therefore, if exports are promoted this should always go hand in hand with fish stock protection programmes.

4 Role of the Pakistan government

4.1 Introduction

This chapter describes the institutional arrangement and policy documents related to the capture fisheries and aquaculture sectors in Pakistan.

4.2 Institutional arrangements

The Marine Fisheries Department (MFD) is the competent authority in Pakistan responsible for food safety of imported and exported fishery products. Since the implementation of a constitutional amendment in 2011 it now falls under the jurisdiction of the Ministry of Ports and Shipping.

In Pakistan, aquaculture is a provincial responsibility; the Provincial Departments of Fisheries (DOF) in Punjab and Sindh province are working actively towards the conservation and management of inland waters and the development of aquaculture in their respective provinces. In Baluchistan province, the DOF is involved mainly in marine fisheries but also has a component responsible for inland fisheries.¹

At the central level, fisheries development is overseen by the office of the Fisheries Development Commissioner (FDC) working under the Ministry of Ports and Shipping. The office of the FDC is responsible for policy making, planning and coordination with the provincial fisheries departments. The Marine Fisheries Department (MFD) in Karachi is responsible for the implementation of Deep Sea Fishing Policy beyond the territorial limits, and the regulation of exports of fish and fishery products. Fisheries management within territorial waters is the function of Provincial Departments of Fisheries.

4.3 Policy documents

In 2007 the Pakistani government formulated a National Policy and Strategy for Fisheries and Aquaculture Development. By formulating this policy the government recognised the significance of the sector. This was the first time that the government formulated a specific policy or strategy for the development of fisheries and aquaculture. The policy and strategy focuses at institutional strengthening, increasing aquaculture production, improving sustainability in capture fisheries and reducing post-harvest losses. Currently, the government is working on a new strategy and policy document that will be finalised in 2012.

¹ FAO, Fisheries and aquaculture profile Pakistan. Food and Agricultural Organization, Rome. 2009.

5 Issues related to fishery exports and sustainability

5.1 Introduction

This chapter discusses the most important issues for the seafood sector related to sustainability and the export potential. The next section provides an overview of Pakistani fisheries exports to the EU. The third section elaborates on the Pakistani trash fishery. The fourth section deals with overfishing. The final section addresses illegal exports to Iran.

5.2 Pakistan fisheries exports and the EU

History of EU regulations on Pakistani fisheries exports

In 1997, during a visit of the EU Food and Veterinary Organisation (FVO), inspectors observed bad hygienic conditions in the Karachi fish harbour. In order to prevent the EU from implementing sanctions, Pakistan put in place a self-imposed ban which was lifted after improvements to the harbour were made.

After another FVO mission visited Pakistan in 2005, the EU delegates warned Pakistan that if they wanted to maintain access to the EU market they had to improve hygienic conditions and improve official controls across the supply chain. The delegates made suggestions and the Pakistani government promised to implement new policies and regulations that would improve the local situation. However, apparently the situation remained inconvenient and after a third mission of the FVO in 2007, the Pakistani government voluntarily delisted all seafood processing establishments from the EU approved list. This was a successful attempt to prevent an official EU ban. However, since then exports to the EU reduced to zero.

The EU complaints had several dimensions. The first dimension concentrated on the role and functioning of the competent authority (MFD) recognised by the EU. The second dimension concentrated on unhygienic conditions across the supply chain ranging from the circumstances at fishing vessels, conditions in landing sites, to hygienic conditions in processing establishments.

Current status EU regulations

According to the EU funded TRTA II programme the issues surrounding EU compliance should be resolved this year. There is a strong political will and the Marine Fisheries Department is motivated and dedicated to solve the EU dispute and regain access to the EU market.

The competent authority sent a letter to FVO last July. Comments from the FVO were received by the MFD in October and revisions are being implemented. The TRTA II programme which is implemented by UNIDO has supported the process with two technical Assistance missions (latest early December 2011). The work is now focusing on finalising specific details (upgrading HACCP plans in two establishments, analysis for environmental contaminants).

The EU market will be opened with a very constrained supply chain. By now, a limited number of vessels have a licence to land fish into an isolated EU approved area within the Karachi Fish Harbour. The auction hall complies with minimum food safety requirements such as the use of plastic boxes to transport the fish and the use of metal tables to display the fish. Early 2012, two processing establishments will be approved to purchase products from the EU-approved auction hall.

The next stage of the TRTA II project aims to expand the controls to other locations in Korangi and Baluchistan. However, this is complicated because the responsibilities for fish landings and vessel

registration are with the provincial authorities that might have different priorities than the national government. The expectation is that in the coming two years another eight processing establishments might get re-approved for the EU market.

The Fish Processors and Exporters Association reports that since the EU ban export interest has moved to the Middle East and China.

The final very important development is that the TRTA II programme and the Pakistani government aim to move the competent authority function from MFD to a new Federal Food Safety, Plant and Animal Health Authority. This should help Pakistan to create a more coherent trans-sector approach to food safety and should facilitate the transfer of knowledge and experience between different food safety departments. The EU TRTA II programme has made suggestions for a draft law to achieve this. Pakistani authorities are currently developing a plan on how to implement the suggestions. A central food safety authority might also convince the FVO easier about the capability of the Pakistani government to implement EU food safety regulations.

5.3 Trash fishery

Pakistan has a type of fishery called trash fishery. This fishery is related to the large fishmeal industry with in Pakistan, which consumes approximately 60% of the total catches. This fishmeal industry has three sources:

1. Species of low value and small size for which meal reduction is a reasonable use, and which are caught mainly by the pelagic fishery.
2. Spoilage of otherwise marketable catches due to poor handling, excessive trip length etc. If product handling would improve, these items might be interesting for higher value exports.
3. Undersized and immature individuals of potentially valuable species caught in shrimp trawls. It is telling that locally these are referred to as 'trash' and the fishery is known as 'trash fishery', with a shrimp by-catch.

It is clear that the second and third source make the sustainability of Pakistani fisheries very doubtful.

5.4 Overfishing

The trash fishery is not the only reason that the Pakistani fisheries might not be so sustainable. Although there is a lack of data about the Pakistani marine resources, the FAO project leader of the Marine Resource Assessment Project (see section 6.3) concludes that it is obvious that fish stocks are being over-exploited. He concludes that traders must be convinced not to encourage fisherman to increase catches but to invest in reducing post-harvest losses in the supply-chain.

5.5 Illegal exports to Iran

According to insiders a large volume of tuna captured in the Baluchistan province is directly exported to Iran. These exports are unregistered and directly exported either by transshipment at sea or by trucks from the fish landings in Baluchistan over the Iranian border towards the tuna-canning industry in Iran. According to some experts, it might be very well possible to export these tuna products to higher value markets such as the EU. However, currently there are almost no processing establishments active in Baluchistan and the power of Iranian buyers is large. In order to increase the value of tuna exports this trade should

become monitored and regulated. Regulating this trade flow might also contribute to the sustainability of the tuna fisheries in the region.

6 International organisations and projects

6.1 Introduction

This chapter provides an overview of the main International Organisations that are active in the capture fisheries and aquaculture sector in Pakistan and briefly describes their key projects.

6.2 The Food and Agriculture Organization of the United Nations (FAO)

Achieving food security for all is at the heart of FAO's efforts - to make sure people have regular access to enough high-quality food to lead active, healthy lives. FAO's mandate is to raise levels of nutrition, improve agricultural productivity, better the lives of rural populations and contribute to the growth of the world economy.

In Pakistani fisheries, the FAO is involved in the Marine Resource Assessment Project. The project aims to get a better view on the status of Pakistani fishery stocks and must help to improve government policy. The FAO is present in Pakistan through its local representation that is based in Islamabad. The representation falls under the jurisdiction of the FAO Regional Office for Asia and the Pacific (RAP).

Contact person

- Paul Fanning
CTA, Fisheries Resources Appraisal in Pakistan project
Marine Fisheries Department, Fish Harbour
West Wharf, Karachi, Pakistan
+92 345 854 4107

6.3 The United Nations Industrial Development Organization (UNIDO)

The United Nations Industrial Development Organization (UNIDO) is a specialised agency of the United Nations. Its mandate is to promote and accelerate sustainable industrial development in developing countries and economies in transition, and work towards improving living conditions in the world's poorest countries by drawing on its combined global resources and expertise.

UNIDO is the contractor of the EU Trade Related Technical Assistance II Programme (TRTA II) in Pakistan. The TRTA II programme aims to help the export sector to get re-approved for the EU. The programme currently focuses on the approval of a very small and tight supply chain of captured fish through the Karachi fish harbour. The programme focuses on the entire value-chain including fishing vessels, fish landing sites and processing establishments and also aims to strengthen the competency and capacity of the competent authority (MFD).

So far, the programme has succeeded in certifying a limited number of fishing vessels that are allowed to land their products at the EU zone in the Karachi Fish Harbour. There are two companies almost approved for purchasing material from the EU zone in the Karachi Fish Harbour. These companies are expected to receive an EU approval number in the short term. The project aims to broaden the chain in the medium term but the most important goal is to maintain the quality standard.

Contact person

- Ian Goulding (Contracted by UNIDO)
CTA, Trade Related Technical Assistance (TRTA) Programme
United Nations Industrial Development Organization (UNIDO)
7th Floor,
Serena Office Complex
Sector G-5/1, Islamabad
Pakistan
Tel: + 92-51-8354805
ian@megapesca.com

6.4 The International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development (IFAD), a specialised agency of the United Nations. IFAD is dedicated to eradicating rural poverty in developing countries. Working with rural poor people, governments, donors, non-governmental organisations and many other partners, IFAD focuses on country-specific solutions, which can involve increasing rural poor peoples' access to financial services, markets, technology, land and other natural resources.

In Pakistan, IFAD has a programme that focuses at livelihood support. Fisheries development is one of the focuses within the project. The project takes place in Baluchistan province and mainly focuses at the improvement of local infrastructure and fish landing improvements. The focus is also on post-harvest losses.

Contact persons

- Matteo Marchisio
Country Programme Manager Pakistan and Afghanistan
Via Paolo di Dono, 44
Rome, Italy
Work: +390654592862
Fax: +390654593862
m.marchisio@ifad.org
- Qaim Shah
Country Programme Officer
39, Street 27
Islamabad, Pakistan
Work: +92 518355859
q.shah@ifad.org

6.5 USAID

USAID is the government agency providing US economic and humanitarian assistance worldwide for more than 40 years.

In Pakistan USAID is showing some interest in the seafood sector but has not yet set up an official programme. There is one consultant who has been assigned with a short study on the potential of the sector and interesting products for exports. Hopefully his report will be available in the near future. The rumour is that their programme will focus on HACCP training and fisheries sector intervention.

Contact person

- Gley E Bledsoe, MBA, PhD, CPA, Engr.,
Professor
USA Cel. 206-612-6980
PAK Cel. +92-0331-260-7844
Email: Gley@live.com
Skype: gleybledsoe

7 Conclusions

7.1 Opportunities

Pakistani seafood has a significant export potential. A wide variety of commercially interesting products are available and it is expected that in the near future a number of processing establishments will be re-approved for the EU market. The export figures from before the EU ban make clear that especially Pakistani shrimp has a high potential in Belgium, Germany and the Netherlands, while fish has a high potential in Great Britain.

The main advantage of setting up a seafood programme in Pakistan is that the approach can be focused on the few EU approved export companies. In the coming years there will only be a limited number of export companies that are EU approved. Subsequently, the number of export companies that require support in export marketing and market access to the EU market will also be limited. In the short term there will only be two EU approved export companies. In the medium term (i.e. in the coming two years) there will be a maximum of another eight EU approved export companies ready for entering the EU market.

If the Pakistani government succeeds to develop the new food safety authority and to maintain traceability and quality assurance in the improved EU approved supply chain, it is likely that Pakistan can become a medium size seafood supplier to the EU market.

7.2 Risks

In Pakistan there is a variety of issues, mostly relating to sustainability and the political environment, which makes it risky to work with the Pakistani seafood sector. The Dutch Ministry of Foreign Affairs has issued a negative travel advice for all journeys to the following regions:

1. The Federally Administered Tribal Areas (FATA), these are the regions Khyber, Kurram, Bajaur, Mohmand, Orakzai, North and South Waziristan;
2. Khyber Phakhtunkhwa, which includes Swat, Buner and Dir;
3. Baluchistan province

The Khyber Phakhtunkhwa region and Baluchistan province are especially important for the seafood sector. The first for aquaculture and the second for capture fisheries. Nevertheless, most of the re-approved EU export companies are located in Sindh province, which is relatively safe. However, as a result of the continuous political instability, the Dutch government gives a negative travel advice for all not-essential journeys to the country.

The most important sustainability issues are the trash fishery and the overexploitation of high value fish stocks. With regard to the sustainability issues, export promotion should only be supported when it is combined with effort and projects that aim to sustain the Pakistani fisheries and to manage and protect the overexploited fish stocks.

7.3 Recommendation

Taking both the risks and opportunities of Pakistani capture fisheries and aquaculture into account it appears that it is worthwhile to invest in a more extensive seafood value-chain analysis. The objective of

this study should be to analyse the potential of the EU market for Pakistani seafood products and it should focus on sustainability and value-added production. Particular attention should be paid to interview the following people and/or organisations:

- seafood exporters that are in the process of being reapproved for the EU market;
- senior government officials of the competent authority and provincial governments to investigate their specific interest in the EU market;
- International organisations that are active in Pakistan to create a complete overview of their future plans and ambitions for the Pakistani fisheries sector.

Based on this seafood value-chain analysis CBI will be able to make a decision regarding investment in a seafood programme for Pakistan.

Interviews and references

Interviews

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