New Latin American Joint Fishing Ventures Told

Taiwan and Libya have both recently formed joint venture fishing companies in Latin America. Taiwan already has extensive fishery relations with various Latin American countries, mostly concerning shrimp, tuna, and aquaculture, but this is the first known Libyan fishery venture in the region.

Taiwan-Venezuelan Joint Tuna Venture

A proposal by the Lisneros or Financial Group of Venezuela for a cooperative joint venture with Taiwan for longlining within Venezuela's claimed 200-mile Exclusive Economic Zone (EEZ) has been accepted in principle by the Taiwan Tuna Exporters Association.

Details of the proposal made by Lisneros are: 1) Taiwan is expected to assign six vessels to the project and to pay US$125 for each ton of fish caught by these vessels; 2) the Taiwanese vessels will be allowed to use any port in Venezuela and to buy fuel at domestic Venezuelan prices, 3) catches should be available for sale on the international market as well as on the domestic market in Venezuela, and 4) the joint contract should run for a minimum of 3 years and a maximum of 5 years with the right to negotiate an extension prior to its expiration.

Taiwan has operated longliners in the South Atlantic out of Montevideo, Uruguay, for several years[1]. Uruguay's fuel prices are among the highest in the world because almost all of the petroleum must be imported. As a result, Taiwanese companies have reduced their fishing effort out of Montevideo and for some time have been attempting to find an alternative port for their longliners. Talks were held in both Trinidad and Venezuela, two countries which maintain low domestic fuel prices. Venezuela was especially interested in reaching agreement with Taiwan because local canneries have been increasing the quantity of canned tuna and Venezuelan fishermen have not been able to meet the needs of the canneries.

[1]Additional details on Taiwan's tuna operations in Uruguay can be obtained by requesting IFR-81/34 from local NMFS Statistics and Market News Offices.

The Libyan-Guyanese Joint Trawling Venture

Libya and Guyana have agreed to set up a $5 million joint fishing company in which Guyana would control 51 percent of the shares. The company is being established within the framework of a bilateral cooperative agreement signed by the two countries in 1977. Each country will have three representatives on the Board of Directors including a Libyan as general manager and a Guyanese as Chairman of the Board. Final agreement on the joint venture was reached during talks between a two-man team from the Libyan Secretariat of Light Industries and Guyanese Government fishery officials.

The Board of Directors held its inaugural meeting in December 1980 in Guyana when questions on the size of the fishing fleet, extent of the work force, and site headquarters were being settled. Guyana has already been selected as the base of operations. The Board of Directors is reportedly considering the possibility of leasing four trawlers until a decision is reached on the purchase of vessels. The company was expected to become operational by mid-1981 when fishing trawlers and new equipment for the company were to be delivered.

Libya has announced the formation of several joint fishery ventures with African countries. In most cases actual fishing operations never resulted. In those instances when a company was actually established the Libyan participation was limited to capital participation. It is believed that political factors often motivate the Libyan Government in establishing these joint ventures. (Source: IFR-81/58.)

New Ghanaian Tuna Fishing Regulations

The Vice President of the Republic of Ghana, J.W.S. deGraft Johnson, announced the drafting of new tuna fishing regulations for foreign fishermen in November 1980. Ghana claims a 200-mile territorial sea and fishing zone.

Speaking in Accra at a welcoming ceremony for a new Ghanaian tuna vessel belonging to the Mankoadze Fisheries Company, the Vice President stated that the new regulations would require foreign tuna fishermen operating in Ghanaian-claimed waters to pay a licensing fee of $150 per gross-registered-ton for their vessels or give 10 percent of their catch to the Ghanaian Government. According to deGraft Johnson, prior to the new law foreign tuna fishermen had been charged a small fee based on the amount of tuna caught, which was only about 1 percent of the value of the catch. The new law also requires foreign tuna companies to enter into 50-50 joint ventures with Ghanaian companies with the understanding that the Ghanaian partners would eventually assume full ownership of the firm.

In his announcement, deGraft Johnson alleged that Korean (ROK) and Japanese tuna vessels based in Ghana had increased their catch from 6,000 metric tons (t) to over 30,000 t since 1973. The Vice President regretted that "while these foreign fishing companies derive commercial bounties from our waters, the inactivity of the Ghanaian fishing fleet forces the Government to spend $20 million annually from scarce foreign exchange resources to import canned fish, mostly from Japan."

Ghana's tuna fishery, which includes both an artisanal and a commercial sector, is one of the most important in Africa. Ghana's 1979 tuna catch totaled about 17,500 t, an increase of 5,800 t over the previous year. The primary species caught in 1979 were little tuna (5,550 t), frigate and bullet tunas (4,400 t), and skipjack tuna (4,200 t). (Source: IFR-81/65.)

Thailand and PRC Form Joint Fishing Ventures

Several Thai fishing companies have been negotiating contracts for joint ventures with the Hainan Island Fisheries Department in southern China for access to the Beibuwan (Gulf of Tonkin) fishing area. Details of the deals provide an insight into how the People's Republic of China arranges joint fishing ventures and the profit margins foreign partners can expect.

Maha Nakorn Fishing and Cold Storage Co. of Thailand concluded one of the first China-Thai joint venture deals in November 1980. The contract is in three parts: Between Maha Nakorn and individual Thai trawlers[1]; between Maha Nakorn and the PRC; and between Maha Nakorn, PRC, and the trawler owners.

The individual fishing trawlers covered by this agreement must have at least 23 crew members, good equipment, engines with at least 450 horsepower and a 80-t hold. The Thai side pays for ice, fuel, and the food and salaries of the Thai crew. The Thais will also be responsible for maintenance of the vessels, including spare parts. Convertible foreign currency will be used to buy food, ice, fresh water, and fuel at local prices from the Chinese. China has set the minimum monthly wages for workers in the venture[2]: Captains, engineers, and supervisors, US$214 per month, and crew members, US$175 per month. The Chinese will provide a navigator, a radio operator, and a coordinator for each trawler, and provide special berths for the vessels while they are in port to speed operations.

The contract requires that the Thai side sell "small fish" to China at a local price and sell "big fish" in Hong Kong. The definition of small and big is somewhat vague. The Thai partner pays three types of duties on fishery products sold in China: A special fee of 1.25 percent of the value of the catch as assessed at the unloading berth; 5 percent of the profit from local sales to cover insurance and paperwork; and a 16 percent local tax on the profit. Payments will be made and the books audited monthly; any income that the Thais receive from the Chinese side will be paid in coupons which will have to be used in China. The Thais are subject to a 3 percent Chinese export tax for fish sold in Hong Kong. The tax is based on the Hong Kong value of the fish. China receives 30 percent of the profits on the Hong Kong sales.

Maha Nakorn company officials are reportedly not totally satisfied with the terms of the venture, but decided to take a risk because otherwise they would have no place to deploy their vessels. Other Thai companies negotiating with the Chinese on similar joint venture contracts say that the 30 percent division of the profits is too high and want a 20-80 split. Nonetheless, Thai interest in fishing in Chinese waters is said to be growing, partly because of the failure of Thai companies to renegotiate similar agreements with Bangladesh, but also because many of the Thai trawlers are idled due to high diesel prices in Thailand. Thailand became one the the world's most important distant water fishing nations in the 1970's, but Thailand's catch plummeted from 2.2 million metric tons (t) in 1977 to 1.7 million t in 1979 after international fuel price increases and the extension of 200-mile fishing zones by neighboring countries. Preliminary reports for 1980 suggest that the catch has continued to decline.

China, like Bangladesh, may have some reservations about joint ventures with Thai companies. Thai companies which signed contracts with the Chinese after Maha Nakorn report that the Chinese are limiting initial joint venture contracts to six vessels and 6 months. Whether these restrictions relate to China's reservations about Thai joint ventures alone is uncertain. Recently, the Chinese Communist Party theoretical journal, *Hongqi (Red Flag)*, called for greater protection of China's aquatic resources and improved organization in the fishing industry. In any case, it does not appear that many fisheries joint ventures will be formed between China and foreign fishing companies in the near future. (Source: IFR-81/51.)

[1]Maha Nakorn does not operate its own trawlers, but rather coordinates the activites of individually owned vessels.

[2]The contract requires that wages be in Hong Kong dollars: Captains, engineers, and supervisors are to receive HK$1,100 monthly; and crew members, HK$700 plus a HK$200 food allowance.

Ecuadorean Shrimp Exports Increase

Ecuadorean companies set a new shrimp export record in 1980. Shipments (product weight) totaled 9,500 metric tons (t), a 50 percent increase over the 6,300 t exported during 1979. A total of 21 companies exported shrimp in 1980, five of them for the first time. Three companies (Empacadora Shayne, Empacadora Nacional, and Marfrut Export) accounted for nearly half of all 1980 shipments. Three companies (Camaronera C., Copesa, and Langostino C.) more than doubled their 1979 shrimp shipments (Table 1).

The increased exports have resulted mostly from the growing harvest of cultured shrimp which now accounts for over half of the entire Ecuadorean

Table 1.—Ecuador can shrimp exports (product weight in metric tons), 1979 and 1980.

Company	1979	1980	Percent change
Empacadora Shayne	1,451.0	1,833.7	+26
Empacadora Nacional	1,533.2	1,814.4	+18
Marfrut Export	523.8	991.1	+89
Codinasa	412.7	761.5	+85
Ipesa	584.2	730.6	+25
Copesa	296.4	666.6	+125
Pesquera Sta. Priscilla	211.4	407.1	+93
Frimar	237.0	384.4	+62
Langostino C.	175.4	355.2	+103
Camaronera C.	45.3	355.1	+684
Frigorifico el Oro	246.8	281.7	+14
Pesquero Capricornio	215.0	230.0	+6
Ecuadorian Sea Foods	196.4	228.8	+16
Exporklore		160.2	
Exportadora del Pacifico	65.1	99.5	+53
Songa	82.3	83.3	+1
Expromar	35.8	46.6	+30
Piscicola El Paraiso		32.4	
Langostino del Golfo		32.2	
Progalca		18.2	
Empacadora del Pacifico		5.2	+53
Total[1]	6,312.8	9,517.7	+51

[1]Totals may not agree due to rounding.

shrimp catch. The trawl fishermen have been reporting a declining catch since 1977 when a drought began which substantially reduced rainfall and lowered the volume of water flowing into Ecuadorean rivers. The reduced water volume means that a smaller quantity of nutrients is being transported by the rivers and that the salinity of the water in coastal estuaries has increased. Both factors have adversely affected shrimp stocks. (Source: IFR-81/63.)

The Fisheries of Benin

The People's Republic of Benin, with approximately 3 million inhabitants, is located between Togo and Nigeria. The coastal port city of Cotonou (population 175,000) is the chief business and fisheries center in the country. The Beninese economy is based on palm oil and palm oil processing, peanuts, cotton, and coffee. Major food crops include corn, cassava, yams, rice, sorghum, and millet. In addition, fish provides an important source of protein for the local population.

Benin's fish catch is taken primarily from lagoon and marine waters. The catch from both these fisheries has declined since 1972, when a coup d'etat brought Mathieu Kerecou and the Marxist Benin People's Revolutionary Party to power. The decline has been so severe that Benin, which formerly exported fish and fishery products to Europe and neighboring countries, has now become a net importer of fish.

Lagoon Fisheries

The lagoons and associated lakes and rivers of Benin normally provide about 80 percent of the locally consumed fish and crustaceans. Fishing is done by traditional means and is usually marketed in villages along the coast. The fisheries sector provides employment to some 50,000 fishermen.

The yield of the lagoon fishery has dropped from 18,000 metric tons (t) in 1960 to between only 4,000 and 5,000 t per year in 1980. This decline is due to both mismanagement and natural causes, including salt water intrusion, sedimentation, and the entry of a species of the mollusk teredo (shipworm) which attacks the hulls of wooden boats. In addition, some species have been overfished and fishermen continue to use wasteful fishing techniques. There is no evidence that the Government is taking any effective action to solve these problems or otherwise reverse the decline in production, although the Government has sought foreign aid for some fish culture projects.

Marine Fisheries

Until the November 1972 coup, private French, Italian, and Greek fishing companies based in Cotonou operated in the offshore waters and provided the Government with considerable taxes and export earnings. However, fearing nationalization, these companies gradually abandoned operations in Benin. As a result, Benin's marine catch dropped sharply (Table 1). In 1975, a parastatal enterprise was created to replace them (Sonapeche: Societe Nationale d'Armement et de Peche). Sonapeche, like most of the other Beninese parastatal enterprises, is functioning poorly if at all.

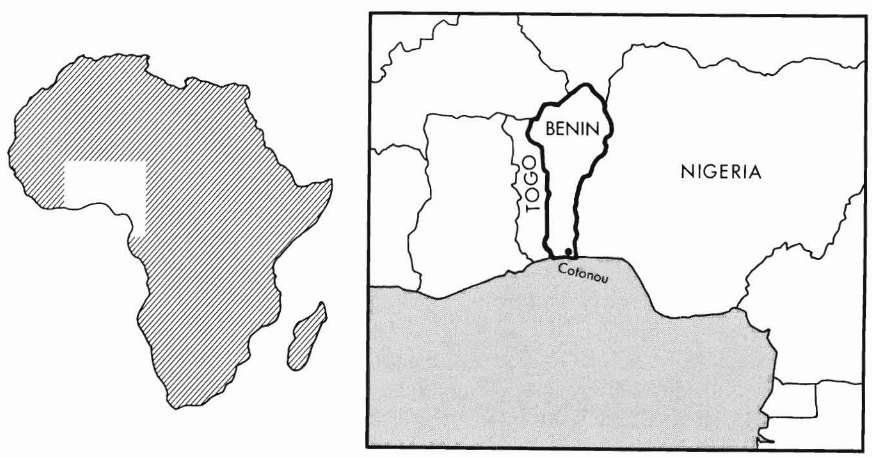
Table 1.—Benin's marine fisheries catch, 1972-1978[1].

Year	Quantity (t)	Year	Quantity (t)
1972	6,592	1976	1,214
1973	5,073	1977	948
1974	3,822	1978	729
1975	2,028		

[1]Source: U.S. Embassy, Cotonou. FAO catch data for Benin in the "Yearbook of Fishery Statistics" differ from the information presented here.

Joint Ventures and Foreign Fishing

A Beninese-Libyan joint venture, financed by Libya, was launched in 1979; however, the company has yet to begin operating and shows little prospect of doing so soon. A Greek company is known to be operating off the Benin coast, sending substantial amounts of frozen shrimp and other products to Europe. The United Nations Development Program is financing a project which is designed to improve the catch of the artisanal fishermen living along the coast, but this is not expected to have a major impact on national production figures. (Source: IFR-81/47.



Note: Unless otherwise credited, material in this section is from either the Foreign Fishery Information Releases (FFIR) compiled by Sunee C. Sonu, Foreign Reporting Branch, Fishery Development Division, Southwest Region, National Marine Fisheries Service, NOAA, Terminal Island, CA 90731, or the International Fishery Releases (IFR) or Language Services Biweekly (LSB) reports produced by the Office of International Fisheries Affairs, National Marine Fisheries Service, NOAA, Washington, DC 20235.