

SECTOR PROFILE



Fisheries



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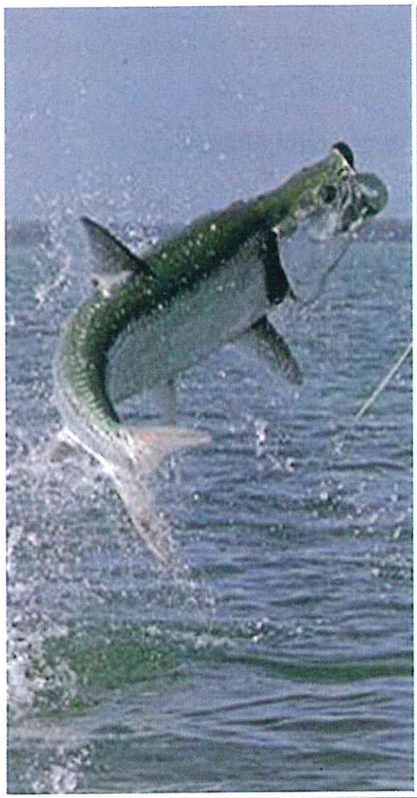


Fisheries

Sierra Leone has 570 kilometers of coastline and a continental shelf area of about 30,000 square kilometers that contains commercially viable stocks of pelagic and demersal fish resources. High-valued exportable fish include snapper, grouper, catfish, barracuda, tuna, cuttlefish, squid, lobsters herring, and Sea Bream. Sierra Leone has a comparative advantage in West Africa, hosting high fisheries biomass comprising of Shrimps, Demersal Finfish, Pelagic and Tuna Fishery. The country's marine ecosystem is favored by the Guinea Current Large Marine Ecosystem (GCLME) and the Canary Current Large Marine Ecosystem (CCLME) which flow with rich nutrients supporting large quantities of pelagic and demersal fish resources. The shared stocks of the small pelagics migrate along the Northwest African coast where they are exploited by the artisanal and industrial sectors including local fleets as well as foreign fishing vessels from Europe and Asia. The highly migratory tuna stocks and the deep water rose shrimps are mainly offshore, attracting high seas fishing vessels.



The national fisheries development process aims at enhancing production levels of various types of fisheries resources in a regulated, controlled and sustainable manner. The process of increasing growth is to be achieved by substantial investments in fisheries harbours and other supporting infrastructure; industrialisation of fisheries harvesting and processing; and a well regulated and controlled management system that ensures sustainability. This sector attracts an estimated direct and indirect employment of about 500,000 people, with yields put around 15-20 % of total fish production in the country, a very low quantum compared to the actual potential of the resource.



Artisanal Fisheries

The artisanal fishery is conducted in estuaries, bays and inshore waters, within 5-6 nautical miles of the Inshore Exclusion Zone (IEZ) reserved for small scale fishing.

- Fishing activities are largely concentrated in a zone of 15-45 km from the coast and a depth of less than 50 meters.
- Artisanal fish production has recovered strongly and is around 120,000 MT annually, mainly for the local market with little exported.
- Annual export earnings has average of US\$ 1.9 million for finfish, US\$7.4 million for shrimps and US\$ 7.1 million for other shellfish, between 2001-2010.
- The operations use a variety of dugout and planked canoes; a recent survey indicates about 9,514 artisanal fishing crafts of which only about 10 percent are motorized.

Industrial Fisheries

The industrial fisheries sector is characterized by capital investment with potential for revenue generation when good management is instituted.

- This sector is currently the main source of Government revenues, contributing about US\$ 2.8 million annually
- It has the potential to contribute over US\$38million in Government revenues annually through improved management with value addition and improved surveillance system in place.
- Investments require huge financial capital, with foreign fleet dominating fishing operations.
- The industrial fisheries sub- sector can contribute significantly to economic growth if there are major investments backed with effective fisheries surveillance system.

Aquaculture: Fish Farming

Inland fishery is practiced in ecosystems such as lakes, rivers, floodplains and other water bodies. Estimates from inland fishery production are at 20,000tonnes (5,000tonnes from lakes, 15,000tonnes from riverine and floodplains). The fish is consumed by the rural population and is particularly important for non-coastal areas.

Recent Developments

The Government has launched a number of initiatives to make the environment suitable for investments in infrastructure, fishing operations and processing of marine resources, as well as to improve on the overall fisheries management system

- Government has implemented reforms to make the fisheries sector more efficient and improving overall fisheries management systems.
- A complete review and modernisation of the 1994 Fisheries Management and Development Act in the revised Fisheries and Aquaculture Bill to be enacted
- 4 Marine Protected Areas in the Yawri Bay, Sierra Leone River Estuary, Sherbro River Estuary and the Scarcies River Estuary have been established
- Ongoing investments in vessels, training and operating costs for monitoring and surveillance to reduce Illegal, Unreported and Unregulated (IUU) Fishing
- Technical assistance towards fish product certification for export to the EU Markets

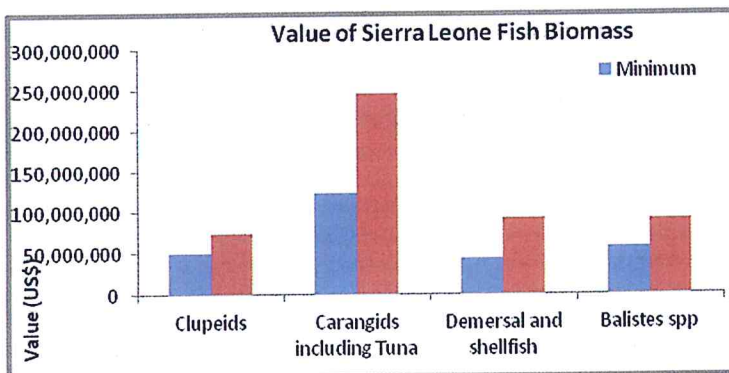
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Unique Selling Points of the Fisheries Sector

1. Significant Sustainable Resource Yields

The Maximum Sustainable Yields (MSY) of various types of fisheries and marine resources in Sierra Leone waters offer huge economic potentials for investments:

- Small Pelagics are estimated at between 70,000 and 120,000 Metric Tonnes, part of the north regional west African stock
- Large Pelagics estimated at 15,000 in Sierra Leone waters, part of the wider Atlantic stocks
- Cephalopods, lobster, crabs and shrimp estimated at 10,000 Metric Tonnes
- Demersal species estimated at 7,000 Metric Tonnes



Source: Ministry of Fisheries and Marine Resources

An estimated valuation of potential returns in Sierra Leone's fishing sector puts:

- Annual potential revenues at rent at US\$ 59 Million; and
- An estimated stock valuation of US\$ 735 Million.

Table 1. Sierra Leone – Fisheries – Valuation

Production Method	Production (MT/Yr)		Rent (Mil US\$/Yr)
	Current	Potential	Potential
Industrial	15,505	115,600	46
Artisanal	116,612	46,860	13
Total Annual	132,117	162,460	59
Estimated Total Value (Million US\$)			735

2. Ready Access to Large Markets

The West African market demand for fish is reliable and continues to show strong growth:

- The Nigeria market alone imports over 600,000MT of fish, valued approximately over US\$ 450 Million per annum.
- Sierra Leone and other regional markets are increasingly depending on fish
- There is a growing population in the regional market at a rate of about 3 percent per annum
- Average incomes in Sierra Leone are expected to increase, with a concomitant increase in demand for fish the market for fish
- There are premiums to be earned from processing and exporting fresh products to more developed markets by air freight.

Sierra Leone has access to EU Markets under the Everything-But-Arms trade arrangement:

- Since 2009, the Government has been working with support from the EU, to put in place the necessary infrastructure to enable exports
- Recent achievement include the construction of a fish landing site, laboratories, supply of equipments, training of fish safety personnel and inspection

3. Relatively Underinvested in Industrial Operations

- The sector is still relatively underinvested in terms of efficiency of production methods and potential value to be derived if more industrial methods are utilised
- The fisheries sector is dominated by artisanal fishing methods, which in turn depend on manually steered dug-out canoes and motorised wooden-plank boats.
- The weak supporting infrastructure such as harbours, processing centres for fish harvests and service centres for fishing trawlers and other industrial vessels offers additional investment opportunities via PPPs, for which additional incentives are available

Opportunities for Investment

Sierra Leone's fisheries sector offers a number of investment opportunities in terms of direct investments and Public-Private Partnerships. The following are some unique opportunities:

1. Fish Processing

This involves value added processing, packaging and marketing of fisheries products to national, regional and other export markets. Given the current lack of processing units in and around all fishing settlements in the country, there are opportunities for establishing processing units for:



- Airfreight Exports
 - Processing rooms
 - Chill rooms
 - Vacuum Packing
 - Packaging
- Sea Shipment Exports
 - Processing rooms
 - Blast freezing
 - Cold storage
 - Boxing and containerisation

2. Coastal Fisheries Operations

This covers a range of activities, including but not limited to:

- Boat Building: Design and construction of fit-for-purpose industrial fishing boats and sale to local small fishing enterprises using combination of local and imported materials and equipment and the training of local fishermen in use and maintenance of these vessels
- Transportation: Transportation of fish products from a wide network of landing centres to processing and packaging centres for exports
- Fishing and Sales: Fishing operations using own vessels and sale of production catches to larger buyers for processing and export

3. Fisheries Harbour and Infrastructure Development

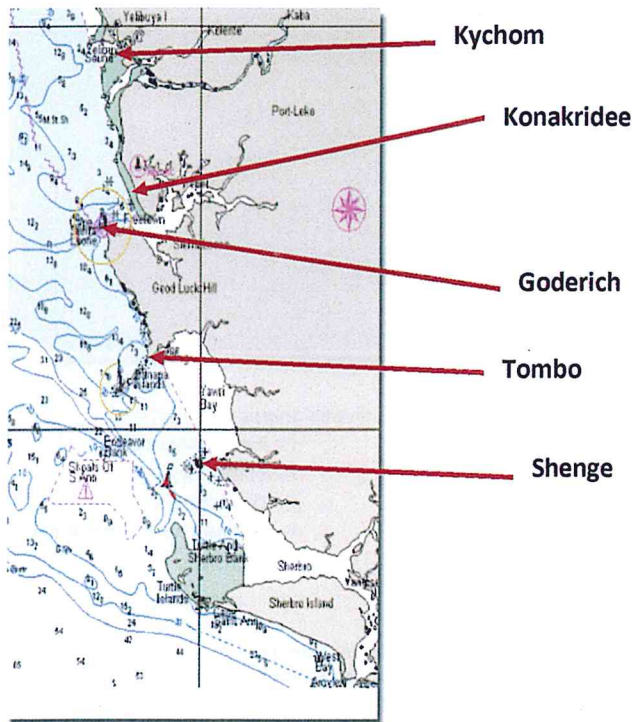
Given the weak infrastructure for landing and processing of fisheries, the following attractive opportunities exist for private investments:

- **Construction of a Fish Harbour Complex**

An opportunity for a PPP for the construction of a fish harbour in Freetown that will serve as transshipment hub and include facilities such as cold storage areas for about 5,000 tons of fish; ice production of about 50 tons per day; bonded stores for fish export; boat yards for the construction of new fishing craft and slipways for the dry docking and maintenance of existing fishing crafts.

- **Construction of Fish Landing Sites**

There are opportunities for construction and operation of fish landing sites at 5 major fishing locations; Goderich, Shenge, Tombo, Kychom and Konakridee. These landing facilities should have berthing; cold storage; wholesale packaging and retail sales market areas.



4. Offshore Industrial Fisheries

Applications are open for licenses to engage in industrial seasonal tuna fishing, shrimp fishing and harvesting of other species as specified in the Fisheries Management Plan. These operations will be monitored through the Monitoring, Control and Surveillance System (MSC) to ensure compliance with the terms of the licenses.

Licensing Procedures

The Ministry of Fisheries and Marine Resources is responsible for issuing licenses for industrial fishing in Sierra Leone waters. The licensing of vessels operating in the area, however, is the responsibility of the Sierra Leone Maritime Administration. The following is a summary of the requirements and processes involved in securing an industrial fishing license.

License Application Requirements for Industrial Fishing

1	All industrial fishing vessels applying for licenses must be registered with the SL Maritime Administration
2	A completed license application form along with certified documents of the shipping vessels.
3	Payment of License Fees

License Application Requirements for Industrial Fishing

Step	Description of Activity
1	Submit completed application form with certified shipping documents to the Ministry
2	A pre-licensing inspection of the vessel
3	Appraisal and issuance of license issuance pending payment of relevant license fees and royalties

Incentives

In addition to the general incentives provided in the context of the Investment Promotion laws, the following incentives are additionally offered to investments in the marine and fisheries sector:

- 3 years import and customs duty waiver on all Plant, Machinery and Equipment
- 125% deduction of expenses on training of local staff and fishermen in construction and operation of vessels
- 125% deduction of expenses on design packaging for exports of fisheries products
- 15 years corporate tax holiday for PPP Infrastructure Projects in excess of US\$20,000,000 (e.g. in the development of landing sites and harbours)





NOTES





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