



# INVESTMENT OPPORTUNITY

## Fisheries Sector



# Introduction

After tourism, fishing is the largest industry not only supporting the staple protein diet of the country's 300,000 population but is its main export product.

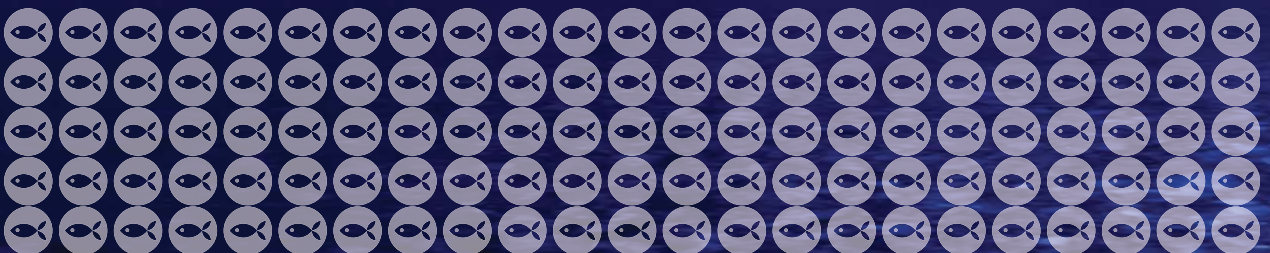
Surrounding the 1190 islands that make-up The Maldives is an Exclusive Economic Zone (EEZ) amounting to about 900,000 square kilometres which has maintained its traditions of environmentally sound long-line and purse-seine fishing methods with transshipment to carrier and collector vessels and then, in some cases to processing plants outside the Maldives.

At the present time there are about

- 1,000 Maldivian registered boats, both 'masdhonis' and vadhu dhonis', operating in coastal and atoll waters and
- 24, larger, vessels operating in the outer EEZ with the latter only accounting for 3% of the total Maldivian catch which gives the opportunity for increased investment in outer EEZ harvesting.

Given the geographic advantage and the closeness of the fishing grounds to the Maldivians atolls the country has a distinct commercial advantage to develop transshipment facilities for non-Maldivian registered shipping to compete directly with its neighbouring countries. With The Maldives excellent air links to all the key markets, outer EEZ harvesting is a potentially profitable opportunity.

Although the Maldives have a number of fish processing plants across the whole length of the country, the demand for fast sea-to-table fish is a growing world-wide demand. Fish processing facilities has been built capable of handling, storing, processing and transshipping frozen tuna to the high demand countries of Thailand, Japan and the European Union.



# Privatisation concept for Maldives Industrial Fishery Company Limited

In line with the privatisation plans set by the government, MIFCO has been earmarked for substantial restructuring.

## 1. FELIVARU FISH CANNERY(FFC)

At present FFC is a combined 50MT/day cannery and loins plant with related equipment, plant and machinery and support services for its 800 staff.

### Proposed Concept

It is proposed that FFC is to scale down to a production facility with:

- 10MT/day fish cleaning (forecasted average landing per day in the area)
- 25MT/day cannery (European-style cannery requiring frozen cooked loins as input raw material)
- 40 M/T Fish Meal Plant.
- 750 M/T Cold store.
- Excess equipment, plant & machinery and related support services be removed from FFC, thus, reducing fixed overheads.

Unwanted buildings and other facilities to be sold to Regional Office.

The equity contribution by the Government for the Joint Venture entails the elements which are indicated above.

### The JV partner is required to bring in to:

- establish three 5MT/day loin plants in three different islands
- the proposed islands for loins plants are Dhidhoo, Ihavandhoo and Hoarafushi
- each loins plant consists of fish receiving, storing, butchering, cooking, freezing, and cleaning facilities
- Each loins plant should be setup to meet the standards of HACCP
- Provide harbor cranes on these selected islands.

FFC together with the above set of loins plants would enable FFC to operate on 25MT/day capacity of canning that would generate 1500 cases of standard can tuna cases a work day.

## 2. ADDOO FISHERIES COMPLEX

### Proposed Concept

For Addoo the GoM's contribution to equity for JV shall be:

- 50MT/day ice plant set up in Addoo
- Equipment, plant and machinery removed from FFC.

- 2000 M/T Cold store equipment.

The JV partner is required bring in the finance to relocate the equipment from Felivaru, and/or related balance equipment, plant & machinery to operate a 25MT/day cannery and loins plant.

## OTHER OPPORTUNITIES IN THE FISHERY SECTOR

### Cage Farming – Tuna

With calm lagoons, constant temperature and an abundance of feed, there are a number of opportunities for cage farming in The Maldives. There are many uninhabited islands with secure reel-surrounded lagoons that would be ideal for either fixed or floating cages. Tuna farms fatten and condition the tuna in pontoons for a period of between 3 – 5 months depending on market requirements. The tuna is then prepared for the sashimi market and exported as whole fish, mostly to Japan. Frozen fish are generally sold at the beginning of the growing season through contracts.

### Aquaculture and Mariculture

The Maldives is best known for its spectacular tourist resorts with attractive islands, white beaches and azure blue seas. However, these sheltered lagoons and consistently warm waters are ideally suited for aquaculture and mariculture. Additionally, many of the atolls are sparsely populated and not contaminated with the tourist influx ensuring that the environmental balance is not affected by human intervention.

The market for aquaculture and mariculture world-wide is increasing rapidly as the consumer is looking for more and more exotic cuisine and the price for such products has risen over the last few years.

Furthermore, the market is demanding environmentally sensitivity, lack of pollution and a consistent size and quality that the Maldivian atoll structure gives in abundance.

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