



**SCIENTIFIC COMMITTEE
THIRTEENTH REGULAR SESSION**

**Rarotonga, Cook Islands
9 – 17 August 2017**

**ANNUAL REPORT TO THE COMMISSION
PART 1: INFORMATION ON FISHERIES, RESEARCH, AND STATISTICS**

**WCPFC-SC13-AR/CCM-18
Rev1 (30 July 2017)**

PALAU

**ANNUAL REPORT TO THE COMMISSION
PART I: INFORMATION ON FISHERIES, RESEARCH AND STATISTICS
REPUBLIC OF PALAU- 2016**

Republic of Palau

**Division of Oceanic Fishery Management
Bureau of Marine Resources
Ministry of Natural Resources, Environment and Tourism**

July 31, 2017

rev.1

Scientific data was provided to the Commission in accordance with the decision relating to the provision of scientific data to the Commission by <u>30 April 2017</u>	<u>YES</u>
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I. Abstract

Tuna fishing in the Palau Exclusive Economic Zone is dominated by the locally based foreign longline fleet of Chinese Taipei and the offshore based longline and purse seine fleet of Japan. In 2016, Palau licensed a total of 87 foreign flagged vessels with 57 of which were longliners and 30 were purse seiners. An Open Ship Registry was passed into law in 2012 enabling the development of domestic tuna fishery but Palau has yet no National Fleets. With no National Fleets, data provided in this report are only from the foreign fleets licensed to fish in Palau's Exclusive Economic Zone.

Currently, Palau is implementing all latest versions of SPC's regional data forms. The Locally Based Foreign Companies are required by the Division of Oceanic Fisheries Management to submit their catch reports on monthly basis. Foreign Based Japanese Companies submits their Longline and Purse Seine Logsheets through email, facsimile, and postal services. Total catches caught and reported for 2016 yielded 2574 Metric Tons of fish with 1119MT of Bigeye, 122MT of Skipjack, 1210MT of Yellowfin, and all other catches totaling to 122MT. Of the catches that are landed at Malakal Port, a total of 1,661 MT were exported with Japan as the primary export destination. The rest were sold or donated locally with the average rate of weight per kilo at \$3.80. The collected data are scanned with the Slops 3 software on Fujitsu Scanner and are sent to SPC via Hightail Dropbox. SPC TUFMAN 2 Database System is fully utilized to streamline and collate all data collected.

Palau observers have been deployed on the locally based foreign fleet since the 1980's to conduct general observer duties. Currently, the Palau Observers Program comprises of only three active observers, one permanent observer and two seasonal observers. In 2016, Palau observers conducted a total of 8 trips onboard locally-based foreign longliners with combined total of 64 trip days. Because of a relatively small observer program, Palau continues to promote and give out pre-selection training for interested Palauan's and advocate personnel training through regional programs.

In developing countries, like Palau, sustainable developments would mean the commitment of resources toward continued improvement in living standard. On September 2009, Palau created the world's first shark sanctuary forbidding all commercial shark-fishing within its Exclusive Economic Zone waters. In October 2015 Palau National Marine Sanctuary Act (PNMSA) was passed by the Republic's Congress to preserve eighty percent (80%) of Palau's Exclusive Economic Zone as Palau National Marine Sanctuary. The PNMS Transition Regulations were adopted and promulgated to govern fishing during a wind-down period until January 01 2020 when Palau National Marine Sanctuary will be fully functioning. The progress toward sustainable developments are demanding and will not be achieved without political will and improved policies.

II. Tabular Annual Fisheries Information (National Fleet)

Palau has no national fleets so there are no data collected for the required information on CMM's as stated on the Addendum, 06 March 2017. Refer to the Addendum particulars at the end of the report.

III. Background

The Division of Oceanic Fishery Management Office is mandated to carry out the purposes of Title 27 of Palau National Code to adopt fisheries regulations, negotiate and conclude foreign fishing agreements, issue foreign fishing permits, and perform other duties and functions for the management, exploitation and conservation of all living resources in the extended and exclusive fishery zone of the Republic of Palau. The Title 27 of the Palau National Code is the primary fisheries legislation regulating the harvest of highly migratory fish stocks and fishing vessels that fish in the waters of the Republic of Palau.

In addition to Fisheries Bilateral Agreement between Palau and Japan Fishing Association, Locally Based Foreign Chinese Taipei Fishing Companies, Palau also have agreements with FSM

Arrangement, the US Multilateral Fisheries Treaty, and locally owned fishing entities which at the moment does not have active fishing vessels. With regards to the vessels operating under US Multilateral Fisheries Treaty and FSM Arrangement, these vessels rarely fish in Palau's EEZ because of its distance from transshipment ports and processing plants.

IV. Flag State Reporting

Palau has no national fleets so the information's that are needed at this section cannot be provided

V. Coastal State Reporting

(a) Licensing

Tuna fishing in the Palau Exclusive Economic Zone has since been dominated by the locally based foreign longline fleet from Chinese Taipei and the offshore based longline, pole & line and purse seine fleet from Japan. Still, Chinese Taipei fleet has been and is still dominant. Japanese Pole & Line vessels were discontinued after 2012 and so did the Belize flagged Longliners after 2014. In 2016, Palau licensed a total 87 foreign flagged vessels with 57 longlines and 30 purse seines. Table 1 shows the break-down of licensed vessels from 2012 to 2016 that operated in Palau's EEZ by flag, by gear and by size category. Figure 1 shows the annual trend of these licensed vessels by gear. Available data and figures indicate the slight increase of longline vessels while purse seine maintained its number from the previous year.

Table 1. Number of licensed foreign fishing vessels, by year, by flag, by gear and size category, active in Palau EEZ.

Year	Flag	Gear	Size Category (GRT)				No. of Vessels
			0-500	501-1000	1001-1500	1500+	
2016	CN	LL	3	0	0	0	3
	TW	LL	33	0	0	0	33
	JP	LL	19	0	0	0	19
	JP	PS	0	0	26	4	30
	VU	LL	2	0	0	0	2
2015	TW	LL	30	0	0	0	30
	JP	LL	19	0	0	0	19
	JP	PS	0	0	24	6	30
	VU	LL	2	0	0	0	2
2014	BZ	LL	1	0	0	0	1
	TW	LL	41	0	0	0	41
	JP	LL	28	0	0	0	28
	JP	PS	0	0	17	4	21
	VU	LL	1	0	0	0	1
2013	BZ	LL	1	0	0	0	1
	TW	LL	54	0	0	0	54
	JP	LL	28	0	0	0	28
	JP	PS	0	0	5	0	5
2012	BZ	LL	2	0	0	0	2
	TW	LL	50	0	0	0	50
	JP	LL	25	0	0	0	25
	JP	PL	1	0	0	0	1
	JP	PS	1	0	31	4	36

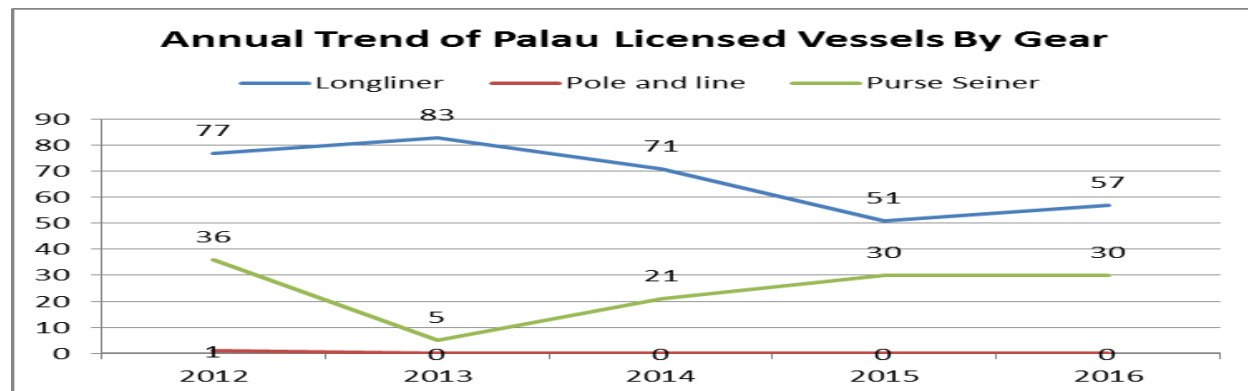


Figure 1: Annual trend of Palau Licensed Vessels by Gear

(b) Catch Reports

Although statistical comparisons may mask complex realities, they reveal striking trends in how catches have been changing over the years. Table 2 displays annual longline catches in Metric Tons by flag and by species and by weight with Figure 2 displaying its trend over the years. Data obtained presents an increase of catches from its declines on previous years.

Table 2. Longline Catches by year, by flag, species, and by weight (MT) in Palau EEZ.

Year	Flag	ALB	BET	YFT	OTH	Total Catches
2016	CN	0.00	24.04	14.49	1.23	39.75
	JP	5.26	290.12	221.31	33.74	550.43
	TW	0.16	787.70	961.15	78.94	1827.95
	VU	0.00	15.93	7.65	3.13	26.70
2016 Total		5.42	1117.79	1204.59	117.03	2444.83
2015	JP	9.64	196.64	77.45	30.17	313.90
	TW	0.01	440.10	511.81	18.52	970.44
	VU	0.04	20.31	10.59	2.03	32.97
2015 Total		9.69	657.05	599.85	50.72	1317.31
2014	JP	1.06	495.51	152.65	72.01	721.23
	TW	1.00	894.24	447.40	12.97	1355.60
	VU	0.00	12.00	3.92	1.53	17.45
2014 Total		2.06	1401.75	603.97	86.50	2094.28
2013	BZ	0.00	4.51	1.03	0.26	5.80
	JP	73.35	786.48	151.34	148.16	1159.32
	TW	0.00	1230.25	613.45	27.24	1870.95
2013 Total		73.35	2021.23	765.83	175.66	3036.07
2012	JP	11.10	882.77	129.81	124.75	1148.42
	TW	0.41	1193.14	861.27	25.59	2080.41
2012 Total		11.51	2075.90	991.08	150.34	3228.83
Grand Total		102.03	7273.72	4165.32	580.25	12121.32

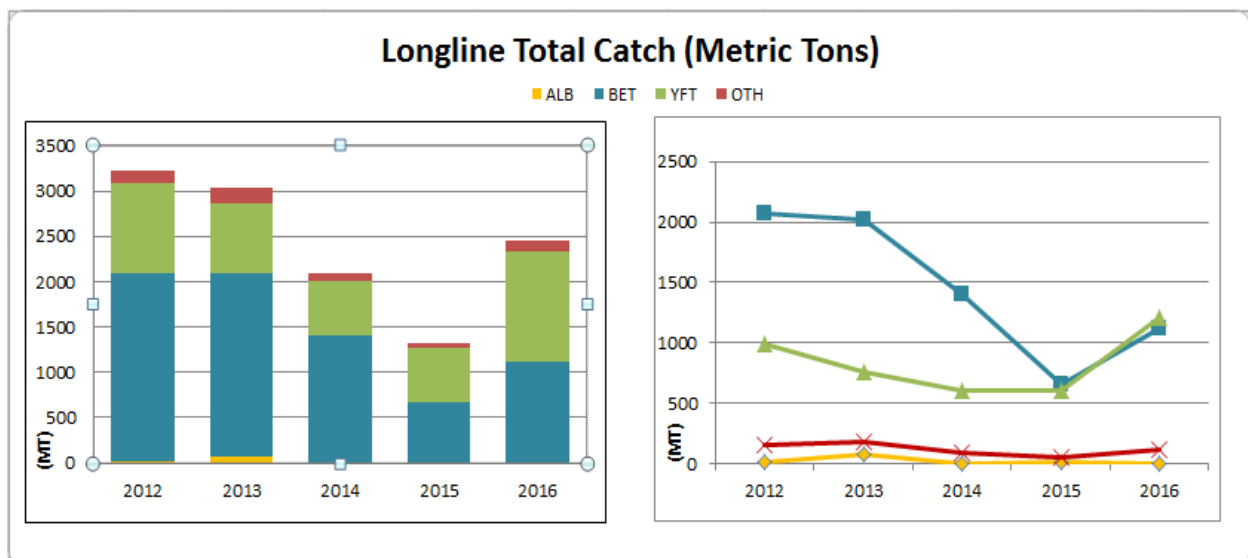


Figure 2. Longline: Annual Trend of Catches in Palau EEZ.

Catches caught and reported by Purse Seiners fishing in Palau waters are only from the Japanese Flagged vessels licensed to fish in Palau. Table 3 displays purse seine annual catches for years 2013 through 2016. Figure 3 displays the trend of purse seine catches through the years revealing a drastic decline of catches from 2014.

Table 3. Purse Seine Catches by year, by flag, by species, and by weight (MT) in Palau EEZ

Year	Flag	SKJ	BET	YFT	TOTAL Catch
2016	JP	122.00	2.00	6.00	130.00
2015	JP	168.00	0.00	1.00	169.00
2014	JP	453.00	0.00	0.00	453.00
2013	JP	241.00	2.00	3.00	246.00

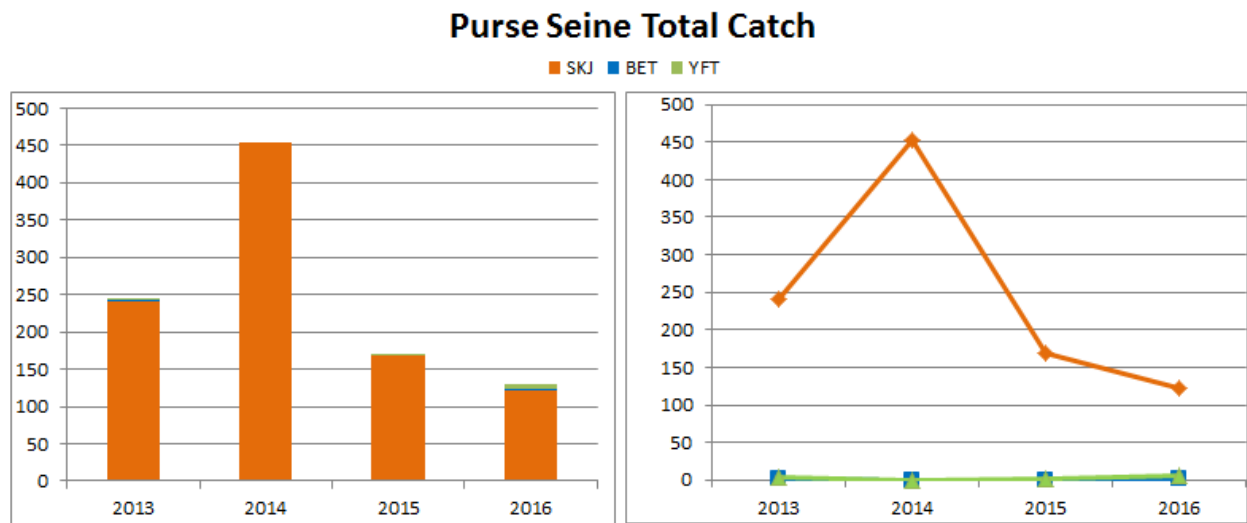


Figure 3. Purse Seine: Annual Trend of Catches in Palau EEZ.

The 2016 catch distribution map for both the longline and purse seine vessels fishing in Palau’s EEZ indicates that the fishing is highly concentrated on the East South East of Palau. Figure 4 and Figure 5 puts on view the idea of longline and purse seine catch distribution within Palau EEZ for 2016.

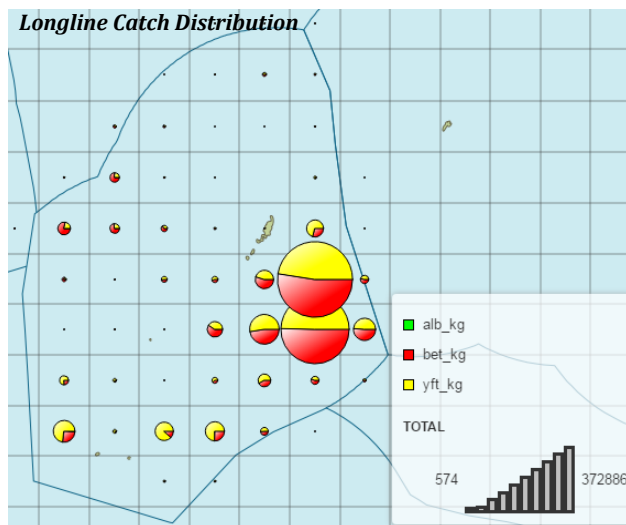


Figure 4. 2016 Longline Catch Distribution by species in Palau EEZ.

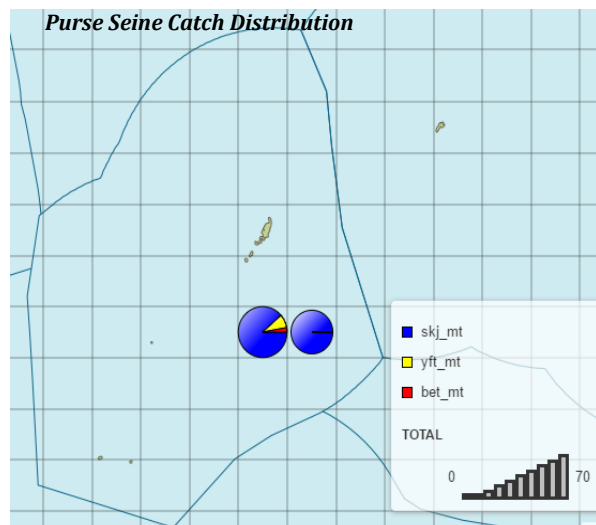


Figure 5. 2016 Purse Seine Catch Distribution by species in Palau EEZ.

(c) Observers Program

As previously stated, Palau administrates a relatively small observer program with only three active observers. In 2016, a total of 8 trips were conducted on locally based foreign vessels with combined trip days that amounted to 64. Table 4 and Figure 6 presents the breakdown of observed species of special interest that were unintentionally caught and discarded. Reported species of special interest during these trips were usually sharks of which were mostly silky sharks.

Table 4. 2016 Observed Species of Special Interest

Species	Fate					Total
	DCF	DPA	DPD	DPU	ESC	
Thresher Shark	0	0	1	0	0	1
Blue Shark	19	22	6	1	0	48
Bigeye Thresher Shark	0	1	3	0	0	4
Silky Shark	41	37	27	0	4	109
Olive Ridley	0	13	2	0	0	15
Green Turtle	0	1	0	1	0	2
Grand Total	60	74	39	2	4	179

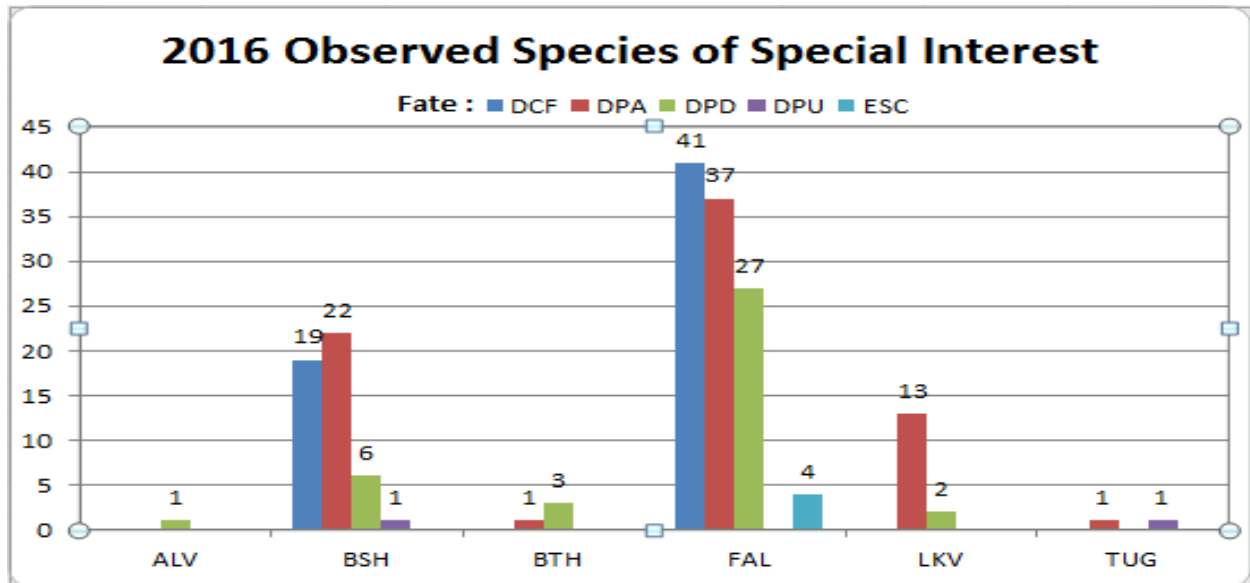


Figure 6: Graph of Observed Species of Special Interest

Species	Species Code	Fate	Fate Code
Thresher Shark	ALV	Discarded - Cut Free	DCF
Blue Shark	BSH	Discarded - Protected Species-Alive	DPA
Bigeye Thresher Shark	BTH	Discarded- Protected Species-Dead	DPD
Silky Shark	FAL	Discarded- Protected Species-Unknown	DPU
Olive Ridley	LKV	ESC- Escaped	ESC
Green Turtle	TUG		

VI. Socio-Economic Factors

As fishing companies and managers look forward, bearing in mind a new reality of limited landings and fewer participants, they must address important social questions about how to achieve viable fisheries. Palau's locally based fishing industries are very committed in ensuring their viability and vibrancy but the unpredictable price signals and shifting number of fishing vessels pose significant challenges. Other changes like the establishment of the PNMS and the decline in export commodity prices have also indirectly affected Palau's fishery. These challenges pose a great impact on Palau's economy which is highly dependent on tuna as its only export commodity. Realistic resource pricing and recognition of the value of fishery commodities along with conservation policies are some of the good practices that would help promote and stabilize Palau's economy.

VII. Disposal of Catch

Most of the landed catch are exported with Japan as the primary export destination. In 2016 a total catch of 1661MT valued around \$4 Million dollars (from TTL AVG rate Charge of \$4.07)² were exported. The rest were sold or donated locally based on the value of the average rate of weight per kilo at \$3.80³ With increased catch landings, the amount of catches that are exported, or sold locally increased from previous year as stated in Tables 5 and 6.

Table 5. Exported Catches by year by destination

YEAR	Destination	Weight (MT)	Total Export Value (USD)
2016	HKG	0.10	343.20
	JPN	1,601.04	4,151,484.18
	USA	60.73	266,928.95
2016 Total		1,661.87	\$4,418,756.33
2015	JPN	1,008.70	2,674,834.77
	TPE	0.41	2,669.52
	USA	10.54	46,880.75
2015 Total		1,019.64	\$2,724,385.04
2014	AUS	0.22	910.65
	JPN	1,521.04	5,193,433.59
	CNMI	1.01	3,168.90
	TPE	2.66	11,233.19
2014 Total		1,524.91	\$5,208,746.33
2013	JPN	1,838.38	5,602,894.18
	CNMI	17.10	53,385.33
	USA	0.04	134.00
2013 Total		1,855.52	\$5,656,413.51
2012	JPN	2,139.35	2,523,913.70
	CNMI	10.50	2,785.68
	TPE	11.62	43,109.71
	USA	9.36	1,927.00
2012 Total		2,170.83	\$2,571,736.09

** Total Average Rate Charge = \$4.07

Table 6. Local Sales and Donations

Annual Local Sales and Donations by Weight (MT)				
Year	Local Sales (MT)	Fish Value (US\$)	Local Donations (MT)	Fish Value (US\$)
2016	69.54	\$252,668.90	30.63	\$0.00
2015	57.71	\$198,813.75	11.24	\$0.00
2014	63.41	\$218,960.80	17.68	\$0.00
2013	75.6	\$218,718.00	20.96	\$0.00
2012	136.07	\$386,498.00	16.45	\$0.00
Grand Total	402.33	\$1,275,659.45	96.95	\$0.00

** Total Average Rate = \$3.80

² Total Ave Rate Charge of \$4.07, by company invoice, for exports is calculated by averaging the total rate charge for each destination.

³ Total Average Rate Charge of \$3.80, by company invoice, for local sales and donations is calculated and averaged from rate charges ranging from \$3.00 to \$6.00

VIII. Onshore Development

Currently there are no local onshore developments emerging in Palau. Local companies with aspirations of entering into the tuna fisheries continues to have difficulties in investments of resources, like vessels, facilities, infrastructures, and the markets.

IX. Future Prospects of the Fishery

In October 2015 Palau National Marine Sanctuary Act (PNMSA) was passed by the Republic's Congress to preserve eighty percent (80%) of Palau's Exclusive Economic Zone as Palau National Marine Sanctuary. This area is a no-take area and is protected from all exploitation. A limited twenty percent (20%) Domestic Fishing Zone is created for domestic fishing while commercial exports of fish from Palau will be prohibited. These reforms will be implemented over a wind-down period from January 2016 through December 31 2019. The PNMS Transition Regulations were adopted and promulgated to govern fishing during a wind-down period and by January 01 2020, Palau National Marine Sanctuary will be fully functioning.

X. Status of Tuna Fishery Data Collection Systems

As stated before, Palau is currently implementing all latest versions of SPC's regional data forms. SPC TUFMAN 2 Database System is fully utilized to streamline and collate all data. The Locally Based Foreign Companies are required by the Division to submit their fishing reports on monthly basis. The Foreign Based Japanese Longline and Purse Companies are submitting their Logsheets through Email, Facsimile, and Postal Service. The data are altogether reconciled and then entered into the TUFMAN 2 Database. The collected data are scanned with the Slops 3 software on Fujitsu Scanner and are sent to SPC via Hightail Dropbox.

(a.) Logsheets/Unloading/Port Sampling data collection and verification

Dedicated fisheries port samplers and compliance officers are presented at all times during offloading of longline vessels at respected port to collect data and information. With ensuring reported data, the presented officers checks and make sure that the forms used are properly filled and completed correctly.

(b.) Observer program

All observers are required to complete and submit their reports a week after their trips. Observer reports are verified by a designated officer of the Division and will be scanned and sent to SPC for entry.

(c.) Transshipment

In terms of transshipment, The Division designed a form for the companies to use with reporting of transshipments. The company doing the transshipment is required to report the date, time, location a transshipment is taking place as well as the amount of catch and its estimated weight to be transshipped.

There are ongoing works in linking TUFMAN 2 with the PNA VDS which would allow accurate timely correlation of fishing effort in Palau EEZs. Further enhancement in this work is by the FFA VMS that provides an MCS component to fisheries management process. The Division of Oceanic Fishery Management Office continues to represent and protect Palau's interest in international and regional bodies in the development of conservation and management measures of the highly migratory fish stocks.

XI. Research Activities Covering Target and Non-Target Species

Currently the are no research activities that covers Target and Non-Target Species.



ADDENDUM TO ANNUAL REPORT PART 1
Specific information to be provided in Part 1 as required by CMMs⁴

6 March 2017

CMM Reference and Description	Response
CMM 2005-03 [North Pacific Albacore], Para 4	No National Fleet; No Data collected
CMM 2006-04 [South West striped Marlin], Para 4	No National Fleet; No Data collected
CMM 2009-03 [Swordfish], Para 8	No National Fleet; No Data collected
CMM 2009-06 [Transshipment], Para 11 (ANNEX II)	No National Fleet; No Data collected
CMM 2010-07 [Sharks], Para 4	No National Fleet; No Data collected
CMM 2011-03 [Impact of PS fishing on cetaceans], Para 4	No National Fleet; No Data collected
CMM 2011-04 [Oceanic whitetip sharks], Para 3	No National Fleet; No Data collected
CMM 2012-04 [Whale sharks], Para 06	No National Fleet; No Data collected
CMM 2012-07 [Seabirds], Para 9 <i>Applies until 1 Jan 2017 (see CMM 2015-03 below)</i>	There are no observer reported seabird interactions
CMM 2013-08 [Silky sharks], Para 3	No National Fleet; No Data collected
Observer coverage (WCPFC 11 decision – para 484(b))	No National Fleet; No Data collected
CMM 2015-02 [South Pacific Albacore] Para 4	“Addressed through the regular provision of operational catch/effort logsheet data to SPC, who automatically include these data in the WCPFC databases, as per our authorization”
<i>Commencing in reports that cover activities post-1 January 2017</i>	
CMM 2015-03 [Seabirds] Para 9	There are no observer reported seabird interactions

⁴Reporting requirements requested by CMMs and decisions by the Commission, as of WCPFC13 (Dec 2016)