

**MINISTRY OF AGRICULTURE ANIMAL INDUSTRY AND FISHERIES
STATEMENT BY MINISTER ON THE EXPORTATION OF FISH MAWS
AND OTHER FISH PRODUCTS BY CHINESE AND INDIAN INVESTORS
TO THE DETRIMENT OF LOCAL FISHING COMMUNITIES**

1.0 INTRODUCTION

- 1.1 Rt. Hon. Speaker and colleagues, Uganda produces up to 447,000 Metric tonnes of fish from capture fisheries and aquaculture and Nile perch contributes about 86,463Mt of total production, tilapia 49,768 Mt; small pelagics (Mukene, Muziri, Ragoogi) 260,460Mt while other fish species contribute 50,800 Mt). Currently, Nile perch is the most valuable fisheries species in Uganda, contributing USD 153 million annually in international fish exports of which Fish Maw accounts for 531.6 Mt valued at USD 52.9 million annually.
- 2.2 Fish Maw is a commercial term for swim bladders of large fish such as Nile perch (mainly when dry) and other fish with similar bladders including Catfish, Croaker and Sturgeon. The swim bladders are a treasure and delicacy in Asia/China and is ranked 4th among “sea treasures”.
- 2.3 In spite of the growing business for Fish Maw, there has been limited information regarding its value chain until 2018 when value chain studies were conducted for the Lake Victoria region. The fish maw product is very important and is reported to have many uses ranging from health and medical purposes including making of surgical threads, anesthetic drugs and aphrodisiac drugs used to increase libido in men.
- 2.4 Fish Maw soups are reported to be taken by surgically operated patients to quicken recovery and has high protein and other nutrients believed to help the healing of lungs and kidneys. Fish maw is also used in manufacture of

isinglass, a form of collagen used mainly in clarification and fining of some beers and wines.

- 2.5 Colleagues, fish Maw product is also reportedly used in the manufacture of some aircraft and space shuttle body parts, car parts and melamine plates and cups. There are traditional beliefs attached to Fish Maw as source of good luck and health in some parts of Asia specifically China and as such Fish Maw is kept in homes mainly as decorative treasures.
- 2.6 The largest trading partner in Fish Maw are Hong Kong and Southern China where a kilogram of Fish Maw goes for between USD 450 and USD 1,000 depending on the strength of market and the product quality and fish species from which its extracted (Uganda Fish maw is ranked 4th) . In Hong Kong, Fish Maw is usually sold on black market characterized by high protectionism.
- 2.7 In Uganda a Fish Maw from a 70 Kg Nile perch can fetch about Ushs1.5m which is far more costly compared to the fish itself that goes for about Ushs 0.7m. As a result fishermen continue to cheat the rich boat owners, by cutting or plucking out the fish maw and throwing the fish carcass back into the lakes.
- 2.8 The lucrative nature of fish maws from sea fish this “sea treasure” in the world market has led to the collapse of the sea fish species to the extent that Fish Maw trade is sometimes referred to as “**aquatic cocaine** or cocaine of the sea” or “**buoyant trade**”. This lucrative trade has a lot of economic value but it can be short-lived if no proper regulation is in place to sustain the fishery.

2.0 PROBLEM STATEMENT

- 2.1 The unsustainable supply of Fish Maw in the world market is driving demand for Nile perch Maw so high, leading to unsustainable fishing and handling

practices including overfishing and capture of immature fish that may ultimately result into a decline of the Nile perch in our water bodies.

- 2.2 The fish maw industry has led to rampant gutting (cutting) of fish to remove the fish maw on the water and leaving the carcass on the waters or removing the fish maw tactfully through the gill area leaving the fish looking intact and this poses a quality issue.
- 2.3 At the peak of Nile perch capture fisheries, Uganda had 21 fish processing and exporting establishments that directly employed over 3,000 people. Starting 2006, Nile perch fishery came under excessive fishing pressure due to the increase in value of Nile perch meat and the by-products especially Enunni or swim bladder. This led to the reduction of stocks and fish processing establishments from 21 to 6 functional factories with very low capacity.

3.0 WHY WE SHOULD GUARD OUR NILE PERCH

- 3.1 Nile perch Fish Maw greatly contributes to export earnings of Uganda and employs many people along the fish value chain. Fish Maw trade and processing businesses offers opportunities especially for women employment since they are considered to be trust worthy in handling the highly valued product.
- 3.2 The growth of Nile perch Fish Maw businesses has also increased the profits of fish processing companies who in addition to selling fish and fishery products gain from increased prices of maw. Fish Maw industry has also benefited a few trusted maw factory agents and their middlemen, who in the process of searching for maw to supply to Chinese companies have created a lucrative artisanal maw trade sector. The growth of maw trade has also benefited local maw collectors and extractors.

3.3 Colleagues, Fish maws once regarded as waste is increasingly becoming a delicacy in Hong Kong and Southern China. Because of the growing demand for the maws in Asia, the price has gone up, something which is destined to boost the country's fish export earnings as an industry in general. The 2018 records from my Ministry indicate that the country exported more than 531.6 Mt of fish. This earned the country USD 52.9 million or Ushs 197.5 billion.

3.4 With recent government intervention of deployment of a Fisheries Protection Force, the Nile perch stocks in Lake Victoria are recovering and the number of functional factories has risen to 12 and exports increased to 20,364.12 Mt valued at USD 153.4 million in 2018. Fish maw accounts for 531.6 Mt valued at USD 52.9 million. This is an increase from 41.14 Mt valued at USD 8.48 in 2011.

4.0 CHALLENGES AFFECTING FISH MAW TRADE

4.1 The fish maw trade has the potential to boost incomes especially of vulnerable groups like the women and youth. While both men and women can undertake all forms of maw businesses, women are favoured as employees in maw companies and considered trusted and more reliable with less temptation to steal maw. **However, women have difficulty in working for longer hours.**

4.2 Colleagues, most of the financing of the fish maw operators is by interest free friendly Chinese cash advances for fish harvesting and maw extraction as Banks & SACCOs seem not to be convenient for maw business men who are especially unregistered and in a business considered highly volatile/risky to lenders. Lack of financing and investments in this lucrative business is a challenge to sustainability of the Nile perch fishery and trade in fish and fishery products.

- 4.3 Fish Maw extraction is being done in hidden un-gazetted places with no good personal hygiene practices. This can adversely compromise the quality of the product if not regulated.
- 4.4 Despite the above potential, the Fish Maw value chain still has quality challenges of intermittent power cuts in landing sites and insufficient use of ice leading to holding fresh maw for longer period without proper refrigeration;
- 4.5 The regularization of the market for fish maws is complicated by over grading. Unlike Kenya where fish maws are graded in 3 types (small, medium and large), the Ugandan market is complicated with 7 grades of fresh maws - small 1 (11-19 g), small 2 (50-99g), Medium 1 (100-199g), Medium 2 (200-399g), large (400-599g), extra-large (600-999g) and Kilo (1000g and over).
- 4.6 The weak regulatory frameworks in Uganda is negatively impacting on maw trade and exploitation of its potential. While the Fish Act Cap. 197 provides for the control of fishing, the conservation of fish, the purchase, sale, marketing and processing of fish, and matters connected therewith, this Act was formulated when Nile perch was not key and the Fish (Fishing) Rules 2010 were formulated when the maws was not a prominent product.
- 4.7 The Fish Maw trade has led to increased fishing pressure and continued use of illegal gears. Boat owners have resorted to using/investing in small sized nets (between 5-6 inches) for Nile perch harvesting which target younger fish with small fish maw that is not attractive to fishermen and may not stimulate maw extraction.
- 4.8 The fish maw industry has led to rampant gutting (cutting) of fish to remove the fish maw on the water and leaving the carcass on the waters or removing the fish maw tactfully through the gill area leaving the fish looking intact.

- 4.9 Fish processing in un-gazetted/un-authorized small scale fish processing areas also leaves these maws unrecorded, undeclared and without traceability while some of the fish maw is declared as by-products hence attracting less levy.

5.0 ACTIONS UNDERTAKEN BY MAAIF TO STREAMLINE MAW BUSINESS

- 5.1 My Ministry has profiled the players in the Nile perch maw value chain and their roles covering: the Fishing Crew; Boat and Fishing Gear Owners; Factory Agents; Cold Chain Service Providers at landing sites; Maw Traders; Maw Extractors and Collectors; Fish Suppliers or Middlemen of maw factories or Regional Traders; Maw Factory Agents or Regional Exporters; Maw Processors (Fish factory maw processor, Artisanal Maw Processor) and Maw Exporters as one way to streamline the business.
- 5.2 The Ministry of Agriculture Animal Industry and Fisheries has developed and is implementing the Fish and Aquaculture (Quality Assurance) Rules, 2017 which set the standards for handling and processing fish and fishery products including maw and Rule 22 specifically provides for Approval of fish maw processors and exporters; control of movement, export and import of fish and fishery products including maw.
- 5.3 In order to access a direct and transparent Fish Maw market, my Ministry in collaboration with the Ministry of Trade, Industry and Cooperatives has strengthened engagement with the Customs Office of the People's Republic of China who have linked Uganda Fish Maw exporters to the Competent Authority (General Food and Drug Administration). The Directorate of Fisheries Resources which is the Competent Authority in Uganda now deals directly with the General Food and Drug Administration – China to actualize the market access. A protocol on direct fish maw export to China as a food product has been cleared by the Solicitor General for signature.

- 5.4 MAAIF is implementing an e-licensing and export data collection and certification system (Electronic single window)(*This is a gov't system for NTR generation through which a total of 2.5 bn has been generated in 2018 by MAAIF licensing.*)
- 5.5 The industry (fish processors) fish levy payment according to URA stand as follows; 1.048bn (2013), 1.204bn (2014), 1.610bn (2015), 3.234bn (2016), 3.507bn (2017), 4.528bn (2018) **Total of 15.223bn from industry.**
- 5.4 The Ministry of Agriculture Animal Industry and Fisheries has also engaged the Association of Fish Maw Traders, the Association of Fishers and Lake Users of Uganda (AFALU), the Uganda Fish Processors and Exporters Association (UFPEA) to harmonize fish price issue for equitable benefit of all industry players.

6.0 KEY ACTIONS FOR SUSTAINABLE BENEFIT FROM MAW TRADE AND NATURAL STOCKS

- 6.1 There is need to streamline the fish maw processing and trade with strict control, regulation and quality assurance to ensure product quality and value from the exports.
- 6.2 Finalization of the Fisheries and Aquaculture Bill will enhance regulation and ensure sustainability of Fish Maw trade. Bill submitted to Cabinet this month.
- 6.3 Fast-track the Nile perch domestication, farming and breeding in Uganda. Research on going
- 6.4 Increased investment in the Fish value chain infrastructure (extraction, handling, processing and trade), including providing the necessary environment for production of Fish Maw of world export quality as well as ensuring good hygiene practices (GHPs), good manufacturing practices

(GMPs), and sanitation standard operating procedures (SSOPs) for Fish Maw chain.

- 6.5 Strengthen stakeholder engagements to ensure equitable benefit from increased maw prices among the chain players including crew, boat owners and suppliers to the fish factories while ensuring sustainability.
- 6.6 Finalization of the studies to resolve the relationship between maw weight, or length and fish size; and derive a reliable tool for control of maw size to stop catching of fish of illegal size;

7.0 CONCLUSION

Rt. Hon. Speaker and dear colleagues, while the fish maw high end (export level) is dominated by Chinese and Indian investors and some few upcoming locals, there has been local benefit which my ministry will study further and enhance for greater equitable benefit.



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