

**SUBMISSIONS TO THE PORTFOLIO COMMITTEE ON THE
TRANSFORMATION OF THE FISHING INDUSTRY**

TRAWL INVESTMENTS CC

02

BACKGROUND AND HISTORY

Trawl Investments CC is a 100% black-owned company which was established in 2001. It is a small corporation consisting of 7, mostly family, members all of whom are historically disadvantaged individuals. Trawl Investments has been a medium term rights holder in the WCRL, Pilchard and Tuna Pole sector in addition to their involvement in Hake Longline. Trawl Investments is, furthermore, one of only a handful of wholly-owned black companies in the Kalk Bay area.

It owns 25% of the shares in a company called Arbah Holdings (Pty) Ltd . Trawl Investment has together with the other shareholders and through Arbah Holdings constructed a new vessel designed for this sector and is the wholly black-owned long-liner vessel at the Kalk Bay Harbour and is currently the biggest and most expensive vessel in the Harbour across all fishing sectors.

This new GRP type commercial fishing vessel was constructed , designed and equipped to catch hake by longline at a cost of R3 million in 2001. The vessel is named "Sulaiman" after one of the shareholders in Arbah Holdings (Pty) Ltd viz Sulaiman Achmad .

In 1997 Trawl Investments CC had a brand new 15 meter fishing vessel constructed by Sachal Boatbuilders at a cost of R1,5 million – MFV "Zay –Yaan: KB6. This vessel is designed and equipped to harvest pilchard, west coast rock lobster and tuna by the pole method.

Trawl Investments CC has been involved in the fishing industry since 1999 when they were granted a Pilchard commercial fishing right. This allocation allowed Trawl Investments to generate employment for it's crew members and provide a certain amount of viability for the investment in the fishing vessel.

Trawl Investments were granted medium and long term commercial fishing rights for: Hake Longline and West Coast Rock Lobster .

Trawl Investments owns 25% shareholding in this vessel owning company, Arbah Holdings (Pty) Ltd, with it's shareholding and investment amounting to R650 000.

This vessel is intended to harvest hake longline fishing rights for it's shareholders viz. Trawl Investments CC, Jaffa's Bay Fishing CC, Ang-Jerry Fishing CC and I. Fortune & Crew (Pty) Ltd.

Trawl and I. Fortune were the only shareholders that obtained hake longline fishing rights for both the medium and long term which makes this vessel totally unviable to operate on a annual basis .

This operation creates employment for 23 crew members. All the shareholders are represented on the board of directors of Arbah Holdings (Pty) Ltd and contribute towards the management and operational activities of this company.

Pelagic Sector

Trawl Investments was unsuccessful with the application to obtain pelagic rights for the long term period because their application was submitted late by the consultants at the time .

Presently there are legal steps underway to resolve Trawls matter regarding the small pelagics rights .

Trawl Investments CC utilizes it's own vessel "Zay – Yaan" KB6 to harvest the pelagic and west coast rock lobster fishing rights. The hake longline fishing rights is caught by vessel, "Sulaiman" KB6 of which Trawl owns 25% via the company Arbah Holdings (Pty) Ltd.

The managing member of Trawl Investments is Ms Nazielah Achmat ("Ms Achmat"). Ms Achmat has for the past 4 years resided in with her husband in Holland and the remaining members of Trawl Investments are all of the Achmad family; one is currently a student and therefore works only part-time at the company. It is important to recognize that Ms Achmat is the third generation in a family of fishers. The operation manager of Trawl Investments is Mr. Sulaiman Achmad, Ms Achmat's father, who also holds 70% member's interest in Ang-Jerry Fishing CC. He has Assisted Trawl Investments, the family company, to become an entity integral to the Cape fishing community, particularly that of Kalk Bay. Sedick Achmad is directly involved on the fishing vessel "Zay-Yaan" and he is engaged as the Skipper on the vessel as he holds all the qualifications to operate and manage the vessel viz Skippers ticket etc

Trawl wants to bring to the attention of the Portfolio Committee that it cannot sustain its operations with the vessel Zay-Yaan by catching West coast rock lobster only which lasts for only 2 weeks of the year . The vessel employs 9 crewmembers .

The vessel has been designed and equipped to catch pilchards for human consumption at huge costs to Trawl , which displays commitment to harvest and maintain the pilchards at its highest quality .

During 2006 pelagic season , Trawl Investments assisted various participants in the small pelagic sector to assist in catch efforts in Mossel Bay . The vessel harvested more than 1000 tons of pilchards for and on behalf of other rights holders in this fishery .

For the 2007 fishing season Trawl was approached by various participants in the small pelagic industry sector to assist in their catch efforts for the 2007 fishing season . Normally vessel operators such as Trawl Investments are only approached in the second part of the year when rights holders realize that they would be unable to make full catches of their allocated quantum for the particular fishing season . This 2007 season will not be any different.

Trawl wish to emphasize that there is a major difference between that of being a rights holder in this fishing sector compared to that of simply catching allocations for other rights holders . In catch efforts we generate marginal returns and the profitability is vested in the fact that pilchards sold which in turn holds financial benefits for the rights holders . It is very difficult to continue in this fishing sector purely as a fishing operator without fishing rights .

HAKE LONGLINE SECTOR

Trawl Investments has examined the list of successful applicants as contained in the list distributed by the Department entitled, " Successful Hake Longline MTRH Applicant and Quantum Allocated" dated 9 March 2006 and noted the following in relation to the vessels nominated:

Four applicants have yet to nominate a vessel.

Trawl Investments finds it unacceptable that where one of the essential requirements is to demonstrate access to a suitable vessel; applicants can nevertheless be successful in their application form.

It is further noted that three of these applicants have received a sizable allocation at least double that of Trawl Investment and in the case of Intlanzi Fishing, four times the allocation. To achieve such a sizable quota without the ability to show access to a vessel seems counter intuitive.

The application form requires that access to a suitable vessel to be shown. Trawl Investments finds it difficult to understand how this access can be demonstrated to the DA without, at the very least, being able to nominate one or more possible vessels it may be able to utilize on exploiting the allocation.

Trawl Investments submits that these four applicants can be excluded from the list of successful applicants on the basis that they were unable, in their application forms, to clearly nominate a vessel in which to exploit their allocation.

At least one vessel is up for sale

The vessel MRV Oosterdam is publicly known to be for sale. Two successful applicants have nominated this vessel for the exploitation of their allocations.

Trawl Investments submits that as the ability to nominate a vessel is an essential requirement to the success of an applicant's application; the sale of the MRV Oosterdam requires the Appeal Authority to re-examine the application of these two applicants if required, remove them from the successful list of MTRH applicants.

Maximum catching capability of the vessel "Shivon" and "Seapride".

The Shivon is nominated as the catching vessel for five applicants. In total, this results in the Shivon catching a total of 407.007 tons for the first two years of the long-term rights period (until the matter comes up for review). The Seapride is nominated by four applicants and so would be exploiting a total allocation of 247.902.

These large-sized allocations for a single vessel are very large when compared to the allocation received by Trawl Investments. Where the Department states its policy objectives of transformation and encouraging HDI's within the industry, such large discrepancies between the vessels means that some vessels will be overworked and will be hard-pressed to meet their catching requirements, other vessels (such as the Sulaiman) will be left in the harbour unutilized. Again this is counter intuitive and should be re-looked at.

Black-owned vessels:

The only black-owned vessels, other than the Sulaiman owned by Arbah Holdings, are those of MVH Largo (nominated by Mossel Bay Indigenous), Sean Paquitto III (nominated by Activest Twenty (Pty) Ltd) and Hermans (nominated by Impala Fishing (Pty) Ltd).

These vessels have all been allocated a sustainable allocation indicating the Department's support for these vessels. The Sulaiman is the one exception, as a newly constructed vessel, its needs are to go out to sea regularly. This is clearly not possible on the allocation received from the DA and Trawl Investments submits that the Appeal Authority allocate a higher quota to it. Further, the Sulaiman is the only black-owned vessel which operated from Kalk Bay.

Thank you for giving us the opportunity for saying our say

Nazeem Paulsen/Sedick Achmad