



LKIM-Fisheries Development Authority of Malaysia

An exclusive report to be distributed with ***THE INDEPENDENT***

Transcript of the interview with:

Dato' Mustafa bin Hj Ahmad

Director General (DG)

WORLD REPORT (WR): Please give the readers of *The Independent* an introduction to LKIM.

Dato' Mustafa bin Hj Ahmad: LKIM was founded in 1971 with two main objectives. The first was to raise the income levels of fishermen and secondly, to develop and expand the fisheries industry, including deep-sea fishing, processing and marketing. One core target is to develop a fisherman's society through our various development programmes. We also have to facilitate the industry in order to develop more sustainable technology. We have many programmes in place to raise the fishermen's income. Basically, we can divide fisheries into two categories; one is coastal fisheries and the other, deep sea. About 80% of our fish comes from coastal fisheries, the remainder from deep sea. That means that the majority of our clients or target group are coastal fishermen.

One of our development programmes is to provide fishermen with adequate nets, engines and facilities for keeping fish fresh, such as insulated fish boxes. If the fishermen cannot afford these on their own, whether with their own revenues or savings, we have a special fund to assist them by providing them

with soft loans. Fishermen can apply for this loan, the amount of which is up to a maximum of RM 25,000, for the purchase of a new boat, engine, net or other facilities that they may need. The loans are interest free and the payback period, which used to be five years, has been extended to six years. At the initial stage, the fishermen only have to pay a nominal stamp duty for the costs for signing the agreement. We encourage the fishermen to ensure that they make their loan repayments on schedule.

We have district offices all throughout Malaysia. At the moment, we have registered 86 Area Fishermen's Associations (AFA), whereby we post our officers to manage the AFA. We normally assign a general manager, an account clerk and two field assistants at the various AFA, apart from the staff recruited and paid for by the AFA themselves, and whose duties are to take care of the various problems faced by the fishermen ranging from pre-production to post-production, including fish marketing. Apart from that, we also tend to the social welfare of our target group. We have a big task and a very serious responsibility indeed.

(WR): It is very costly as well....

Dato' Mustafa bin Hj Ahmad: We have been doing this job since 1971 and hopefully we will continue to do so. From time to time, we have expanded our responsibility of not only helping the fishermen but even to include the interests of their wives as well. We have formed the so-called Women's Fishermen Group or in short, KUNITA. Yesterday I was in Penang for the closing ceremony of a seminar involving the KUNITA. Occasionally, we organise motivational seminars and economic workshops to encourage the members of KUNITA to play their roles more effectively, not only as housewives to tend to their household chores and look after the upbringing of their children, but also to help increase the incomes of their families by taking part in economic activities. One of the activities is to encourage them to go for processing of fish balls, fish cakes and other fishery and non-fishery-based products. In so doing, we also help by giving them soft financial loans.

Other than that, we always tell our target group to give priority to their children's education. In this aspect, we also provide some financial assistance for the educational needs of the children of our fishermen. There are cases where we even facilitate additional tutorial classes in order to help the children of fishermen to prepare for sitting public exams. Our objective of course is to see that the children of our fishermen can further their education even to tertiary and university levels. In fact, some of the fishermen's children have been very highly successful. For the record, a fisherman's child financed by us has managed to become the Head of Engineering Faculty at Universiti Teknologi Malaysia. In this respect, we also encourage these successful children to contribute back to their community, in appreciation of what the community has endowed them.

Compared to other communities, mobility is very limited for fishermen. Previously, AFA managed traditional businesses such as ice packing and selling fishing gears, which were normally conducted at fishing complexes. At such centres, we have also encouraged them to indulge in fish marketing, apart from other ancillary activities. By doing so, the AFA has generated adequate business activities which bring ready income to its members. However, so far the business activities of the AFA have been confined to their surrounding areas, and they have yet to realise the business potential outside their own area of activities.

(WR): Regarding your marketing activities, can you tell us more about whom you are marketing to? Is it just internally within Malaysia or do you market beyond Malaysia and aspire to export Malaysia's product?

Dato' Mustafa bin Hj Ahmad: At the moment, our fishermen are very much confined to engage in domestic marketing only. The fish caught are mostly sold locally. As I mentioned, I've just returned from Penang where I visited some small coastal fishermen whose major catch is prawn. These fishermen have been quite successful because a processing factory has guaranteed the marketing of their catch. In other words, whatever quantity of prawn or shrimp they catch would be bought by this factory. The shrimp are bought at a price of

RM32 per kilogram and sold at RM30 per kg. The profit margin is about RM2 per kilogram.

Some agriculture commodities like paddy have a guaranteed price. Fish is not a controlled item; hence the price is subject to the fluctuations of market demand and supply. I intend to propose to the Ministry to look into whether some selected species of fish can have a guaranteed price so as to make sure that there is enough supply to meet domestic consumption. Whatever forms of assistance the fishermen receive from the government compared to other agriculture sub-sectors like paddy planters are very different. For one thing, fishermen do not have the luxury of a special area exclusively meant for their exploitation because the sea is open to everybody. But nonetheless, compared to farmers, fishermen normally have a better daily income. It is routine for our coastal fishermen to go out in the morning to catch fish and return home in the afternoon to sell their catches daily for cash.

In the case of a paddy planter perhaps, it may take a season of between four to five months in order for them to harvest their produce. They have to invest their own capital in order to purchase seeds, fertilizer and to plough their land. On the other hand, fishermen do not necessarily face such problems because they normally have some ready cash in hand daily. The only problem is that they do not save their money. As such, they fail to invest their incomes into buying assets for themselves. Nowadays, a lot of affluent people are looking for coastal or riverside land with panoramic waterfront. We are worried that one day, our fishermen may be pushed out and uprooted from their land and villages by these groups. As such, we intend to look into the possibility of introducing planned housing schemes for our fishermen.

(WR): *The Independent* is a British newspaper that circulates throughout the whole of the European Union (EU). What would you like to share with the European audience about the fisheries sector here in Malaysia and about LKIM?

Dato' Mustafa bin Hj Ahmad: Our fishery products are already exported to the EU countries. Some years back, the EU imposed certain quality requirements pertaining to fisheries export from our country. We are seriously looking into conforming to the standards that we have agreed upon mutually, especially in the field of capture fisheries. The EU inspectors are supposed to come to Malaysia by early April 2010 in order to audit our selected catching vessels and landing complexes. So far we have done some preparatory works to upgrade the landing facilities at two fish landing jetties – one government owned and the other privately operated which shall conform to the EU requirements. We are one of the Competent Authority (CA) besides the Department of Fisheries to verify the conformance of the fisheries sector and industrial players to the agreed standards. In order to play our role as CA, we've given up our role as operator of fish landing centres and we've given the task over to the AFA. In this respect, we look to Japan and Europe as models where the fishermen's associations play significant and influential roles in operating the respective fish landing centres.

(WR): To summarise the interview, if you had a final message to our readers about the Fisheries Development Authority of Malaysia, what would it be?

Dato' Mustafa bin Hj Ahmad: Most importantly, my message is that we want to transform our fishermen, from engaging in traditional methods of fishing to one which is modern and technologically driven in nature. We have embarked on a programme of eliminating individual ownership of small boats in favour of group ownership of larger vessels that use in-board engines. As I mentioned earlier, we also want the women in the fishing community to help in enhancing the incomes of their households. We want to introduce among our fishermen the practices of quality assurance and good marketing as well.

(WR): Thank you for your comments.