



agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

**MEDIA RELEASE**

**9 April 2018**

**RE: TRANSFER OF VIKING GROUP COMPANY FISHING RIGHTS TO A CONSORTIUM LED BY THE SEA HARVEST CORPORATION (PTY) LTD.**

**Cape Town; Monday, 9 April 2018:** In December 2017, the Department of Agriculture Forestry and Fisheries (“the Department”) received notification from the Viking Group of Fishing Companies (“Viking”), holding 34 separate fishing rights across 9 fishing sectors seeking authorization in terms of Section 21(2) of the Marine Living Resources Act, 1998 (Act No. 18 of 1998) (“the MLRA”) that Viking had concluded an agreement to sell these fishing rights for an amount exceeding R130 million.

The purchasing group comprises a consortium led by the Sea Harvest Corporation (Pty) Ltd and includes SeaVuna Fishing Company (Pty) Ltd, Nalitha Investments (Pty) Ltd and the South African Fishing Empowerment Corporation (Pty) Ltd. The latter two companies are new entrants to the fishing industry that are wholly black-owned. Although the entities are per se new entrants, their directors and shareholders have commercial and executive-level experience in the South African fishing industry and the fast moving consumer goods sector.

**The Department is therefore pleased to announce that the Deputy Director-General: Fisheries Management (“the DDG”) has approved the transaction in its entirety and has authorized the transfer of 34 fishing rights from the applicable right holding companies to the purchasing consortium companies.**

The transaction will not only bolster black economic empowerment in South Africa's leading and most valuable commercial fisheries such as Hake Deep-Sea Trawl, Horse Mackerel, Hake Inshore Trawl, Small Pelagic (pilchards and anchovies) and KZN Prawn Trawl, but it confirms an Investor confidence in the manner in which our commercial fisheries are being managed, including the legally sustainable allocation of long term fishing rights.

The decision to authorize the transaction involved the consideration of a number of complex legal, economic and social issues including the reduction of the number of right holders in certain fishery sectors and the increase of quota to consortium members in the hake deep-sea trawl and horse mackerel fishery sectors. The decision sought to equitably balance various objectives, given that our hake, pilchard and horse mackerel fishing quotas remain under biological pressure and the need to consolidate the number of right holders (albeit recognizing the statutory need to transform the fisheries and introduce new entrants) coupled with the international trade, supply and demand issues that affect these fisheries and the imperative to give effect to the Chapter 6 provisions of the National Development Plan, all the while ensuring that small right holders in these fisheries remain available to access vessels, processors and markets.

The DDG's decision to authorize the transfer of the 34 fishing rights is subject to a number of technical fishery specific conditions recorded in her Record of Decision and certain general conditions including that –

- All employees currently employed by the Viking Group of Companies shall be transferred to the applicable purchasers on the same terms and conditions regulating their current employment;
- Fishing vessel effort and processing factory output is to remain unchanged relative to TAC and allocated rights to ensure that small right holders in the respective fisheries remain able to competitively negotiate access to these;
- At least 5% of the purchasing consortium's horse mackerel quota shall be caught on vessels other than the MFV Desert Diamond (the only dedicated mid-water trawler in SA and owned by the Oceana Group) and that progressively this amount shall be

increased to 11.11% of the horse mackerel TAC within 10 years of the approval of the transaction; and

- The purchasing consortium shall also progressively process at least 5% of the total horse mackerel TAC on-land with the objective of creating further employment in South African fishing processing factories.

In conclusion, the Department will continue to support investments of this nature in the SA fishing industry which seek to bolster black economic empowerment, competition amongst right holders, and employment security for fish workers while balancing the economic challenges faced by smaller quota holders in these capital intensive offshore fishery sectors.

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