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## Russian Federation

### Fishery Products

### Incentives for Kamchatka's Fishery Sector

**2007**

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**Report Highlights:**

Russian Prime Minister Fradkov's visit to the Far East in early April brought incentives to the local fishing industry. The federal government pledged to address some of the problems faced by the sector, including modernization of processing facilities.

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Includes PSD Changes: No  
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Russian Prime Minister Fradkov toured the Russian Far East in early April 2007 and visited the country's most remote districts of Chukotka, Kamchatka, and Magadan. The purpose of Fradkov's visit was to boost the development of Russia's Far Eastern territories. In addition to considering current perspectives on energy and transportation, Fradkov also addressed long-term development issues with local authorities and business community, including the fishing industry in Kamchatka.

During Fradkov's trip, the Russian government disclosed its pledge to allocate several billion dollars to the Far East by 2013. The priority areas for investment suggested by the Ministry of Natural Resources are gold, silver, copper, mining, and fishing. Local leaders also rushed to demand more money for infrastructure projects, such as energy, roads, and railroads. These projects are aimed at encouraging people to populate the area, and to make the regions economically self-sufficient.

Moscow's plans for Kamchatka call for heavy investments in infrastructure development (a gas pipeline) and in the fishing industry. Roughly US \$1.3 billion in federal funding is expected to flow into the Kamchatka region alone. Disbursement of funds is expected to begin by January 2008.

Russian Prime Minister Fradkov began his tour of Kamchatka by visiting a major refrigerated trawler of the Okeanryblot Company, one of the largest fishing companies in the region. He criticized the local fishing industry as being "highly unsatisfactory" and that the "quality of fish processing is poor and the Russians don't see enough fish on their tables." He also added that federal authorities in Moscow are paying attention to the poor status of the fishing industry in the region, which accounts for 26 percent of the entire production of marine biological resources in the Far East. Fish and seafood are major export items for most of the regions, particularly for Magadan, Kamchatka, Primorye and Sakhalin. Besides being a major player in regional industries, the fishing industry employs a significant number of industrial workers in these coastal territories.

According to trade sources, production value of the fish sector in Kamchatka oblast dropped from RUR 14.4 billion (US \$554 million) in 2003 to RUR 11.4 billion (\$438 million) in 2005. The market share of fishery sector in the overall industrial output in Kamchatka oblast also went down from 55 percent in 2003 to 33 percent in 2005. It is estimated that total fish catch in the region declined to 578.4 metric tons (MT) in 2005, down 14 percent from 2003.

During the meetings with fishing industry representatives Prime Minister Fradkov heard a lot of complaints about the level of investment in infrastructure, principally the modernization of the fishing fleet. He promised to study the situation and did not rule out the creation of a Ministry of Fisheries that would be charged with the development of the sector.