Secret

Impact of 200-Mile Boundary Claims on Soviet and Japanese Fishing Industries

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Central Intelligence Agency
Directorate of Intelligence

July 1977

Overview

After more than three years of negotiations, the failure of the UN's Law of the Sea Conference to establish a comprehensive oceans treaty has led to a proliferation of national claims of 200-mile maritime boundaries. Currently, 45 countries have declared such boundaries, 22 since 1 January 1977 (see appendix A and map). The growing trend toward 200-mile zones will have its greatest impact on the USSR and Japan, the two leading fishing nations, because most of the world's prime fishing grounds are within the 200-mile zones.

- Roughly 60 percent of the Soviet catch of 9.9 million metric tons in 1975 was caught within 200 miles of foreign shores. Moscow faces a potential fish loss of 2 million to 2.5 million tons—nearly 25 percent of their total catch—from recently imposed foreign quotas.

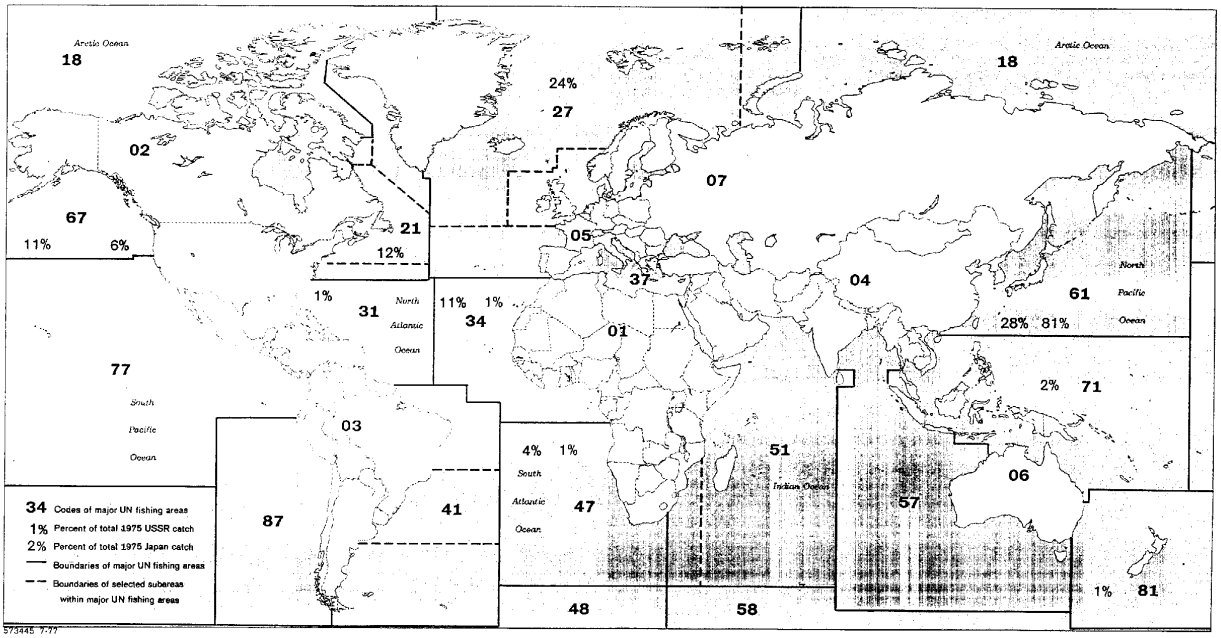
- Moscow can reduce this shortfall by increasing operations in its own waters—where foreign fishing fleets took over 2 million tons in 1975—and by expanding agreements with less developed countries (LDCs) to exploit new fishing areas.

- Japan will fare relatively better than the Soviets under the new fishing zones. Only about 35 percent of its 1975 catch of 10.5 million tons came from within the 200-mile limit of foreign waters. Moreover, the quotas imposed on the Japanese in US and Soviet waters have not been overly restrictive.

- The Japanese, although facing a reduction of at least 1 million tons in their fish catch worldwide, will increase imports to maintain current consumption levels of this key protein source.

Over the longer term, the adverse impact of the 200-mile maritime zones on Soviet and Japanese fishing should lessen. Both countries have developed a network of joint ventures around the globe, and these probably will be expanded over the next decade to allow increased access to productive new fishing grounds. In addition, the USSR and Japan could increase their catch of species not normally caught now because of low consumer demand or high processing costs; the successful adoption of such a program, however, would take several years. Concurrently, fish usually processed for nonhuman consumption—i.e., anchovies made into animal feed—may increasingly find their way into the human diet.

MAJOR UN FISHING AREAS FOR STATISTICAL PURPOSES



Impact of 200-Mile Boundary Claims on Soviet and Japanese Fishing Industries

Soviet Catch To Be Reduced

The proliferation of 200-mile zones could force a substantial reduction in the Soviet fish catch. During 1975, the Soviets caught 9.9 million tons of fish, roughly 15 percent of the world catch of some 70 million tons. Official Soviet statistics indicate that roughly 60 percent of the catch was obtained from within 200 miles of foreign coasts. Of their total, 18 percent came from the northwest Atlantic and the northeast Pacific (primarily in Canadian and US waters) and another 24 percent came from the northeast Atlantic—including the waters of the European Community (see table 1 and accompanying map).

Under the allocations imposed by the US, Canada, and the EC[1]—all of which established

[1] The Soviet fishing quotas in EC waters have been extended several times this year while negotiations continue for a permanent agreement. Quota levels for the interim period, now extended until 30 September, have reduced the USSR's annual allowable catch by over one-half, or 300,000 tons compared to the 1976 level.

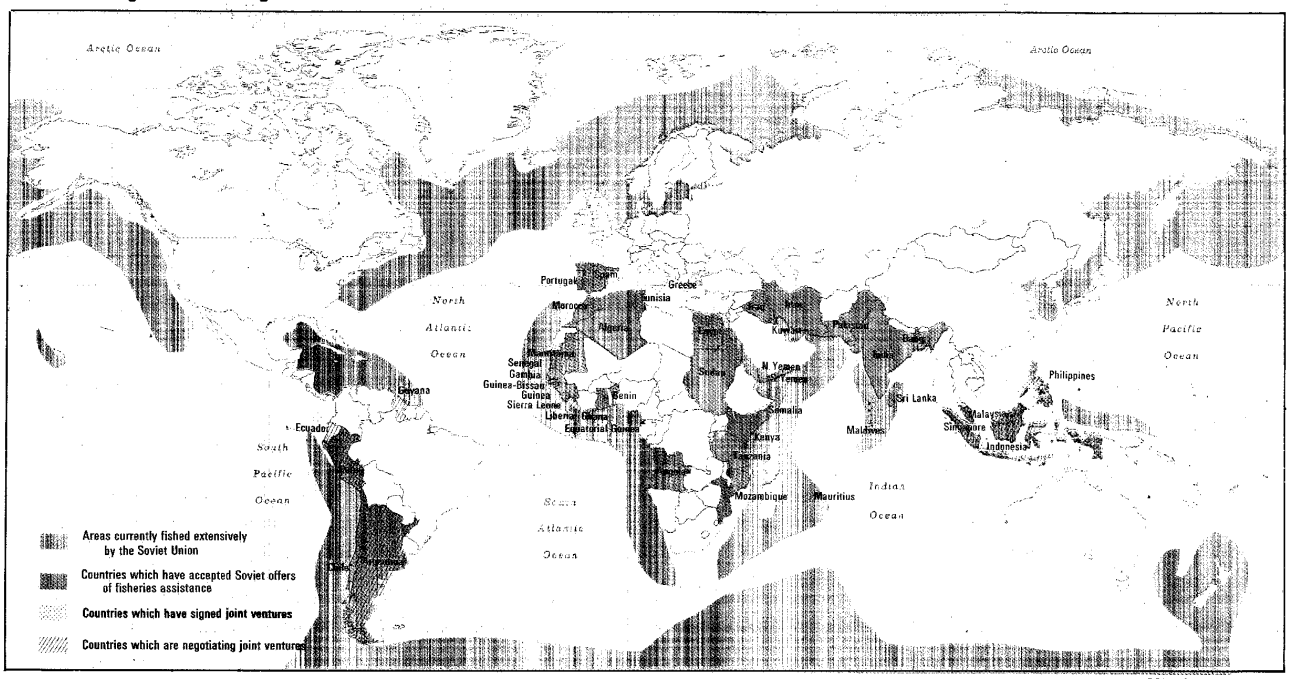
Table 1

USSR: Fish Catches [1]

	Metric tons						Area as % of total
	1970	1971	1972	1973	1974	1975	1975 catch
Total Catch [2]	**7,252,200**	**7,337,000**	**7,756,900**	**8,618,800**	**9,235,609**	**9,876,200**	**100**
Total High Seas Catch	**6,095,500**	**6,137,800**	**6,603,200**	**7,483,300**	**8,091,209**	**8,582,400**	**87**
UN Area and Number							
Northwest North Atlantic (21)	811,500	1,021,700	1,150,000	1,357,400	1,157,033	1,166,900	12
Northeast North Atlantic (27)	1,565,900	1,377,500	1,272,100	1,611,100	1,996,996	2,406,300	24
Carribbean (31)	0	11,200	73,800	8,900	25,600	69,000	1
Southeast North Atlantic (34)	612,500	789,800	848,800	942,700	1,145,000	1,106,400	11
West South Atlantic (41)	420,600	26,200	4,600	6,100	12,900	9,000	Negl.
East South Atlantic (47)	422,600	438,600	719,800	648,600	447,480	420,700	4
West Indian Ocean (51)	47,000	239,800	129,000	43,700	135,100	37,100	Negl.
East Indian Ocean (57)	0	2,600	0	500	700	0	Negl.
Northwest North Pacific (61)	1,447,600	1,562,100	1,434,200	2,232,900	2,358,100	2,719,000	28
Northeast North Pacific (67)	747,600	656,000	869,200	379,800	701,300	572,600	6
Southeast North Pacific (77)	20,200	1,900	12,900	138,100	22,200	30,600	Negl.
New Zealand Area (81)	N.A.	10,400	53,700	74,300	88,80	44,800	Negl.
Southeast South Pacific (87)	N.A.	N.A.	35,100	39,200	N.A.	N.A.	N.A.

SOURCES:
[1] FAO, *Fisheries Yearbook*. Areas include waters outside 200-mile zones.
[2] Includes:
Mainland USSR;
Mediterranean and the Black Sea area.

Soviet Fishing Areas, Fishing Assistance and Joint Ventures with LDCs



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*Programs have been discontinued.

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200-mile zones this year—the total Soviet fish catch could be reduced by nearly 1.5 million tons. Moreover, the USSR may lose another 500,000 tons to 1 million tons from quotas imposed by other countries that have extended their maritime jurisdiction to 200 miles during the past year. Thus, the potential Soviet fish loss could equal about 25 percent of their catch. The Soviets have a number of options to offset these losses, including increased fishing in their own waters and expanded operations in new fishing areas in cooperation with LDCs.

Increased Soviet Exploitation of Their Own Coastal Waters

Moscow will be able to offset some of its reduced fish catch by limiting foreign fishing operations in its own coastal waters. On 1 March 1977, the USSR established its own 200-mile fishing zone. During 1975, foreign fleets took over 2 million tons of fish from Soviet waters, of which Japan and South Korea accounted for 1.8 million tons. A part of this amount will now be allocated to the Soviet fleet.[2]

The Soviets have been uncooperative with some fishing nations in establishing quotas. The USSR has refused to negotiate a fishing agreement with South Korea, with which it has no diplomatic relations. During 1975, the South Koreans caught over 400,000 tons in Soviet waters, nearly 20 percent of their total catch. Even if Moscow comes to an agreement with South Korea, Seoul's take in Soviet waters will probably be cut by 50 percent or more.

Moscow has also taken a very hard line in recent quota negotiations with the Japanese, first declaring that Tokyo must explicitly affirm Soviet sovereignty over the disputed four northern islands and allow the Soviets to fish within Japan's recently established 12-mile territorial limit. After three months of haggling, Moscow and Tokyo finally reached an agreement, after Moscow backed off from mixing political and economic issues. Under the new agreement, Tokyo will be allowed to catch 700,000 tons in Soviet waters—about half their 1975 take.

[2] See appendix B for a description of the Soviet fishing fleet.

Soviet Fishing Aid and Joint Ventures in LDCs

The Soviets are also likely to expand their relatively new program of establishing joint ventures with LDC fishing companies. Currently, the Soviet Union has 18 such ventures with LDCs and is in the process of negotiating another 9 (see table 2 and map). These ventures require little investment and yield a high rate of return. Soviet vessels, leased or purchased by the joint company, are jointly manned and used for training, research, and fishing. Part of the catch is delivered to the LDC partner for local distribution; the remainder is frozen and taken to the USSR or sold in Western markets.

Table 2

Status of Soviet Joint Fishing Ventures [1] with Less Developed Countries as of 31 March 1977

Agreement Signed		Offer Under Negotiation	
Angola	Mozambique	Argentina	Indonesia
Benin	Philippines	Bangladesh	Liberia
Egypt	Sierra Leone	Ecuador	Malaysia
Ghana	Singapore	Gambia	Peru
Guinea-Bissau	Spain	Guyana	
Iraq	Somalia		
Mauritania	South Yemen		
Mauritius	Sri Lanka		
Morocco	Tunisia		

[1] Joint ownership which in some cases involves Soviet aid to LDCs beyond Soviet equity participation.

The Soviets also have been extremely active in signing fishing aid agreements with LDCs. In the last 15 years, they have signed agreements to provide fisheries aid to 34 developing countries and remain the only fishing country to extend such assistance. As of May 1977, the USSR had committed about $225 million to Third World countries for assisting the development of local fishing industries (see table 3).

The success of Moscow's programs is evident in the rapid increase in the Soviet catch off the coast of West Africa during the past 10 years. In 1965, this region contributed less than 3 percent of the total Soviet catch; by 1975, 15 percent of the catch, or 1.5 million tons, came

Table 3

Soviet Assistance Extended to Less Developed Countries for Fisheries, 1956-31 May 1977 [1]

Million US $

	Fisheries
Total [2]	**227.0**
Africa	**102.2**
Algeria	4.5
Angola	1.5
Benin	0.5
Equatorial Guinea	0.5
Gambia	2.0
Ghana	11.2
Guinea	7.8
Guinea-Bissau	1.5
Kenya	2.0
Mauritania	7.0
Mauritius	6.5
Morocco	3.1
Mozambique	5.0
Senegal	4.4
Sierra Leone	5.0
Somalia	38.4
Sudan	0.4
Tanzania	0.9
Middle East	**74.1**
Egypt	16.5
Iran	9.3
Iraq	25.0
North Yemen	7.8
South Yemen	15.5
South and East Asia	**25.7**
Bangladesh	15.0
India	2.2
Indonesia	0.3
Malaysia	1.5
Maldives	0.1
Pakistan	3.6
Sri Lanka	3.0
Latin America	**24.5**
Argentina	5.0
Chile	17.0
Peru	2.5
Europe	**0.5**
Portugal	0.5

[1] In the case of joint ventures, only the aid portion is included here.

[2] Including estimated value of agreements, where data not available.

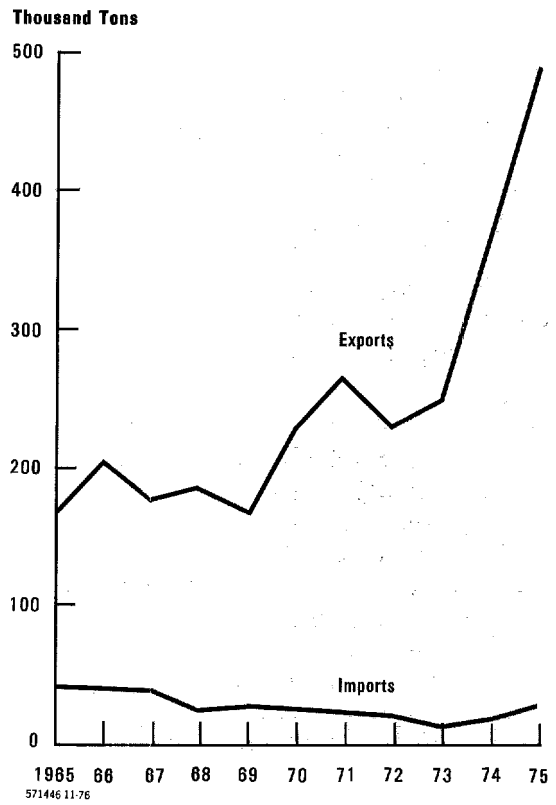
from West African waters. Although several West African states have declared 200-mile fishing zones and expanded their own fishing operations, Moscow's continued aid will probably allow the Soviets to increase their catch in the future.

Impact on the Soviet Diet

The reduced Soviet catch could affect the Soviet diet. In 1975, Soviet per capita fish consumption was 16.8 kilograms and comprised about 15 percent of the animal protein in the Soviet diet. Moreover, according to the 10th Five Year Plan (1976-1980), per capita fish consumption was to increase to almost 21 kilograms by 1980—a goal that may be difficult to achieve.

Any attempt to lessen the impact of the reduced catch on the Soviet diet would be at the expense of badly needed foreign exchange earnings. Soviet fish products are sold around the world, with large amounts exported to African countries such as the Ivory Coast, Togo, Sierra Leone, and Egypt. Fish exports have nearly tripled to 500,000 tons since 1970, while imports have remained low (see figure 1). Net

Soviet Fish Trade Figure 1



foreign exchange earnings from fish exports reached more than $100 million in 1975.

Impact on Japan

Japan, the world's largest fishing nation with a catch of 10.5 million tons in 1975, will fare better than the USSR under the new fishing zones.[3] During 1975, only about 35 percent of Japan's total catch was taken within 200 miles of foreign countries (see table 4). The largest foreign catch was in US waters, where slightly more than 1.4 million tons were taken. Under current US allocations, Japan will be allowed to take 1.2 million tons in US waters in 1977, only about 200,000 tons less than in 1975. Japan faces a much larger cutback in Soviet waters, however, where it harvested about 1.4 million tons in 1975. Under the recently imposed quotas, Japan will be able to take only 700,000 tons during 1977.

Tokyo is already adapting to the new situation. It has established a 12-mile territorial limit and a 200-mile fishing zone, and launched a $700-million, seven-year program to increase yields in Japanese coastal waters. Moreover, Tokyo can be expected to try to reduce Soviet fishing in its waters, though enforcement will be difficult.

The Japanese have established some 200 joint fishing companies in 51 countries. About 40 of these companies—of which 30 are jointly owned with US interests—operate along North America's Pacific coast. In addition, over 100 companies fish waters in Asia and Oceania, while 27 companies operate off the African coast and a like number in Latin American waters.

[3] See appendix C for a description of the Japanese fishing fleet.

Table 4

Japan: Fish Catches [1]

	Metric tons						Area as % of total 1975 catch
	1970	1971	1972	1973	1974	1975	
Total Catch [2]	**9,371,200**	**9,959,200**	**10,247,800**	**10,747,600**	**10,804,000**	**10,508,500**	**100**
Total High Seas Catch	**9,203,400**	**9,808,100**	**10,108,900**	**10,569,100**	**10,593,800**	**10,310,200**	**98**
UN Area and Number							
Northwest Atlantic (21)	31,000	54,100	37,300	48,000	33,000	27,100	Negl.
Northeast Atlantic (27)	100	1,800	1,800	4,300	4,000	1,000	Negl.
Caribbean (31)	10,200	12,600	4,800	3,400	9,100	8,000	Negl.
Southeast North Atlantic (34)	142,900	114,600	120,200	113,200	124,600	88,700	1
Mediterranean-Black Sea (37)	N.A.	N.A.	100	200	2,600	1,300	Negl.
West South Atlantic (41)	14,800	1,900	4,800	500	100	400	Negl.
East South Atlantic (47)	84,800	113,100	111,500	142,900	122,600	144,300	1
West Indian Ocean (51)	44,000	36,500	30,800	25,900	26,800	18,000	Negl.
East Indian Ocean (57)	28,400	33,300	25,600	18,300	19,700	15,900	Negl.
Antarctic (58)	0	0	0	0	1,000	1,100	Negl.
Northwest North Pacific [3] (61)	7,178,400	7,973,000	8,072,700	8,905,500	8,703,100	8,535,200	81
Northeast North Pacific (67)	1,390,800	1,188,000	1,385,300	964,100	1,081,400	1,113,800	11
Malaysian-Indonesian-Philippine Area (71)	106,300	126,700	136,500	163,700	215,300	205,600	2
Southeast North Pacific (77)	102,000	82,200	94,200	94,800	89,300	69,000	1
New Zealand Area (81)	56,400	64,700	69,600	74,200	152,800	71,700	1
Southeast South Pacific (87)	13,300	5,600	13,700	10,100	8,400	9,100	Negl.

SOURCES:

[1] FAO, *Fisheries Yearbook*. Areas include waters outside 200-mile zones.

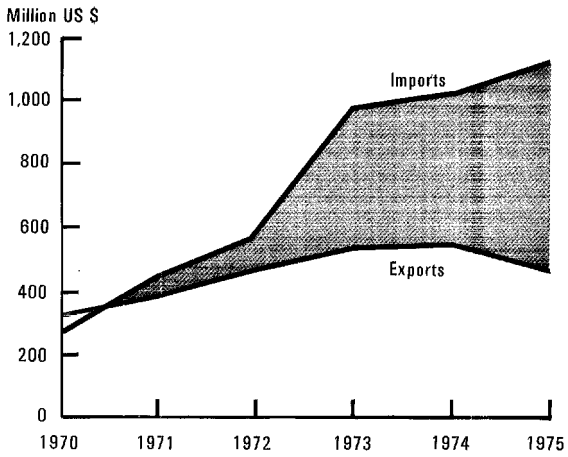
[2] Including mainland Japan.

[3] Including waters surrounding Japan.

The joint companies are capitalized at an estimated $150 million, over half of which is Japanese. The companies, using leased or purchased Japanese vessels, engage in the full range of fishing operations, including fishing, processing, and marketing. In some cases, they also engage in research, pearl cultivation, and fish farming. The local partner usually takes 52 percent of the catch for its own use, while the Japanese partner sells its share in Western or Japanese markets.

Japan—which relies more heavily on fish for animal protein than any other developed country—is committed to maintaining its current level of fish consumption. In 1975, consumption of fish products accounted for over half of the animal protein in the average Japanese diet. Moreover, the share was considerably higher for low-income families. As domestic consumption outpaced the increase in the country's fish catch since 1970, Japan has shifted from a net exporter to a large net importer. A part of the increase in the value of Japanese fish imports stems from more expensive products such as shrimp and herring roe. Fish imports exceeded exports by almost $700 million in 1975; net imports supplied 15 percent of consumption requirements (see figure 2).

Japan: Fish Trade Figure 2



Japan can afford to increase its imports of fish, especially from the US. Last year, Japan's trade surplus worldwide was $10 billion, of which half was with the US.

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The authors of this paper are [redacted] *International Trade and Services Division, and* [redacted] *Industrial Nations Division, Office of Economic Research. Comments and queries are welcomed and should be directed to* [redacted]

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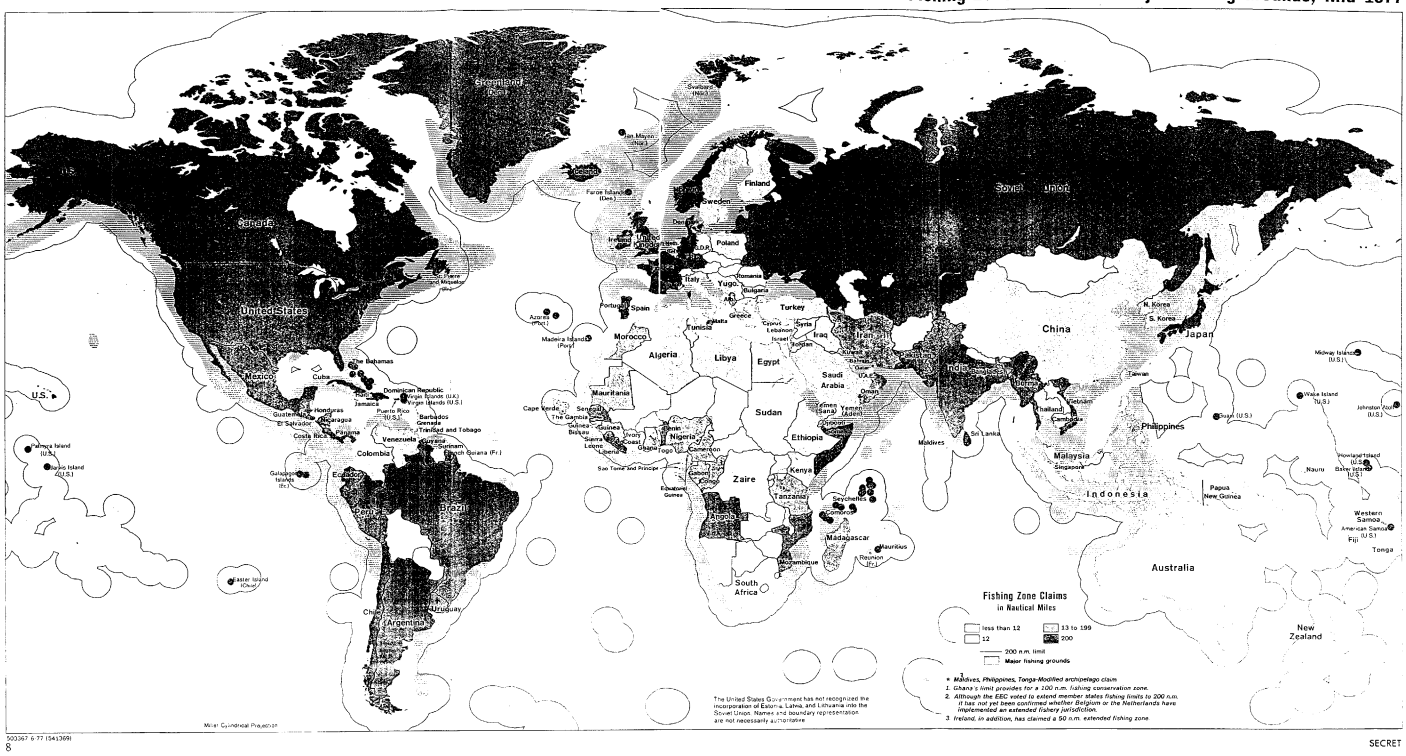
Fishing Zone Claims and Major Fishing Grounds, Mid-1977



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Appendix A

Countries Claiming 200-Mile Maritime Boundaries as of 1 June 1977

	Established
Territorial Seas [1]	
Argentina	1967
Benin	1977
Brazil	1970
Ecuador	1966
El Salvador	1950
Liberia	1976
Panama	1969
Peru	1947
Sierra Leone	1971
Somalia	1972
Uruguay	1969
Economic Zones [2]	
Bangladesh	1974
Burma	1977
Comoros Islands	1976
Costa Rica	1948
Cuba	1977
Dominican Republic	1977
Guatemala	1976
Haiti	1977
India	1977
Mauritius	1977
Mexico	1976
Mozambique	1976
Economic Zones [2] (*Continued*)	
Pakistan	1976
Portugal	1977
Senegal	1976
Seychelles	1977
Sri Lanka	1977
Vietnam	1977
Fishing Zones [3]	
Angola	1975
Bahamas	1977
British Virgin Islands	1977
Canada	1977
Chile	1947
Denmark (North Sea only; does not include Baltic Sea)	1977
Federal Republic Germany	1977
France	1977
Guyana	1977
Iceland	1975
Ireland	1977
Nicaragua	1965
Norway	1977
United Kingdom	1977
United States	1977
USSR	1977

[1] Territorial seas give the national state complete sovereignty over the area.

[2] Economic zones give the country complete control over living and nonliving resources within the area.

[3] Fishing zones give the nation control over living resources.

Appendix B

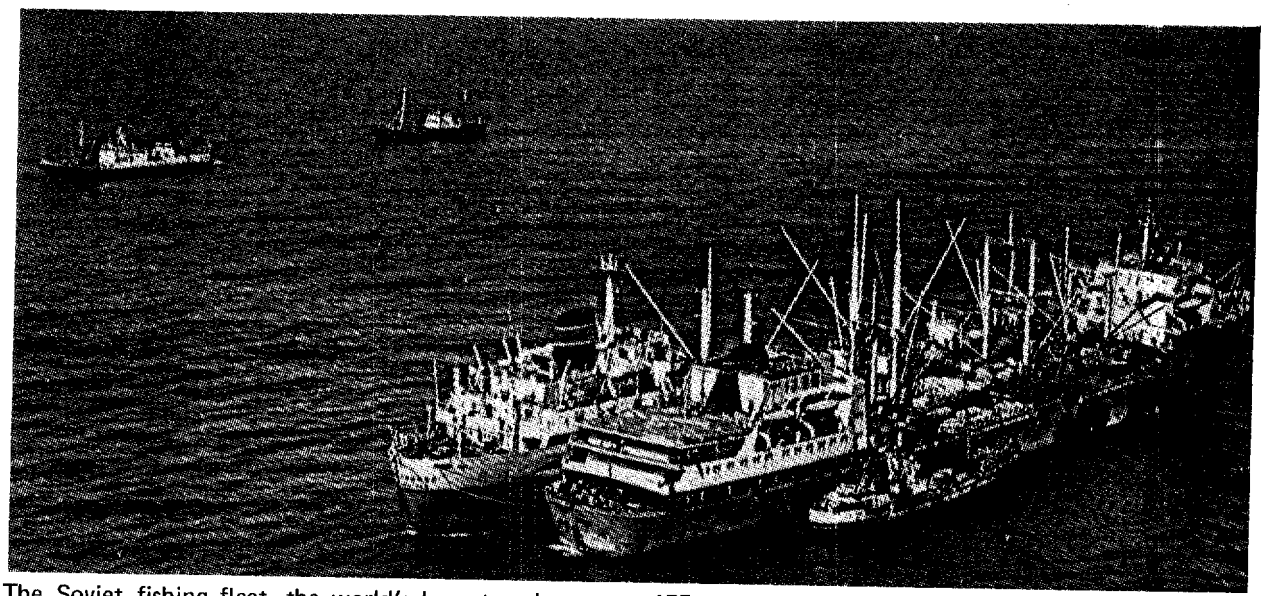
The Soviet Fishing Fleet

The Soviet fishing fleet is the largest, newest, and the most aggressive in the world. It operates around the globe using trawlers that feed factory ships capable of intermediate and final processing. Support ships are used to replenish fuel, exchange personnel, replace and repair equipment, and deliver general supplies.

The USSR's 4,400 fishing vessels account for roughly one-fourth of the world's total; the fleet's nearly 6 million gross registered tons (GRT) account for 60 percent of world tonnage. If only factory ships are considered, the Soviets have a staggering 84 percent of world tonnage. Moscow's heavy investments over the last 20 years explain both the large size of the fleet and its relatively young age. Ships built since 1965 comprise 45 percent of the fleet; 20 percent are less than five years old. Expansion has slowed, however, and future investment will likely be concentrated on vessel replacement, modernization and improvement of existing ships, and development of domestic fish farms. Quota limits and other conservation steps in newly declared 200-mile zones make further rapid expansion of the fleet uneconomical. A major effort is under way to reduce waste by constructing new processing plants and refrigerated storage facilities at ports or near consumption areas.

Soviet statistics indicate that productivity of the Soviet fishing fleet is unusually low; the fleet annually produces only 1.6 tons of fish per GRT. The comparable figures for Japan and the US are 8.6 and 6.9 tons, respectively. Even if Soviet factory and support ships were omitted from productivity calculations on grounds that they perform the functions of land based factories, Soviet production still would amount to only around 3 tons per GRT.

Moscow depends on its fishing fleet to earn badly needed foreign exchange. After 10 years of moderate growth, fishing exports rose sharply in 1974 and 1975. Imports, on the other hand, have remained low. The fishing ministry, like other ministries generating foreign exchange, receives preferential treatment in the allocation of investment resources.



The Soviet fishing fleet, the world's largest and most aggressive, operates like a production line in the Atlantic Ocean. In this photo, the small fishing vessel in the foreground is unloading its catch into the 175-meter factory-ship *Pionersk* which will process the fish into edible products and fish meal. The other large ship is the refrigerated transport *Carl Linne* which will carry the entire cargo to the Soviet Union.

Appendix C

The Japanese Fishing Fleet

The Japanese fishing fleet, which consisted of 3,100 vessels totaling 1.2 million GRT in 1976, is the world's second largest, accounting for 20 percent of the total number of ships. Although it takes about 90 percent of its catch within 200 miles of its own coast and those of the US and the USSR, the fleet also operates in the Indian and Arctic oceans, and in the waters off Southeast Asia.

The Japanese are among the world's most efficient fishermen. Per ton of fishing GRT, the Japanese produce 8.6 tons of fish, compared with 6.9 tons for the US, and 1.6 tons for the USSR. Government, industry, and the public realize that there are limits to the fish catch, and that worldwide competition for the catch is increasing. Future investment in fishing will probably be directed to joint ventures, replacement of vessels, and fish farming. The Japanese are world leaders in developing fish farming. Most of their efforts have gone into raising high-value speciality fish such as yellowtail.

Japan's demand for fish cannot be supplied even by its huge catch. Although it was a net exporter of fish until 1970, by 1975 its imports had risen to a record $1.1 billion and resulted in net foreign-exchange losses of $700 million.

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22 July 1977

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FROM: Chief, Registry and Dissemination Branch, PPG

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