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Moscow's Fisheries Development Program in the Non-Communist Third World: The New Offensive



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**Moscow's Fisheries Development
Program in the
Non-Communist Third World:
The New Offensive**

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Key Judgments

*Information available
as of 30 April 1986
was used in this report.*

The Soviets over the past year and a half have moved decisively to protect their extensive and profitable fishing interests in the non-Communist Third World. Successful initiatives include:

- The extension of Soviet fishing operations in the Pacific through an August 1985 licensing agreement with Kiribati, the first with a developing state in the South Pacific. 25X1
- A 25-percent increase in 1984 over previous total pledges in fisheries assistance to LDCs through provision of \$100 million in new aid that will expand shore facilities in Africa for use by the Soviet fleet.

Moscow is also working to gain additional fishing rights in the western Pacific, an area hitherto fished mostly by US and other Western fleets.

The new Soviet assistance brings LDC fisheries aid to more than half a billion dollars under a program that has grown steadily since it began in earnest in the late 1960s. Although this miniprogram represents only about an estimated 2 percent of total Soviet economic pledges to non-Communist LDCs, its impact has been extensive, profitable to Moscow, and highly cost effective in terms of financial outlays. For example, for less than \$10 million annually, the USSR has:

- Gained access to ports and fishing grounds for its fishing fleet in 44 less developed countries.
- Supported \$80-125 million a year in hard currency earnings from fish exports.
- Overcome fuel and services bottlenecks at home (where trawlers sometimes spend inordinate amounts of time in port because of congestion or diesel shortages) by using the resources of LDC ports for resupply.
- Supported its annual marine catch of 8-9 million metric tons with at least 2 million metric tons from LDC waters.
- Improved the domestic protein supply without the costly investment required for equivalent results from farm production.
- Improved intelligence gathering capability and potential in case of need.

Research activity to catalog seabed resources also has provided valuable economic information about the coastal and territorial waters of 30 countries under the fisheries aid program. 25X1

The program has not served Moscow's fishing aid customers nearly as well. It has failed to develop viable fishing industries in LDCs and has not helped LDCs remedy their pressing food needs. LDC complaints have centered around:

- Soviet failure to meet contract obligations to construct promised shore facilities or train local personnel.

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**Moscow's Fisheries Development
Program in the
Non-Communist Third World:
The New Offensive**

**The Soviet Fishing Fleet:
Wide Ranging and Profitable**

The Soviet Union has one of the world's most active fishing industries. It is a significant earner of hard currency as well as a source of food for the USSR's population. Soviet exports of fish products have averaged about \$250 million annually since 1975, and reached \$360 million in 1983, with at least one-third of these exports going to hard currency customers.

In recent years, the USSR's annual ocean catch has averaged about 8-9 million metric tons, second only to that of Japan, according to UN statistics. The Soviet catch peaked at 9.4 million tons in 1976 and fell steadily until 1978 as 200-mile exclusive economic zones (EEZs) came into force for most countries. Anticipating establishment of these zones, Moscow had begun in the early 1970s to revise traditional fishing practices by concluding agreements to fish LDC waters (which contain two-thirds of the world's fish resources). This process accelerated after the United States, Canada, and European countries excluded the USSR from some of its most important fishing grounds in 1977. In the 1980s the catch from LDC waters has nearly offset earlier losses elsewhere.

**The Fisheries Aid Program:
Entree at Bargain Prices**

The fisheries aid program was Moscow's earliest means to gain entree to LDC ports and servicing facilities. Since its first extension of fisheries credit to Guinea in 1959, the USSR has used this cost-effective program to gain a presence in the fishing sector of 44 non-Communist LDCs. By 1986 the USSR had pledged more than \$500 million in fisheries aid and proposed 24 joint ventures, of which 12 have become operational. In 1985 about 1,000 Soviet fisheries personnel were providing technical services to LDCs, and more than 750 LDC trainees were studying fishing in the USSR.

At the same time, expenditures on this program have been very modest. Only about \$10 million in aid flows annually to LDCs under Soviet fishing aid agreements. Moscow probably also has paid another \$10 million annually in recent years for licensing fees and the use of drydock facilities. In contrast, the returns from the fishing aid program are enormous:

- The Soviet catch from coastal waters bordering exclusively on LDCs accounts for about one-third of Moscow's recorded marine catch, according to UN statistics (see figure 1).
- The minimum allowable catch from the territorial waters of only six African countries (Angola, Guinea, Guinea-Bissau, Mauritania, Mozambique, and Sierra Leone) was valued at about \$300 million at average prices for the USSR's African catch in 1984. Soviet underreporting of catches and poaching could double this value, according to many fishing experts. At least \$1 billion worth of fish is caught every year by the Soviets off LDC coasts.
- Through sales to West European customers, Moscow earns at least \$100 million in hard currency annually on the catch from LDC coastal waters.

Joint Ventures: An Effective Instrument

The Soviet fishing program in the non-Communist Third World has evolved from a search for logistic support in the 1960s, through a focus in the early 1970s on obtaining licensing agreements, to its current multifaceted format that uses aid, licensing fees, and the establishment of joint ventures with partners reluctant to commit resources without equity participation.

The USSR has preferred licensing agreements as the most direct way to gain access to LDC resources without a potentially burdensome commitment to

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provide port rights for refueling or reprovisioning. Moscow agreed to pay \$1.7 million for one year's fishing rights, at least 10 percent of Kiribati's budget for 1985. The prospects for Soviet agreements with Vanuatu and Western Samoa apparently have improved since the accord with Kiribati was signed. [redacted]

The Soviet Union's interest in the rich southeastern Pacific fishing grounds off Latin America and in Antarctic krill reserves has also led Moscow to pursue fishing agreements in Latin America with renewed vigor in the past two years. In Peru, where the Soviets have access to shore facilities they built at Paita in the 1970s, energetic lobbying by Moscow to maintain its presence in Peruvian waters has increasingly come under attack by domestic fishing interests. The Soviet fleet off Peru currently is operating under a short-term licensing agreement because the new government is undecided about renewing a fishing agreement that, in effect, allows Moscow unlimited access to Peru's resources because of Lima's inability to police its waters. [redacted]

While the USSR pursued its aggressive campaign in the southwestern Pacific and Latin America, it also continued its contacts in Africa. In the 1980s the USSR has signed new fisheries aid agreements with Angola, Guinea, Madagascar, and Seychelles and renewed agreements with Mozambique and Sierra Leone. It has made offers to Cape Verde, Congo, and Mauritius for the renewal of fishing privileges that have lapsed over the past few years. The agreements with Angola and Guinea are notable for their large size and their broad scope. These agreements call for port construction, processing facilities, and development of artisanal and deep sea fishing—activities that we believe will enable Moscow to maintain its presence in the fishing industries of these countries. [redacted]

Dissatisfaction With the Aid Program

Once an LDC has signed a Soviet fishing agreement, it often finds that the USSR falls far short on implementation. Complaints have surfaced in several areas. [redacted]

Failure To Meet Contract Obligations. An almost universal criticism is that the Soviets do not provide the facilities and training promised under agreements:

- In Ghana, the USSR did not train Ghanaians to operate the trawlers provided them and pulled out of Ghana's industry when Accra ran short of cash to pay for Soviet experts and spare parts. Ghana's fleet was left crippled.
- A \$40 million project in Somalia to relocate nomads and to use them in developing a local fishing industry was a complete fiasco. The only beneficiaries were the Soviets who were allowed to fish Somalia's waters as part of the agreement. Somalia received no profits from the joint venture; its share went to pay the operating costs of the Soviets, who dominated the company. Cancellation of the agreement in 1977 was greeted with popular acclaim.

Similar complaints about not receiving promised equipment have come from Guinea, Guinea-Bissau, Morocco, and Mauritania. [redacted] 25X1

Harmful Fishing Practices. Soviet fishing practices often do substantial damage to the local industry, according to Western experts. The Soviets have been guilty of overfishing in Angola, Cameroon, Chile, Guinea, Mauritania, Morocco, Pakistan, and Peru. In Sierra Leone, the Soviets have been observed using extrafine mesh nets that do not permit young fish to escape, fishing so close to shore that their trawlers destroy nets set out by local fishermen, and illegally fishing in the coastal spawning grounds. [redacted]

Fish Shortages. The USSR's fish deliveries under quota agreements fail to meet even the most minimal LDC food production goals. Under typical fishing agreements, fish deliveries to LDCs generally comprise 8 to 15 percent of the total catch. Soviet trawlers often underreport their catch, reducing the amount of fish they must surrender for local consumption:

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An Intelligence Spinoff

Although the fishing fleet as a whole does not have an explicit intelligence collection mission, individual ships report on targets of opportunity and are occasionally tasked by Soviet military and intelligence organizations. In some cases Soviet fishing vessels may represent the only Soviet presence close to a naval action. In addition, Moscow's right to change fishing crews and/or to make port calls to service the fishing fleet enables it to move agents in and out of the country, provides another source of information on foreign coasts and ports, and helps it to disseminate Soviet propaganda. In wartime, the Soviet fishing fleet would be subordinated to the military and could perform some replenishment operations.

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The economic intelligence derived from the fisheries and oceanographic research program probably is far more useful to Moscow than other types of information gathered by the fishing fleet. Fisheries research vessels under contract to LDCs provide the Soviets not only with the data on fish stocks and varieties necessary to fish successfully in LDC waters, but also data on seabed mineral resources off LDC coasts. The USSR has conducted extensive studies in the waters of 30 LDCs under its fisheries aid program.

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For Moscow, access to LDC waters and ports will continue to be the most critical element in maintaining and expanding the Soviet fishing industry. Until now, the USSR's richest fishing grounds have been the northwest Pacific and northeast Atlantic; in these areas, fishing operations have reached capacity. The UN Food and Agricultural Organization estimates that the greatest unexploited fish resources lie in the west Indian Ocean and the Southern Hemisphere, including the Antarctic. Moscow is expanding its use of fisheries aid programs to acquire bunkering and fishing rights to exploit these waters through an aggressive program of offers to Latin American and western Pacific countries, while maintaining its program in Africa.

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Table 1 *Million US \$*
**USSR: Fisheries Aid to Non-Communist
LDCs, by Year**

Total	516
1959-74	204
1975	63
1976	7
1977	16
1978	NEGL
1979	41
1980	58
1981	21
1982	10
1983	NEGL
1984	96
1985	0

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Table 3
USSR: Status of Fishing Programs in
Non-Communist LDCs

Valid Agreements		Canceled Agreements	Outstanding Offers
Algeria ^a	Maldives ^a	Chile	Brazil
Angola ^b	Mauritania ^b	Equatorial Guinea	Burma
Argentina ^b	Mexico ^b	Jamaica	Cape Verde
Bangladesh	Morocco ^b	Mauritius	Comoros
Benin ^b	Mozambique ^b	Somalia	Congo
Cameroon ^b	Nicaragua ^b		Costa Rica
Egypt ^b	North Yemen		Cyprus
Gambia, The ^a	Pakistan		Ecuador
Ghana ^b	Peru		Equatorial Guinea
Guinea ^b	Portugal		Fiji
Guinea-Bissau ^b	Senegal		Kenya
Guyana ^b	Seychelles		Madagascar
India	Sierra Leone ^b		Mauritius
Indonesia ^a	Singapore ^b		Papua-New Guinea
Iran	Spain ^b		Solomon Islands
Iraq ^b	Sri Lanka ^b		Tonga
Kiribati	Sudan		Tuvalu
Liberia ^a	Tanzania ^a		Uruguay
Malaysia ^b	Tunisia		Vanuatu
			Western Samoa

^a Although no recent activity has been noted under the agreement, we have no information of the cancellation of the accord.

^b Joint ventures.



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Table 4 (continued)

Country	Year	Agreements and Protocols	Remarks	Value (million US \$)
Morocco	1978	Agreement for joint companies, import of surplus Moroccan fish, assistance in organizing Moroccan maritime personnel, aid in cannery and export operation, and fisheries studies on Soviet-supplied research vessels. For five-year period.	No joint venture formed.	
	1984	Protocol on cooperation in fishing.		
	1985	General protocol on forming a number of small joint fishing and processing ventures with equal joint ownership and an increase in annual 6-year fishing scholarships to 55. Moscow also proposed formation of joint venture similar to the one with Mauritania.		
Tunisia	1976	Agreement for joint Tunisian-Soviet company to develop Tunisian industry and protocol for continued fisheries research and Soviet assistance.	No activity noted.	
Sub-Saharan Africa				
Angola	1976	Agreement on joint fishing venture including: Marine survey. Survey and development of national fishing industry. Modernization of fish-processing enterprises. Provision of vessels and training. In return, Soviets received exclusive fishing rights within Angola's 200-mile zone, plus facilities for anchorage, repair, provisioning, and unloading.	In 1978, Moscow donated four fishing boats and two trawlers to be manned by Soviet crews. Cooperation continues in fleet formation, development of port infrastructure, and training.	
	1977	Grant—fisheries aid.		0.5
		Protocol to provide: 30,000 tons of fish to Angola per year. 10 additional trawlers and technical services.		10.0
	1978	Grant of six fishing boats.		0.1
		Protocol on aid in training and constructing several fish processing plants.		
	1979	Grant of fisheries protection vessel.		0.1
		Protocol for joint fishing project, 1979-81, training of Angolans.		
1983	Grant of second fisheries protection vessel.		0.1	
1984	Fishing agreement to cover eight years. Soviets to establish fisheries complex with wharves, repair facilities, and cold storage complex on credit basis.	Angolans renegotiated agreement in 1985.	50.0	

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Table 4 (continued)

Country	Year	Agreements and Protocols	Remarks	Value (million US \$)		
Guinea	1984	Grant of 150 tons of fish.		0.2		
		Agreement granting the Soviets fishing rights in return for fishing boats, a refrigerated warehouse, and an ice plant, supply of 10,000 tons of fish annually, training to Guineans, and rental fees to the government. Moscow has allocated \$2.2 million for fisheries development study.		25.0		
Guinea-Bissau	1975	Agreement for joint commercial venture "Estrela do Mar," with Soviets supplying five refrigerated trawlers and 90 percent of the personnel. Also, a 10-year agreement allowing five-year renewal for fisheries research, training, and technical assistance establishing fishing fleet and processing plants. Reciprocal rights granted Soviets for five boats. Technical services for cash.	Five boats delivered 1975; fish processing facilities completed 1980.	10.5		
					1977	Protocol implementing cold storage plant at Bafata, port modernization, fisheries infrastructural development, transfer of four ships, and building repair docks.
					1978	Renegotiated 1975 agreement for straight partnership with joint receipts after operating costs split two ways. Soviets to drop operating charges for ships.
					1984	Grant of fish.
Kenya	1964	Under a \$44 million line of credit, USSR agreed to construct fish cannery and related facilities, training, and supply of vessels.	Training and supply of vessels in 1965-68.	2.0		
Liberia	1981	Soviet research vessel conducted survey of Liberian waters.	Completed.	0.1		
Mauritius	1970	Credit for two trawlers, marine equipment, and services of specialists. Renewable at three-year intervals.	About \$1 million worth of fishing gear delivered.	5.0		
	1974	Accord signed in 1974 and renewed in 1976 calls for joint venture for research and supplying local markets with 60 tons of fish annually. Ten trainees to study in USSR each year.	Agreement allowed to lapse by Mauritius in 1980.			
Mozambique	1976	General fishing agreement includes a joint venture, technical assistance to fishing industry construction of refrigeration and port facilities, and leasing Soviet boats to Mozambican facilities.				

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Table 4 (continued)

Country	Year	Agreements and Protocols	Remarks	Value (million US \$)
Somalia	1963	In protocol to 1961 line of credit, USSR agreed to provide credits for equipment for constructing a fish cannery at Laas Qoray with annual capacity of 6 million cans a year.	Completed 1970.	4.8
	1975	Credit for fishing industry development (\$19 million), port and processing facilities (\$9 million), training center for 2,200 trainees, expansion of shipyard for fishing boats.	Suspended 1977.	28.0
	1975	Grant for fishing industry development and refugee resettlement.	Suspended in 1977.	14.0
Sudan	1961	Survey of fishing potential of Red Sea and Nile; fish cannery to be established at Jabal al Awliya.	Survey completed in 1964. Cannery feasibility reports prepared in 1965, but no subsequent activity.	0.4
Tanzania	1966	Protocol under \$20 million credit includes marine equipment and construction of fish drying and cold storage plants.	Marine equipment delivered. Cold storage and drying plants canceled.	0.9
	1982	Agreement to carry out fisheries research in Tanzanian waters.	Tanzania dissatisfied with inadequate reports that Soviets made available.	
East Asia				
Indonesia	1964	Agreement under a 1956 credit to provide trawlers and establish a fishing complex.	\$12.5 million worth of trawlers delivered; shipyard and oceanographic school completed.	15.1
Kiribati	1985	One-year licensing agreement permits 17 Soviet vessels to operate in Kiribati's EEZ until August 1986 for a fee of about \$1.7 million annually.	Fishing operations began in October, Kiribati has requested Soviets to submit a proposal for a detailed agreement involving shore facilities.	
Singapore	1975	Agreement for joint company to establish Singapore's first fully integrated seafood processing and storage complex and to provide local market with seafood and fishmeal.	The joint venture company, Marisso, processes and markets 65,000 tons of fish annually, mostly in Europe.	
Malaysia	1974	Agreement for Soviet fisheries assistance, port construction, and possible joint venture.	Not implemented.	1.5
Latin America				
Argentina	1974	Agreement for joint fisheries research, training, construction of fishing port, and joint fishing company.	Preliminary oceanographic studies completed.	5.0
Chile	1968	Following surveys, Soviets agreed to establish fishing port and crabmeat plant under a 1967 line of credit.	Suspended.	10.0
	1971	Agreement for development of fishing ports, training on Soviet vessels, technical school, and rental of Soviet fishing vessels.	Suspended.	

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Table 4 (continued)

Country	Year	Agreements and Protocols	Remarks	Value (million US \$)
Peru	1983	Contracts with El Pacifico and Mercurio firms and Peruvian Government to permit Soviets to catch up to 55,000 tons of hake, saurel, and mackerel in Peruvian waters. Peru to receive 10 to 12 percent of catch.	Pacific Fishing Enterprise acting as intermediary for Sovrybflot, and leased Soviet trawlers to fish territorial waters. Studies by Soviet research vessels began October 1984.	
	1984	Contract permitting Soviet catch of up to 200,000 metric tons. Peru to receive 5 to 12 percent of catch.		
	1985	Temporary agreement signed extending 1984 contract for Soviet trawlers to operate off Peruvian coast for three to four months in return for 15 percent of the catch.		
Middle East				
Egypt	1964	Agreement included Soviet ships for deep sea fishing and research, technical training, and assistance in developing fishing center on the Red Sea.	Three-year fish survey in south Mediterranean completed 1970.	15.0
	1967	Number of Egyptians training in USSR increased from 200 to 300.		
	1969	USSR agreed to train additional 100 Egyptians.		
	1971	Agreement to provide Egypt with 12,000 tons of fish annually, undertake a joint fisheries survey, and assist in developing Lake Nasser.	In 1971, Soviets train Egyptians in Atlantic fishing. Trawling equipment delivered, survey completed. USSR supplying fish at a highly favorable price.	1.5
	1972	Agreement on additional equipment, training, surveys, technical assistance, and construction of wharf on Red Sea.	Survey and training completed.	
	1973	Soviet ships to provide Egyptians fishing off African coast with fuel and fishing tackle and to deliver frozen fish to Alexandria.	Status of joint venture unknown since abrogation of friendship treaty in March 1976.	
	1975	Protocol on training and trawling equipment for deep sea operations.		
	1983	Protocol on cooperation in fishing. Soviets to supply Egypt with 26,000 tons of frozen fish in 1983 and to train Egyptians.	The sale of fishing boats and equipment to Egypt under discussion.	
Iran	1963	Agreement to develop Caspian Sea resources, including equipment for large fish hatchery, marine survey, and reclamation work.	First section of hatchery and cold storage plant completed 1969. Port equipment arrived periodically after 1968.	2.0
	1966	Agreement under a \$17 million trade credit to expand port and construct cold storage plant.	Completed.	2.7
	1969	Agreement for trawler and five seiners.	Delivered in late 1971.	3.0

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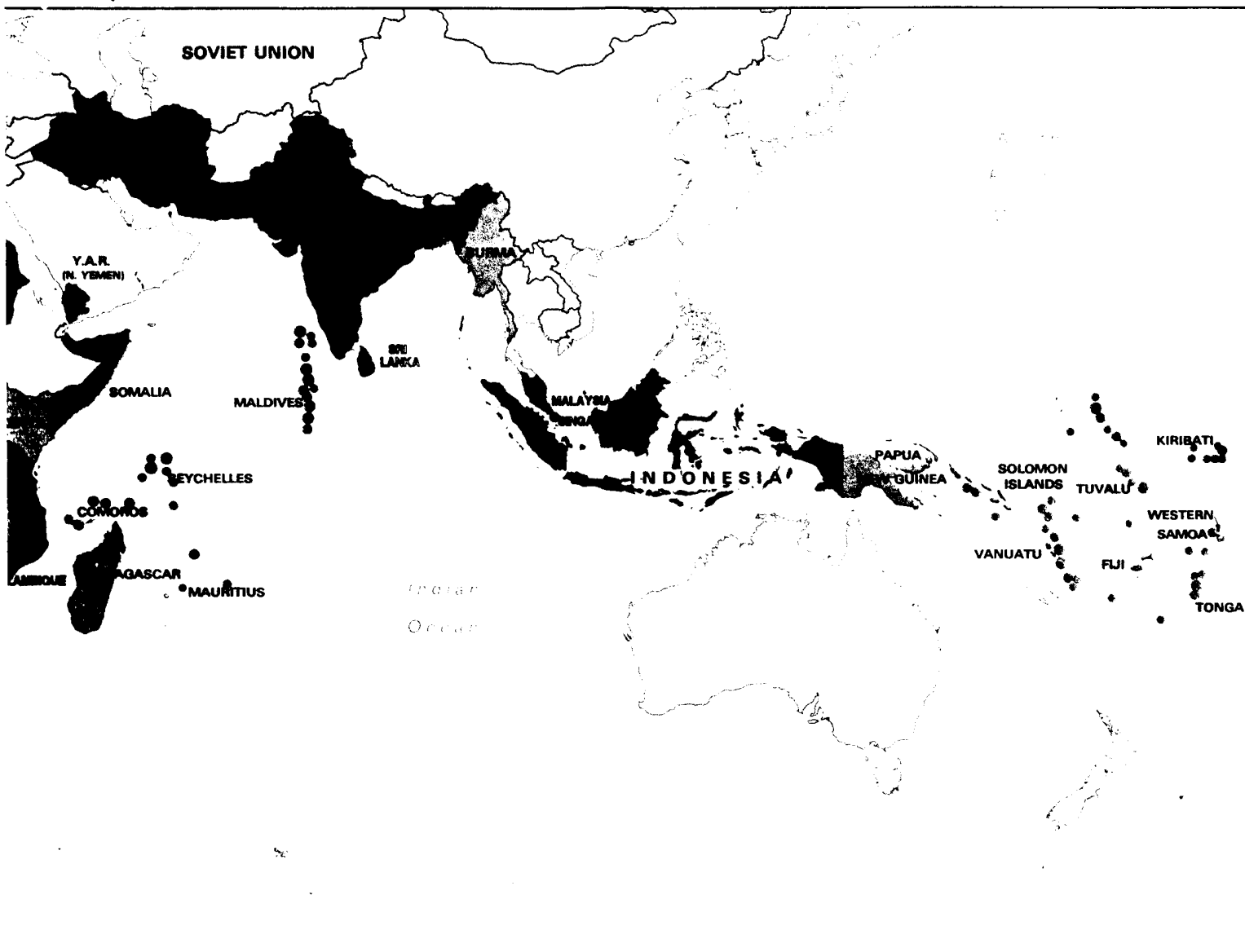
Table 4 (continued)

Country	Year	Agreements and Protocols	Remarks	Value (million US \$)
South Yemen	1979	Protocol on cooperation in fishing. Two research vessels to explore resources in Gulf of Aden; two shore-based scientific labs to be established; five Soviet trawlers to fish South Yemeni waters. South Yemen to receive 2,000 tons fish per year and two trawlers, whose catch to be sold on Yemeni market.	Projects being implemented.	35.0
	1980	Additional credit for facilities at fishing port in Aden.	Two wharves, a floating drydock, a central workshop, and a production unit under construction.	40.0
Syria	1974	Fisheries development. Buhayrat al Asad (Al Asad Lake).		
South Asia				
Bangladesh	1972	Grant for 10 fishing boats, refrigeration facilities, a training center, and Soviet technicians.	Boats delivered. Cold storage plants and center completed.	15.0
India	1966	Deep sea fisheries assistance to include use of two Soviet trawlers and construction of shipyard.	Completed.	2.2
	1978	India asked Moscow for further assistance. Possibility of joint venture explored.	No agreement reached.	
Maldives	1976	Agreement for assistance to local fisheries and training aboard Soviet trawlers.	No activity noted.	0.1
Pakistan	1965	Agreement to supply trawlers.	Delivered.	1.6
	1968	Agreement for oceanographic research, design of a fishing port, and training of fishermen.	Soviet experts studied land facilities in 1968. In 1969, three Soviet trawlers began training fisheries personnel and conducting a two-year fishing survey.	2.0
Sri Lanka	1971	Agreement for technical training and establishment of training center, joint fisheries operations, and possible future purchase or rental of Soviet fishing vessels.	Oceanographic research began February 1972. Soviet technicians arrived in 1973 to assist in setting up training center. In 1977, 20 scholarships granted for training Sri Lankan personnel.	3.0

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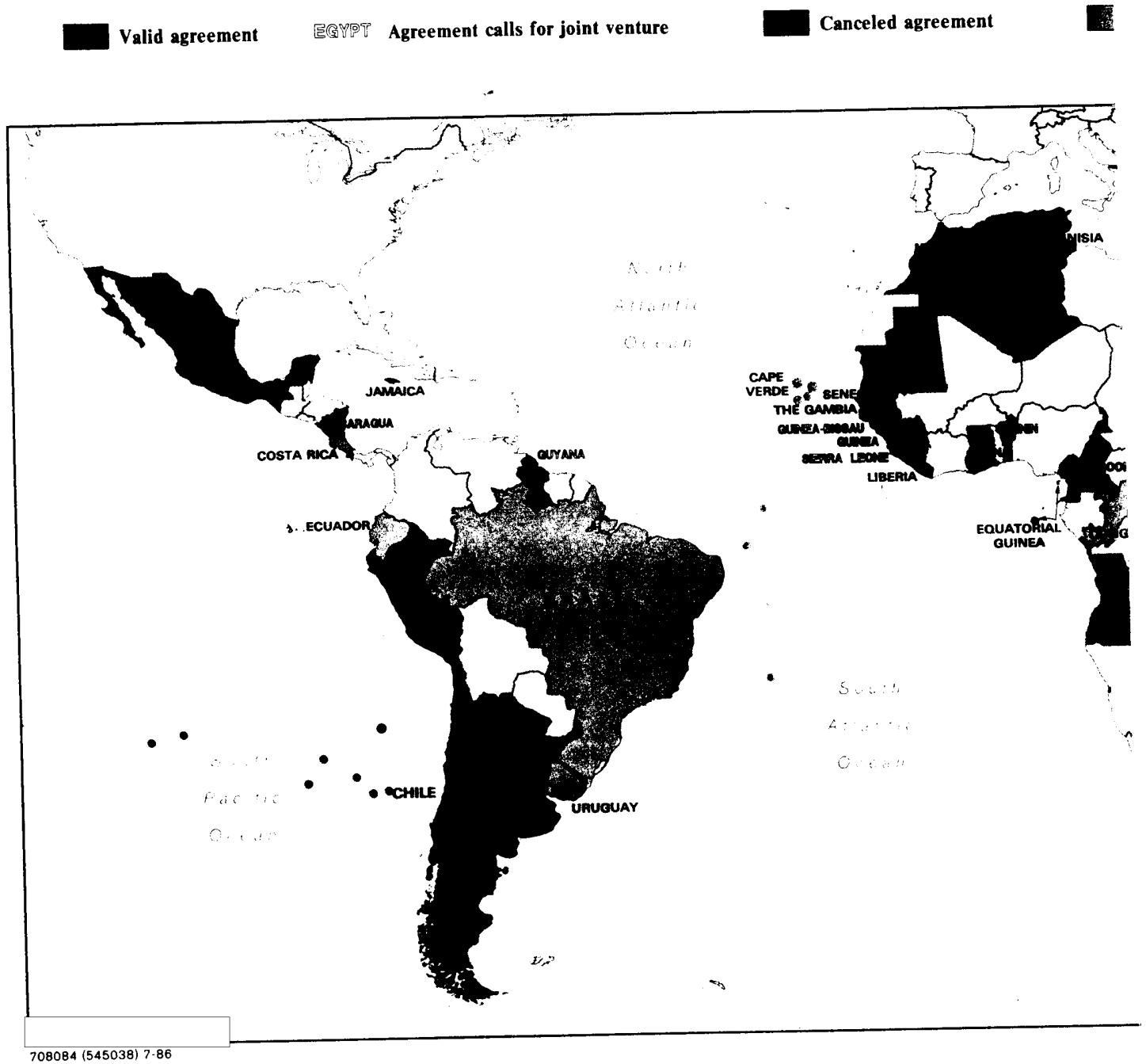
200-nautical-mile maritime zone



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Figure 2

USSR: Fisheries Relations With Non-Communist LDCs, 1985



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