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Soviet Maritime and Fisheries Assistance
to Less Developed Countries: 1973 Developments

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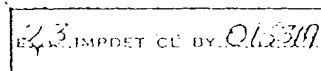
Soviet Maritime and Fisheries Assistance
to Less Developed Countries: 1973 Developments

Summary

Soviet aid to LDC fisheries and merchant marine development amounts to about \$180 million, or 2% of Moscow's total aid undertakings. From this small outlay the Soviet fishing fleet has gained port access and servicing rights in at least 18 less developed countries, which has helped to support the expansion of the Soviet fishing industry. Growth beyond the two-fold increase in output during the past decade will require a greater concentration of activities and expanded servicing capabilities in southern waters.

During 1973 the USSR signed fisheries agreements with five less developed countries bringing the total number of recipients of fisheries aid to 25. (Table 1) The 1973 agreements do not specifically provide for Soviet construction of on-shore facilities or the supply of vessels as aid as they have in the past. Instead, Moscow is offering to exchange expertise in research and fishing techniques for the right to exploit coastal waters and to use LDC ports for servicing. In addition, the Soviets appear highly interested in forming joint enterprises with LDCs to supply fisheries products for domestic consumption and export. The changed Soviet fisheries aid strategy reflects Moscow's awareness that:

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Table 1

Estimated Soviet Aid Extensions for Fisheries
Development in Less Developed Countries
January 1958 - December 1973

Million US \$

TOTAL	<u>115.0</u>
Africa	<u>46.4</u>
Algeria	4.5
Equatorial Guinea	N.A.
Gambia	N.A.
Ghana	11.2
Guinea	6.3
Kenya	N.A.
Mauritania	N.A.
Mauritius	5.0
Morocco	N.A.
Senegal	6.7
Somalia	9.8
Sudan	2.0
Tanzania	0.9
Middle East	<u>37.7</u>
Egypt	7.0
Iran	6.3
Iraq	11.0
Yemen (Aden)	5.6
Yemen (Sana)	7.8
South and East Asia	<u>12.1</u>
Bangladesh	8.0
India	2.2
Indonesia *	0.3
Pakistan	1.6
Sril Lanka	N.A.
Latin America	<u>18.8</u>
Chile *	17.0
Peru	1.8

* Programs have been discontinued.

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• One aspect of the world wide LOS conference will be to determine coastal states fisheries jurisdiction and the right of fishing access by foreign fleets.

• LDC's -- many of whom are claiming 200 mile territorial water limits -- are increasingly sensitive over the major fishing powers unimpeded exploitation of "their" fisheries resources.

Moscow also extends credits and technical assistance to less developed countries to expand their merchant marine fleets and construct port works, repair and ship building facilities. Since 1956, the USSR has committed \$65 million of aid to 12 nations for merchant marine development.

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I. SOVIET FISHERIES AID IN 1973

Moscow agreed to provide fisheries assistance to four African nations during 1973 and signed a draft agreement with India (Table 2). In contrast to earlier aid agreements, the new agreements did not include credit provisions for developing on-shore facilities. Instead the 1973 agreements emphasized technical assistance by providing training and by conducting resource surveys. At least two of the 1973 agreements, those with India and Morocco, also provided for setting up joint fishing companies. These would be export oriented companies, whose ships would operate in coastal waters. Moreover, Moscow agreed to supply fish from its own catch to the markets of two of the new aid recipients -- Equatorial Guinea and Mauritania.

In 1973, the USSR pursued its aid to fisheries most actively in Bangladesh, Peru, Senegal, Somalia, and the Yemens. Two Soviet SRTM's operating out of Chittagong, conducted research and trained Bangladesh fishermen and plans for a 350 ton refrigeration plant were being formulated. A Soviet vessel conducted coastal surveys for Peru, and six others are now scheduled to join the Peruvian fleet operating out of Paita. Soviet technicians also are installing \$2 million of processing equipment at the port under a 1970 credit. In Senegal, Soviet experts conducted studies to build a fishing port for which Moscow has promised assistance under a 1965 aid agreement. The largest Soviet technical presence, however, was in Somalia where 160 Soviet fisheries personnel worked on a joint

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Table 2

1973 Soviet Fisheries Assistance Agreements

<u>Recipient</u>	<u>Date</u>	<u>Provisions of Agreements</u>
Equatorial Guinea	May 8	<ol style="list-style-type: none">1. Training on Soviet trawlers2. Fish for domestic market3. Soviet fishing in coastal waters4. Port facility rights at Luba
Gambia	June	<ol style="list-style-type: none">1. Fisheries resource survey
India	November	Draft agreement for: <ol style="list-style-type: none">1. Fisheries research2. Training3. Assistance in fleet, port and processing4. Joint fishing ventures for export
Mauritania	February	<ol style="list-style-type: none">1. Fish for domestic market2. Training on Soviet ships3. Fishing in coastal waters4. Use of Port Nouadhibou and servicing5. Royalty payment6. Fisheries research in coastal waters
Morocco	January	<ol style="list-style-type: none">1. Research on Soviet vessel under UNDP-FAO program2. Training in USSR3. Training center in Morocco4. Joint company leasing Soviet ships operating in coastal waters5. Joint construction and operation of fish plant and refrigeration warehouse

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fishing expedition and at the Soviet built Las Khoreh canning factory. Soviet aid to Aden in 1973 consisted of preliminary work for stationing a floating crane and constructing a repair yard in Aden harbor. In Sana, Soviet and Yemeni personnel jointly undertook a fisheries industry study, but the YAR eventually turned down a Soviet proposal for joint fishing operations.

LDC View of Soviet Fisheries Aid

Soviet fisheries assistance is attractive to LDCs.

- First, its repayment terms are easy. Aid is provided either as an outright grant or it allows long amortization periods, with payment in reciprocal services.
- Second, Soviet assistance provides equipment, technical know-how, and training that otherwise would be beyond the capability of most LDCs. Soviet surveys provide information on marine resources, including off-shore geological formations. Its training of local fishermen on Soviet ships or in the USSR will run up to an estimated 300 in 1974. Equipment from the USSR also is helping to modernize LDC fleets and shore operations.
- Third, positive economic advantages accrue to the LDC through modernization of its fleet and expanding fisheries operations. Beyond its direct effect on GDP growth, increased supplies of fish safely preserved will help to make up protein diet deficiencies in some LDCs, and the surplus catch sold in foreign markets will augment foreign exchange earnings.

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Soviet View of Aid to Fisheries

Soviet fish production doubled between 1963-73 reaching a total 8.2 million metric tons. 1/ This growth came almost entirely from increased ocean fishing and this expansion would not have been possible without the cooperation Moscow has received from LDCs in return for fisheries aid. The Soviet fleet's range and operating time have been extended far beyond its earlier capabilities because of local services provided in LDCs as repayment for fisheries aid. It also has allowed Soviet fishing in LDCs claimed territorial water from which they would otherwise be excluded. Moscow plans fisheries production of 10.5 million metric tons for 1975, not an unreasonable figure if its fleet can maintain access to fishing grounds gained through agreements with LDCs and to expand to new areas in the south.

In June of this year representatives of nearly every nation in the world will meet in Caracas to begin negotiations on a global Law of the Seas. One of the issues will be the extent of coastal states fisheries jurisdiction. Some states wish to extend this jurisdiction to 200 miles but major fishing nations are not expected to agree unless a clause providing for optimum utilization of fisheries resources 2/ is included. This kind of intensive utilization can be achieved only by allowing foreign fleet operations in the waters of most LDC coastal states, possibly through licensing arrangements, royalty payments 3/ or joint ventures.

1. Includes sea and inland fisheries by live weight but not aquatic mammals.

2. Achieving maximum sustainable yield over time, consistent with certain environmental and economic factors.

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Moscow with its future fishing at stake has begun using all these techniques in its fisheries agreements to achieve or maintain access to coastal fishing grounds. Moscow's recent fisheries agreement with Mauritania includes annual royalty payments in hard currency and a license to fish within Nouakchott's claimed thirty mile limit in return for a percentage of the Soviet catch. Moscow has agreed to jointly owned and operated fishing ventures with Peru, Egypt, Morocco, Somalia, and Iraq. These so-called "mixed companies" fish in coastal waters on Soviet ships purchased by the company.

II. RECENT DEVELOPMENTS IN SOVIET MARITIME AID

Moscow made no new commitments for maritime assistance to the LDCs in 1973 (Table 3). The most publicized continuing Soviet assistance for this activity is in Bangladesh where Moscow has been conducting mine sweeping and salvage operations since April 1972. Although the mine sweepers have now been removed Soviet vessels still are raising the last of 19 vessels sunk in Chittagong harbor. Clearing operations are scheduled to end in June, but a small number of personnel probably will remain and continue to provide technical advice to Bangladesh's new maritime training center. The only other Soviet assistance for LDC shipping activity was its delivery late in the year of a 15,000 ton tanker* to Algeria under long term credits.

* Two more tankers were delivered in first quarter of 1974.

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[] indicate that Moscow is planning to expand its shipping activities in the Pacific and has offered to establish joint ventures for improving port facilities available to the Soviet merchant fleet. Moscow currently uses the Keppel shipyard in Singapore to repair its fishing vessels but wishes to expand its use of this facility or to find another drydock that can accommodate its merchant vessels.

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Table 3

Estimated Soviet Aid Extensions for Maritime
Development in Less Developed Countries
January 1956-December 1973

<u>Recipient</u>	<u>Minimum Estimated aid value</u>
Algeria	3.0
Bangladesh	N.A.
Egypt	16.6
Greece	7.7
Guinea <u>1/</u>	2.5
Indonesia	15.1
Iran	1.5
Iraq <u>2/</u>	1.5
Senegal	N.A.
Sierra Leone	N.A.
Tunisia	0.6
Yemen (Sana)	16.5
TOTAL	65.0

1. Does not include aid extended for ore handling facilities
2. Does not include petroleum shipping facilities at Fao.

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