

Main Directions of Increasing Efficiency of Foreign Trade Activities of the Fishing Industry of the European North



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Abstract. Analysis of the List of Orders of the Russian Federation President Vladimir Putin has shown that many priority challenges of the fishing industry development, including promotion of fish production with a high degree of processing and its exports have not been solved. Analysis of exports of cod, haddock and saithe from Russia (Murmansk Oblast) and Norway proves that there is a wider range of products from Norway with high added value. The unit cost of the same products from Norway is also significantly higher. The consequence of these factors is the low unit cost of Russian exports, compared to Norwegian. For 2009–2013 the average unit cost of cod is lower by 2.66 US dollars (47.9%), of haddock – by 0.23 US dollars (10.6%). The article estimates foreign currency revenues, which were not fully received due to the reasons mentioned above. The author points out key directions of increase of economic efficiency of Russian exports of cod, haddock and saithe:

1. Change in the access of economic agents to marketable resources by stimulating the obtainment of larger quotas of biological resources at the expense of profit ratio.
2. Establishment of an organization for the export of fish products. The purpose of the organization is to study international markets, to regulate foreign trade activities and perform other functions as set forth above, in accordance with the Russian legislation.
3. Exclusion of intermediaries in the sales of fish products by organizing electronic auctions.
4. Prohibition of using fishery products for the payment of loans obtained from foreign banks.
5. Use of trawlers that are not able to produce products with added value, to provide fish processing enterprises of Russia with fish resources.

Key words: exports of fishery products, Russia (Murmansk Oblast), Norway, comparative effectiveness, establishment of an export council.

The List of Instructions on Developing the Fisheries Industry [14] signed by the President of the Russian Federation Vladimir Putin determines the year 2013 as a deadline to which the Government was to set out priority areas of development of Russia's fishing industry, including the support of production of highly processed fish products, the development of processing facilities, the promotion of production of fish products with a high degree of processing and its export. An analysis of the information on the implementation of the List proves that these problems have not been assessed properly and the solutions have not been found.

Efficient use of aquatic biological resources, given their depletion, is a necessary and prime objective. However, neither the planning nor the forecast of the development of the fishing industry contain any indicators that would characterize the efficiency of raw materials processing; this fact is contrary to the objective of "... shifting the development of the fisheries industry from the raw materials exporting type to the innovative type..." under the Concept for the Development of Fishing Industry of the Russian Federation until 2020 [6] and other forecasting documents.

The issues of increasing economic efficiency of fishery in the Barents and Norwegian seas through the harvesting of large cod were considered in a monograph by V.V. Komlichenko, E.G. Lukmanov, V.T. Shevchenko, M.S. Gromov, S.Yu. Fomin, V.V. Shevchenko [1, 19], and in a monograph by V.V. Shevchenko and V.A. Belyaev. In the Far East, the issues

of economic efficiency of harvesting pollock – the main commercial object – are considered most informatively in monographs by V.V. Shevchenko and A.V. Datskii [18]. The current state of the fisheries industry and the prospects for its development are described in numerous scientific articles in leading Russian journals and in a monograph by the author of the present paper.

The goal of this research is to analyze the export of cod, haddock and saithe products from Russia (Murmansk Oblast) and Norway in 2009–2013. These aquatic organisms are the main export types, the value of which depends largely on the range of products. In addition, they accounted for 44.6% of the total physical volume and 59.1% of its cost in the Murmansk Oblast exports. The research also aims to identify the comparative effectiveness of export, the reasons for this fact, and to substantiate organizational and incentive measures to improve foreign economic activity and to increase its efficiency.

Domestic fish-harvesting and, to a lesser extent, fish-processing enterprises are largely involved in global economic relations. Russian fish products are competitive in foreign markets and enjoy steady demand. The volume of exports in 2009–2014 was from 1.372 to 1.883 million tons, which is 41.5 and 51.2% of the total volume of output [8, 9, 10, 11, 12, 13]. Export is dominated by frozen fish with a low level of processing or whole fish – about 90% of the total volume; it is the main reason for the low economic efficiency of foreign trade [8, 9, 10]. For example, in

2012, Russian exports to China 13.9-fold exceeded that of Canada by physical volume and only 3.78-fold – by cost [7]. According to the journal “Economic Status of the Groundfish Fisheries of Alaska”, the cost of fish products produced from one ton of pollock was 1,011–1,329 U.S. dollars on the American processing trawlers in 2012 [20] and only 858,6 U.S. dollars – on the similar Russian trawlers (calculations according to [15]). As for Norwegian exports of 2012, the value of fishery products produced from one ton of cod was 5594,4 U.S. dollars, which is 77.6% higher than the price prevailing in Russian exports in 2013 (respectively 4104,4 U.S. dollars) and 47.9% higher than in exports from the Murmansk Oblast (the author’s own calculations based on the data of the Regional Office of the Federal State Statistics Service of the Russian Federation in the Murmansk Oblast [16] and Nofima The Norwegian Institute of Food, Fisheries and Aquaculture Research (Norway) [5]).

In general, Russia’s exports in 2012 were dominated by pollock – 47.0%, herring – 12.8%, cod and haddock – 8.7%, salmon

– 4.1%. Most of the fish – 861.5 thousand tons (51.5%) – was exported to China and Western European countries, where it was processed into fillet and other finished products.

Due to the underdevelopment of logistic schemes of transportation of fish products, the vastness of territory and a number of other reasons, Russia imports and exports abroad the same species of fish. Thus, along with harvesting 391 thousand tons of salmon and 355 thousand tons of herring in the Russian economic zone of the Pacific Ocean in 2012, Russia imported 212.5 thousand tons of marine cultured salmon and trout that are of much lower quality; it also imported 95.5 thousand tons of herring, 85.7 thousand tons of mackerel, 61.9 thousand tons of sardine and 49.8 thousand tons of capelin [2].

The export of fish products abroad by the fishermen from the Murmansk Oblast also tends to increase (*tab. 1*). In 2014, its volume will be 326.4 thousand tons, which exceeds the level of 2009 by 114.3 thousand tons (53.9%). The share of exported

Table 1. Foreign trade activities of the fisheries industry in the Murmansk Oblast [16]

Indicators	2009	2010	2011	2012	2013	2014
Fish products produced, thousand tons	516.6	554.3	496.2	459.4	564.1	541.7
Export of fish products from Russia, thousand tons	212.1	273.4	247.3	209.0	304.3	326.4
Share of exported fish products in total production, %	41.1	49.3	49.8	45.5	53.9	60.3
Value of exported fish products, thousand U.S. dollars	340388.9	567968.3	692864.5	547700.2	627657.4	888863.8
Cost of 1 ton of exported fish products, U.S. dollars	1604.8	2077.4	2801.7	2620.6	2062.6	2723.2
Imports of fishery products, thousand tons	31.6	26.5	15.2	21.3	18.9	5.6
Cost of imported fish products, thousand U.S. dollars	28528.6	35338.3	30139.7	31706.3	43404.5	20143.0
Cost of 1 ton of imported fish products, U.S. dollars	901.4	1333.0	1982.9	1490.1	2297.6	3597.0
Output factor of fishery products	84.8	84.1	80.1	79.7	81.0	80.7

fish products in the total volume of fish production in 2014 amounted to 60.3%, thus exceeding the 2009 level by 19.2%. The value of exported fish products increased by 548.4 million U.S. dollars, and by 183.4 million U.S. dollars – at the expense of the increase in its volume, and by 365.1 million U.S. dollars – due to the price increase.

497.5 tons of fish were used for the production of fishery products shipped abroad in 2014; it makes up 71.4% of the total catch (*tab. 2*). In comparison with the figure for 2009, the proportion of the catch used for these purposes increased by 24.9%.

The exported share of the catch of these species of fish, since the most part of them is exported abroad, was 93.4% in 2014; this resulted in a lack of supply of fish products and growing prices in Murmansk and in the Murmansk Oblast.

In the last six years, 2094.8 thousand tons of raw fish (54.3% of the total catch

in these years), including 1416.7 thousand tons (71.7% of the total catch) of demersal fish species, which are more currency-intensive, were used for the production of fishery products intended for export. Thus, it is the main area of using aquatic biological resources (ABD) by the fishing fleet of Russia's European North.

It is known that Russia and Norway harvest demersal fish species (except for saithe) in Western Arctic in approximately equal amounts. Therefore, we find practical interest in comparative study of economic efficiency of using the catches of cod, haddock and saithe, which are the most valuable species and which are harvested in the greatest amounts compared to other demersal fish species. Since the data on fisheries in Norway are available only for 2009–2013, the present research is performed on the example of this very period.

Table 2. Proportion of catches in the Murmansk Oblast intended for export*, %

Type of product	2009	2010	2011	2012	2013	2014
Cod	82.4	72.4	80.9	66.1	72.8	109.3**
Haddock	55.4	50.9	54.9	47.6	47.0	96.8
Saithe	4.9	4.0	12.2	48.2	20.7	11.2
Perch, total	64.5	69.9	68.7	50.4	82.8	54.6
Halibut, total	46.2	60.2	57.3	35.0	48.7	43.5
Mackerel	46.9	41.4	26.2	26.6	56.7	38.2
Horse mackerel	100.9	98.9	96.9	96.8	100.0	99.6
Blue whiting	37.6	30.2	22.2	33.6	52.5	47.9
Sardine	18.9	47.7	48.7	18.8	11.0	84.5
Herring	5.8	-	37.8	-	-	-
Other	32.9	54.0	46.9	90.7	85.5	65.3
Including marine products	64.7	15.3	36.5	27.9	32.5	66.3
Total exports	46.4	47.3	51.7	48.7	57.8	74.1

* According to the author's calculated data.
 ** The figure is over 100 %, probably as a result of double counting in official documents on exports.

The above information shows that approximately 72% of demersal fishes that Russia harvested in 2009–2014 were used for the production of export products. The share for cod was 80.2% (1054.3 thousand tons out of 1314.8 thousand tons caught), for haddock – 56.6% (231.9 out of 409.7 tons caught) and for saithe – 17.1% (11.2 out of 65.8 thousand tons caught). Norway uses approximately 95% of both its own and imported fish for the production of export products.

In Russia (Murmansk Oblast), the main type of cod product that is intended for export is frozen headed and gutted fish (*tab. 3*). Its share on average for the analyzed period is 82.5% (333.55 thousand tons out of 404.35 tons of total cod products

export). There is a tendency toward the decline in the share of its production (from 88.2% in 2010 to 76.8% in 2013). As part of the Norwegian export, the share of headed gutted cod is much less significant – an average of 28.8% (242 thousand tons out of 839.9 thousand tons). Its value increased from 22.4% in 2009 to 38.8% in 2013.

Fillet is the second most important cod export product in Russia (Murmansk Oblast). Its average share in the assortment of 2009–2013 was 15.5% (62.5 thousand tons out of 404.35 thousand tons of total cod production), in Norway – 12.2% (102.4 out of 839.9 thousand tons, respectively), including 8.9% (74.4 thousand tons) of frozen fillet and 3.3% (28.0 thousand tons) – more expensive chilled fillet.

Table 3. Range and value of exports of cod products in 2009–2013

Type of product	Volume, thousand tons	Value, million U.S. dollars	Price of 1 kg, U.S. dollars
Russia (Murmansk Oblast)			
Chilled	0.3	0.5	1.7
Frozen	333.55	824.8	2.47
Frozen fillet	62.5	303.1	4.85
Dried	4.46	24.77	5.55
Salted	3.3	13.09	3.97
Total	40411	1167.8	2.89
Total export	1155.3	2401.5	2.08
Norway			
Chilled	126.8	466.9	3.68
Frozen	242.0	696.9	2.88
Chilled fillet	22.55	236.9	10.5
Frozen fillet	79.87	517.4	6.48
Salted fillet	1.55	11.0	7.10
Dried	21.10	410.5	19.00
Salted	131.2	692.9	5.28
Klipfish	207.8	1613.2	7.76
Dried heads	4.5	15.9	3.53
Farce	2.43	6.7	2.76
Total	839.8	4658.3	5.55
Total export	11828.8	43802.0	3.70

The export of fish fillet by the Murmansk Oblast increased in the last 4 years from 7.9 to 20.9 thousand tons (in 2.6 times), while in Norway it remains approximately at the same level, and in the middle of the analyzed period it slightly increased.

Other types of exported Russian products (salted and dried) account for 1.0–2.7% in the range of products and they do not play a significant role. In Norway, on the contrary, klipfish and other salted cod products occupy a predominant position in the export: klipfish – an average of 24.7% (207.8 thousand tons), salted fish – 15.6% (131.2 thousand tons).

Comparative cost of similar products is of practical interest. For instance, the price of 1 kg of frozen gutted and headed cod in the Norwegian exports is 2.880 U.S. dollars and in the Russian exports – 2.287 U.S. dollars, which is 0.593 U.S. dollars (20.6%) less. As for frozen cod fillet, the difference

in the price of 1 kg amounted to 1.628 U.S. dollars (33.6%). For this reason, in 2009–2013, fishermen in the Murmansk Oblast lost 197.8 million U.S. dollars of revenues from the export of gutted cod and 101.75 million U.S. dollars from the export of fillet.

It should be noted that in order to increase the revenues from sales of cod the Norwegians export chilled gutted cod and chilled fillet that are much more expensive than frozen products: the difference in their price in some years reaches two times.

The Russian (Murmansk Oblast) exports of haddock products are also dominated by frozen gutted fish (*tab. 4*). On average over the period under review, its export abroad amounted to 80.0% (84.7 thousand tons), frozen haddock fillet – 19.1% (20.25 thousand tons), the rest was other fish products; in the Norwegian fisheries, respectively, 66.3% (274.4 thousand tons) and 8.9% (37.0 thousand tons), the

Table 4. Range and value of exports of haddock products in 2009–2013

Type of product	Volume, thousand tons	Value, million U.S. dollars	Price of 1 kg, U.S. dollars
Russia (Murmansk Oblast)			
Chilled	1.19	1.57	1.32
Frozen	84.7	146.3	1.73
Frozen fillet	20.25	93.0	4.95
Total	106.14	240.87	2.27
Total export	1155.3		
Norway			
Chilled	92.7	199.2	2.15
Frozen	274.4	677.16	2.47
Chilled fillet	6.02	51.7	8.59
Frozen fillet	37.0	190.58	5.15
Salted	0.17	0.40	2.35
Klipfish	0.9	4.60	5.11
Farce	2.31	5.52	2.39
Total	413.5	1129.16	2.73
Total export			

remaining production is exported chilled (gutted fish and fillet) and in small amounts – salted products and klipfish.

As is the case with cod, the ratio of prices of the same types of fish products from the Russian and Norwegian exports is of the greatest practical interest. On average over the period under review, the cost of 1 kg of frozen gutted haddock in the Russian exports was 1.931 U.S. dollars, which is 21.76% lower than the price (2.468 U.S. dollars) in the Norwegian exports of haddock; the cost of 1 kg of frozen fillet is 10.83% lower (by 0.558 U.S. dollars). Due to the difference in the prices of frozen gutted haddock, over the analyzed period of 5 years, the Murmansk Oblast lost 45,484 thousand U.S. dollars of export revenues, 11,300 thousand U.S. dollars for frozen fillet, and the total of 56,781 thousand U.S. dollars for the export of haddock.

The range of haddock products exported by Murmansk fishermen consisted mainly of two positions, and that of the Norwegians – of seven (see tab. 4). In addition to the fish products considered above, Norway exported significant volumes of chilled gutted haddock and chilled fillet. The price of chilled gutted fish was higher than that of frozen fish only in 2009, and the price of chilled fillet was significantly higher in all the analyzed years.

The total allowable catch (TAC) of saithe granted to Russia in the last two years was 12 thousand tons, in the previous years it was 4–6 thousand tons. So the export of saithe products in 2009–2013 is insignificant – 5.1 thousand tons – and it is carried out mainly in the form of gutted frozen fish (*tab. 5*). Russia's price of 1 kg of this product is 1.516 U.S. dollars; Norway's price of this product is 1.844 U.S. dollars,

Table 5. Range and value of exports of saithe products in 2009–2013

Type of product	Volume, thousand tons	Value, million U.S. dollars	Price of 1 kg, U.S. dollars
Russia (Murmansk Oblast)			
Chilled	0.49	0.54	1.10
Frozen	2.89	4.38	1.52
Frozen fillet	1.79	4.85	2.71
Total	5.17	9.77	1.89
Total export			
Norway			
Chilled	33.50	64.9	1.94
Frozen	173.85	320.6	1.84
Fresh fillet	2.12	11.40	5.37
Frozen fillet	25.83	119.60	4.63
Klipfish	224.6	1051.40	4.68
Salted	3.40	8.30	2.44
Dried	3.00	21.8	7.27
Farce	0.17	0.40	2.35
Total	466.3	1598.4	3.43
Total export			

which is higher by 21.6%. The total volume of production of their own saithe exported by Norway in 2009–2013 amounted to 459.2 thousand tons or 1598.9 million U.S. dollars. The price of 1 kg of non-specific products is 3.482 U.S. dollars, in the Russian exports – 1.924 U.S. dollars.

The narrowness of the range of Russian cod, haddock and saithe products that are the main objects of export, and the prevalence of fish of primary processing in it are the main factors determining the low unit cost of non-specific products in comparison with those of Norway. On average for 2009–2013 the price of 1 kg of the Russian exported cod products amounted to 2.888 U.S. dollars; that of the Norwegian was 5.546 U.S. dollars, which is 1.92 times higher; the price of haddock was, respectively, 2.44 and 2.73 U.S. dollars (by 11.85% higher).

Significant differences between the ranges of export products of Russia and Norway can be explained by the structure of fixed assets and the location of the main fishing areas.

One might say that the market structure of Russia's fisheries in the European North was formed without the intervention of the state – under the influence of market factors. Reforms of the fishing fleet that took place in the 1990s and early 2000s aimed to achieve the greatest economic efficiency in the fisheries industry and meet the private interests of fishing vessels owners. Due to the fact that freezer fishing vessels are more productive and not "tied" to certain coastal points, trawlers that lacked freezing installations and

that were designed to supply raw fish to coastal factories were re-equipped or sold. A buyer's market that existed during the operation of salting-and-fresher trawlers has turned into a seller's market. Over 40 coastal fish processing enterprises in Murmansk cannot develop effectively, produce wide range of products, develop and introduce new technology, because they are not integrated with fish-harvesting organizations and do not have a sufficient amount of raw fish at affordable prices. In the end, fishing vessels that are not able to produce a wide range of fish products have become the main sellers of fish products in both domestic and foreign markets.

Russia's accession to the WTO in 2012 does not contribute to the improvement of the range of export products, because of the step-by-step zeroing of export duties for dressed fish, except for fillet and other types of deep gutting. Thus, in fact, the provision of foreign countries with raw fish of valuable species that are popular in Western countries, China, Japan, Korea and others is promoted.

The reduction of export duties on the frozen fish of demersal species will benefit Russian exporters, and can lead to a growth of prices in Russia and the narrowing of the market of white fish, halibut and perch. It is probable that in order to stimulate sales in the domestic market it will be necessary to use economic, organizational and legislative measures that do not violate the conditions of the WTO.

According to our calculations, under the current structure and volume of exports (2013) in the Murmansk Oblast, economic

entities will receive additional profit in the amount of 25–30 million U.S. dollars from the export of cod, haddock and saithe, and the state will lose the same amount. In general, according to the Federal Agency for Fishery (Rosrybolovstvo), economic entities engaged in fisheries activities will receive additional profit in the amount of 150–200 million U.S. dollars thanks to the abolition of customs duties. [7]. In our opinion, the following measures can be implemented in order to promote sales in the domestic market: the introduction of differentiated rates of fees for bioresources, change in the order of VAT refund, etc.

Federal authorities propose to stimulate an increase in the production of fish products with high added value by differentiating the amount of fees for bioresources. However, the countries that import fish products may hamper the use of this economic lever that has characteristic features of tax benefits. In our opinion, the most suitable option for promoting the production of deeply-processed fish products that does not contradict the WTO rules is to change the system of access of economic entities to commercial biological resources.

The fact that the allocation of shares of aquatic biological resources to harvesting companies in late 2003 (2004 is the year in which the share system was put into practice) did not take into consideration the level of economic efficiency of using biological resources in the accounting period, which subsequently, including at the present time, has not contributed to the increase in the output of fish products

of deep cutting. If we add to this the market situation in Russia, Western Europe, China and Korea, to which a large share of dressed fish (cod, haddock, pollack, Pacific salmon, and others) is delivered, it becomes clear why the Russian fishery has acquired a raw materials exporting orientation.

The proposed adjustment of the access of economic entities to aquatic biological resources on a historical basis consists in the accounting of the results of the use of catches for the production of fish products in previous years by multiplying them by the coefficient representing the quotient of the profit by the cost of production or expenses.

The fisheries industry of Norway, which in many ways is considered the most advanced in the world, has been developing and operating according to another scenario. It performs the main governmental task of providing employment to the population living on the coast. For these purposes, the presence of floating fish factories in the fishing fleet and their endowment with quotas of bio-resources is limited and regulated by licenses. For example, the production of fillet by factory ships comprises about 15% of its total volume.

The main part of the fleet for harvesting demersal fish (cod, haddock, saithe and other) consists of light fishing boats and fresher trawlers; and the fleet for harvesting pelagic fish – of seiner-trawlers with RSW-tanks. They supply coastal fisheries with chilled raw fish. A buyer's market has been established and is now in operation. But, in order to ensure effective operation of factories and fishing vessels, “minimum

prices” for fish raw materials and semi-finished products are revised at least three times a year, they are based on reliable data obtained from factories and fishing vessels. Raw fish is sold via online auctions under strict control of fishing cooperatives that have certain state functions.

In Norway, coordination of exports of fish products and the activities of major fish markets is carried out by a quasi-governmental body – the Export Council.

The Council is organized in the form of public joint stock company. It is governed by the Board appointed by agreement with the member companies of the Council and fishing organizations for a period of two years. The Chairman is appointed by the Ministry of Fisheries of Norway on a permanent basis.

The main functions of the Council are:

1. Formation of national policy in the sphere of exports and imports of fish and fish products.

2. Establishment of bilateral export-import relations with various countries and the regulation of pricing, volume and range of exports.

3. Implementation of marketing of Norwegian goods *at the national and international levels*.

4. Collection of information on exports, market research, statistical analysis, development of recommendations on the export and import markets; coordination of lists of exporters and export licenses.

5. Regulation of export prices, range and directions of the export market (in consultation with the Ministry of Fisheries of Norway).

6. Preparation of recommendations on foreign and internal trade activities, participation in the preparation of bilateral and multilateral agreements on trade in fish and fish products; control over export and import activities of fisheries enterprises and their fulfillment of financial, customs and other regulations in the use of issued licenses.

7. Processing of the data on Norwegian exports and imports.

8. Preparation and dissemination of statistical and other information on the Norwegian export and import among the members of the Seafood Export Council; provision of advisory services on issues of export, import, and marketing of Norwegian fish products.

The activities of the Seafood Export Council are funded partly through budgetary sources, since the Council's Chairman is appointed by the Ministry. Main sources of funding are membership fees of the companies included in the Council (all exporters), and royalties from the sale of products for export. Note that the Murmansk Oblast Government plans to establish a regional sales company for trade in fishery products within and beyond the region [3].

The establishment of a body on the example of Norway's experience for the purpose of licensing export and import of fish products and for studying internal and external fish markets and their regulation is, in our opinion, the main effort necessary to improve the efficiency of trade in fish products. The lack of a single point of coordination of interests

of the foreign trade activity in the Russian fisheries complex is a serious reason for its low efficiency. Pricing policy is imposed on the Russian goods producers by foreign contracts, intermediaries and traders. Meanwhile, each assignment in the pricing policy of one Russian participant of foreign trade activity, according to A.V. Ivanov and V.A. Teplitskii, causes damage to all others [4].

Lower export prices, in our view, result from unnecessary competition between the Russian participants of foreign economic activity, and from the supply of goods in large quantities. In this regard, it is necessary to analyze the effectiveness of supply of fish products abroad directly from the sea in the quantities of several hundred tons.

As can be seen, the structure of exports of the Russian business entities and the level of prices are influenced by the system of loans secured against future products through Western contractors due to the complexity and inefficiency of lending for production activities in the Russian banks. The funds received are used for purchasing fuel, food, harvesting equipment and other procurement for the next voyage. Thus, the business value of the Russian company is taken into account as collateral (guarantees) of such “loan”. Business valuation is made by assessing the market value of fixed assets of an enterprise, the amount of quota allocated, established business reputation in the market, etc. The loan provided under the terms of “overdraft” is returned in the period agreed upon by both parties, which is very convenient. As a company

develops a positive credit record, it gains an opportunity to obtain more loans on the conditions specified above. The procedure for granting loans under the terms of “overdraft” in the Russian banks is extremely difficult, it requires a significant amount of documents and virtually ignores the real value of the company’s business in general (questions arise concerning collaterals). In some banks this loan can be unsecured. The sum is calculated depending on the turnover on the accounts in the bank. It has a specific feature: it must be repaid on a monthly basis, so it is not quite suitable for fishermen, since the period of turnover is longer.

The issue of underpricing the customs value of fishery products when exporting them or selling them on the domestic market without many intermediaries, as evidenced by the global market, can be successfully solved through the organization of sales of fish products via online auctions.

The issue of producing a wide and effective range of fish products for export under the monopoly of the freezer fishing fleet in foreign trade activities is challenging but it can be achieved. Thus, the state should pursue appropriate economic policy to expand the supply of chilled raw fish to coastal fish processing factories “at the lowest prices” and limit the participation in foreign economic activity of organizations that do not have fishing vessels with equipment for deep cutting of harvested aquatic organisms. In this case, the exports of fishery products of primary cutting from the sea will reduce, and the increased supply of raw fish to coastal businesses

will expand the range of products both for export and for the domestic market.

A change in the system of access of economic entities to fishing resources, the establishment of an organization for the export of fish products, the elimination of intermediaries in foreign trade through online auctions, the payment of loans obtained in foreign banks in currency,

the rationalization of the use of outdated trawlers, the use of other recommendations substantiated in the article will help improve the economic efficiency of using aquatic biological resources in foreign economic activity, improve economic returns from the fisheries sector, stimulate the renewal of the fishing fleet and the development of the coastal fish processing base.

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