

## Fish industry of the Murmansk Oblast in the system of the regional economic safety

*The value of the fish industry of the European North of the Russian Federation in the system of food and economic safety of the region and the country is considered. The structure and the condition of the fishing fleet, fishery economic efficiency, and the potential factors of the development (the raw base, the technical policy, normative legal provisioning) are analyzed. The directions of the increase of the efficiency of the regional fish industry's functioning are proved.*

*European North of the Russian Federation, fish industry, industrial and financial activity, potential factors of development.*



Anatoliy M.  
VASILYEV

Doctor of Economics, Department Head of G.P. Luzin Institute of Economic Problems of Kola SC RAS  
vasiliev@pgi.ru

From the very beginning during the Soviet era the fish industry in the European North of the country was formed as a territorial and production complex. Since 1920 it included the state enterprises of the Murmansk Oblast and the Archangelsk Oblast, later three fishery collective unions were formed, and since 1962 the enterprises of Karelia joined them.

The territorial production complex's formation was caused by the common sources of raw material, technological coherence, basing on the same port in Murmansk. For 70 years of the Soviet power the structure of the enterprises which are included into the complex, industrial and administrative structures were constantly changed, but the form of the organization (the territorial production complex) was kept. The management of the fishing industry in the country was carried out by the Union-Republican Ministry of Fisheries of the USSR.

In 1990 the structure of "North-Fish" included 37 production associations, enterprises and organizations. The fishing fleet totaled 397 units, including 269 units in the Murmansk Oblast. Fish processing on the coast was carried out by the Murmansk fish factory which included 8 fish factories, and in the Archangelsk Oblast and in Karelia 10 fish processing enterprises operated.

In 1990 the total catch made 1.6 million tons, including the catch of 1.2 million tons made by the fleet of the Murmansk Oblast, fish production on the ships made 1 390 thousand tons, unloading of the production made 1 059 thousand tons, including 1 044 thousand tons in Murmansk, production by the coastal factories made 141 thousand tons, including 100.9 thousand tons in the Murmansk Oblast, export made 24 thousand tons. In a regional product of the Murmansk Oblast the fish branch made over 30 %, the number of the employees made 48.7 thousand people.

As a result of the market transformations which began in 1990, the united fishing complex of the Northern basin divided according to the regional characteristics into four parts in the Murmansk Oblast and in the Archangelsk Oblast, in the Karelia Republic and in the Nenets Autonomous Okrug which can be considered conditionally as complexes as they have no corresponding attributes. The management was passed from the Federal level to the federal agency of fishery, and in the regions its policy is carried out by the Territorial managements (in the European North by Barents-White Sea) and the Regional (Republican) Committees on fishery. Apart from the Ministry of Fish Industry of the USSR and its basin centers, their duty is not the solution of the industrial problems, including those ones connected with the food safety of the country. Till 2007 the agency was exclusively engaged in monitoring of the condition of the biological resources' stocks, with the questions of the managing subjects' investment with biological objects' quotas.

According to the data for 2011 the fish industry complex in the Murmansk Oblast, alongside with the other key economic branches and kinds of activity, determines specialization of the region. The basis of the fish industry complex is the fish branch including catching and fish-processing enterprises. A number of enterprises of the industrial (production of instruments for catching, selling containers and ship repair) and non-industrial types of activity (transport fleet, fish port, motor transportation, supplying and marketing services) according to their specificity refer to services. In the Oblast there are educational institutions on training this branch's experts, the branch of the biological scientific research institute.

The fish branch of the Murmansk Oblast provides approximately 1/5 of the total amount of fish catching in the Russian Federation (500 or 650 thousand tons). It is a little bit less value of the Oblast in the fish products' release that can be explained by insignificant volumes of the coastal production (the repeated account).

In production of the canned food the Oblast lost its leading positions, owing to its non-competitiveness. The Oblast's index in fish catching and processing in the North-West District makes about 60%.

The share of the fish branch in the Oblast's export, despite of the recent growth, both in volumes and in cost, decreased from 31.5% in 2001 to 18.4% in 2008 that is connected to the higher rates of export in the other branches of the area.

The gross regional product in the current prices in the form of the economic activities "Fishery and fish industry" in 2008, in comparison with 2000, grew for 6585.0 million rubles (86.5%). However, its value in the regional product decreased from 13.3% in 2000 to 6.6% in 2008.

In the fish products' consumption (25.3 kg per head in 2009) the Murmansk Oblast exceeds the average level in the North-West Federal District (20.4 kg per head); for comparison: Karelia Republic produces 27 kg, the Archangelsk Oblast produces 31 kg, the Novgorod Oblast produces 23 kg, other areas take the lower positions than the average value. The reserves for the increase in sales and consumption of the fish production in the Murmansk Oblast, in our opinion, consist in expansion of assortment, especially cookeries, and in fish realization in the cooled kind.

In 2009 the mid-annual number of workers made 8 666 people (2.8% of the total number in the Oblast), including 7 200 people (2.3%) in fishery, 1 277 people (0.4%) in the coastal fish processing. The average monthly nominal charged wages in fishery make 40 594.6 rubles, that is 1.55 times higher than the average wages in the region, and in the coastal fish processing it makes 13 405.1 rubles [1].

Tax payments to the budgetary system of the Russian Federation (without taking into account UST) from the enterprises, which basic kind of activity is "Fishery", as a result of the legislative reduction of gathering for bio-resources (2008) and of the transition to

payment of the Unified agricultural tax (UAT) 2009, in 2010 made 1811.9 million rubles that is 25.7% lower than the level of 2007. The basic reduction of the tax receipt is observed for the account “Gathering for using the objects of the water biological resources”: from about 1360.2 million rubles to 240.3 million rubles (in 5.7 times). Thus, the tax payments’ receipt to the regional budget increased from about 1192.5 million rubles in 2007 to 1284.5 million rubles (for 7.7%) in 2010, that makes 6.9% in the tax receipts of the Murmansk Oblast.

Tax loading in fishery (the ratio of the sum of the gathered taxes to the volume of production) in 2007 made 15.1 kopecks/rubles, and in 2010 decreased to 11.0 kopecks/rubles or in 1.4 times. The modern tax loading in fishery is approximately for 11% less than on the average in the region and almost in 2.5 times less than the average in Russia [2, 3].

The industrial potential has undergone basic changes: the quantity of the organizations engaged in the oceanic fish catching increased from 12 units in 1990 to 110 in 2010, the quantity of the fish processing enterprises increased from 8 to 41. The number of the trade ships reduced from 269 units to 170 units (without taking into account small ships). Thus the quantity of the big ships decreased from 145 units to 31, but the number of the medium-size ships, on the contrary, increased from 72 units to 136 units; the average service life of the ships is about 24 years that is higher than the normative.

As a whole the present structure of the oceanic fishing fleet is characterized:

- by the considerable obsolete condition (from the most numerous group – medium-range trawlers numbering 136 units, of them only 35 units (25.2%) are younger than the normative service life of 19 years, among them from the 48 custom-made trawlers being most modern according the characteristics are 14 units (29.2%); the innovational repair was passed only by 8 large ships and about 20 medium-size);

- by the big charge of the fuel for a ton of the caught fish (in comparison with the data on the Norwegian fishery fleet, the excess at benthic aquatic’s catching makes 63% (407 kg/ ton against 249.5 kg/ton), at pelagic fishing it exceeds in 3.1 times (5.9 kg/ton against 9.3 kg/ton) [4];

- by insignificant quantity of the trawlers with catch complex processing (on the majority of the medium-size trawlers fishmeal plants are absent, so waste products from cutting and sub-standard fish are thrown over the board, that is the principal cause of the reduction of the fish meal production as a whole in Russia in 10 times, in the Northern basin in 15 times);

- by insufficient presence of the equipment for fish processing with the high added cost;

- by the presence in operation of only 2 refrigerator trade ships with the high efficiency on catching, which deliver caught fish to the Russian ports in the cooled kind;

- by smaller labor productivity of fishermen and the low wages (according to the statistical data the mid-annual catch for a fisherman in Norway makes more than 200 tons, and at the fleet of the Murmansk Oblast – approximately 61 tons, the same situation is observed in payment).

- by the low result: catch for one ton of displacement in the Norwegian fishery makes 6.5 tons, in Russia it makes 1.8 tons (it is less in 3.6 times).

The majority of the mentioned parameters testify to the unsatisfactory condition of the fishing fleet, the significant obsolete condition of the ships, the necessity of their enhancement follows here. Especially this problem becomes urgent in view of the rise in prices for fuel.

Since 1993 the coastal craft which had been stopped in 1940s started to revive. Nowadays about 90 organizations are occupied with catching in the Barents Sea. The quotas of the cod and haddock, accordingly 11.5 and 5.5 thousand tons, are allocated to 53 companies (on the average 320 tons for a company). 70 small ships (34 m long) participate in the craft, ~ 80 units of the small ships with the capacity

of the main engine of 55 kw and from 10.7 m to 25.2 m long. The normative service life of about 80 % of the coastal ships approximately expired. The trade tools of the basic part of fleet consist of manual circles, fishing tackles and trawls. Only 5 units are armed with automatic circles.

In the White Sea the coastal catch is carried by about 50 users. Among them are: 13 – 15 companies and 30 – 35 individual businessmen. The basic trade objects are salmon, White Sea herring, seaweed. The catch volumes are insignificant. For example, herring catch makes less than 1/4 of the recommended volume. The reasons are difficulties with selling, owing to the absence of the fish processing and freezing enterprises, backwardness of the coastal infrastructure.

The mid-annual total catch by the ships of the Murmansk Oblast for the period from 2000 to 2010 made 605.0 thousand tons, that almost 3 times less than the high catch in the 1980s. The quality of fish cutting aboard the ships is low: the ratio of total amount of the released production to the catch in 2000s is within the limits of 80 – 83% while in 1970s and 1980s it made 50%.

The share of the deliveries to abroad in the total amount of food production aboard the ships in 2000s made from 41.7% to 52.9%. Thus the improvement of the “export” assortment due to hi-tech production was not observed: fillet sales decreased from 12.3 thousand tons (2001) to 10.6 thousand tons (2010), and its value in the total amount of export decreased from 0.6% to 0.45%.

The mid-annual release of the fish products by the coastal enterprises of the Murmansk Oblast for the period 2001 – 2010 makes nearly 30 thousand tons (in 1990 it was 100.9 thousand tons). The development of fish processing is determined by the enterprises, which production is based on deep processing of the demersal fish species with orientation to export. For the Murmansk Oblast, from this point of view, the substantial growth of the coastal quota since 2004 has become positive.

The researches of the tendencies of the fish industry functioning complex of the Murmansk Oblast showed that its condition from the economic point of view should be counted unstable, and its indicators are:

- ☞ fluctuation of the catch volumes, fish processing and financial parameters, absence of their steady growth;

- ☞ the low level of the production profitability (change from 1.4% to 26.7%, in separate years unprofitability);

- ☞ big densities of the organizations which lose from the financial and economic activity in fishery: 48.0% in 2000, 60.9% in 2003, 61.9% in 2005, 41.1% in 2006, 38.1 in 2007, 46.7% in 2008, 35.3% in 2009; in the coastal fish processing: 2004 – 62.5%, 2005 – 80.0%, 2006 – 41.0%, 2007 – 39.5%, 2008 – 32.3%, 2009 – 45.2%;

- ☞ long term of the trade ships’ service (on the average 23.5 years), that exceeds the normative term of their service;

- ☞ high power consumption of catching; bottom fishing is 1.6 times higher, than at Norwegians, pelagic fishing is 3.0 times higher;

- ☞ out-of-date, demanding enhancement industrial equipment at the majority of the coastal fish processing enterprises (~ 90 %);

- ☞ throwing out sub-standard fish.

Alongside with the stated points, the irrational use of the extracted bio-resources is observed:

- ✓ non-complexity of the catches’ uses for fish processing – the majority of the ships obtaining benthic aquatic, throw out waste products and sub-standard fish at the presence of the big deficiency of fish meal;

- ✓ low level of cutting benthic aquatic and of the added cost, first of all for the bottom fish. The ratio between the volumes of the fish products to catches during last 8 years is makes 80 – 83% and the tendency of the increase in cutting fish is not observed;

- ✓ excessive export of fish products abroad directly from the sea. The share of the deliveries abroad in the total amount of fish production aboard the ships reached 58%.

*Potential factors of the complex's development*, first of all, are connected to the external environment: raw material base, normative-legal providing and technical policy.

*Raw material base.* Of the 13 basic objects of catch in the Barents sea and adjacent waters, 4 trade stocks and quotas in 2010 and the subsequent periods can increase insignificantly (cod, haddock, pollock and halibut); haddock catch is expedient only by highly effective ships as the decrease of payment for the right for catch does not solve to the full the problem of economic efficiency of its catching; for the adjustment of a large-scale shrimp catch specialized ships are necessary, equipped for output of a boiled-and-frozen kind of products, capelin catching renewed in 2009 with the quota of 152 thousand tons for Russia (for the Murmansk Oblast – 80 – 90 thousand tons). The total amount of catch made 116.3 thousand tons (development – 76.5%), the fleet of the Murmansk Oblast made 64.4 thousand tons (development – 75.8%); in 2010 accordingly, 110.0 thousand tons (62.7%) and 86.9 thousand tons (69.5%). The quotas decreased because of under-catch.

It is necessary to note, that in view of the presence in the structure of the fishing fleet of the Murmansk Oblast only one vessel with RWS-tanks, the population and fish processing enterprises were provided with fresh capelin with by the Norwegian trawlers. The quotas of whiting despite of their reduction were not completely fulfilled recently: in 2009 at the quota of 108.7 thousand tons 100.3 thousand tons were caught (92.3%), in 2010 accordingly, 95.3 thousand tons and 79.9 thousand tons (83.4%). In the North-West Atlantic the condition of fish resources is unsatisfactory and it doesn't worth expecting the essential increases in fish catching.

On six most significant objects of catch (cod, haddock, capelin, whiting, herring, mackerel), the total amount of the established quotas can make about 1 million tons.

Except for it the underutilized raw material base of catch in the seas of the European North and in Northern Atlantic is determined by experts in 167 – 217 thousand tons [5]. It is necessary to emphasize, that in connection with the proceeding warming of the Northern Atlantic waters there can be the displacement of the living area of some aquatics to the east and the increase in the efficiency of the Barents Sea and the catch in this economic zone of the Russian Federation can increase [6].

For the stable work of large ships outside the Northern Atlantic and the creation of economic conditions the raw-material base is necessary for achievement of the average level of fish industry efficiency. We believe that the part of large ships could work in the conditions of the state-private cooperation in the Corporation planned to be created in the Southern ocean.

*Technical policy.* The technical policy, on the one hand, is the internal factor of the development as it is formed by the organizations' management; on the other, it is the external factor as it depends on the condition of the ship-building branch, the prices for trawlers, systems of crediting in the Russian Federation and abroad. The technical policy appreciably determines the industrial potential and the efficiency of the organizations.

In the medium-term prospect, probably, preconditions will be created and the process of the fleet's innovational updating, which will end by 2025, will begin. As the calculations show, for bio-resources' development of the Northern Atlantic instead of the available 265 trawlers for the oceanic catch it is necessary for the Murmansk Oblast to have about 70 – 80 ships, including:

- the basis of the fleet must be the ship-factories of different size;
- in the fleet structure it is expedient to have some seiners-trawlers of the combined type for the frozen and cooled fish delivery to the ports;

☉ in the medium-term period it is necessary to equip the coastal fleet with passive catch instruments and to start getting specialized ships; as a whole the structure of this fleet will be generated outside the medium-term period and appreciably it will be determined by the width of the zone of the coastal fishery.

At the coastal factories the process of modernization is supposed to be finished in the medium-term period; it is expedient to equip the enterprises, processing cod, haddock and roll with individual shock frost's equipment.

*Personnel.* In the medium-term prospect (till 2018 – 2020) the industrial trade personnel in a great measure will not be renewed and, hence, the labor productivity will insignificantly increase, the companies' heads attitude towards to the hired personnel will change insignificantly. At the same time the competition for the staff will accrue on the part of the oil-and-gas branch. These factors can result in the staff overflow to the large trade companies, and also to the non-trade ships that will create complexities with personnel providing for the fishing fleet. In the same direction the increase of the general standard of living of the Murmansk-dwellers will operate.

For the improvement of the staff providing it is necessary to raise the level of payment and labor productivity, that, probably, will be observed outside the medium-term period due to the updating the industrial apparatus.

*Normative-legal provisioning.* The amendments brought into the FL № 166 "About fishery and preservation of the water biological resources" and into the FL № 52 "About the fauna", are directed on the increase in the efficiency and competitiveness of the complex for the account:

1. Increases in the catch unloading in the Russian ports, including Murmansk.
2. Exit of the fish and monetary streams from the shadow.
3. Reduction of the price for fish products, increase of its processing at the coastal factories and of the consumption by the population.

4. Increases of the capacities' use of the Murmansk fish port and other service productions.

5. Intensification of the process of the fleet's and the coastal enterprises' construction and modernization.

6. More full development of the ODU.

7. Receptions of multiplicative economic benefit along the whole technological chain of fish processing (incomes, taxes, employment will increase).

Alongside with the expected positive influence from the changes in the legislation and normative base, made for the recent 2 years, it is necessary to name probable costs.

With the beginning of the innovational actions ship-owners still had one serious reason not to enter the domestic ports, i. e. the necessity of duties' payment and the VAT for a ship, bought and repaired abroad, approximately 26% from its cost. It is just the type of ships which are capable to get the most part of the accessible bio-resources. It is obvious, that for getting the expected positive results from innovations it is expedient for the state to make the duties' and the VAT's cancellation for the mentioned ships. Otherwise fish production in the ports will be delivered by transport and economic benefit will be insignificant. The rates of the basic production assets' updating are also connected to the duties' and the VAT's cancellation.

The other, more rigid variant is also possible: the investment with the quotas for bio-resources causes the duty's and the VAT's payment. In this case it is expedient to develop the economic mechanism of their payment for the long term.

Formation of favorable normative-legal and economic conditions for call of the trade ships does not mean their 100-percent returning. Obligatory declaring of the fish products in the domestic ports, according to the accepted amendments to the law on fishery, concerns only the catches in the Barents Sea.

They make about 1/4 of the total amounts of its extraction and at desire of ship-owners can be reduced. Thus, such tendency (catch in the western areas of the sea) meets to the bio-economic recommendations [7, 8]. The essential stimulus is decrease of gathering for bio-resources for 90% on catch delivery in the Russian ports. But as in the law for this privilege's reception there is no requirement of the obligatory production realization at the Russian market as the practice of this position's realization shows, that fish products after declaring are exported, and the budgetary receipts from gathering for bio-resources use only in the Murmansk Oblast decrease for 500 – 1000 thousand rubles.

The volumes of the fish products' export, in connection with its obligatory declaring in Russia, were not reduced [1]. The state received the income as duties, but will be compelled to compensate the VAT for the goods and the services got in the Russian territory. Taking into account the high cost of fuel, industrial equipment and other supply, we believe, that the sums of the VAT to return are adequate to the sums of duties.

Almost full cancellation of the payment for bio-resources, included into the cost price,

should result in the increase in the profit and the tax from it. On the other hand, the growth of the operational charges connected to the fish products' delivery for declaring in the Russian ports, will increase the cost price of catching and processing fish products. We believe that in a result the profit and the tax for it at the Murmansk managing subjects will change insignificantly.

Complex influence of innovations on the tax payments' receipt is shown in *the table*.

As "Fish industry and fish culture" in the structure of the tax payments' receipts in the Russian Federation takes only 0.2% [9], and the taxes' receipts to the territorial budget even increased insignificantly, the above-mentioned legislative innovations passed without serious consequences.

Great influence on the development of catching and processing organizations and providing the country with fish products is rendered by the systems of quotes for the water biological resources, fish products' unloading and selling. Investment of the organizations with the ODE shares for the long period as it is determined now, creates steady conditions for economic activities, allows accumulate the financial assets for the industrial apparatus' updating.

Change of the tax payments' receipt into the budgetary system of the Russian Federation  
in the Murmansk Oblast from the enterprises, the basic kind of activity  
where is "Fishery" for the period 2007 – 2010 (2010 in comparison with 2007) [1]

Parameters	Change of the total sum of the receipts		Including			
			to the federal budget		to the territorial budget	
	thousand rubles	%	thousand rubles	%	thousand rubles	%
In total	-627569	-25.7	-719584	-57.7	+92015	+7.7
Including: federal taxes	-710856	-30.8	-719584	-57.7	+8728	+8.2
Of them:						
- the tax to profit	-97266	-26.3	-61135	-54.1	-36131	-1.4
-VAT	+245624	+in 1.35 times	+245624	+in 1.35 times	0.0	0.0
- gathering for using the objects of the water biological resources	-1119991	-82.3	-904073	-95.0	-215837	-52.9
- other federal taxes	+260696	+65.2	0.0	0.0	+260696	+65.2
- regional taxes	-33567	-28.3	0.0	0.0	-33567	-28.3
- local taxes	+7596	+in 1.4 times	0.0	0.0	+7596	+in 1.4 times
- taxes of the special tax mode	+109058	+in 26.4 times	0.0	0.0	+109058	+in 26.4 times

At the same time, the present system does not stimulate the increase of the efficiency of bio-resources use; at the insufficient control it creates the conditions for getting and hiding the incomes. With a view of the perfection of giving quotas and the increase of the economic potential of the fish branch it is offered:

- at quotas' distribution to take into account the criterion of the efficiency of the fish industry at the re-perspective period that will allow to get rid of the inefficient organizations;
- not to resolve the choice of quotas to the non-owned ships; to enter the annual account of the quotas' choice and to carry out their redistribution.

In the majority of the countries with the advanced fishery requirements providing the communication between the fishing ships with the native country are legislatively established and only in Russia they are absent.

For example, in Norway the order of fish use, processing, sale and storage are determined in the Law from 14.12.1951 "About selling fish". This law establishes that all the caught fish should be realized only through the corresponding marketing cooperative societies of Norway. This position subsequently was also fixed in the Law №40 "About the sea crafts". Thus, the basic part of catch should be unloaded on the Norwegian coast, as it can be observed actually.

Fish export is supervised by the Council on export at the Ministry of fishery which has recommendatory functions. At the same time without the Council's sanction independent exit of fishermen to the international market is not supposed.

The Council on export carries out studying commodity markets, prepares marketing actions, is engaged in the consulting activity, gives information to exporters.

In Russia, according to the Decision of the Government № 704, 2004, to the domestic coast fish products from coast should be delivered, and since 2009 fish products from

the whole water area of the Barents Sea. In total for the Murmansk Oblast it makes 40 – 60 thousand tons of the demersal fish species and all the catch of capelin and rolls.

The production export is not regulated. The fisherman makes their decision independently, being guided by their own momentary benefits.

The researches of the markets with a view of assistance to fishermen are not made. The state removed itself from the protection of fishermen's interests at the international market.

Low economic efficiency of fishery and under-developing the quotas in the certain measure are the consequence of their dispersion between a plenty of managing subjects (in the oceanic craft them more than a hundred). As practice shows, the enterprises are not ready to the voluntary consolidation of both the raw and the industrial resources, and integration occurs very slowly. For example, in 2010 8 small-scale enterprises were united into 3.

The growth of fish production from the cooled raw material at the coastal factories will depend on the volumes of the coastal quota, from the rules working in the coastal fishery, and also from the structure of the fleet (from the presence of the ships with insignificant operation cycle), and also the presence of the reception devices in the port. It is expedient to restore in the coastal fishery the norm of the fish products' delivery only in a fresh kind and to oblige to sell fish for processing by the coastal factories. Otherwise, it will lose its basic distinctive attribute, and the authorities will have the right to demand termination of giving quotas for coastal catch. Cancellation of this norm in 2007, alongside with the reduction of the cooled raw materials' deliveries for import, resulted in reduction of output by the coastal factories in the subsequent period: in 2007 – for 26.4 %, in 2008 – for 32.1 %, in 2009 – for 25.3 %.

Achievement of the raw materials' deliveries to the coastal factories under the effective prices in the volume of 90- 100 thousand tons (recently it is processed 30-35 thousand tons) is possible for the account:



- increase in the volumes of catch in the coastal zone and return to the norm “deliveries of the raw material only in the cooled kind”;
- renewal of capelin catch and its deliveries in the cooled kind by seiners-trawlers;
- adjustments of the aquatics’ extraction (stimulation by the quotas of cod and haddock);
- processing of fillet of the frozen cod, haddock and pollock.

Integration and merger of enterprises, purchase of new courts will allow increasing the labor productivity and the wages not less than in 2 times (due to the greater security quotas of the available productive ships).

The regional feature of the fish branch of the Murmansk Oblast is the ability to achieve high competitiveness due to the deep innovational processing of the demersal fish species, first of all cod. The most part of them is expedient for using for fillet production. To do it aboard the trade ships in many cases is unprofitable according to the ratio of the expenses for the raw material, work and the price for fillet production.

For these reasons the ship processing capacities are used no more than for 20 % [10]. Therefore the basic place of the fillet produc-

tion should be coastal factories. Installation of the new equipment for IQF production allows competing successfully to the western producers both in raw material purchase, and on the sales of high-quality products from the demersal fish species. In these purposes it is also expedient to develop the corresponding market brand of production from the demersal fish species caught in the pure waters of the Barents Sea, to bring up fishermen’s and the seaside population’s attitude towards cod as the national property.

The fish branch remains the potential animator of the financial assets for the fishing complex’s revival. Nowadays there are favorable conditions for this animator’s start: stocks of the traditional biological resources in the Northern Atlantic are in good condition and allow increasing the volumes of catch, a number of legislative innovations stimulating catch unloading along the Russian coast and the increase of the fish products’ sales, including demersal fish species at the home market is accepted. The problem will be to admit the accepted solutions directed on the fish streams’ turn towards the Russian coast.

## References

1. Fishery and fish production in the Murmansk Oblast / Federal Service of the State Statistics; Territorial body of the Federal Service of the State Statistics in the Murmansk Oblast. – Murmansk, 2006 – 2010.
2. Vasilyev, A.M. Taxation in the fish branch / A.M. Vasilyev // Federalism. – 2007. – № 2. – Pp. 141-154.
3. About the basic directions of the tax policy for the period 2007 – 2009: the Report of the Ministry of Finance of the Russian Federation. [Electronic resource]. – Available at: <http://www.regions.ru/news/1982531/>
4. Shevchenko, V.V. Comparative estimation of the power inputs of the Russian and foreign fishing fleets on catching valuable and technical kinds of fish / V.V. Shevchenko, M.V. Monakov // Fish resources. – 2005. – № 4. – Pp. 24-26.
5. Prishchepa, B.F. Reserve of the raw-material base of fish industry in the seas of the European North and Northern Atlantic / B.F. Prishchepa // Fish industry. – 2008. – № 1. – Pp. 57-64.
6. Fishery in the Northern Atlantic: reality and prospects: theses of the reports of the international conference in March, 15 – 16, 2007. – Murmansk. – 2007. – 72 p.
7. Economic efficiency of the Russian fishery fleet’s use in the Barents Sea. – M., 2007. – P. 53.
8. Shevchenko, V.V. Bio-economy of the industrial fishery of the Barents Sea / V.V. Shevchenko, V.A. Belyaev. – Murmansk, 2009. – 306 p.
9. On the basic directions of the tax policy for the period of 2007 – 2009 [Electronic resource]. – Available at: <http://www.nisp.ru/news>
10. About some results of the industrial activity in fishery and processing of the fish products in the Murmansk Oblast (on the data for 2005 – 2007) / Territorial body of the Federal Service of the State Statistics in the Murmansk Oblast.