

TRADE AND ECONOMIC OVERVIEW

While most of 1993 was marked by bitter confrontation between the reformist regime of the president, Boris Yeltsin, and the Soviet-style legislature, the Congress of People's Deputies (CPD), the first months of 1994 have seen welcome political peace and relative stability. Last year's confrontation, ushering in bloody insurrection in Moscow in October, followed by Russia's first genuinely free parliamentary elections in December, has led to a widespread yearning for social and political calm. Most politicians have responded to this mood by trying to present themselves as proponents of moderation. The new legislature, the State Duma, and the upper house, the Federation Council, appear to have settled in with their chairmen enjoying a constructive relationship with the government.

The Ministry of Foreign Trade reported a surplus of \$5.2 billion on foreign trade (excluding trade with former Soviet republics), in the first quarter, with exports reaching \$9.1 billion and imports \$3.9 billion; the surplus had risen to \$7.8 billion by the end of April 1994. Approximately 60 percent of Russia's exports went to the advanced Western countries, with the former COMECON taking a mere 17.6 percent. (The shares for the whole 1992 were 59.5 percent and 20 percent respectively). About 70 percent of imports came from Western countries while imports from former COMECON countries came to a mere \$325 million, a fall of 50 percent on the same period in 1993. The Fisheries Committee of the Russian Federation was established in accordance with the Presidential Decree of September 30, 1992, and is responsible for the development of Russian fisheries. The basic functions of the Committee are:

- management of the biological resources of Russia's 200-mile limit;
- protection of fish resources and control of fishery regulations in all waters;
- management of fishery research organizations and educational institutes;
- international cooperation and protection of Russian interests in fishing international waters;
- protection of state interests in fishing companies fulfilling state orders;
- pursuit of science and technological policies;
- quality control; and,
- organization of state credits, development of shipbuilding, ports.

The main activity of the Committee under the new economic conditions is the management of the biological resources within Russia's 200-mile zone. This management is based on scientific recommendations provided by the fishery institutes. The protection and reproduction of fish resources form an integral part of this management, and are carried out by the "Fishguard" bodies. The quantitative control of catches is carried out in strict compliance with scientific prognoses, and is financed through federal budget allocations.

The Russian fisheries are adjusting to changes in fisheries management and administration, making some progress towards privatization and market economy. Adjusting to new economic realities such as regular fuel supplies, high vessel operating costs, reduced access to fishing grounds, and the imperatives of modernization to produce top-quality and competitively marketed products for hard currency earning exports represent major challenges for the Russian fishing industry. These very factors also create opportunities for foreign companies who wish to become players in this emerging market.