

Norwegian Commercial Club of Seattle

February 25th, 2016



Notes from our last meeting, in case you missed it

OUR SPEAKER: Scott Atkinson, President of Jaeger Consulting: "Russian Fishing Industry"

Scott was with West Coast fisheries since 1973. Russian/Soviet fishing operations since 1985, trolling mostly fished Alaska/Russia – Arctic Storm and is fluent in Russian. He was in the US Navy and worked with the Pentagon. Scott has visited Russia 4 times already this year.

Back in the 70's Russia was the largest area in the world for trawl fishing. The 1977 Magnuson Act was the framework for Americanized offshore fisheries – joint venture days - despite the Cold War. New US trawl fleet displaces Soviet vessels – spread off 200 miles EEZ's. 1991 the Soviet Union collapses. End of state subsidies means enterprises forced to operate differently. Leadership of former SU fishing seeks opportunities abroad for repairs; later in 90's to escape the Mafia and inefficiencies.

Foreign fleets enter Russian waters, as largest fleet sits in port. They lost 25% of the population and buildings are left falling apart with no resources to repair.

Joint Venture operations are sought in Russia (Arctic Alaska, Polmar Fisheries and others). Russians begin to visit Ballard (1993 +). Many headed over from to RFE. Vessel management: American Seafoods Russia. All Alaskan Seafoods.

Vessels were retrofitted to go crab fishing as that became very lucrative. 1994 Vessel Management outfitted boats, sold fish to get revenue. At end of 1990's, quotas were drying up, and overfishing became dangerous. 2000-2001 was the finale 2010 a quieter time, some Ballard folks began returning to RFE. Shift in fisheries policy – fish inspection taken from Rybvod – moratorium on Pollock.

2016 Aged fleet – many scrapped vessels. Russian fleet uses Pusan, So Korea and Dalian China for shipyard services now. Moscow seeking to end foreign ownership of fishing ops while seeking to encourage more offloading into Russian ports.

Challenges – Sanctions over Ukraine have compelled Russia to revisit food production at home. Downturn in Chinese demand for h&g, much less Chinese capital for vessel operation and upgrades. Downturn in oil & gas industry causing sharp budget shortfalls. Turnover evident in fishing firms. Obstacles to Russian new builds. Dramatic economic downturn in oil, ruble decline. 1990's decline eliminated much of naval architecture and engineering brain trust – lack of specialists. Shipyard infrastructure largely lacking but navy yards to see activity. How much will Russia build in Russia? With priority on food production – fleet in the spotlight. Rubles fall actually playing out acceptably for fishing fleet – hard currency generator. Downturn in oil & gas bringing about a new focus, an alternative industry, fisheries. Quota for pollock has had upward trend, El Niño, repeat. Went from pay in rubles to US \$!

Recent trends: Russia's fishing industry recovering from 1990's, yet certain trends of 1990's Norsk naval architecture firms very active since last year. Ballard based management. Easy to dispel bad declarations. May issues converge to suggest new build activity imminent. Russian trawler activity interesting dovetails with new build trends in SEA/Alaska.

Ballard & Scandinavian firms well positioned to participate in upcoming new builds even if Cold War conditions return.



From Julie Albright--a 17th of May Committee Update

Luncheon is from noon -2pm

Happy Hour in Kaffestua from 4-6pm

Parade starts at 6pm

WINNERS: The free dinner was won by Per Tollefson. No one won the cash drawing. Robert Johnson won the bottle of amber. #4 was the table drawing winner

OUR NEXT MEETING:

MARCH 10th Our speakers will be a panel dealing with the Ballard Locks. They will address the economic benefit provided by the Locks and current efforts to quantify that benefit to guide future legislative and policy decisions. Bring a guest and help our club grow!

Happy Hour starts at 5:45pm Dinner at 6:30pm

DINNER: Fish au gratin, butter parsley potatoes, green beans, cauliflower soup & dessert.

Members \$25 (f you pre-register)

\$30 for drop in members

\$30 for guests or non-paid members

\$10 for students (with valid ID)

Reservations are recommended. Call the office by the Wednesday before the meeting and leave a message to guarantee your spot: (206) 783-1274

Hope to see you there!

Norwegian Commercial Club

2245 NW 57th St
Seattle, WA 98107