

УДК 658.8:637.8

## FISHERIES MARKETING OF UKRAINE

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The article considers the marketing environment of functioning fisheries of Ukraine. The key problems of the industry are identified and the list of ways are offered that allow to stabilize the situation and realize the potential of the fisheries of the country.

**Keywords:** fish industry, marketing of fisheries, industrial marketing, Statistics fishing, Statistics of fish consumption and fish products

**Introduction.** Twenty-year development of the economy led fisheries of Ukraine to the degradation that has touched all fields of fishery activities: aquaculture and internal and marine fisheries. Fisheries of the once powerful, economically and socially significant sector of the national economy, turns in the secondary industry, the demand for products which have assumed the foreign producers. For example, if in 2012 national catch of fish and other living water resources reached the amount of 203.9 thousand tons, the imported volume of fish and fish products to Ukraine in the same year, – 411,0 thousand t [9].

With the collapse of the USSR, Ukraine inherited the second biggest power (after Russia) fishing fleet, numbering approximately 600 [12] marine and ocean vessels, including whaling fleet «Soviet Ukraine», as well as dozens of mother ships. It is, moreover, more than a hundred fish cannery, an extensive network of warehouses and refrigerators with a capacity of 10 thousand tons in each area, more than a hundred fisheries, who dealt with in the fishing zone of the Azov and Black seas, including inland water bodies of the country, as well as enterprise « Ukrybhoza », engaged in fishing in the inland waters.

At the beginning of 2011 fishing fleet consisted of 146 vessels operating (of which in fishing areas of the World ocean worked only seven), with the physical deterioration of ships has exceeded 70% [8]. As the experts note, the average age of the Ukrainian courts are more than 20 years. Mass hatching vessels from service in connection with the depreciation starts in a couple of years. The infrastructure also outdated (more than 80%), in particular ship and port facilities [6].

In commercial fisheries decline (almost 70%) the volume of the cultivation and the catch of marketable fish is associated with a significant reduction (about 90%) using artificial fish feed due to the high price on them [5], a significant tax pressure, unsatisfactory lending in the conditions of seasonal character and two-three-year cycle of production. Productivity of fish ponds is being reduced, a loss of genetic potential, is being used the technology of fish cultivation with taking part phytophagous fish to 70-80%, effectively cease functioning of the warm-water basin and farmed fish farms due to high resource intensity (food, energy, labor) production.

In these conditions, the analysis of the marketing environment of fishery industry of Ukraine will identify the most demanded directions of restoration and development of the industry.

**Summary of the basic material.** According to the national legislation, fisheries interpreted as the area of the economy, its objectives are studying, protection, reproduction, cultivation, use of water bioresources; their extraction (mining, catch, collection); implementation and processing in order to obtain food, technical, fodder, medical, and other products, and also ensuring the safety navigation of fleet vessels in fish industry [7].

It is expected that in 2013-2015, the sale of fish and seafood in the world will grow at an average 1.5% per year. In 2015 the volume of sales of fish and seafood in the world will be 160.4 million tons. In 2012, nearly 79% (116,5 million tons) of the world fishery products intended for human consumption in food, and the rest (31.8 million tons) was used for non-food purposes: in the production of fishmeal, fish oil, adhesive, for pharmaceutical purposes, as raw material for direct preparation of forages for fish farms, as well as for fur farming [2].

For the last 12 years (table.1) 75-85 percent of fish and other aquatic living resources was produced within the exclusive (marine) economic zones of foreign countries and the open part of the World ocean and only 15-25 percent in the exclusive (maritime) economic zone and inland waters of Ukraine, including commercial fishery.

The largest share (51%) in total volume of fish catch and production other water living resources traditionally falls at the enterprise, Sevastopol, which with 2010 provide 73% of the national volume of fish catch in the waters of the exclusive (maritime) economic zones of other States. In the economic zone of Ukraine involved in fisheries management company Crimea (21%), Zaporizhia (14%) and Donetsk (10%) regions. As for the internal volume of the leaders are (more than 50% of the total catch) of the company, Cherkassy, Odessa, Mykolaiv and Sumy regions [8].

In all developed countries of Europe for over 25 years traditional fishing and seafood replace their cultivation. Foreign fisheries are very manufacturability 1. Most of them established a closed production cycle, which allows for relatively small areas have a high productivity.

Fish resource of Ukraine is 1.3 million hectares of inland water bodies, which is used only 20-30% [3]. Water surface area on the territory of Ukraine is over 400 thousand hectares estuaries, lakes and separate reservoirs and about 700 thousand hectares of reservoirs, fish productivity which can be increased due to intensification. Experts mark, that increase of volumes of cultivation of fish in 1,5-2 times - up to 60-65 thousand t- is a real opportunity for domestic aquaculture [6].

The most attractive for fish farming are Crimean Peninsula, Kherson, Mykolaiv, Zaporizhzhya, Odessa regions, where there are plenty of salt and freshwater bodies, perhaps grazing and farm fish farming. Private farms employ in the industry, which give 30-50 tons of fish per year, which cannot be called industrial production.

Fishery – is the business with huge investments, a high degree of risk and the imperfection of the regulatory framework. Among the barriers can be called a complicated procedure of registration of employment of the earth, inflated rent for the ponds, the lack

**FISHERIES MARKETING OF UKRAINE**

of credit, aquaculture, inconsistency rates on locally grown fish products and the cost of industrial goods, energy, feed mixes, high taxes etc.

In order not to pay exorbitant taxes, 90% of the market took the «shadow». A typical practice when the farm on 1000 hectares producing about 200 tons of fish per year, declares only 8 tons. The main problem of an entrepreneur willing to do the fish industry, the search of the investor (who would be willing to wait payback period of 4-5 years) and its ability to pay unofficial payments (up to 40-45% of all costs for maintenance of the reservoir).

Table 1

Fisheries of Ukraine [10]

Years	Catches of fish and other aquatic living resources, thousand t					Including fishing, thousand t
	including by types of water bodies					
	altogether	in inland waters	in the exclusive (Maritime) economic zone of Ukraine	in the exclusive (Maritime) economic zones of other States	in the open part of the World ocean	
1995	400191	67816	30133	279548	22694	363444
1996	390819	55107	19563	306861	9288	376424
1997	419971	41721	30239	346176	1835	411742
1998	386097	40736	35825	307913	1623	379234
1999	341977	42523	45050	251101	3303	332199
2000	350087	38210	56990	175033	79854	346699
2001	333363	38257	134585	151613	8908	310451
2002	293205	38011	93030	153324	8840	253847
2003	248176	37703	55027	140991	14455	222385
2004	225905	35365	52467	126834	11239	195067
2005	265585	37396	61176	149622	17391	234185
2006	228840	36701	46799	122374	22966	202231
2007	213669	43207	46909	123553	-	198335
2008	244527	41229	55037	140705	7556	220543
2009	256853	42201	67314	147338	-	238600
2010	218681	38364	69725	110592	-	215017
2011	211182	37574	74870	98738	-	205285
2012	203926	41569	63454	98903	-	195490

Fish processing in Ukraine is poorly developed. The promising channel for sales fish products can be big wholesale markets, equipped with specialized shops. One of the most promising businesses experts referred to the breeding of giant freshwater prawns, which can be grown in the temperate zone of Ukraine. However, domestic entrepreneurs still find this type of activity is risky.

Its products fish farms mostly supply in the trade network on the market or to intermediaries. According to expert estimates, in 60% of cases it's taken away to the middlemen. The export volumes of fish (table. 2) are a minor, as a rule, are single supply

without affecting the overall market. In these circumstances, the Russian producers are not capable of lobbying for their economic interests on the national level, and decrease of duties for import of fish and fishery products from 20% till 5% destructive.

The capacity of the fish market of Ukraine, by estimations of experts, amounts to 1 billion USD. The same amount or even more – is \$ 1.5 billion – fish business brings to shady people – from illegal fishing, the smuggling of fish and seafood, as well as from the «grey» processing. The same experts note that the share of illegal import takes 20 to 30% from the total volume of fish imported to Ukraine [8].

Table 2

Dynamics of structure of export-import of fish and fishery products, mln.\$ U.S. \*

Years	Export	Import
2005	9,7	221,7
2006	5,7	361,3
2007	5,9	444,4
2008	16,7	617,1
2009	25,2	471,2
2010	20,9	568,6
2011	19,6	505,4
2012	18,7	687,8

\* Compiled by the author on monthly data of state statistics Committee of Ukraine [11].

Tastes of Ukrainians are conservative. Almost 40% of sales are herring, 10% – on hake, 5% – for capelin, Baltic herring, sprat and mackerel. Another are for the halibut, cod, tuna, salmon, sturgeon, trout, and other exotica. In the group of seafood biggest share belongs shrimp, on the second place – squid, and further there are mussels, octopus and crustaceans.

Ukraine is estimated by official statistics in the 14-15 kg per capita, which according to the estimates of the Food and agriculture organization of the United Nations on 15% below the world average consumption of fish products [8]. And the level of consumption of fish and seafood in Maritime regions, the capital and large industrial cities of Ukraine is far above the average. So, in Crimea and Odessa region it is 18-19 kg, there is 17.5 kg in Donetsk, there is – 17 kg in Kiev., And here in the Western regions the situation is reversed, the rate of consumption does not hold up half of the yearly average on the country [12].

In some countries, the level of fish and seafood consumption is much higher. For example, in Spain – 37-38 kg, Portugal – 40, in the whole European Union – 22 kg, And the «fish» countries and more: in Norway about – 51 kg, Iceland – 55 kg, Japan – 60, South Korea – 86 kg [9].

If the number of fish and seafood consumption because we seem to be in order, as they say, go to the amendment, the quality is quite bad. On each of us fresh and chilled fish accounts for only 7-9%, the rest is frozen product, which goes on sale, and to further processing: pickling, smoking, conservation. Sad but true: from 26 species of fish, in the past mined in the Azov and Black seas, today commercial value have only six. Catches in

inland waters during the years of independence reduced two or three times, and the vacant niche occupied imports.

**Conclusions.** The decline of fisheries affected the development of the related industries of the national economy of Ukraine involved in fish processing and performing infrastructure functions. Namely fisheries, as the primary sector of the economy, could provide a multiplier effect for the whole complex horizontally and vertically integrated industries of the country, carrying out thus strategically significant functions ensure food security.

The main directions of reconstruction and development of fisheries should be considered: the preservation of fishing activities in the exclusive (maritime) economic zones of foreign States and enhance fisheries in the open areas of the World ocean; rationalization and intensification of fishery and other aquatic resources in the Azov and Black seas and inland waters; increase of the volumes of the recreation of fish and other living aquatic resources; ensuring effective use and increase of value of fishery water bodies; intensification of commercial fisheries on the high-quality selective basis; optimization of development of fish industry; increased efficiency of the state management of fishery water bodies and control over the use of fish and other aquatic living resources; improvement of the regulatory base in relation to the conduct of fisheries and match it with the international treaties signed by Ukraine.

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В статье рассмотрена маркетинговая среда функционирования рыбного хозяйства Украины. Выявлены ключевые проблемы отрасли и предложен перечень мер, позволяющий стабилизировать ситуацию и реализовать потенциал рыбного хозяйства страны.

**Ключевые слова:** рыбное хозяйство, маркетинг рыбного хозяйства, отраслевой маркетинг, статистика вылова рыбы, статистика потребления рыбы и морепродуктов.

**Зінов'єв Ф.В. Маркетинг рибного господарства України / Ф.В. Зінов'єв // Вчені записки Таврійського національного університету імені В.І. Вернадського. Серія: Економіка та управління. – 2013. – Т. 26 (65), № 2. – С. 197-202.**

У статті розглянуто маркетингове середовище функціонування рибного господарства України. Виявлено ключові проблеми галузі та запропоновано перелік заходів, що дозволяє стабілізувати ситуацію і реалізувати потенціал рибного господарства країни.

**Ключові слова:** рибне господарство, маркетинг рибного господарства, галузевий маркетинг, статистика вилову риби, статистика вживання риби й морепродуктів.

*Поступила в редакцію 01.06.2013 г.*