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Faroe Islands Seek Russian Trade Deal on Fish Exports

By Reuters

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The Faroe Islands are targeting a free trade deal with Moscow next year to cement their place as Russia's biggest foreign supplier of fish, a minister said on Tuesday.

With a population of only 50,000, the tiny group of windswept rocky islands in the North Atlantic became the No.1 exporter of fish to Russia last year, according to data from the country's customs agency.

They supplanted Norway following the tit-for-tat sanctions with the West that followed Moscow's annexation of Crimea in 2014.

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The boom in exports to Russia began in 2013, when the European Union in turn imposed sanctions on the Faroe Islands in a dispute over fishing quotas.

"(That) created major difficulties for our economy. This was when Russia came to the rescue and greatly increased purchases with us," Foreign and Trade Minister Poul Michelsen told Reuters in an interview.

Driven by exports of farmed salmon, the Faroese economy has flourished in recent years, growing nearly 7 percent in 2016.

Michelsen said he aimed to sign a final free trade agreement in 2019 with Russia and the remaining countries in the Eurasian Economic Union (EEU).

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"Thereby our exports of fish to Russia which now amount to roughly 2.4 billion Danish crowns ($380 million) a year would be formalised, allowing us to maintain this level for a longer period."

He aims to kick off free trade talks with EEU members Russia, Kazakhstan, Armenia, Belarus and Kyrgyzstan after signing a declaration of intent in August.

Faroe Islands are a part of the Kingdom of Denmark, but have opted out of joining the EU.

"*We were wrong to trust the EU.*"

Before the quota dispute, as much as 80 percent of their fish exports went to the bloc. Now just 43 percent go there, while 29 percent go to Russia,

"We were wrong to trust the EU. So now we're pursuing a strategy not to put all our eggs in one basket and become less vulnerable by distributing exports to several countries," Michelsen said.

There was no immediate comment from the trade ministry in Russia, where government institutions were closed on Tuesday for a public holiday.

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