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Norwegian Aquaculture Salmon Producers

How the EU affects decisions to conduct Foreign Direct Investments

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Abstract

This thesis researches the role of the EU in the conducting of Foreign Direct Investments (FDIs) by Norwegian aquaculture companies, and whether this role can prove sufficient in explaining the decisions. The thesis acts as an opposition to the previous research that concludes that tariff-jumping into the EU-market is the main explanation for FDIs by Norwegian aquaculture companies. The analysis shows through the division into periods that only FDIs in the Salmon Wars period should be explained by tariff-jumping into the EU-market. In the other periods, there is also strong indications that the Norway-EU relationship has partly affected the decisions to conduct FDIs mainly through providing a stable market that allows for growth, and thus the capital and freedom to look towards new markets and FDIs inside and outside Norway. The EEA-Agreement has also secured stable rights for Norwegian companies when it comes to investments in the EU.

Abstrakt

Denne oppgaven undersøker EUs rolle i utførelsen av utenlandske direkte investeringer (FDI) av norske akvakulturbedrifter, og hvorvidt denne rollen er tilstrekkelig til å forklare disse beslutningene. Avhandlingen vil være en motsetning til tidligere forskning som konkluderer med at tariffhopping inn i EU-markedet er den viktigste forklaringen på FDIer gjort av norske oppdrettsbedrifter. I oppgaven har en periodisering blitt foretatt, og FDIer i disse avgrensede periodene har blitt analysert, og viser at kun FDIer i laksekrigperioden bør forklares av tariff-hopping. På tross av dette viser analysen at også de andre periodene ser en påvirkning av forholdet mellom Norge og EU delvis har påvirket beslutningen om å utføre FDI. Her da hovedsakelig gjennom å gi et stabilt marked som gir vekst og dermed kapital og frihet til å se til nye markeder og utføringen av FDIer innenfor og utenfor Norge. EØS-avtalen har også sikret stabile rettigheter for norske selskaper når det gjelder investeringer i EU.

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Abbreviations

AS	Aksjeselskap (limited corporation)
ASA	Allment aksjeselskap (public limited company)
Brexit	British Exit
CFP	Common Fisheries Policy
CEO	Chief executive officer
COO	Chief Executive Officer
EC	European Commission
EU	European Union
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	the European Monetary Union
ESA	EFTA Surveillance Authority
FDI	Foreign Direct Investments
GATT	General Agreement on Tariffs and Trade
GONGO	Governmentally Organised Non-Governmental Organisation
LO	Landsorganisasjonen (The Norwegian Confederation of Trade Unions)
Ltd	Limited corporation
MFN	Most Favoured Nation
MH	Marine Harvest
MIP	Minimum Import Price
NCE	Norwegian Centres of Expertise
NGO	Non-Governmental Organisation
NHO	Næringslivets Hovedorganisasjon (The Confederation of Norwegian Enterprise)
NOU	Norsk Offentlig Utredning (Norwegian Official Report)
OECD	Organisation for Economic Co-operation and Development
OLI	Ownership, localization and internationalization
QMV	Quality Majority Voting
R&D	Research and development
SA	Salmon Agreement
SDG	Sustainable Development Goals

SEA	Single European Act
SW	Salmon War
TTIP	The Transatlantic Trade and Investment Partnership
UK	United Kingdom
UN	United Nations
US/USA	United States of America
VAP	Value Added Production
WTO	World Trade Organisation

Index

1 Introduction

1.1. Theme

During August 2016, it became apparent that the Norwegian salmon industry was no longer able to label their organically produced farmed salmon as organic salmon on the European market. The European Union's (EU) organic regulations, implemented in 2009, was the reason for this. The regulations had not been incorporated into the Norwegian European Economic Area-Agreement (EEA), within what the EU perceived as reasonable time[1]. The issue was solved by March 2017[2], however, the situation is an example of the complicated relationship between Norway and the EU. The EEA-Agreement (1994) is the main agreement between three of the European Free Trade Association-countries(EFTA), Norway, Liechtenstein, and Iceland, and the EU. The aim of the agreement has always been to include the EFTA-countries in the EU's internal market. The Agreement is dynamic, and Norway is therefore obligated to implement the organic directive, as the EEA-countries are to include all policy that is relevant to the Agreement[3]. As Norway is not a member of the EU, and the EEA-Agreement is the most extensive institutionalized cooperation between Norway and the EU, and it directly and indirectly affects and shapes most Norwegian policy areas[4]. The Common Fisheries Policy (CFP) is not a part of the EEA-Agreement between Norway and the EU due to the parties having been unable to reach an agreement on the matter during the ascension talks in 1992[5]. Despite this many policy areas relevant to the EEA-Agreement, for example the organic directive, are also paramount to the fisheries, and therefor also to aquaculture production companies.

In 2015 Norway produced 1 303 346 tonnes of farmed round salmon. Thus, Norway produces the most farmed Atlantic salmon of any country in the world, and by far in Europe[6]. The Norwegian industry is highly export oriented due to the production level many times exceeding consumption. In 2015, Norwegian companies exported 91,3 per cent of the total produced Norwegian farmed salmon[7]. In 2015 909 841 tonnes of round salmon was exported to the EU. This amounts to 76,48 per cent of total export, and 69,81 per cent of total production. This gives

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1 Regjeringen.no, «Utfordringer med eksport av økologisk laks til EU.»
2 Regjeringen.no, «Økolaksen tilbake på EU-markedet.»
3 Utenriksdepartementet, *EU/EØS-håndboken*, 7-9
4 NOU 2012:2 *Utenfor og innenfor*, 35
5 Emerson, Vahl and Wolcock, *Navigating by the Stars»*, 19-20
6 Eurostat
7 Total produced salmon (aquaculture): 1 303 346 tonnes, total exported salmon (aquaculture): 1 189 691, exported salmon into EU (aquaculture); 909 841.

an indication of how important access to the European internal market, and trade stability, is to Norwegian producers[8].

Trade with the EU on Norway's most important fisheries species are regulated by the EEA agreement's Protocol 9. Protocol 9 regulates tariffs on produce based on types of species and degree of processing. Salmon is one of the species that the EU regards as «sensitive species». Therefore Protocol 9 does not provide tariff reductions for salmon, and EU import of salmon has tariffs based on the degree of processing. Whole fresh salmon having the lowest tariff with 2 per cent, whilst for example smoked salmon has a 11 per cent tariff. Protocol 9 in the EEA agreement also includes regulations for the limitation of anti-dumping measures and protective tariffs[9]. These measures have proved to have limited value. The trade political effects of the relationship with the EU have over time especially affected salmon, and farmed salmon. Over a period of 20 years the EU continuously imposed trade political measures against Norwegian farmed salmon[10].

As fisheries policy is not a part of the EEA-Agreement, differing interests therefore affect the policy area, and has resulted in friction between Norway and the EU. «Norway aims to obtain unhindered access to the EU market for its fishery products, while the EU seeks access for its fishery fleet to Norwegian territorial waters». As a result, fisheries are one of the policy areas that has created the most disagreements in the EU-Norway relationship. Fisheries have traditionally played a major political role in Norway. An example of this is the role the fisheries played for the «no-side» in the referendums on Norwegian membership in the EU in 1973 and 1994[11]. It is popularly argued that the no-side won the battle against EU membership, but that they have lost ever since due to the EEA-Agreement giving Norway a de facto membership in the EU without direct influence in the decision-making process[12]. During the development of the EEA-Agreement aquaculture was treated with the traditional fisheries, and not with the other trade industries. Despite the exclusion from the benefits of being inside the EEA-Agreement for domestic political reason, Norwegian aquaculture has grown to become a highly efficient industry since the signing of the EEA-Agreement.

[8] Fiskeridir.no, «Nøkkeltall for norsk havbruksnæring.»
[9] EEA-Agreement, Protocol 9
[10] regjeringen.no, «Laksesaken mot EU i WTO. Vanlige spørsmål og svar»
[11] Emerson, Vahl, and Woolcock, *Navigating by the Stars,* 19-20
[12] Skartveit, «Selvgode tapere»

The fisheries policy area, in the EU-Norway relationship, therefore stands out as an interesting policy area in the Norway-EU relationship. The fact that salmon is one of Norway's main export products, and the EU the main market also underlines the importance of further studies and analyses of the policy area. Aquaculture industry has developed rapidly during the past decades. In Norway, one can see the development from small ventures in freshwater dams to a multimillion industry with potential for further growth, and the Norwegian industry is known for its highly efficient production process. This has for many years, and emerged early, as one of the Norwegian producers' greatest advantage. The industry has prioritized research and cooperation with universities and scientists to secure the productivity rate that makes production in Norway work for their advantage.

1.2. Research question

The foreign direct investments by Norwegian aquaculture companies in EU countries, as well as conversations with fish farmers stimulated my interest in the relationship between Norwegian aquaculture production companies in Norway and the EU. Conversations with professionals on the net pens about their perceptions of the EU's impact on the industry gave the general impression that the EU was perceived as difficult, slow moving when it came to development and possible cooperation in research projects and funding. The impression was also that it was challenging to fully understand the mechanisms and the effects of them. Most Norwegian aquaculture companies operate in an international sphere due to the high level of export. The most important trading partner of Norwegian salmon is the EU, and the EU is also the external political entity that affects Norwegian policy making in the largest degree. This means that the Norwegian aquaculture industry must deal with the effects of the EU on several levels even though the fisheries are not a part of the formal EU corporation on fisheries, the CFP. This thesis will aim to better understanding the relationship between Norway and the EU and how it affects an industry area that is not included in the EEA-Agreement, and despite this is highly dependent on trade with the EU. The research question will be:

Has the Norway-EU relationship shaped the Norwegian Aquaculture Companies into international players; and if this is so, can it explain Norwegian Aquaculture Salmon Producers' Foreign Direct Investments in EU countries?

I have chosen this research question because it will be interesting to consider the way the EU, after the EEA-Agreement entered into force, has affected an area that largely reached maturity, and became a force to be reckoned with in the years after the EEA-Agreement-discussions where finalized.

1.3. Previous research

1.3.1. Themes in the previous research

Foreign Direct Investments (FDI) has been a major interest for economic scientist for many decades as it can be viewed as a way of measuring international influence in a nation state as well as the degree of influence a specific nation state has over other nations. Dunning[13] suggests that ownership advantages, location advantages, and internalisation advantages (the OLI-framework[14]) must be present for FDIs to be considered and carried out. Ownership refers to that firms should have ownership advantages over other firms in the country in question for it to be a place for FDI. This can refer to technology, human capital, finances, size of company and influence of the brand. There must be location advantages not found in the home nation, for FDIs to be considered. Here taxes, labour market, infrastructure, market access, or other logistical advantages may play in. Governmental policy and national regulations is also examples of location advantages that can prove advantageous in other countries. Internalization advantages refers to the benefits that can be obtained by keeping transactions within one company, compared with externalizing or the outsourcing of parts of the value chain or business to another company.

This thesis is written within the scope of European Studies the role of FDIs in the EU is essential. Although, Norway is not an EU member FDIs between Norway and EU member states is regulated after the same competition policy guidelines as FDIs between two EU states[15]. Thus, it is useful to use the UK government's review of «EU membership and FDI». In the case of the UK, the findings are that it is difficult to fully conclude whether the attachment to the EU has affected the growth in inward and outward FDIs after the UK became a EU member. However, the paper suggests that the UK attachment to the EU has made the UK more attractive for inward FDIs due to direct access to the large EU market[16]. This is a very interesting point for explaining the case of Norwegian FDIs in the EU as many Norwegian

[13] Dunning, *Trade, Location, of Economic Activity and the MNE,*
[14] Also known as the eclectic approach
[15] Neary «Foreign Direct Investment and the Single Market»
[16] gov.uk, «EU-membership and FDI», 1

Aquaculture firms have conducted FDI in the UK over time. The UK Government also suggests that the EU membership has made outward FDIs in the EU easier.

«The theory of regional integration suggests that EU membership should have had a significant and positive impact on FDI flows into the EU, and into the UK from both EU Member States and outside the EU, the main driver being the reduced barriers to accessing a larger market. Although a detailed econometric study of the evidence is complicated, the evidence available supports this[17]».

Market size and access to these large markets is suggested by the economic literature to be the main driver behind FDIs. When it comes to FDIs made by Norwegian aquaculture companies in the EU, the main source of previous literature also concludes that market access is the strongest explanation behind the phenomenon[18]. Here the term tariff-jumping investments is applied to explain how the Norwegian companies, in search for access to the large EU-market without tariffs, conduct FDIs in EU-countries. This conclusion is made for both fish farming production, but also for FDIs in value adding production (VAP) in the EU. In the Norwegian Aquaculture Industry literature, the Salmon Wars and the Salmon Agreement (1997-2002) is perceived as one of, if not the most important point in time to actualize how the lack of the fisheries included in the EEA-Agreement and thus the relationship between Norway and the EU on the area has affected the Norwegian aquaculture industry. The earliest (2002) research on the theme[19] suggests that the Salmon Agreement was working as it should, and that there were positive results of it as through the Salmon Agreement one of the agreed upon points was that funds raised by the new taxes should be used for advertisement that both the UK and Norwegian companies was positive for the Norwegian producers. This is only a mid-term assessment of the Salmon Agreement, thus Lorentzen's research from 2009 is further able to indicate that despite a short lived positive effect by the Salmon Agreement in the Norwegian industry, the full potential of Norwegian competitiveness was prevented by the effects of the agreement. The industry in Norway also experienced an increase in the exposition to economic risk. The paper concludes that the EU producers on the other hand experienced welfare gain due to the prevention of the Norwegian industry to fully utilize the competitive possibility in the industry. Lorentzen's paper also indicates that suppliers in Chile and the Faroe Islands

[17] gov.uk, «EU-membership and FDI», 17
[18] Maurseth, «Utenlandsinvesteringer I fiskeri- og havbruksnærigen»
[19] Kinnucan and Myrland «Relative Impact of the Norway-EU Salmon Agreement»

thrived under the agreement due to an opening in the market for the lesser productive industries. EU consumers also experienced a welfare loss during the agreement. In his discussion Lorentzen also stresses the successful lobbying of the Irish and Scottish fish farming industry, as it was the Scottish and Irish firms that first involved the EU Commission[20].

The Norwegian industry very early became a very efficient industry. Kinnucan and Myrland[21] claims that *«Norway is the prime target for countries wishing to protect their domestic salmon sectors via trade restrictions (...)»*. This is due to the Norwegian industry being accused for price-dumping. This is in turn because the very high degree of efficient production and thus being able to sell salmon for a much lower price. Kinnucan and Myrland actualize this by pointing out that both the US and the EU has proved very successful in protecting their own salmon production through accusing the Norwegian industry for dumping and placing anti-dumping levies and tariffs on Norwegian salmon entering their markets. The Salmon Agreement is a great example of how the EU has used trade restrictions in its dealings with the Norwegian salmon production. As for the US the tariff on Norwegian salmon, that in practice closed the market for Norwegian salmon export to the US.

1.3.2. Disagreements in the literature

In the limited literature concerning Norwegian aquaculture FDIs there are no widespread disagreements. To clarify, this is mostly due to this being a small field of study, and that there are not an extensive number of studies conducted in this theme. However, when it comes to the importance of the EU and the EEA-Agreement has affected Norway and the Norwegian policy areas there are disagreements mainly between the EU-positive and EU-negative camps. Despite this there is very difficult to say what the Norway and the Norwegian industries would look like without the EU and the EEA-Agreement. Alternatives to the EEA-Agreement is being discussed by the «No to the EU»-group[22], but there is no evidence to support the claim that there are any plans for changing the EEA-Agreement or the attachment to the EU. As pointed out in the NOU about Norway's relationship with the EU it is ahistorical to try to discuss how the Norwegian aquaculture industry would have developed without the close connection to the EU[23]. There are claims being made about the effects of the EU on the fisheries and trade in

[20] Lorentzen «The Salmon-Agreement Between Norway and the European Union», 21-25
[21] Kinnucan and Myrland «Relative Impact of the Norway-EU Salmon Agreement», 1
[22] Regjeringen.no, «Alternativrapporten»
[23] NOU 2012:2 «Utenfor og innenfor»

fisheries, where one sees that there are some who find evidence that the EEA-Agreement is making the access difficult, and uses the SA to actualize this. However, research has also concluded that the EEA-Agreement had opened up the market for Norwegian fisheries produce. Similarly, the literature concerning FDIs also provides disagreements about the reasons as well as results of FDIs.

1.3.3. What this thesis will add to the state of the art in the literature

As discussed there is not much previous literature that specifically discusses the theme of this study, and thus there are no clear disagreements to be found. This thesis will therefore be the main disagreement to the idea that tariff-jumping an access to the EU-market is the main explanation for FDIs made by Norwegian aquaculture companies. In addition to this the literature in the broader area of study is mainly conducted in the sphere of the business and economic theories and studies. This thesis will, unlike the previous research, focus on the historical contexts and the frameworks of operation for the Norwegian aquaculture companies, as well as connecting the European and national context to the FDIs conducted by the Norwegian Aquaculture companies during that time. Per example the Europeanization of the regulations as well as practices in the industry and its effect. In addition to the Europeanization context this thesis will unlike for example Maurseth (2006) not only include interviews and data collection from representatives and leaders in the Aquaculture industry, but also collect data through interviews with people that I have called observers of the industry over time. The information collected from persons in NGOs, the Government, and trade magazines gives insights without bias, or at least not the same biased information. This will prove helpful in overcoming one of the pitfalls in the method, the biased accounts of reasons behind development on firms. The interview selection is not only interesting as it will give the opportunity to develop a larger picture of the development when it comes to different insights, but as this will be the latest look into the development of this theme, it will give the possibility for using the historical context over time as data collection. This will provide the possibility of following the practice of FDIs by Norwegian aquaculture companies over time and the historical context will provide data for concluding the reasoning behind the practice of FDIs in the Norway-EU context.

1.4. Concepts and Methods

1.4.1. Concepts

The concepts presented below will be used as heuristic tools to fine-tune the analysis and provide explanations for how this thesis will apply and define concepts that often have highly broad meanings. For this thesis, the definition of a Foreign Direct Investment (FDI) is essential for being able to define the investments of interest. There are however disagreements in the literature when it comes to where the line between a foreign investment and a foreign direct investment should be. To clarify, FDIs are international investments that control assets[24]. However, there are different statements concerning whether this is above 10 per cent or 50 per cent investment in the company. In this thesis, the conducting of FDIs is perceived as a trend in Foreign direct investment and will use the definition of 50 per cent ownership, but in the event that smaller investments can provide an insight into a larger trend also ownership above 10 per cent of the companies will be mentioned. Tariff-jumping is used in previous research to explain why FDIs are conducted in certain countries and markets to gain access to a market. When using both the term tariff-jumping and market access in this thesis the meaning will be the possibility of being able to avoid high trade barriers. Globalisation is not a new phenomenon, but can rather be defined as a process towards global economic integration[25]. As well as economic integration attained by the removal, and lowering, of trade barriers an important part of globalisation is communication and transport. This makes it possible to trade between, and across, nations without the logistics being a high barrier. This thesis uses the term Europeanization as Olsen describes its use. He concludes that there are several phenomenon's that can be explained or discussed with the help of Europeanization. Hereunder, enlargement, development of European institutions, Export of European political thinking, and for this thesis the most useful application will be the definition as adaptation of national governance structures to the EU's political centre and norms[26].

1.4.2. Methodology

To discuss, and answer the research question, this thesis will be an inductive research design and use qualitative methodology. This is due to the nature of the process that resulted in the development of the research question. The process begun with an observation of foreign direct investments, as well as indirect foreign investments, conducted by a large Norwegian

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[24] Froot, *Introduction to Foreign Direct Investment»*
[25] OECD, «Globalisation in fisheries and aquaculture», 18
[26] Olsen «The many faces of Europeanization»

aquaculture company in Scotland and the Faroe Islands in the early to the mid 2000s. After further research a pattern of FDIs and indirect foreign investments by large Norwegian aquaculture companies emerged. Thus, the research question is not based, or born in a theory, but in a phenomenon. The inductive bottom-up research will therefor suit the further process of answering the research question. To answer the research question, I will analyse the pattern of FDIs and foreign investments further to look into whether excising theories, or a new theory, emerges to explain the FDIs in a EU-context[27].

The qualitative method data collection takes the form of worded interpretations, thus the data collection needed to answer the research question is collected by doing semi-structured interviews with employees in key management positions in Norwegian aquaculture companies, as well as observers of the aquaculture industry. Biased information is difficult to avoid when interviewing a group of people that are directly dependent on the development in the industry, and the positive impression of the industry. There is also possible that biased information about previous development in the industry as misremembering or changing of impression within the company over time. In the attempt to avoid this, data triangulation will through be including interviews with people outside the business category, as well as using documents. This will provide a more objective outside-in understanding through comparing the data. I have decided to include observers from both industry magazines as well as from NGOs and GONGOs and the government to ensure more neutral answers from individuals not bound by company policy and their possible agendas. When conducting a document analysis, it is important to remember that some of the authors of the documents might have interests in the content, or in affecting the recipients of the content[28].

The data collection will be done through semi-structured interviews. This type of interview will not only give both interview and interviewee the possibility to affect how the interview proceeds, but still secure answer to the themes of interest relevant to the research question due to the interview guide giving each interview the same structure. In addition to this, the data collecting method will also provide the freedom to conduct interviews on the phone, skype, e-mail, as well as in person. This makes it possible to conduct interviews with persons in other places and it not affecting the feasibility, as well as time-frame of the thesis. It also gives the

[27] Ringdal «Enhet og mangfold», 34-35, Strauss, A., & Corbin, J. «Grounded Theory»

[28] Rapley, *Doing Conversation, Discourse and Document Analysis,* 113-114

possibility to conduct interviews on a short notice due to the flexibility a set interview guide and possibility of non-in person interviews provide. The initial research, as well as a document analysis of information from assorted newspapers, trade magazines, official publications and statements made by the Norwegian government and the EU will provide the context in which the questions will be formulated. The development of regulations concerning and affected the Norwegian aquaculture industry within Norway as well as in the EU will play a major role in creating this context.

To achieve a structured analysis of the data from the interviews a coding has provided defined groups of data. Through the codes it is possible to tell the story of the results, and after conducting the interviews the impression of this story form the pre-set codes. The pre-set codes for this thesis was; market access; impression of the EU/EEA; reasons for FDIs; VAP; Europeanization; regulations; Salmon Wars/Salmon Agreement; and internationalisation/globalisation. During the coding two emergent codes came up; EU as the home market; and Norwegianisation as the counterpart to Europeanisation[29].

The Norwegian Aquaculture industry is known for being highly focused on Research and development (R&D), as well as working towards achieving a general good public perception of the industry. The industry has for years struggled with negative perception in Norway [30], and outside of Norway farmed fish to a degree has experienced negative perception. I assumed in light of this that the aquaculture companies I contacted would be interested in being interviewed and thus contribute to R&D in the industry. Nonetheless I also expected that some of the company representatives would perhaps be less eager to participate in fear of sensitive information coming out. In cases like this it was important to reassure that there is no need to answer questions that are perceived as too sensitive, however the aim of this study should not to go into areas that may be perceived as commercially sensitive for the companies. The lack of time or wish to prioritize an interview for research on this academic level is however an issue that is more difficult to influence to a large degree. When contacting interesting people for interviews I have relied heavily on personal contacts putting me in contact with people in their network. It proves very useful to be able to send my regards from people they know. This gives

[29] Gibbs *Analyzing Qualitative Data*

[30] Olsen and Osmundsen «Media framing of aquaculture»

them a positive inclination from first contact, and gives them a reason to trust that I will treat the data with respect. The persons I interviewed from the industry represented three of the largest aquaculture companies in the world; Geir Molvik CEO in Cermaq, Trond Williksen CEO in SalMar, and Ola Brattvoll COO of sales &marketing in Marine Harvest.

As explained above the data triangulation will be completed through interviewing a group of persons that does not have the same biased perception of developments and the way the EU affects the industry and FDIs in the industry. This, however, does not mean that this group is without biased perception, but they will potentially have other reasons for, or forms of bias. To provide information that will give the data collection a broader spectre of background I have decided to include interviews with individuals that have followed the industry development outside companies over time. This will help me to be able to say something more general about the FDIs conducted in the EU by Norwegian aquaculture companies and the role of the EU in this practice. Without this the thesis would be limited to only be able to generalizes the industry's own perception of this phenomenon. The interviews for this group was conducted with two trade journalists, Vegard Solsletten and Trond Hammervik, the Deputy Managing Director Trond Davidsen in the Norwegian Seafood Federation, EU-advisor Poppy Kalesi in NCE Seafood, as well as a former representative in the Norwegian government that wishes to remain anonymous.

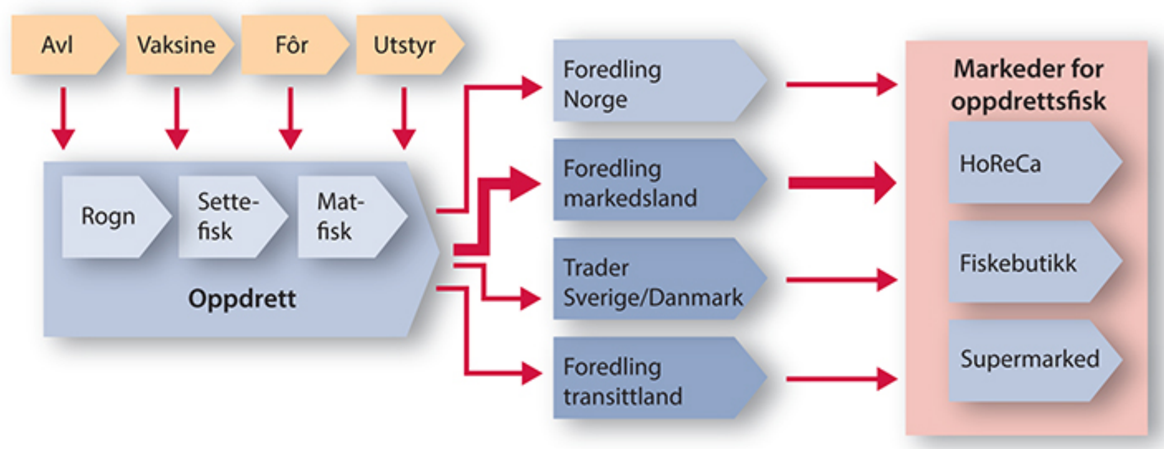
1.5. Thesis structure

To best gather the information needed to analyse the research question also before conducting the interviews a chapter with information about background, context, and data-chapter will be used to provide the basis for further research. The analysis will use periodization as a mode to analyse the research question within historical context limited to the period. In the analysis, the triangulation method will be applied through document analysis as well as the analysis of the coded interview data. In each period, a summary of the findings will conclude the sub-chapter. The conclusion will be made from these summaries.

2. Context and data

To understand the importance of FDIs conducted by Norwegian fully integrated aquaculture value chain is essential to understand how the different companies function, and that it is possible for the different companies to make different choices when it comes to FDIs in the EU and outside the EU. There are conservatively three types of FDIs Horizontal, vertical, and conglomerate FDIs. As seen in the model below the entire value chain can be found in Norway from the roe to the finished salmon, via possible value adding processing (VAP), and to the Norwegian or foreign market. However, as also seen in the example below, there are examples and possibilities for VAP outside Norway. If a company decides to take control over parts of its value chain outside of Norway through FDIs it is defined as a vertical FDI strategy. However, if a company wishes to invest in production of the same link in the value chain in another country this would be an example of horizontal FDI strategy. The last possible strategy is the conglomerate FDI strategy where a company chooses to invest in a company or production of something that does not belong in the same value chain as the existing production.

Model 2.1.1. The Aquaculture Value Chain[31].



The Norwegian industry has moved from an industry of small companies functioning as supplementary income for per example farmers, into large, often transnational, companies. According to the Marine Harvest 2016 Industry Handbook [32] Norwegian companies owns commercial salmon and trout licences in Norway. However, as discussed there is a tradition for consolidation in the industry and thus production on all licences in conducted by 98 companies.

[31] Sintef «Verdiskaping basert på produktive hav»
[32] Marine Harvest «Industry Handbook 2016», 151

The companies often have a fully integrated value chain, with everything from smolt production to value adding processing.

2.1. FDIs conducted by Norwegian salmon farming companies

Norwegian aquaculture companies have in the last two to three decades chosen to venture outside Norway for further enlargement and development. Most of the companies are also results of different Norwegian companies as well as international companies and they have therefore changed their name several times. This thesis is going to examine the largest aquaculture companies that have made foreign direct investments in the EU. These companies are featured on the top ten major companies of aquaculture in 2016, and they are the five largest producers in Norway.

Marine Harvest is the largest salmon aquaculture company in the world. With a production level of 360 200 GWE in 2016[33]. Already in 1983 Marine Harvest, then named MOWI, started its foreign direct investment with the purchase of the Scottish seafood company GSP and the Irish company Fanad. In 1999 Nutreco, today part of Marine Harvest, took over the Scottish farming operations started by Unilever. 2005 marked the time that Marine Harvest as we see it today begun to take shape, as the majority owner John Fredriksen acquired PanFish. In 2006 PanFish bought Marine Harvest, and in 2007 the company took the name Marine Harvest. Marine Harvest today has production in all the major production areas in the world.

Lerøy Seafood Group is the second largest producer of Norwegian farmed salmon. Lerøy started its ventures of aquaculture production outside Norway in 2001 with the establishing of Norskott Havbruk AS as a joint venture with SalMar. SalMar and Lerøy Seafood Group own 50 per cent of the stocks each. Norskott Havbruk AS is the sole owner of Scottish Sea Farms Ltd., the United Kingdom's second largest producer of farmed salmon. In addition to the salmon farming activity in Europe, Lerøy has processing production in Sweden, Turkey, the Netherlands, France, and Spain[34][35]. The processing production is likely moved outside Norway due to the high tariffs on processed fisheries products contra non-processed fish produce.

33 Marine Harvest «Salmon Industry Handbook 2017»
34 Lerøy «Årsrapport 2015»
35 Lerøy «Årsrapport 2016»

SalMar is a salmon farming company with origins in the small island municipality of Frøya. Since the company's humble beginnings in 1991 it has by 2016 reached a production level of 115 600 tonnes salmon produced in Norway. As mentioned when discussing Lerøy Seafood Group above SalMar owns 50 per cent of Norskott Havbruk AS, which in turn owns Scottisk Sea Farms Ltd. In addition to the FDIs in Scotland SalMar has conducted several foreign minority share investments in non-EU countries in Europe. In the span of 2010-2013 SalMar bought and sold shareholdings in a Faroes Islandic fish farming company, and in 2015 and 2016 SalMar acquired shares in an Islandic company[36].

The formerly Norwegian state-owned company Cermaq was sold to the Japanese company Mitsubishi in 2014[37]. However, Cermaq conducted several FDIs, mergers, and acquisitions in Norway and outside Norway prior to 2014. In September 2000 Cermaq acquired the Canadian fish farming company Pacific National Group Ltd. and Prime Pacific Seafarms Ltd.. In November, the same year Salmones Y Alimentos S.A. in Chile was acquired, as well as the Scottish companies: Mainland Salmon Ltd., Shetland Nors Ltd., and Aquasert Group Ltd[38]. The name Cermaq will be used in this thesis when talking about the fish farming company. Mitsubishi will only refer to the Japanese multi-industry company.

Grieg Seafood started their farming activity in 1992. Until 2001 the company acquired and merged with several Norwegian fish farming companies. In 2001 the international activities started with the acquisition of Scandic in British Columbia, Canada and GSF in Chile. GSF was sold in 2004. In 2007 Grieg acquired Target Marine in British Columbia, Canada, as well as Hjaltland Seafarms in Shetland, UK. In 2011 more licences for Hjaltland Seafarmns in the UK was acquired[39].

2.1.1. Foreign investments in the processing industry in the EU

In addition to investments in aquaculture production outside Norway, the Norwegian companies have conducted several investments in the EUs processing industry over the years.

[36] Salmar.no, «History.»
[37]Gjendum and Lorentzen, «Staten takker ja: Nå er Cermaq-salget i boks.»
[38] Nsd.uib.no, «Cermaq ASA.»
[39] Bergen chambers (2015)

Table 2.1.2. FDIs in processing and sales divisions made by Norwegian companies

Lerøy Seafood	Has factories for Value Adding Production (VAP) in Sweden (Smoking), France, the Netherlands, Poland, Portugal, UK, (and Turkey)	Sales divisions all over the world
Cermaq	VAP in Chile	Sales divisions North America, Asia, Central America. Feed production in Vietnam
SalMar	Has chosen not to process outside Norway.	Sales divisions all over the world
Grieg Seafood	Processing in Shetland (UK)	Hatchery in Shetland (UK) and British Columbia (Canada)
Marine Harvest	VAP in the company Morpol in Poland	Sales divisions in Europe, Asia, America

2.2. Market access

Trade in salmonids is one of the major export industries for Norway. Both the traditionally caught and farmed salmon industries are dependent on export. Access for Norwegian salmon into important markets therefor becomes one of the main interests for the Norwegian industry, as well as for the Norwegian government and interest organisations.

2.2.1. Access to the EUs internal market for Norwegian Aquaculture Companies

The EEA-Agreement is as mentioned the most important and extensive agreement between Norway and the EU, but the agreement does not include cooperation on fisheries due to disagreements in fisheries quotas and EU access into the Norwegian territorial waters when establishing the agreement. However, Norway and the EU does have agreements on trade in fisheries products. Traditionally Europe has been the most important market for Norway. The first institutionalised agreement between the EU and Norway on trade in fisheries was the «Fisheries letter» of 1973. Adjustments agreements were added in 1986, 1995, and 2004 due to the expansions of the EU. The EEA-Agreement states in its article 8.3 that the main part of the EEA-Agreement is not to be applied to fish and fisheries products if not otherwise stated. Per example we find one such exception in article 17 Veterinary area. We also find exceptions as previously stated in the organic directive. The EEA-Agreements article 20[40] states that the provisions and arrangements when it comes to fish and other products from the ocean are to be stipulated in the EEA-Agreements Protocol 9[41]. Protocol 9. outlines the access to each other's

[40] efta.int «the EEA-Agreement»
[41] seafood.no «EEA-Agreement Protocol 9»

markets for fisheries products between Norway and the EU, as well as decisions on duty relief and duty-free products, competition policy, subsidies, antidumping and anti-subsidies measures, and the decision that none of the parties is to apply quantitative import limitations. For some species of fish there is no toll barrier between Norway and the EU, but on the species, that are classified as «sensitive species» by the EU face tolls when exported from Norway. Salmon is one such «sensitive species». In 2017, fresh or frozen unprocessed salmon (also filets) face a 2 per cent toll into the EU. Today's tariff on fresh or frozen whole of filets of salmon is not very high, as Norway and the EU vowed to work towards lowering the toll to a minimum after the Salmon Agreement came to an end. Thus, this is the lowest tariff seen since before the Salmon Agreement in the mid 1990s. On processed salmon products however, we see customs duty rates that are far higher than on non-processed produce. Processed fish meats like cured salmon, fishcakes, and other types of processed products have a 5,5 per cent customs duty into the EU. Salted salmon meats in brine face a 4,5 percent duty, whilst salted and not soaked in brine face 11 per cent. The highest customs duty is on the traditional smoked salmon with 13 per cent. Through the EEA-Agreement trade in Norwegian fisheries products are, as mentioned, regulated by Protocol 9. Here the concept of preferential tariff for some products apply, this means that there is an agreement on preferential tariffs on certain products based on the nature of the product or the country of origin as a Norwegian or EEA-produced product[42]. However, if no preferential tariff applies for the product the WTO principle of the most favoured nation (MFN) will apply. MFN is one of the fundamental principles of the WTO and thus multilateral trade. The principal is explained as following; if a country grants a certain low tariff on a product from a specific country, this tariff level must be given to all other nations for the specific product. Although, this is one of the most important principle for countries in the WTO there is an exemption from the agreement. This is achieved through free-trade, or trade agreements such as we see in the EEA-Agreement[43]. To specify, the tariff on a fisheries product from Norway will be treated by the lowest of the MFN tariff and the preferential tariff in the agreement between Norway and the EU in Protocol 9 of the EEA-Agreement.

2.2.2. Importance of the European Internal Market

Today we see that Europeans are eating more fish than ever, and the trend in seafood consumption is clearly a worldwide increase. A great deal of the fisheries produce that is consumed in the world comes from the Norwegian fjords. Norway has a dominating role in the

[42] Tolltariff 2017
[43] Wto.org, «Principles of the trading system»

European market, and a significant role in the global market. The increasing level of seafood production due to the emergence of aquaculture production from the 1970s has made this steep incline in seafood consumption we see in the per-capita consumption in selected industrial countries possible. The EU has been a rapidly growing market for the past 25-30 years, and in the 1990s the EU became the largest market for fresh farmed salmon, outperforming both the USA and Japan. In 2008, the total import of fresh farmed salmon by the EU was valued at 2.1. Billion Euro. In 2008, whole fresh Atlantic salmon accounted for 65 per cent of the 89.7 tons of imported seafood into the market[44]. Norway is the leading fish farming production nation in Europe with 1,332,492.01 tons live weight accumulating to 5,274,549,517.27 euros[45]. The only country, within the EU, within the same market segment as Norway that also has reached a high level of overall production is the United Kingdom. The 2012 result for the UK fish farming industry was 205,595 tons live weight at the value of 732,820,943 euros[46] which makes it the second largest producer of salmon in Europe. The United Kingdom is the second largest producer of farmed Atlantic salmon in Europe, following Norway. In addition to the UK (Scotland and Shetland), Ireland also farm salmon on a relatively large scale.

2.2.3. Value Adding Production (VAP)

Norway's salmon export is not necessarily consumed in in the importing country. Due to the added tariffs on for example smoked salmon exported from Norway into the EU, 13 per cent tariff, several countries can profit greatly due to value adding industries like smoking and other added processing industries. Denmark and Poland are examples of this practice[47]. Due to this we see Poland as a large scale importing country in the EU despite a lower consumption degree of salmon. Germany on the other hand receives a large degree of the Norwegian salmon as it is re-exported from for example Poland after processing[48]. As discussed, some Norwegian aquaculture companies chose to foreign direct invest in value adding production in Europe to secure production within the company, but also inside the EU. This giving a duty of only 2 per cent when entering the EU contra, the 13 per cent, or 11 per cent for smoking and salting. As mentioned many forms pf processed salmon meats meet a 5.5 per cent toll when entering the EU. Another important reason to process in the EU is potentially much lower labour cost.

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[44] Asche and Bjørndal, *The Economics of Salmon Aquaculture*, 83-85
[45] Eurostat
[46] Eurostat
[47] Asche and Bjørndal, *The Economics of Salmon Aquaculture*, 92-94
[48] Stortingsmelding 16 «Forutsigbar og miljømessig bærekraftig vekst I norks lakse og ørretoppdrett 2014-2015», 27-28

2.3. The EU-context

The EUs Common Fisheries Policy (CFP) it is traditionally not perceived to be either effective or sufficiently geared towards protecting fish stock. Since it was first implemented in 1970 after it was quickly designed and adopted before the ascension talks with the fisheries nations Norway, Denmark, Ireland, and the UK it has, as most EU policies, been reformed and changed many times. As with most policy areas the many enlargements have greatly affected the CFP. Especially countries with fisheries interests like Spain, and Portugal has formed the CFP over time causing it to place quotas on nations in a policy area that was to be freely accessed due to differences in fishing fleet sizes. Problems with the CFP before its reform in 2013 was mainly several loopholes and glitches in the policy. For example, after the reform in 1983 that gave every EU-nation the same access to fish inside the EU-waters problems appeared from 1986 when nation states (Portugal and Spain) with large fishing fleets and small fishing stocks could use to access the other EU-nations quotas (UK), and land them in its own country. The Lisbon treaty also affected the CFP and implemented the co-decision procedure that demands that any reforms to the CFP should be decided by both the Council and the European Parliament. Previously the Lisbon Treaty the Council had sole responsibility, which gave some nation states a great deal of power to affect the outcome[49]. The proposal on reform of the common fisheries policy came in 2011, and lead to the 2013 reform. In the proposal aquaculture is discussed, and the needs for reform in the aquaculture due to insufficient aquaculture development in the region. The proposal promotes the development of aquaculture. The proposal also states that *the overall objective of the proposal is to ensure fishing and aquaculture activities that provide long-time sustainable environmental conditions and contribute to the availability of food supplies*[50].

The EU has several long-standing trade agreements with other nations also in addition to the EEA-Agreement. These are highly important for the Union and is one of the traits and developments one see in the globalised world today. The EU continuously work towards maintaining trade agreements as well as developing new ones that can offer positive development in its member state's trade. As Norway is not a member-state such negotiations on trade agreements are not accessible, and not always perceived as positive developments. For the Norwegian fish export industry, the recent failed negotiations on a trade agreement with

[49] Claes and Førland *EU- mellomstatlig samarbeid og politisk system*, 123-124
[50] EU Commission «Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Common Fisheries Policy», regjeringen.no, «Fish»

North America (TTIP) provided uncertainty as for free trade into the EU for North American fisheries products. Today a trade agreement of this magnitude does not seem likely to be signed due to the current US president, Donald Trump, expressing scepticism towards trade agreements. However, the conversation on what a possible agreement Norway would be able to sign as a third party with the EU and the US was thought-provoking in the sense that the outsider status of Norway can provide issues for the Norwegian fisheries trade in the future, and the fact that Norwegian politicians need to position themselves close to the decision making in the EU on the issue. The forthcoming referendum on British exit (Brexit) form the EU is also an issue that will possibly affect the Norwegian fish farming industry in the future. Today there is no way of knowing for what kind of agreement Britain will have with the UK after leaving the EU[51]. Another development in the EU is also likely something that might affect the Norwegian aquaculture, and especially its export into the EU. The EU has signed the United Nations (UN) Sustainable Development Goals (SDG) was implemented in 2015 as part of the 2030 Agenda. The combat of hunger (SDG 2.) and Responsible Consumption and Production (SDG 12) is concentrated in the SDG 14. «Life below water». This goal states that sustainable production of seafood, and then especially through aquaculture where there is possibility for growth and will be able to «produce the fish needed to meet the demand for safe and highly nutritious food by a growing population»[52]. This proves the importance that the aquaculture sector and the production of sustainable protein will have for the EU moving towards 2030[53].

2.3.1. EU policy relevant to the Norwegian aquaculture industry

As discussed, the CFP is not a part of the Norwegian EEA-Agreement. During the agreement discussions in 1992, as it has before, the national interests in fishing quotas dominated the discussion. The EU with important fisheries nations demands for equal access to the Norwegian territorial waters and fish stocks on one side, and the politically powerful Norwegian fisheries sector on the other[54]. The result was that the CFP was held outside the EEA, and that trade in fisheries products was regulated by the EEA-Agreements Protocol 9. The major importance of the veterinary directive, that ensures that trailers of Norwegian salmon is not being stopped on the border to the EU to be checked due to the harmonized legislation on animal health. This in

[51] Føleide og Tallaksrud og Antonsen, «Brexit kan senke prisen på nosk fisk.»,
Aspaker (2016) «Norge og Brexit»
[52] FAO «Sustainable Development Gials: Life Below Water»

[53] European Commission «Newly adopted UN Sustainable Development Goals include goal on oceans»

[54] Claes and Førland *EU- Mellomstatlig samarbeid og politisk sysyem*, 123-124

turn is also secured by cooperation on transport, free movement of goods, capital, services, and labour across borders to and in the EU, ensures the movement of fish into the EU. The free movement of labour is also important to the Norwegian industry to provide labour to their factories and other activities within Norway. This has made the steep increase in production possible in a time where many Norwegians do not wish to work in the lower levels of the industry. The organic directive, as mentioned, is an example of how Norway sometimes lags in the implementation of important directives, but there are also many examples over time show that Norway is one of the nations associated with the EU that implements fastest and the most EU regulations and directives. The EUs competition policy greatly affects Norway especially due to directions on state subsidies and other competition measures. As a substitute for the Commission the EFTA Surveillance Authority (ESA) acts as a surveillance organ to ensure that the EFTA nations follow the EU directives, regulations, and especially the competition policy[55].

2.3.2. Issues between the EU and Norway on fisheries, aquaculture, and trade in fisheries

The issues between Norway and the EU in regards to the fisheries originates from the disagreement on territorial boarders, quotas, subsidies, and in general food policy. The Norwegian decision to stay outside the EU in both the 1973 and 1994 referendums are greatly attributed to the agricultural, traditional fisheries, and peripheral interest organisations winning argument about not only jobs in the periphery, but also sovereignty and self-sufficiency when it comes to food production. Today, as we can see discussed in the NOU 2012:2 the aquaculture industry could be viewed as an industry, and not a part of the fishery and agriculture as the production many times exceeds consumption. For the traditional fisheries, the major difficulty between Norway and the EU was the demand from the EU to gain access to the Norwegian territorial waters for its fisheries fleet. This was also a demand during the development of the EEA-Agreement, and as this was not accepted by Norway the EU did not give in to the Norwegian demand for free access to the internal market for fisheries products[56].

After the EEA-Agreement took effect the major disagreement and heated period between the EU and Norway on fisheries questions was the Salmon Agreement (SA) after the Salmon Wars (SW). As the names indicated the great issue was related to the trade in salmon. As in the US the EU, after the issue was raised by Scotland and Ireland on behalf of their aquaculture

[55] regjeringen.no «EFTAs overvåkningsorgan ,ESA»
[56] NOU 2012:2 «Utenfor og innenfor»

companies, did not accept what they saw as price dumping and unfair subsidies received by the Norwegian industry by the Norwegian state. The decision made by the EU imposed an anti-dumping duty of 3 per cent on Norwegian salmon entering the EU. This was an increase from the 0.75 tax that was placed on Norwegian salmon before the Agreement, but a significantly lower duty than the 14 per cent anti-dumping duty the EU initially foresaw. This was however prevented by diplomacy. The Salmon Agreement was signed as a compromise and lasted from 1997-2003. The agreement was initially to last for five years, until 2002, but was extended to include the first part of 2003[57]. The issue of market access is not the only problem facing the Norwegian aquaculture industry. The Salmon Agreement consisted of six measures for improvement, in the EC's eyes. One of these was the «closing» of possible growth for Norwegian companies in the internal market. The Norwegian government implemented several growths minimizing actions to comply with the requirements of the Salmon Agreement that growth in Norwegian production for EU import should not transcend more than 10 percent yearly, with 1997 as the base year[58]. This provided other salmon producing countries with a larger window and incentive for production for the less productive industries in the UK and the Faroe Islands. The restriction on growth in the European market also gave the Norwegian state an incentive to not increase the number of licences for fish farming along the Norwegian coast. A minimum import price (MIP) was implemented on salmon originated from Norway, a surveillance mechanism was set in place, industry co-operation between Norway, Ireland, and Scotland was strongly encouraged, and consultation procedures where implemented[59]. In addition the Agreement also resulted in the Norwegian government imposing a levy on fish feed and indirect control of production levels through a cap on fish feed. This naturally downsized the production levels as production became more expensive largely due to the loss of the benefits of economies of scale. The dispute on salmon was however not taken to the World Trade Organisation (WTO) until 2006 when the EU wanted to impose yet another minimum import price law (MIP) on salmon from Norway. This was after the end of the Salmon Agreement, but both the decision made by the EU and the dispute was brought to WTO in 2006. The decision from the Dispute Settlement Body (DSB) in the WTO concluded that the MIPs applied to Norway by the European Commission (EC) did not meet the Anti-Dumping Agreement criteria of the WTO. This resulted in a request from the WTO to the EU to try to review the Anti-Dumping Act[60]. Today there is no anti-dumping duties on Norwegian salmon

[57] Lorentzen, «The Salmon-Agreement Between Norway and the European Union», 6-8
[58] Lorentzen, «The Salmon-Agreement Between Norway and the European Union»,, 13
[59] Lorentzen, «The Salmon-Agreement Between Norway and the European Union»,, 8
[60] Lorentzen, «The Salmon-Agreement Between Norway and the European Union»,, 24-25

entering the internal market, but the duty on fresh or frozen whole salmon has not declined to its pre-salmon agreement level, and is still at 2 per cent.

2.3.3. Benefits for the Norwegian fisheries through the cooperation with the EU

Despite the Norway-EU relationship producing the Salmon Wars and the Salmon Agreement in the 1990s and early 2000s the relatively close relationship between Norway and the EU today is seemingly positive for Norwegian aquaculture and fisheries producers and the EU. Today Norway does today enjoy a relatively close relationship with the EU. As mentioned, cooperation with the EU in a number of policy areas is beneficial to Norway. For example, the veterinary directive and the free movement of labour. Market access, however much toll, is a very positive thing for the Norwegian industries. There are also examples of how the EUs great importance placed on competition policy has resulted in positive development for the Norwegian fisheries. When the Russia-market was closed, the EU lowered their tariffs on fisheries products that Norway pre-sanction had exported to Russia. Examples of these product where mackerel and herring. This provides easier access into the EU-market for these products in times of difficult access to the Russian market[61]. In addition to this the EU has been very open to give Norway greater access to the information about the Brexit negotiations[62].

2.4. Norwegian regulations

In the 1960s, due to years of overfishing and the natural fluctuations in the fish stock the wild Norwegian cod and salmon stock experienced steep decline. This opened the inclination for the flourishing of aquaculture production in Norway. The aquaculture industry was highly regulated from the beginning. All countries that produce farmed fish conduct some degree or some versions of the same system of regulating production. Norway, however, is the country that has stressed regulations in the industry the most. The licensing law was first introduced in 1973. It was however in practice no real selection as all applicants were awarded with licences until 1977[63]. The law for allocation of licences for fish farming has from the start been much in coherence with the spirit of the EEA-Agreement. Despite this the law has undergone several changes over time. Licensing today is a highly-regulated part of the industry. Application processes are long, and prices for each licence can be expensive. However, one can see an incline in the number of licences awarded, and especially after the so called green, and dark

[61] regjeringen.no «Betre marknadstilgang for noske sjømat i EU»
[62] Ask, «EU gir Norge spesialbehandling i Brexit-forhandlingene»
[63] Asche & Bjørndal, *The Economics of Salmon Aquaculture*, 34

green, licences have been implemented. The system of green licences is implemented to work towards combating the environmental challenges associated with the industry[64].

The major change in the Norwegian regulations was between the 1985 act and the Aquaculture Act of 2005. In the 2005 version the need to have local ownership was removes. Local ownership did not result in problems until 1999-2002. This period saw problems occurring when a Norwegian owned, London based and registered, aquaculture company was denied licences for production on the Norwegian coast. The company reported the government to ESA (EFTA Surveillance Agency). The ESA lawsuit ended in strong encouragement towards a loosening of the strictness of the law[65]. The Aquaculture Act of 2005 local ownership is replaced with the solicitation that companies that receive a license should work for the well-being of the coast. Companies that are locally owned and preferably small-scale are treated favourably by the Act[66]. In addition to the licencing regulations and the termination of the local ownership practice there are many regulations that the companies operating in Norway must abide by. When it comes to the fish in the net pens the regulation is very strict. This is to ensure that the net pens do not pollute the fjords, and to ensure fish health. The net pens themselves are regulated, but also the number of mass (fish) in the net pens at any given time is regulated, as well as the mass allowed for a corporation[67].

2.5. Globalisation and internationalization of the industry

The Norwegian economy is a small and open economy, and is dependent on adjusting to changes in the international economy. Increase in international integration in capital, trade, and services has forced Norwegian governments to change its strategies towards trade and attitudes towards the international economy[68]. The OECD concluded in a 2010 study of the opportunities and challenges due to globalisation in fisheries and aquaculture that they see a development where aquaculture companies through FDIs pursue a «*globalisation strategy»*[69], as well as the minimizing and abolishment of trade restrictions and barriers for investments has made FDIs possible. The OECD also concludes that FDIs are conducted by a drive «*for access to resources and raw material»*[70].

[64] fiskeridir.no, «Grønne tillatelser»
[65] NOU 2012:2, «Utenfor og innenfor», 376
[66] NOU 2012:2, «Utenfor og innenfor», 532-533
[67] lovdata.no
[68] Moses and Brigham, *Globalisering i Norge*, 56
[69] OECD, «Globalisation in fisheries and aquaculture», 43
[70] OECD, «Globalisation in fisheries and aquaculture»,1 7

The Norwegian aquaculture salmon also exports to markets outside Europe on an increasing scale. China and Japan, as well as the US is today viewed as important emerging markets. Despite this, over time Norwegian producers have experienced difficulties in exporting to markets outside the EU. The most recent is the Russian ban from August 2014 as a reaction to the EU and EEA-sanctions on Russia after the Ukraine crisis[71]. The relationship between Norway and China has been slowly normalizing during the past year after several rounds of import bans on Norwegian products, that hit the seafood industry the hardest, where implemented after 2010 due to the Chinese dissident Liu Xiaobo receiving the Nobel Peace Prize[72]. In April 2017, the agreement on trade in food products, with fisheries products especially in mind, was signed between Norway and China, and talks of a free trade agreement is to start next year[73]. The relationship between the US and Norway on fisheries trade has also seen difficulties. In 2012, the US removed the dumping duty on Norwegian whole salmon after over 20 years in effect. The dumping duty had a duty set at 24 per cent until 2002 when it was increased to 26 per cent[74]. In 2017, the US market had a 50 per cent growth in import of Norwegian salmon, but several experts are unsure of the markets stability over time due to president Donald Trumps' views on international trade[75]. The Japanese market for salmon was before the 1980s non-existing. The change came in 1985 with a common interest between the Norwegian government, the Japanese government, Norwegian producers, and the Japanese sushi industry[76].

The Norwegian industry has a history of being the most efficient industry. The closing of markets for the Norwegian salmon has therefor opened these markets for the lesser efficient industries. During difficult access to markets for Norwegian salmon gave small aquaculture industries room to take market share in markets the Norwegian industry traditionally has dominated due to a higher level of production efficiency. Examples of this is the industries from Faroe Island, UK (Scotland), Ireland and Iceland.

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[71] Berge, «Russland forlenger importstopp for mat med ett år»
Intrafish.no, «Russland tre år etter»
[72] Barstad og Lohne, «Laksenæringen tapte mest op Kina-konflikten nå håper de på stor opptur»
[73] regjeringen.no, «Norge og Kina undertegnet avtale om import og eksport av matvarer»
[74] Schjetne, «USA fjerner straffetoll på laks»
[75] Langen, «Vill USA-vekst for nosk laks»
[76] regjeringen.no, «Norsk laks feirer 30 år i Japan»

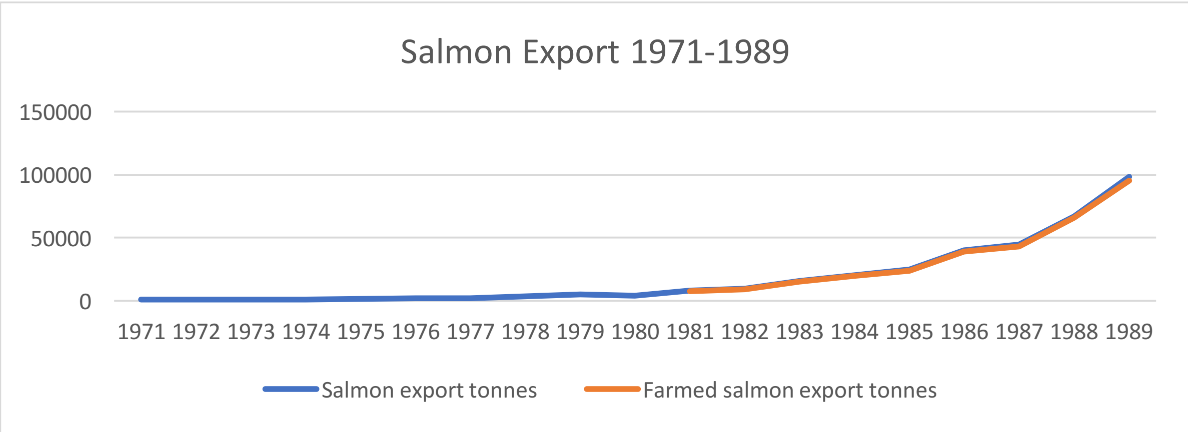
3. Analysis

The aim of this part of the thesis is to apply the collected data to analyse the role of the EU in Norwegian aquaculture companies FDIs. As presented, the data from the interviews have been coded to ensure a structured analysis. To further be able to answer the research question in a broader manner a document analysis based on the same themes as the result from the coding is used. Generally, in the interviews and accessible documents there are several explanations for FDIs being conducted. The only previous research that directly is focus on this area of study concludes that there is strong evidence to prove that access to the internal market, or «tariff jumping», can explain Norwegian fisheries FDIs. In this research, the historical context surrounding the industry is not to a great extent included in the analysis. From the interviews and the coding, it became apparent that the historical context has affected decisions in a greater way than the previous research has expressed. This is due to the previous research to a degree have used short term analysis. As a result, this thesis will split the analysis into historical periods to be able to analyse the data in a historical context. The periodization is; 1. The period before the Salmon War, but limited to the 1980s; 2. the Salmon War Period (1990-2004); 3. The post-war period (2005-2017); and 4. Outlook on the future. In each sub-chapter the analysis will be structured based on the themes that have emerged from the coding and analysis of the interviews. This means that only the themes and historical contexts that apply to the period will be included in the subchapter analysis. Each subchapter will present the main results from the period and the analysis of the data and themes in the period.

3.1. The 1980s

In the 1980s the industrialization of the aquaculture salmon production in Norway had taken major leaps towards high production levels. When interpreting data from this period it becomes evident that not only has the production level significantly increased, and the number of fish farms through Norway increased, but the production per Fish Farm has also many times doubled from the mid-1970s to the end of the 1980s. Due to this increase in supply of salmon the Norwegian industry managed to offer large quantities of salmon for a low price. The industry also managed to provide salmon consistently throughout the year, unlike the traditional fisheries, and thus the stable salmon producer was a factum. Whilst the late 1970s marked the end of the allocation of licences for all applicants, and the development towards a stricter regime the early 1980s saw a period of great expansion and the allocation of many licences until stricter times in the late 1980s and the final allocation stop in 1989. In 1981 there was awarded 50 licences à 3 000 m3, in 1984 100 licences à 5 000 m3 was allocated, and fish farms smaller than 3000 m3 were given the right to expand. In 1985, there were 150 licences à 8 000 m3. After this the industry had to wait until 1989 for another round of allocation of licences, but this time on 30 licences was awarded, and only in the northern and peripheral counties of Troms and Finnmark[77]. Due to the massive increase in production, and a relatively small population in Norway the home market would not be able to take all the produced salmon, and the industry naturally developed to become extensively export oriented.

Model: XX[78]



3.1.1. FDIs and exports

FDIs in this period are not extensive. However, we do find a few examples of Norwegian foreign investments in the 1980s. Marine Harvest (then named MOWI) acquired 100 per cent of the Scottish company GSP (Golden Sea Produce) and the Irish company Fanad in 1983. For this reason, it is challenging to research whether the Norway-EU sphere has influenced the Norwegian companies towards conducting FDIs in this period. Although this may be true it can prove useful to analyse this period for the purpose of seeing if the historical context in the 1980s have formed the foundation for FDIs in later years. Whilst coding of the interviews three themes became apparent as applicable for this period. The development of the Norwegian regulations was one of the pre-set codes, and the EU as a home market was a code that became apparent as I worked through the interviews. Market access was also one of the pre-set codes, and with this in mind, there are results that indicate that the search for new and the development of markets played a significant role in this period due to the high increase in production. Due to this the need for higher levels of the produce to land outside Norway as the production level many times exceeded the Norwegian consumption.

[77] Stortingsmelding nr 16: «Forutsigbar og miljømessig bærekraftig vekst i norsk lakse og ørretoppdrett 2014-2015»
[78] SSB

From 1971 to 1989 there was an increase of 10984,5 per cent in the export of Norwegian salmon, and an equally steep increase in production. This in turn gave the impression of major growth possibilities. Due to this a great number of people wanted to enter, or expand existing production in the emerging industry. However, the Norwegian state controlled, and still control, the awarding of licences and in the late 1970s and during the 1980s the process became very strict after being liberal in the allocation in the early to mid-1970s. Some of the interviewees had the impression that the development in Norwegian regulation on the industry came too late, or that regulations resulted in difficult access to increase in production due to the strict rules for allocation of licences as mentioned above. Others point out that the changes in the regulation of the Norwegian industry came at the right time. G1 speaks from a governmental perspective and underlines that the industry might have an impression that there has been a lack of possibility of growth but that the government has tried to follow the natural biological limitations of the fjords. Furthermore, the subjects were asked whether FDIs, generally and not limited to this period, could be explained by the lack of, or slow development in regulations to support a growing industry. The majority of the subjects that answered believed that lack of possibility for growth and acquisition of companies or licences have inspired companies to look outside Norway, and especially to Scotland for FDIs. Of the people that answered this question only one person (G1) declined this as a reason for FDIs.

I1: *«It was probably hard to enter (production) in Norway. Licences were limited, and it was expensive and probably more expensive than Scotland at that time. So that has been one of the reasons in addition to the closeness to the British market» (05.09.2017).*

3.1.2. The importance of the EU in the 1980s

Geographically and historically the European market is very close to the small and open Norwegian economy. The European market became the natural landing place for the Norwegian produced (farmed) salmon very early on. The non-EU member Norway at the time had a bilateral trade agreement with the EU (fiskeribrevet), and several other agreements with the other European non-EU countries. The interviewees viewed the EU as extremely important for the increase we have seen in Norwegian farmed salmon production. The majority of the interviewees described the EU and Europe as the «home market» for Norwegian salmon. To put it differently Europe provided the industry with a market that would be unobtainable within Norway, and in this case made the initial major growth in this period possible. Due to the regular use of the EU as the «home market» this became one of my emergent codes during the coding analysis of the interviews. Statements that did not specifically use the term «home market», but talk about the importance of Europe for growth has also been classified within this code. The impression that the EU is the «Home market» for Norwegian salmon implies the enormous importance of the EU not only for direct export into the EU for Norwegian fisheries, but also as a foundation and security for growth. It is also important to note that the EU as the home market can be defined as the first step for companies towards becoming global actors, as the Norwegian market rarely is able to stimulate towards a high level of growth. The response below was to the question «has the EU affected Norwegian aquaculture companies towards becoming more internationalized? » and indicates the view the Norwegian industry has on the EU as not only the main market, but also the stable foundations for further internationalization and for FDIs in the EU and outside the EU.

I1: «The EU has been the place where we have been able to learn. And we have expanded out into the world based on the experiences we made in the EU. The EU has in many ways been our «home market». To proceed further into the world one needs a strong home market. This is the handicap that Norway very often has, that we generally have a small home market. It is easier to succeed for those who has a large home market. We have been in the lucky situation in the aquaculture industry that we have had the EU as close as we have» (05.09.2017).

In addition to the specific impression of the EU as the home market, O2 perceived that *«the internal market is internalized in their (the companies) systems and structures - its business as usual with the internal market» (13.10.2017).*

There were also major changes in the EU-sphere in this period. From the 1970s Eurosclerosis one could in the mid-1980s see a major acceleration period in the EU cooperation project. This is marked by the Single European Act (SEA)[79] that the literature argues is the reboot of the European cooperation after a long period of disinterest from the European leaders. SEA marked the start of many of the major EU policies and areas that we see today, as the EMU, the Euro itself, and Quality Majority Voting. In addition to the initiative and commitment we see from the development of the SEA, the EU also experienced one of many rounds of enlargement in the number of member states after SEA. What is especially interesting is the enlargements where the fisheries nations Greece (1981), Portugal and Spain (1986) joined the EEC (the

[79] The Single European Act

European Economic Community). This affected the EU's position, and interest of the Community on fisheries. During this period, the salmon farming producing nations Ireland and Scotland experienced growth.

3.1.3. Export oriented and search for new markets

The increase in focus on export of fisheries produce due to increase in production gave the Norwegian industry as well as the Norwegian government incentives to work towards new markets for salmon produced in Norway. In the 1980 we find an increase in export to Russia, the US, and to several European countries outside the EU. However, the greatest example of this as discussed in most of the interviews was the Norwegian government's marketing campaign «Project Japan» in 1986 that worked towards establishing Japan and the sushi industry as an export market for Norwegian farmed salmon. From the interviews there is a clear result that there is a widespread impression that this was a success. All the interviewees that have followed the industry over time explained that the project had been important for not only Norwegian salmon as a popular product in Japan, but also for the increasing popularity for sushi. Several of the interviewees explained that aquaculture and the controlled farming of salmon has been very important for sushi as raw wild salmon has parasites, and this cannot be eaten raw. They explained that this is not a problem in farmed salmon and thus the sushi and aquaculture salmon industries have been able to support each other towards increasing growth. The majority viewed that the introduction of farmed salmon into the sushi industry was a direct result of Project Japan whilst I3 had the impression that Japan and the sushi industry itself probably figured out that farmed salmon could be used itself.

When searching through Norwegian newspaper articles from the 1980s there is not a very extensive number of articles (34) written about Project Japan. That being said, the articles that document this 1986 governmental project viewed the initiative as a positive and realistic possibility for increasing the export of fisheries produce into Japan. This is explained by the fact that the Japanese population already had a great tradition for seafood consumption. There are also points being made in the articles was that this initiative should be reproduced also in other markets, as well as for other industries. The increase in fisheries export to Japan was also viewed as a positive indication that the Norwegian economic was on the mend in the end of 1988[80]. In retrospect, the sushi connection is made and articles about "Project Japan" 30 years

[80] Aftenposten, «Norsk fiskeeksport til Japan kan fordobles», NTB «Stor satsing på det», NTB, «Norsk fisk markedsføres stort i Japan», Aftenposten, «Handelspolitiske utfordringer», NTB «Norge vil fordoble

later do like the interviewees discuss the importance of the initiative for both Norwegian salmon as well as for the popularity of sushi all over the world[81].

3.1.4. Summary of the 1980s

No significant indications emerge to answer whether or not the EU played a role in Norwegian companies FDIs in the EU. In this period, there are not many FDIs conducted in the Norwegian aquaculture. Thus, it is difficult to generalise. However, this period does mark the move from small-scale industry to high-level production (1981). This provided companies, as well as the Norwegian government with incentives to work towards new markets towards the more geographically distant markets like Japan and the US. There are strong indications to claim that this period was defined by a need for growth possibilities for the industry than the number of licences made available by the Norwegian government. The majority of the interviewees explain that the EU-market was the «Home market» for Norwegian fisheries production and that this development in the 1980s provided the capital flow, and experience foundation for looking out and even outside Europe for both FDIs and export in the periods after the EU became the first major market for Norwegian farmed salmon. In addition to the interest in new markets for export the growth in the Norwegian industry the industry could provide fisheries produce at a much lower price than the industry in the EU, and this lead to the formation of the first complaint of Norwegian companies for price dumping by the Irish and Scottish aquaculture industry in January 1989.

3.2. The Salmon Wars and the EEA-Agreement (1990-2008)

The 1990s through the early years of the 2000s is by the aquaculture industry perceived as the most active, heated and negative period in the Norway-EU relationship affecting the industry. This is mostly due to the issues of the Salmon Wars and the Salmon Agreement, but also the decision by the Norwegian people to stay outside the EU in the referendum on Norwegian membership in the EU in 1994. The EEA-Agreement was also implemented in this period, and thus the most important framework for cooperation with the EU was formed. During the late 1990s to the early 2000s marked an increase in FDIs in both in the EU as well as outside Europe.

fiskeeksporten til Japan», Svabø, ««Prosjekt Japan» for norsk fisk», Svabø, «Gro Harlem Brundtland inviteres til Japan igjen», Svabø, «Norsk på japansk, Hoemsen, «Keiserlig glans for handelen», Svabø, «– Japan verdt å satse på», Bakkemoen, «Statsbudsjettet 1989 Berge mener det er grunn til optimisme»

[81] iLaks «Sandberg til Japan I slutten av juni», Norges Sjømatråd « – Suhi er nesten like populært som taco», Intrafish «– Prosjekt Japan har hatt stor betydning», iLaks « Norsk sushi-laks feirer 30 år i Japan»

3.2.1. Unsecure access provided gave FDIs incentives

During the 1990s and the early 2000s the relationship between Norway and the EU, and especially the fisheries, was in the period of the most turmoil, changes, and uncertainty to date. When it comes to the FDIs conducted in this period we see an incline in FDIs conducted by Norwegian companies both inside and outside the EU from the previous period. Previous research on the phenomenon has indicated that market access, and the concept of tariff-jumping, into the EU can best explain the FDIs. For this period, there was clearly strong indications from the interview subjects that tariff-jumping and accessing the EU-market can explain a large part of FDIs in this period. From the data collected for this thesis through interviews it becomes apparent that the period of the Salmon Agreement and the Salmon Wars can be categorized as traumatic for the Norwegian aquaculture industry. This is due to the nature of the words they use to describe the period, and the measures placed on the industry by the EU. As seen in the interviews words like «demanding» and «nightmare» was used to describe the SA, as well as the fact that they use the period of the SA to explain and point out the negative sides of the Norwegian attachment to the EU in the aquaculture-context.

In newspaper articles on the matter one can detect highly differing impressions, attitudes, and perceived effects over time. There where periods of positivity and strong belief in «that Norway could win the Salmon War»[82]. Despite this an article written by a Norwegian journalist about their perception from the EU-point of view was that Norway in the context of the SW was a «small rich, selfish country in the North»[83]. During the early 2000s newspaper articles generally give a negative impression and discourse when explaining the effects of the SA. In this period titles like « (banging their head) against tariff barriers», «EU has a stranglehold on Norwegian salmon industry», «Norwegian salmon is losing in Japan and the EU», and «Norwegian salmon is losing market share»[84]. There articles also show major fluctuation in salmon prices and market share through this period, as well as confusion and disagreements between the EU and Norway on “who won” the WTO decisions in 2007[85].

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[82] Ellingsen, «Norge kan vinne laksekrigen»
[83] Moen, «BRUSSEL På dagsordenen "Laks smaker fryktelig vondt"»

[84] Johnsen, «Norsk fisk stanger mot EUs tollmurer», Moy, «EU med strupetak på norsk laksenæring», Moy, «Norsk laks taper både i Japan og i EU», Moy, «Norsk laks taper markedsandeler»

[85] Ask, «Full forvirring om laksesaken»

I1: «I think that the (Norwegian) attachment to the EU has affected the consolidation in the industry through that these anti-dumping measures from the EU has reinforced the rescissions in the market, and thus compelled many to consolidate, and several companies also went bankrupt due to the reinforced downturns. » (05.09.2017)

This indicates that the Salmon Agreement-period not only made the way the Norwegian aquaculture industry perceived the EU, but it also made the 1990s «economic crisis» more difficult for the companies. We do see that there is a change in the number of companies and the sizes of the companies in the 1980s and after the SA started. Although this may be true it is very difficult to separate the effects of the SA and the economic downturn itself, but it is interesting to see that the industry actor perceives that the SA made the downturn worse. As mentioned above the majority of the industry clearly believes that it is possible to explain FDIs in Europe in this period by the lack of access to the EU-market. Despite this, there is a focus on that it cannot explain the phenomenon fully.

3.2.2. The EEA and the EU

This period brought major changes in the formal attachment between Norway and the EU. From the results from the interviews the EEA-Agreement is today viewed as the minimum of formal connection Norway can have to the EU, and it's viewed as vital for the development and trade in fisheries products between Norway and the EU. When it comes to FDIs conducted in this period there are examples in the selection on peoples interviewed that believe that the EEA-Agreement has created a secure foundation for Norwegian FDIs in the EU.

O1: *«Generally the attachment Norway has with the EU through the EEA-Agreement gives safety for equal treatment and that the conditions of competition are known and defined beforehand. This makes it easier for Norwegian companies to invest in the EU in the same way that t makes it easier for EU-companies to invest in Norway, as it is an agreed upon set of regulations in the foundation. This makes trade and investments safer. » (12.09.2017).*

I3: «The EEA-Agreement gives us a safety in investments that we would not have to the same degree without it. So it has probably contributed positively towards a willingness to invest outside of Norway, and in the EU. The question is to which degree and how crucial this has been, but it has been a very important factor. » (05.10.2017).

In 1994, the Norwegian people said no to EU-membership in the second referendum on EU membership in its history. The reasons for the No-result is awarded to peripheral sensitive political areas like agriculture and traditional fisheries. As mentioned these areas did not even get included into the EEA-Agreement due to fundamental issues between Norway and the EU on agriculture. Norway wants to protect its own agricultural products. The majority of the subjects that answered the question, voted yes in 1994, or would have if they had the possibility, or have changed their mind after the vote. When further discussing the consequences of the no-vote the general impression made from the interviews is that the industry believes that the no vote in the referendum for EU-membership has made a more difficult time for the Norwegian industry than it would have been if a full membership was the case. One of the interview subjects per example stated that there is a strong possibility that the Salmon Wars and the Salmon Agreement would never have happened.

3.2.3. Summary of the Salmon Wars Period

In this period, one can to a large extent conclude that Norwegian companies have been affected by the need or want for stable access to the EU-market. The salmon agreement and the salmon wars are the major negative events of the period and still very much affects the industry. They use strong language when describing its effects and this indicates that this is not an issue that will easily be forgotten. Previous research show that tariff-jumping, or access to the EUs internal market is one of the reasons behind Norwegian companies conducting FDIs in both salmon production and VAP. This thesis also finds a good basis for claiming that this is the case concerning this period. Despite this being true, there is also several other reasons for FDIs that has played a role for the companies in this period. When it comes to tariff-jumping as an explanation for FDIs my hypothesis is that this will not play a major role after the Salmon Agreement-period ended. This will not argue with the previous research as the data for Maurseth (2006) is collected in the early 2000s, and thus during the Salmon Agreement.

3.3. The Post Salmon Wars Period (2008-2016)

3.3.1. Norwegianisation of the EU CFP

Norwegianisation, although the definition has not been used before, is the idea that Norwegian policy is affecting the development of the CFP in the EU. The degree of Europeanization, or perceived Europeanization, can prove to explain the context around the decisions to conduct FDIs. Thus, we do see a degree of Europeanization in the Norwegian aquaculture industry through regulations like the veterinary directives, competition policy, and labour migration.

However, what has occurred in the aquaculture industry in Europe is after the results found in the interview can best be described as harmonization or even Norwegianisation. As seen in table 3.4.1. six of the interview subjects describe the development of the industry as one where the regulations and practices rather are adopted by the EU from examples seen in Norway when asked about possible Europeanization and harmonization of the Norwegian industry. The impression they give is that of a very strong belief of Norway as the leader in aquaculture regulation and production. On the question whether the industry has been Europeanized, O1 answered:
O1: *«I would argue the other way around. It's the EU looking to Norway to basically trying to copy paste what Norway does. I do think it is working because Norway has a very robust system that has been tested and has proven to work over a long time. And I think it is the EU adapting to Norway rather than the other way around. (12.09.2017».*

What makes this quote extra interesting is that this interview subject, unlike the others that also describes the Norwegianisation of the EU policy, is not Norwegian, and has spent more time in EU institutions than in the Norwegian aquaculture industry. This allows for more emphasis to be put on a concept like this. In addition to G1s impression that there has been a Norwegianisation, or adopting of Norwegian policy, into the CFP there are also examples of other Norwegian governmental sources that states the same claims. Olav Akselsen, the leader for the foreign policy committee at Stortinget claims that the EU looked to Norway for inspiration leading up to the reformation of the CFP in 2012[86]. It is useful to note that this publication is produced by the Norwegian association «Yes to the EU», and thus cannot be viewed as a neutral publication. From this publication, it also becomes clear that a delegation from the fisheries committee visited Norway to learn from Norway in 2008. In addition to this, 15 EU fisheries advisors travelled to Norway in 2010 to learn about the Norwegian fisheries policy[87]. Two of the interviewees also explain that Norwegian researchers and representatives take part in many organisations and forums for fisheries and aquaculture policy and development in the EU despite Norway's role as a non-member in the Union.

[86] Sjømat Norge, Europabevegelsen, «mot norsk fiskeripolitikk i EU?»
[87] regjeringen.no «I Tromsø for å lære om norsk fiskeripolitikk»

3.3.2. FDIs can be explained by difficult access to other markets than the EU

The lack of access to Russia and China during the recent political difficulties and disagreements has contributed to the EU becoming an even more important market for Norwegian trade based companies. Thus, the access Norwegian companies enjoy for Norwegian fisheries produce into the EU market has been extremely important for the industry for it to avoid major decline in export. Also in similar instances the Russian market for Norwegian fisheries products closed in 2013 and China closed for Norwegian import into the country in 2010. Until 2012 the US anti-dumping duty on Norwegian whole salmon was also in effect shutting Norwegian salmon out of the US market. In the interviews, a question was asked about the impression of the degree of importance of the EU-market during the disappearance of other important markets. The interviewees also talked about the phenomenon outside of the question. As with the previous themes of analysis some of the persons either did not have an answer to the question, or due to time constraints the question was not asked. When it comes to difficult access to other markets than the EU, and if this had stimulated to FDIs for Norwegian companies it is not possible to indicate any conclusion with certainty, as the interviewed disagreed to a greater degree and rarely had a straight answer to this question.

3.3.3. VAP

Previous research show that FDIs in VAP can be explained by tariff-jumping, and the wish to obtain free access for processed products into the EU. From 5 of the interviewees this is also seen as the major reason behind this practice. All of the interviewees counted this as one of the reasons for this practice, but closeness to the market as well as prices also came up as explanations. Several of the interviewees stated that it was important to work towards a lower triff on processed fisheries products into the EU, so that it over time could be profitable to process produce for export into the EU in Norway and thus provide jobs in Norway in the industry. Despite this being seen as important by several of the interviews one (I3) of the persons interviewed explained that his company would not see the removal of tariffs on processed products as reason enough to defend moving VAP into Norway. Norwegian newspaper articles also, like the interviews, indicates that there is a dissatisfaction about the export of Norwegian fisheries products creating 20.000 jobs in the EU. “We must make sure we extract the value creationpotential attached to the seafood industry”, said Geir Ove Ystmark, Directoir of Seafood Norway to iLaks in 2015[88]. NHO and LO after the 2017 government

[88] iLaks «Frykter Norge kun blir en råvareleverandør»

election stated that they wished for the new government to work towards being able to move the VAP of Norwegian fish out of the EU, and into Norway[89]. Additional information about the perception of the EUs objectives on VAP in the EU was given by several of the interviewees. The results indicate that they perceive that the EU wishes to keep Norway as a stable producer of raw material for the EU VAP industry. It is perceived that this is important to the EU to keep the 20.000 jobs in fisheries VAP industry.

3.3.4. Possible explanations outside the EU-context

There is as seen above certain contexts and possible benefits like free access into the internal market that has affected the decisions made by Norwegian aquaculture companies to direct invest in aquaculture production in the EU, or indeed outside the EU. Most of the people that have been interviewed in this thesis has put emphasis on that there are large sets of factors that together explain the context in which FDIs are made. In the 1980s-period the issue of Norwegian regulations and the lack of possible growth due to strict laicisation could likely have affected companies to invest outside Norway to be able to increase production levels. In addition to the Norwegian regulations the highly globalized and internationally focused aquaculture industry has the dismantling of trade barriers has made international trade easier and more natural for many industries including aquaculture. In table 3.4.1. the results from the interviews become apparent. In the table one finds that all the interview subjects perceive the Norwegian industry as a very globally interested and involved. The process of globalism is seen as very important to the industry and salmon is viewed as a global product. Although this claim is made by persons that are involved in the business there are many facts that help identify the Norwegian aquaculture industry as a global industry. G1 points out that the fisheries have for generations depended on exports in Europe for white fish, and thus it is not a surprise that also salmon aquaculture companies easily focus outside Norway. This indicates that the Norwegian fisheries industry has had a global outlook for a long time. The global outlook can in general be found in the Norwegian coastal areas as Norway has a long history of being attached to the rest of the world through the useful coastal line and shipping possibilities. It was very normal for young men in the coastal areas to look to the sea for work, and thus the coastal areas have been affected by the outside world for generations. When it comes to the FDIs conducted by Norwegian companies, some of the interview subjects perceived that globalisation and the

[89] LO-aktuelt «Fiskeindustruen må gi flere norske jobber»

world becoming closer has affected the willingness to conduct FDIs both inside and outside the EU.

3.4. Outlook on the Future

What can be interpreted from the interview data, as well as the document analysis is that the Norwegian aquaculture industry is highly globally oriented and dependent upon international markets for the seafood produced. However, one interview subject perceives the upcoming and smaller companies as not very Europe, nor globally, oriented. The large companies with high production levels we see a very international focus, to a perhaps higher degree than national focus. Especially for the special case Marine Harvest as mentioned above as the world's largest aquaculture producing company is very much interested in shaving down some of the quintessentially Norwegian practices of subsidies and state lead marketing to rather have a good relationship, as well as following the EU-regulations. This indicates a more outward, rather than inward focus. The industry actors give the impression that the aquaculture industry is very globally oriented, and positive towards a Norwegian membership in the EU.

3.4.1. A new salmon war period

The Salmon Wars made the 1990s and the early 2000s a challenging period for the Norwegian salmon farming industry, and the difficulties and anti/growth measures implemented by the EU on the Norwegian industry made FDIs into the EU more profitable and gave the possibility for further growth that was not possible in within Norway in the period. Due to this it is interesting to examine whether the industry fear a possible new salmon war period. However, as the previous salmon war indicated this could give the industry incentives to conduct FDIs to achieve tariff-jumping. There is a clear understanding that the regulations and the formal situation has not changed, but several of the interview subject underline the fact that the relationship between Norway and the EU on the area is closer than ever. This indicates that the situation today is nowhere near the situation with the «salmon mount», which resulted in the alleged price dumping, in the 1990s. The cooperation and the participation and codetermination is much higher now than in the 1990s. As G1 explains there are several umbrella organisations for fisheries and aquaculture that Norway participates in.

3.4.2. Brexit

From the interviews (table 3.4.1) there is possible to detect that the selection of interview subjects believe that the result of Brexit will affect the Norwegian aquaculture industry. The people who answered the question did underline the importance of the fact that there is no way of knowing the result of the negotiation of Article 50 at present. Despite this there are many discussions and questions. Two of the subjects believe that Brexit possibly will lead to more stable and better access to the EU-market due to the major EU-producer. This could be caused by there not being any high-level salmon farming competition in the EU, and thus no possible complaints towards Norway within the EU, as the complaints that lead to the Salmon Wars in 1989. One of the subjects believes that there is a strong possibility for a worsening of the condition, and one thinks it can go both ways, but that the industry most likely will be affected by Brexit in some way. As mentioned and discussed by the interview subjects the results of Brexit is still very much unclear. However, in a few years, the results of the article 50 discussions concerning the British exit from the EU will most likely be concluded. If the result will be a so-called «hard Brexit», or a «soft Brexit» or anything in between the result will be interesting to the seafood industry.

However, two of the interview subjects did not think that Brexit will affect the industry in a noteworthy way (G1 and I2).

G1 explains it like this: «*I don't really believe that. We do export a great deal of salmon to the UK, and thus the ambition from both Norwegian and British side is to have agreements ready for when the UK is out of the EU. Even though the UK leaves the EU there is still 27 countries left, and the market we have today will go on as before even if one country leaves. The question is what type of agreement we will have with Brits. Norway and the UK have very good relations both politically and in trade, so there are no indications that suggests that we would not be able to continue that. The UK, Scotland, is a major producer in EU-standards, despite this they are nowhere near the Norwegian production level. So, I believe that even if they leave the regulations of today will be the same, and there will not be any immediate changes (in favour of Norwegian fisheries products). (29.09.2017)*».

On the other side, we see O2: «*Yes, absolutely it will affect the industry, we obviously don't know anything about it because the government itself does not know what they want to do. But if we are heading towards a very hard Brexit. This sets the whole Scottish aquaculture sector outside, which is essentially Norwegian owned. It's decently going to raise question what to* *do. I guess the original reason why Norwegian companies invested so heavily in Scotland was that Scotland was accessing the market. If this goes away what will that mean for Scottish aquaculture I don't think it's very positive. (13.10.2017)»*

When using a database that contains all Norwegian newspaper publications one finds that per 24/10-2017 there are 625 articles in Norwegian newspapers that come up when searching for "Brexit + fish (fisk)", 611 of which are written after the referendum on Brexit (08/06-2016). When searching for "Brexit" the result is 29 168, whilst after the election night there is 18 257 articles. For Brexit + salmon the result is 251/155, whilst for Brexit + fish farming (oppdrett) there only is 39 articles that include these two search words. This indicates that the interest in Brexit in Norwegian newspapers, and most likely in the population, is very high, and there is interest in how the outcome of Brexit will affect the Norwegian fisheries. In an article from June 2016[90]. Torben Foss, formerly employed in the Fisheries minister and negotiator on Norwegian market access for salmon into the EU, believes that there are many ways in which the outcome of Brexit can affect the Norwegian seafood industry. He believes that there are more uncertainties for traditional fisheries than for aquaculture. However, he does underline that the UK leaving the EU can affect the Norwegian companies that own companies in the UK. He explains that if the UK leaves the EU the protection that gives EEA-citizens the right to invest and establish business in the EEA will disappear. *«This will give them a right to form their own regulations on ownership. We have for example seen that the Faroe Islands have yielded to the nationalist currents on these areas. For the fish farming industry, it would therefore be advantageous if Scotland would stay in the EU even if the UK leaves the Union. »* This shows that there are great possible effects on the Norwegian industry from UK leaving the European Union. At one point in time there was a 90 per cent Norwegian ownership in Scotland, and the Faroe Islands case Foss mentioned in the article resulted in the divestment of ownership in Faroese companies. Thus, there are real concerns for what Brexit can possibly lead to when discussing the Norwegian Aquaculture Industry.

In addition to Foss, there are concerns and interest tied to Brexit and its possible effects on Norwegian trade in fisheries products. Fisheries minister Per Sandberg has explained to Aftenposten that export of salmon is one of the reasons why there is important to work towards a good trade agreement between Norway and the UK post Brexit[91]. In a series of speeches and

[90] Jensen, «Torben Foss- slik kan brexiten påvirke sjømatnæringen»
[91] Thommessen, Kristiansen, Barstad, Østgårdsgjelten, «Slik blir norsk næringsliv påvirket av børsdramatikken»

statements the Norwegian minister of fisheries Per Sandberg has underlined the importance of continuous work for a trade agreement between Norway and the UK after Brexit, and that it is especially important for trade in fisheries. The Norwegian seafood envoy to the UK, Jack Robert Møll, explained that the weakening pound and the increasing salmon prices are a greater threat for Norwegian seafood export to the UK than the UK. And despite this he does not think that there will be a major decline in export as there is limited possibilities for growth in salmon production in Scotland[92]. In addition to this the fisheries minister has also stated that "there is no reason to believe that the UK will not see even greater possibilities to import even Norwegian seafood after Brexit" and that Brexit will make trade between market access into UK better[93]. However, there is also indications from the newspapers that Brexit is the greatest uncertainty, due to protectionism affects Norwegian industries that are dependent on export[94].

3.4.3. ESA

During one of the interviews it emerged that one of the companies (Marine Harvest) has an ongoing case in ESA where the company has reported the Norwegian state for the export tariff that is used to finance the Norwegian seafood council and if this violates competition policy agreements with the EU. As explained by the representative from Marine Harvest:

I3: We have an ongoing case at ESA in connection with the export duty we are required to, and that finance the (Norwegian) seafood council. This is one thing we believe increases the risk that we at some point may meet trade measures from the EU that are not positive for us. Norway has to be careful, as Norway through the EEA-Agreement has committed to the EU in the way we regulate our industry. And we have to comply with these agreements if we are to secure the access that we want into the EU-market." (05.10.2017).

Several newspaper articles have discussed this ongoing case. In some articles there is a clear view that MH should have never taken this case to ESA, and as an example that they "should be embarrassed", and that the "ESA-complaint is shameful"[95]. However there has also been articles that show strong support of this ongoing case[96] and that there are many who, as MH,

[92] Soltveit, «Gir seg som sjømatutsending»
[93] Nærings- og fiskeridepartementet «Fremtidsrettet sjømatpolitikk Tale: Fremtidsrettet sjømatpolitikk»
Soltveit, «- Næringen må bygge tillit med åpenhet»
[94] Sættem, «Norsk industri: -Brexit og Trump gir større usikkerhet enn på flere tiår»
[95] Jensen and Gardar, «Nei til EU I strupen på Marine Harvest»; Gamlem, «Meiner at Marine Harvest burde vere fleue»; Intrafish «Mener Marine Harvests ESA-klage er skammelig»
[96] One example: kyst.no, «Får medhold I at lakse-kampanjer kan være ulovlige»

believe that the salmon-campaigns run by the Norwegian seafood council can be viewed as contradicting the competition policy between Norway and the EU.

3.4.4. Summary

The future for Norwegian aquaculture is generally perceived as positive and secure. There are no indications that large companies will not continue to grow both inside Norway and outside Norway. Despite this, there are several areas of uncertainty that can affect the Norwegian aquaculture in the future. Here Brexit and the relationship between Norway and the EU, as well as the Norwegian regulations in an ever-stronger EEA-Agreement.

4. Conclusion

The aim of this study has been to understand more about the Norway-EU relationship and if the aquaculture industry has been affected sufficiently that companies have conducted FDIs because of the reality that exists because of the unique trade and cooperation status between Norway and the EU in the area. Previous research has largely been focused on either the SA/SW or in the period of the SW. This thesis has chosen to analyse the results and information from the interviews periodically. This because the interviews indicated that access of the internal market did not affect the decisions for FDIs outside the Salmon Wars period, and rather in four historical periods. The findings from the analysis of the 1980s in respect of the FDIs does not provide a strong conclusion as only one company conducted FDIs. However, this period marked the change towards the Norwegian aquaculture as a large-scale export industry. This provided the Norwegian producers as well as the Norwegian state the incentives to look for possible new markets for export. In addition to this, the increasingly globalized mind-set the context for this period was also the increasingly strict Norwegian regulations and especially the strict allocation of new licences. This might have affected decisions to look outside Norway for potential growth possibilities. Another interesting result is that the majority of the interview subjects used the term «home market» to describe the EU as a necessary fundament for growth. Due to the small Norwegian economy that does not support large scale industries, and the EU provided the base that has made further FDIs and export to far away markets also outside of the EU.

The results of the interviews indicate that the previous research to a degree can explain the salmon wars-period FDIs. However, many of the interviewed persons were clear on this not holding all the explanatory power to explain why FDIs had been conducted in this period. The results from this period show that the Salmon Wars and the Salmon Agreement is perceived by the industry as the most difficult thing that has happened to the industry and the fact that many tried to go around the high tariffs and growth limits is not very difficult to understand. However, the interview subjects view the EEA-Agreement as essential to the industry, and especially underlines the importance of the veterinary directive and protocol 9 as important for Norwegian aquaculture. Despite this several of the interview subjects stated that the EEA-Agreement is positive towards the protection of Norwegian agriculture sector, and not made with aquaculture in mind despite much of the agriculture regulations and discussions with the EU also was applicable to aquaculture. Furthermore, there is a clear indication that the people connected to the aquaculture industry either voted for, would have voted for if they had the possibility, or regret not voting for Norwegian EU-membership in 1994. The answers also indicate that they believe that EU-membership would have minimized the difficult Salmon Wars period, even though the industry did manage to survive this challenging time.

During the post-Salmon Wars period the relationship between Norway and the EU on the aquaculture sector became more stable and the threat of further sanctions due to the involvement of the WTO. The interview subject generally state a close cooperation with the EU on the policy area, they express positive impressions when it comes to Norwegian expert's involvement in the several umbrella organisations and think tanks with the aim of bettering the European aquaculture industry. The former government official spend time explaining that there is biannual discussions between Norway and the EU on EEA-matters in the so called article-19 talks. This indicates the closeness of the EU and Norway, and that the intent is to become even closer on areas that previously have been difficult like access of EU agriculture products into Norway, and Norwegian fisheries products into the EU. With this ever-closer process on the area in mind there is as discussed above possible to see a form of harmonization and even Europeanization in this period. Although this may be true there was an overwhelmingly strong indication in the interviews that suggested that the EU had adopted the Norwegian regulations and practices on the policy area. To simplify I have defined this as a Norwegianisation of the European aquaculture, and indeed the CFP itself, due to the Norwegian practice being successful and that it has a historic development that predates the European industry on this level of industrialisation. This explanation has strong explanatory power due to the fact that the selection does include a non-Norwegian that also explains the process as a form of Norwegianisation, but there have also been several examples in government press releases and documents. In addition, there is however a strong indication to suggest that the regulations and practices in aquaculture in Norway and the EU are much alike and this has made the EU very easy to manoeuvre for Norwegian companies and thus made FDIs in the EU less difficult. As mentioned the EU is perceived as the home market and the base market that has given the Norwegian aquaculture companies capital flow to invest and export also outside the EU and to more far away markets. Thus, several of the interview subjects explained that the EU became important in this period for taking the produce that no longer could find its home in Russia and China when these markets were closed for Norwegian fisheries products. There is generally a perceived a notion of safety, stability and closeness to the EU in this period, which is not seen in the previous period. Value adding production has also become an important division of FDIs for Norwegian seafood companies in the EU. For the majority of the interview subject, this is highly explainable by tariff-jumping and access to the internal market. Most of them also indicate that if the tariffs into the EU-market on processed fisheries products is lowered it will lead to more VAP in Norway. Despite this they did not believe this was very likely to happen as the EU most likely wanted to keep the production within the EU. One of the interview subjects (I3) also expressed that in the event that tariffs on processed Norwegian fish would be removed, this would not affect their VAP in the EU. He explained that closeness to the market to ensure quality, as well as wage cost would still make their Polish production site more profitable than a similar production in Norway.

It is important to include that the Norwegian aquaculture industry does not exist in a European vacuum. Therefor it has been important to also consider that FDIs conducted can be explained by factors outside of the EU-context. In previous periods the Norwegian strict regulations on licences could partly explain why some companies chose to invest outside Norway. The Norwegian aquaculture industry is, as the subjects in this study explain, very globally aware. This in turn has created a context and a place of action that with close bonds outside Norway, trade agreements and information about other markets and national industries that has made FDIs normalized. Some of the subjects also explain that for the businesses to be able to grow in a satisfactory way there where many of these reasons that gave the indication that there would be profitable to invest in foreign industries. Another reason for companies to conduct FDIs is geographical placement and thus nearness to the market.

There is no reason to believe that the steady growth in both demand and production for Norwegian salmon will decrease. As discussed, the EU has joined the UNs goals for the production of sustainable protein resources. Here farmed seafood play a major role. The EU has also struggled to increase production in EU-waters until now, and thus the subjects in this thesis believe that the EU will still be very much dependent on Norwegian fish produce to reach the goal of more sustainable protein sources, but also to use in the VAP in the EU and keep the jobs there. The interview subjects perceive that not much will change when it comes to the tariffs on processed fisheries products to keep the extensive VAP industry in the EU. This is unless the Norwegian government is able to make massive changes when it comes to access for EU-agricultural products into Norway, but this is not perceived as very likely without an extensive re-negotiation of the EEA-Agreement. There are several FDIs by Norwegian companies in Scotland, and these can to a degree be explained by the access to the internal market as many where conducted during the years of the salmon wars. This being said, the

British market is also a very important market for salmon in itself, and direct access to this market can also be the explanation for FDIs in the first place, and prove sufficiently to keep and also further invest in Scotland. Several of the interview subjects are also of the impression that Brexit can affect the Norwegian industry positively as the EU no longer will have a substantial industry that will have issues with the Norwegian industry that could lead to a possible scenario that was experienced in 1989 and the start-up of the Salmon Wars. This is a very interesting point, but there is unfortunately not enough information at this time to conclude anything.

During the analysis, it became apparent that there are many reasons why companies chose FDIs as a business strategy. This is not very surprising as successful companies have to look at many factors to be able to take smart decisions. However, it has been interesting to see that reasons for FDIs have varied over time. As the previous research showed that access into the internal market during the Salmon Agreement and the Salmon Wars played a major role in FDIs in that particular period, but after this period FDIs is much better explained by closeness to the EU, as well as globalisatiation, and not the access to the internal market as the tariffs had by this time lowered dramatically. Despite this it is important to include that the FDIs in VAP is by the majority explained by the wish to access the internal market.

In coding the interviews for this thesis, the choice of including the outside observers was made to try to cover the inside as well as the outside impression of the industry and how the EU has affected the industry over time. It has to a degree been successful, as it has provided information from different sides of the industry. On the other side, it has proven to make the thesis less concise as the answers differ highly due to the different impressions seen inside and outside the companies. In general, it has proved difficult to find information about the EUs perception on themes of interest like perception of degree of Norwegianisation, VAP by Norwegian companies creating jobs in the EU. In a more extensive thesis, or a thesis that had its major focus on the perception of the EU on the Norwegian aquaculture industry it would have been possible to dedicate more time and resources to collecting data from the EU through contact.

This thesis has been limited to FDIs conducted by Norwegian companies. However, in this area of study there are many questions worth looking into. The possible results of Brexit have been discussed in this thesis, and as the results become clear there will be very interesting to follow the affects this will have on not only the Norwegian industry, but also for the EU in their aim to produce more sustainable protein sources within the Union itself. From one of the interviews an interesting theme for further research based on the Norwegian aquaculture industry is the role of the ESA. How does ESA affect the Norwegian aquaculture industry? Another interesting question along this theme is how the perception in the industry is when it specifically comes to the EEA-funds in the ESA context. When it comes to the theme of FDIs conducted in the aquaculture industry a comparative study that looked into other countries. There would be interesting to see if this practice can be seen in the countries that have aquaculture industries in the EU, or if this is a distinctively Norwegian practice in the EU-context.

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6. Annex

	Salmon export tonnes	Farmed salmon export tonnes
	886	
1972	1015	
1973	1111	
1974	1215	
1975	1481	
1976	1910	
1977	2284	
1978	3664	
1979	4966	
1980	4292	
1981	7894	7452
1982	9637	9200
1983	15898	15398
1984	20366	19644
1985	24857	23991
1986	40079	38902
1987	44560	43202
1988	66943	65970
1989	98209	95421

The codes seen in the tables below provide information that makes it easy to follow the data from one, or more specific persons. Due to the different backgrounds of the persons interviewed, and to be able to analyse the data sufficiently each interview subject has a code that identify their background for commenting and answering questions. The codes will be; I, for industry actor; J, for journalists in trade magazines; G, for governmental/ political background: and O, for organisations like NGOs and GONGOs. I1= Geir Molvik CEO in Cermaq, I2= Trond Williksen CEO in SalMar, I3= Ola Brattvoll xxx in Marine Harvest ASA, J1= Trond Hammervik. Journalist in Hitra-Frøya, J2= Vegard Solsletten journalist in Intrafish, G1= former government representative in Norway, O1= Trond Davidsen in Seafood Norway, O2= Poppy Kalesi, EU advisor for NCE Seafood. When working with tables to present the results from the interviews several symbols are used for providing information. «-» is used to indicated that the person has not answered this question due to lack of information, or that time constraints in the interview affected the number of question that was asked.

Table 3.1.2. Overview of themes of interest in the interviews for the 1980s

	I1	12	13	J1	J2	G1	O1	O2
«Home market» *	Yes	Yes	-	-	Yes	Focus on neighbouring markets, EU/Europe very important	Yes	Internalized in the business structure
Quest for new markets	Yes	Yes	-	-	-	Yes	Yes	-
Develop-ment of Norwegian regulations	Difficult	Affected by the EU	-	-	When needed, but disagreements on this in the industry	industry might think no growth	No master plan	-
regulation explain FDIs?	Yes	Yes	-	-	Yes	No	Yes	-

Table 3.2.1. The Salmon War Period Overview

	I1	12	13	J1	J2	G1	O1	O2
Impression of the SW/SA	Negative	Negative	Very negative	Negative	Negative	Shows how sensitive, and important the market is	Negative	-
Access to EU-market reason for FDI?	Yes	-	Trade barriers holds explanatory power but only to a certain degree	Yes	Yes	-	Yes	Yes
Perception of the EEA	Result of negotiations	Essential	Essential for the development of the industry	Important with these types of agreements, should have been member of EU	There for agriculture	The minimum of connection we can have with the EU. Result of negotiation	Vital for Norwegian seafood industry	Next best solution to EU-membership
Voted for EU-member-ship in 1994	For	For	-	Against, changed his mind shortly after	-	For	Does not remember, but would have voted yes	-

Table 3.3.1. The post-salmon war period

	I1	I2	I3	J1	J2	G1	O1	O2
Europeanization of the industry	Norwegian-isation	Norwegian-isation	Europeanization Positive	-	Norwegian-isation	Norwegian-isation	Norwegian-isation	Norwegian-isation
Did the EU market become more important when other markets «disappeared»?	Yes, when we were banned by Russia, we had to find new. It was the EU that mainly had to take it.				Yes, the market is very mature It has always been there, and will always be there. Interdependence			-
Did this stimulate to FDIs?	I do not think so. We would see these investments nevertheless	Not really	-	-	Yes,	-	I would say yes, but if it is the definitive reason is difficult to say.	Very agile industry
FDIs in VAP	Tariffs and protectionism from EU	We have not, but clear that VAP will happen near the close to the market.	trade barriers do play a role, but we have chosen to do it due to the cost in Poland.	No smokeries in Norway due to the tariffs earlier, but now we see increase in this in Norway.	Profitable to send the raw materials to factories for VAP in EU. Protectionism from EU.	Tariffs lead to the FDIs in VAP in EU	Tariffs on VAP reason, but also quality retention.	Cheaper to process in the EU due to tariffs
Globalization/ internationalization	Very positive and important	Easier access to markets and labour, as well as to internationalize.	Global industry. Global trade product unlike many other	Very globalised	Salmon is a global product and to reach out to the markets the companies have to become global actors.	We produce 30 million fish dinners a day, and most of that has to be exported.	Has contributed to Norwegian companies becoming parts of markets they previously did not.	Depends highly on bilateral agreements
Explain FDIs?	-	Yes, it has become easier	Yes, at least for us.	**-**	**yes**	-	**yes**	God at adapting operations, and following the money

Table 3.4.1. Overview of data from interviews

	I1	I2	I3	J1	J2	G1	O1	O2
Fear of new Salmon War-period in the future?	Unthinkable with that type of one sided, or the implementation of such measures without objective basis.	Always a risk, but less now as the industry more internationalised and the companies in the EU is partly owned by Norwegian companies. Thus, not the same grounds for this type of conflict today.	The threat from that type of trade barriers are still present today. There have not been any changes in our attachment to the EU that suggests that it will not happen again.	-	You can never say never, but I don't believe it will happen. If production level is controlled in the EU and Norway, so that the situation of overproduction does not happen again.	It is important to follow the rules of the game, so not to expose oneself for something like this.	We can get dumping and subsidy threats against us. The regulations are the same as before. But I think it will take a lot for it to happen, as the relations and cooperation between Norway and the EU on the area is better than ever.	-
Brexit's possibly effect on the Norwegian industry	Can affect positive/negative	No, not really.	-	more stable	Norway can get an advantage into the EU	Don't really think so	Can struggle more on the EU- market	Yes, absolutely.

Interview guide:

As there where two «groups» interviewed the interview guide was modified by removing all questions directly about «their company's actions» when interviewing the persons outside the companies.

0. Explain the research purpose, intended use for the interview data, and possible measures for confidentiality and anonymity if that has been agreed upon.

1. Warm-up
    a) Job title
    b) Responsibilities
    c) Over time
2. Topics of interest
    a) Perception of the EU
        1. Generally speaking, how do you see the EU's Common Fisheries Policy?
        2. In general, how do you assess the importance of the EU's internal market for Norwegian fisheries?
    b) The development of (name of organisation)
        1. How has (name of organisation) developed over time?
        2. Can you provide some information about the Foreign Direct Investments (FDI) that have been conducted by (name of organisation)?

    1. In the EU
    2. Outside the EU

c) (Name of organisation) and the EU
  1. How, in your view, does the EU affect (name of organisation) in everyday life?
  2. How do you explain the emergence of FDIs conducted by (name of organisation) in since the 1980s?
  3. How has the peculiar legal and trade status between Norway and the EU on fisheries shaped the decision of (name of organisation) to conduct FDIs?
    1. In the EU
    2. Outside the EU

d) The EU and the Norwegian aquaculture industry
  1. How, if at all, in your view, has the Norwegian aquaculture experienced changes due to the attachment to the EU (through the EEA-Agreement)?
  2. Do you think that the attachment to the EU has made Norway more internationally open and focused?
  3. In your view, has the attachment to the EU through the EEA-Agreement affected Norwegian companies towards conducting FDIs?
  4. Can you talk about your perception of the Salmon Wars and the Salmon Agreement?
    1. Do you fear that an issue like the SW and SA will affect the industry in the future?
  5. Do you feel that the Norwegian industry can operate on the same terms as EU-industry?
    1. If not, do you fear the development of the EU, and how it can affect the industry in future?
  6. How, in your view, is it to maneuver the internal market, and EU-regulations?
  7. How do you perceive the EU's intentions?
  8. Do you think that the Norwegian aquaculture industry is being europeanized?

e) Alternative explanations
  1. Outside the EU context how has the industry been affected by globalization and internationalisation?
    1. FDIs and investments
    2. For (name of organisation) especially
  2. How had changes and development of the Norwegian regulations affected the industry?
    1. FDIs and foreign investments?
    2. In your opinion has these changes happened due to the attachment to the EU?
    3. Or due to globalization and internationalisation?
  3. Has difficult access to other markets (non-EU) at times affected the degree of FDIs?
    1. To ensure access to these markets
    2. Does this make the access to the EU market more important?
  4. Has the fact that the Chilean and the Faroese Icelandic salmon has zero-toll into the EU-market played a role in Norwegian companies

conducting FDIs in these countries to ensure access into the EU market over time?

5. Do you feel that the tariffs on processed fisheries products leads to problems in the Norwegian industry?
    1. What do you feel about VAP in the EU?
6. In your opinion, what is more important for (name of company): Working creating new markets, or exploiting the existing markets?
    1. Can you talk about your perception of «Project Japan»

f) EU-membership, and the development of the EU

1. If you voted in the referendum(s) on Norwegian membership in the EU, did you vote for a Norwegian membership in the EU?
    1. Why/why not?
    2. What do you think about your decision today?
    3. In your opinion, would the Norwegian aquaculture industry have benefitted from a EU-membership?
2. Do you think Brexit will affect the Norwegian aquaculture industry?
    1. Will the Norwegian industry stand stronger with the UK outside the EU?

g) Anything to add?

h) Thank you