



World Eye Reports

Norway

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Norway's road map to sustainable growth

Norway, one of the world powers in renewable energy, still has huge untapped potential. The country plans to raise the share of its energy demand that is produced from renewable sources to 67.5 percent by 2020.



HARVEINO/123RF STOCK PHOTO

For 400 years, Norway was under Danish rule, before it established its own constitution and parliament in 1814. Then, the country shared a monarch and foreign policy with Sweden for nearly a century. Today, the fiercely independent country that has twice voted against joining the European Union has based its economy on sustainable management of its vast natural resources, while nurturing the growth of globally competitive companies in cutting-edge sectors.

As the country's petroleum industry grows exponentially, having generated more than \$1.22 trillion since production began in 1971, and employing roughly 200,000 people, the Norwegian state ensures that profits are shared. The creation of the petroleum fund in 1990 was aimed at managing petroleum revenues by investing them in stocks and allocating profits for social services. In 2001, a fiscal rule was introduced so only returns from the fund were used while the capital remains untouched.

As of March 2013, this sov-

ereign fund stands at roughly \$710 billion. There has been criticism that Norway's dependence on this industry could

Norway and Japan continue to strengthen an already historically solid relationship, perhaps bolstered by both countries' maritime traditions.

eventually result in an underdeveloped Norwegian economy once the oil runs out, but most Norwegians are confident that this will not be the case.

"It could seem risky, but you have to specialize to stay

ahead in the global race," explains Jan Soppeland, managing director of Greater Stavanger Economic Development — a regional-sponsored agency in the country's North Sea-facing oil capital of Stavanger. "Also, we could shift to different industries if the oil and gas market were to decline, since we have become experts in the associated engineering technology."

In line with this long-term perspective, both on- and offshore renewable energy has become a huge industry in Norway. "Hydropower is an established technology here due to our inland water

resources," says Harald Minge, managing director of the Stavanger Chamber of Commerce. "It is the only renewable source of energy that can be stored and easily regulated — unlike the case of solar and wind energy."

"Norway's extensive coastline is truly integral to the country: a source of riches and technological innovation," emphasizes Lars-Kåre Legernes, managing director of the Oslo Chamber of Commerce. "For example, we are the world's leader in subsea technology due to our development of our oil and gas offshore resources — here we are the center of worldwide expertise."

Northern Norway as a growing innovation hub

One new development is that

Norway's oil and gas activities are moving further north — where the geology is less well-known and conditions are harsher and riskier. New technology is being continuously developed for this purpose with applications around the world.

Benefitting most from this current trend is the country's north-

in the area.

According to the city's councilor, Øyvind Hilmarsen, the construction of a new port and the widening of a shorter shipping route to Asia are expected to bring in even more oil players and international companies in the sector.

Setting up local high-tech enterprises has also been a priority. A major cluster of start-up companies in Tromsø comes from the biotech sector. The government has created a marine bio-prospecting program to study the unexplored waters of the Arctic for bioactive compounds and organisms.

"We find that there is a natural evolution to biotech here because of the presence of the University

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## An expert navigator sails into the future

“We see Japan as a hub of technology and ideas, with numerous areas in which DNV can contribute.”

— HENRIK MADSEN  
DNV CEO



Last November marked a strategic boost for the Norwegian-based company Det Norske Veritas (DNV) when the Japanese government authorized it to conduct surveys and provide statutory certificates to Japanese-flagged ships — a milestone for the company's status in Japan.

"It was a major accomplishment for us," says Henrik Madsen, group CEO of DNV. "Our company is a natural partner for Japan, especially since there is already a collaboration in business cultures and a shared passion for technology development."

Also last year, DNV announced a groundbreaking merger with the maritime giant Germanischer Lloyd. Expected to be completed by the end of 2013, the new entity will be called the DNV GL Group and headed by Madsen as group CEO.

With a total of over 17,000 employees, and offices in over 100 countries around the world, DNV GL Group will greatly improve both companies' individual abilities to provide innovative services, particularly in the maritime sector, as well as the entire oil and gas value chains.

Today, faced with the daunting task of overseeing the transition, Madsen is eager to see where the company's new direction will take it. "The biggest goal for us now is the successful integration of DNV and GL," he explains. "But we are also looking for more ways to service our partners, especially with regard to the environment and climate change risk management."

"We are very much a 'people business,'" he continues. "I believe that when people are motivated, they are capable of accomplishing incredible things."

Madsen is also optimistic about the group's renewed focus on Japan, which is likely to invest more in the renewable energy sector. Madsen sees the current environment as a critical opportunity for DNV and Japan to collaborate and exchange technology and ideas.

"We already have a strong organization in Japan, and we are planning on building that even more," he says. "We see Japan as a hub of technology and ideas, with numerous areas in which DNV can contribute."

"One is in the development of LNG-fueled ships," Madsen says. "With the abundance of this resource around the world, compared to other conventional energy sources, there is a great opportunity for Japan to make the transition. We are currently working with some shipyards using designs tailored for that sector."

Passionate about his company and its sector, Madsen takes to heart the original values upon which DNV was founded way back in 1864: "We are very much geared towards our original goal: 'To safeguard life, property and the environment.'"

"We were built on a strong foundation with a long-term perspective," he concludes. "Especially following our merger with Germanischer Lloyd, we are quite optimistic that we will be able to continue this record of success." ♦

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EYE ON NORWAY

Nor-Shipping is the leading maritime event week. Its top-quality exhibition, high-level conferences and prime networking attract the cream of the international maritime industry to Oslo every other year. Norway is home to the most complete maritime cluster in the world. This results in unique multi-party collaborations, innovation and competence — all of which are on display at Nor-Shipping. Welcome to Nor-Shipping 2013, June 4-7.

[www.nor-shipping.com](http://www.nor-shipping.com)

The Oslo Chamber of Commerce provides useful information on establishing business contacts in Norway, including planning delegation visits, developing export programs and information on the Arbitration and Dispute Resolution Institute.

[www.chamber.no](http://www.chamber.no)



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Laerdal

helping save lives

## Marine Harvest: Leading the 'Blue Revolution'

Marine Harvest is the world's largest supplier of farmed salmon, with about 25 percent of the global market, and it is looking to consolidate operations and at the same time expand further at a time when many other international companies are just trying to ride out a challenging economic crisis. Its focus on the basics of providing healthy, sustainable food to people worldwide — coupled with a tightening supply of fish and resulting higher prices in general — has kept the company in a prominent market

position, which it is making sure to strengthen for the future.

The group's recent acquisition of Morpol — the world leader in smoked and marinated salmon products — gives Marine Harvest a firm grasp on the higher end of the salmon value chain. Additionally, it will soon start to produce its own fish feed, with plans for a new facility already in progress. These new developments, together with the opening of a new value-added salmon factory in Osaka, make 2013 an important year for Marine Harvest, formed in 2006 from the

merger of three major European seafood producers.

Marine Harvest operates on a massive scale, yet keeps a close eye on the details. Providing some 5 million salmon meals per day to 160 of the world's 196 countries is no small operation, and assessing how to better manage the process is part of the job for CEO Alf-Helge Aarskog. "Moving towards stability is the key in this business," he says.

"We try to have more consistent results over time. If you're only providing salmon, you're 100 percent dependent on the global spot price of the commodity and its fluctuations," Aarskog says. This explains Marine Harvest's move into fish feed and value-added salmon. "It will bring us closer to consumers, and lead to a better understanding of what our customers really want," he adds.

Producing its own responsibly-sourced feed is one step further in the company's strategy of promoting salmon fish farming products as part of a healthy and sustainable way of life. With aquaculture worldwide increasingly subject to scrutiny with regard to its effects on the environment, Aarskog asserts that fish farming is incredibly energy efficient — especially as compared to the farming of other proteins. "Fish convert feed



Marine Harvest provides 5 million meals of salmon across the globe each day, making it the world's largest provider of farmed salmon.

you eat. If you eat salmon, it's like you're using an electric car."

It is a sentiment that is at the heart of the so-called "Blue Revolution": an informed focus on aquaculture as a source of the world's nourishment. In general terms, the food from the world's seas is more space-efficient and can feed people with a correspondingly lower energy cost than is the case with other proteins.

In fact, Marine Harvest's business plan is based on a fundamental desire to change the way

the world considers food. Aarskog notes that, while 70 percent of the Earth is made up of ocean, approximately 13 percent of our food supply comes from this great resource that determines the very color of our blue planet. "That doesn't make sense," he says. "Our mission is to lead the Blue Revolution and influence the way people eat."

In this period of a return to fundamentals, the message is simple and timely. ♦

www.marineharvest.com

“Our mission is to lead the Blue Revolution and influence the way people eat.”

— ALF-HELGE AARSKOG  
Marine Harvest CEO



MARINE HARVEST



Norway

Synergy reigns in Japanese-Norwegian collaboration

Since its entry into the highly competitive Norwegian offshore market in 2007, “K” Line Offshore has become a key company in the sector. And due to the current upsurge in oil exploration and production, it is expecting further growth in the coming years.

The company’s new CEO, Tomoyuki Okawa, started his career in “K” Line in Japan in 1983 and is a seasoned leader in the energy business. He previously served as general manager for its tanker and LNG division, and also for its Energy Transportation Business Development Group which was responsible for the company’s move into offshore.

Tomo was one of the speakers at the business forum during Norwegian Prime Minister Jens Stoltenberg’s visit to Tokyo last November, when he highlighted the role of “K” Line’s strategic alliances in

Norway in the company’s success. “Norway is a very democratic country and has been accommodating to foreign businesses like ours,” he says. “For our part, all our employees — Norwegians and Japanese alike — also consider it their mission to contribute to the country’s development and economy.”

Energy-related technology is one of the major sources of Norway’s GDP, and the country continuously invests in the sector to ensure its leading position in the market.

“We find that opportunities in Norway are good for us,” Tomo



“K” LINE OFFSHORE

explains, “though the sector itself is very competitive as it is much more technology- and capital-oriented. Our ships are less than one-third the size of Very Large Crude Carrier (VLCC) tanker ships, yet they are worth more due to their special design and construction.

“In addition to these high-end type ships, we use first-class software to operate them,” he adds. “And one vital ingredient in our success is the excellent coordination among our Norwegian partners, such as OSM and ADS for their technical management support, and STX OSV for ship de-

sign and construction.”

2012 was the first year for the company to have all seven vessels in its current fleet completed. “K” Line Offshore is set to add more ships and enter new segments in the offshore support industry.

“Demand has increased for offshore service vessels, but supply is very limited,” Tomo says. “The need for high-tech vessels for longer periods of time has increased. I am optimistic about the implications of this trend for our company.” ♦

www.klineoffshore.no



“K” LINE OFFSHORE

“The need for high-tech vessels for longer periods of time has increased. I am optimistic about the implications of this trend for our company.”

— TOMOYUKI OKAWA  
“K” Line Offshore CEO

Norway’s road map to sustainable growth

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of Tromsø and our strategic access to unpolluted marine life,” says Asbjørn Lilletun, interim CEO of Tromsø’s BioTech North cluster. “It’s a young industry, but we have the foundation of excellent researchers and infrastructure. We are about to start harvesting our investments commercially. Even the byproducts of marine organisms represent a huge resource.”

Another sector that drives Tromsø is space technology. Ancillary industries are becoming more dependent on satellite-generated imaging and data. “Lying on top of the world, as we are, is advantageous. The closer you are to the north pole, the more satellites you can download from,” Lilletun adds.

Norway and Japan moving forward

The turn to increased sustainable exploitation of the Norwegian continental shelf has also driven its traditional shipping industry to be more competitive. “The economic crisis has affected some areas more than others, which has reflected on the shipping business,” says Sturla Henriksen, managing director of the Norwegian Shipowners’ Association. “But difficult times offer numerous opportunities as well. Innovation has been an integral part of the industry’s recovery and success over the past few years following the 2008 financial crisis. For example, significant advances have been made in terms of increasing ship productivity, improving safety, and lowering environmental footprints.”



VER

Aside from its status as a hub for industry, Norway is renowned for its majestic fjords and landscapes.

Norway and Japan continue to strengthen an already historically solid relationship, perhaps bolstered by both countries’ maritime traditions. “When Prime Minister (Jens) Stoltenberg visited Japan last year, I was overwhelmed by the large number of Japanese and Norwegians gathered together — the biggest hall was filled,” recalls the Japanese Ambassador to Norway Akio Shirota. “Apparently, most were long time friends and business partners.”

Recently, Japan supported Norway’s entry into the Asia-Europe Meeting conference last November. This coincided with

the Norwegian prime minister’s official visit, aimed at further boosting mutual cooperation in polar research, renewable energy and maritime technology.

To facilitate the future development of both countries, a number of practical agreements were entered into, including the “working holiday” agreement that took effect between Japan and Norway in February of this year. This exchange program grants students aged between 18 and 30 years old from either country a one-year working visa.

Ambassador Shirota shares his vision for the two countries mov-

ing forward: “We should leave behind our traditional view of bilateral relations, and promote a higher vision based on more than national interests. We also need to steer our relations within the scope of the world economy. Economic activities should not only serve to increase monetary profit, but also enhance overall human activity and strengthen society.”

It is a vision that should tie the two countries even closer together as Norway continues to redefine both its global economic role and its responsibility for finding sustainable solutions to the onslaught of challenges that face the world today. ♦



VER

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— AKIO SHIROTA  
Japanese Ambassador to Norway

“Hydropower is an established technology here due to our inland water resources.”

— HARALD MINGE  
Managing Director  
Stavanger Chamber of Commerce



VER

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— STURLA HENRIKSEN  
Managing Director  
Norwegian Shipowners’ Association



NORWEGIAN SHIPOWNERS’ ASSOCIATION

www.worldeyereports.com

A ‘weaver of destinies’ watches over the world’s ships

In the 19th century, Europe’s merchant fleet was growing as international trade was taking shape. But as global commerce was transforming the world, the risks of maritime cargo trade also grew. Predicting the increasing risk, shipowners collaborated and grouped together to protect their financial interests from liabilities that stem from vessel operations. These so-called “clubs” developed the earliest versions of what we now know as maritime insurance protection.

Skuld, the Norway-based international insurance company, was founded in 1897 on these very grounds of tradition and mutual benefit for shipowners. In 2000, perceiving the greater potential in increasing financial capabilities and improving service to its members, Skuld began to diversify its protection and indemnity (P&I) offering, to great effect.

The expansion began with the diversification of Skuld P&I — the largest of Skuld’s group of companies. Following the process, Skuld P&I today has

reserves of more than \$231 million and an S&P rating of A. It manages the group’s P&I services — tailored for shipowners and chartering clients. Using its experience and market expertise, it provides tailored ancillary coverage, as well as services ranging from trade disruption and kidnap and ransom, to towage and voyage insurance.

The Skuld group today also includes Skuld Offshore and Skuld Syndicate 1897 at Lloyd’s, with international offices in such key cities as New York, London and Singapore.

Skuld Offshore provides simplified and clear coverage tailored to growing risks in the offshore energy industry. Especially interesting for Japan, which aims to be an industry leader in the offshore sector, Skuld Offshore is able to provide coverage for offshore support vessels, mobile support vessels and even risk management services — all managed by a staff with years of hands-on experience.

Skuld Syndicate 1897, on the other hand, is the group’s representative on the underwriting trading floor of Lloyd’s, in Lon-

“We use the same principles as our P&I group to provide extraordinary levels of claims and underwriting service.”

— DOUGLAS JACOBSON  
President and CEO of the Skuld group



SKULD



don. Managed by the R&Q agency, it focuses on underwriting for marine and offshore energy risks.

“We use our Skuld companies to provide clients with a wide array of services,” says Douglas Jacobson, the group’s CEO. “Clients, members and brokers can access the syndicate directly without going through a Lloyd’s broker. This places us closer to our clients and greatly improves communication while reducing costs. We use the same principles as our P&I group to provide extraordinary levels of claims and underwriting service.”

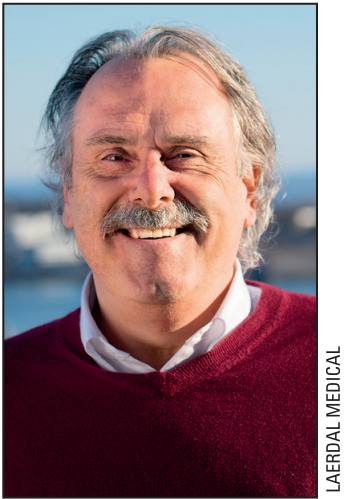
Guided by a service philosophy, tradition spanning more than a century, strong financials and a dedicated and experienced global team, Skuld is set on continuing its rise to become a leader in the global insurance business. The group’s name has its origins in one of the powerful goddesses of Norse mythology, who wove the threads of destiny. In the 21st century, Skuld weaves its own destiny as it protects ships and their crews around the world. ♦

www.skuld.com

Embracing change, keeping core values intact

“We don’t want to be seen as, or act like, a technology company, but rather a solutions company. Our future concepts are determined by the relevant needs of our customers.”

—DR. CLIVE PATRICKSON  
Laerdal Medical CEO



LAERDAL MEDICAL

involved visiting low-resource countries and promoting better health care through the development of products and technology designed specifically for those markets.

“The lessons we have learned over the last 60 years are very important to us because they are the guiding stars for our business,” Patrickson continues. “We want to understand what is happening with our customers throughout the world. We don’t want to be seen as, or act like, a technology company, but rather a solutions company. Our future concepts are determined by the relevant needs of our customers.”

In Japan, with its aging population and challenges to its health care system, Laerdal focuses on promoting faster adoption of new learning methods and health care innovations. Patrickson is optimistic about a positive change in the sector.

“Sometimes you have to prove something first before people will accept it,” he explains. “Based on our experience in Japan, we’ve found it takes a relatively long time for people to make health care changes. But when it happens, it happens fast. We hope that we are helping to build a better base for Japanese health care culture.” ♦

www.laerdal.com

FAST FACTS

Area: 323,802 sq. km  
Population: 4,722,701  
Currency: Norwegian Kroner (NOK)  
Avg. exchange rate: \$1 = NOK 5.8210

GDP (PPP): \$278.1 billion (2012 est.)  
GDP (official exchange rate): \$499.8 billion (2012 est.)  
GDP real growth: 3.1% (2012 est.)  
GDP per capita: \$55,300 (2012 est.)

Inflation: 0.6% (2012 est.)  
Unemployment: 3.1% (2012 est.)

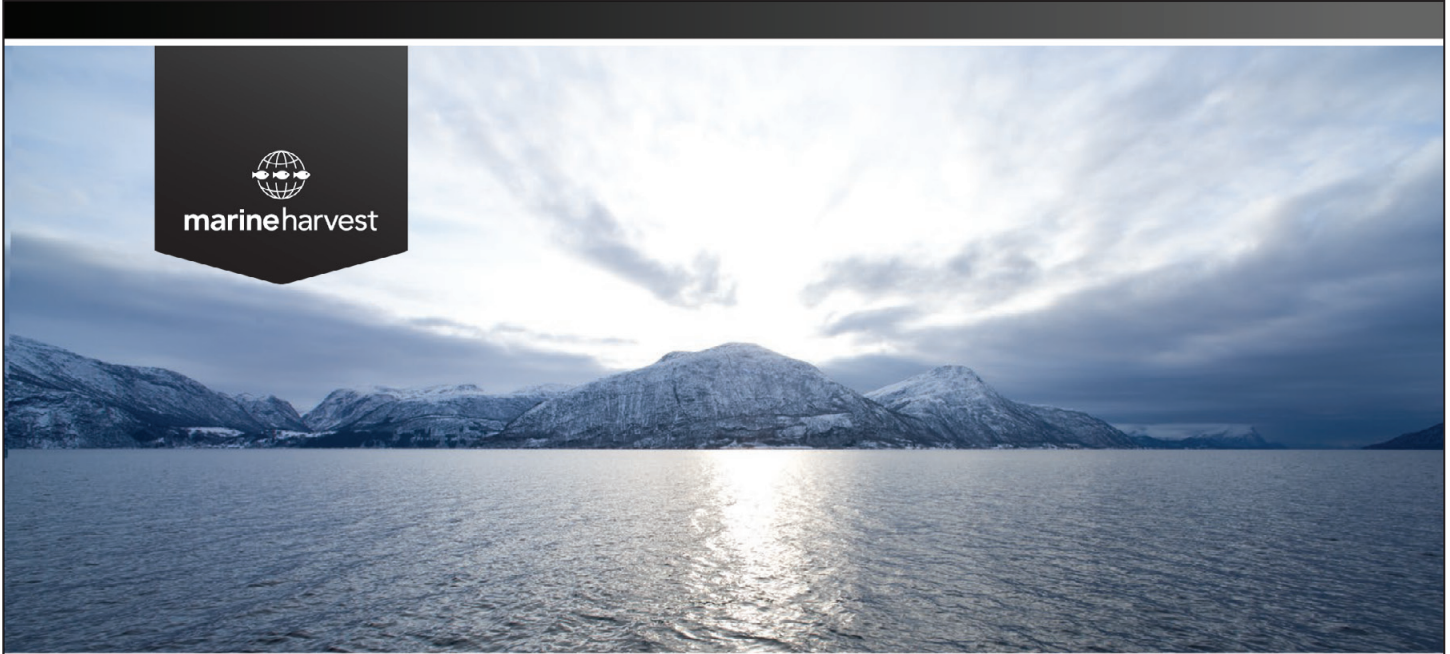
Total exports: \$162.7 billion (2012 est.)  
Total imports: \$86.78 billion (2012 est.)

Major export goods: Petroleum and petroleum products, machinery and equipment, metals, chemicals, ships, fish

Major import goods: Machinery and equipment, chemicals, metals, foodstuffs

Main export markets (% share): U.K. 27.2%, Netherlands 11.5%, Germany 11.1%, France 7.1%, Sweden 6.5%, U.S. 5.6% (2011)

Main import markets (% share): Sweden 13.3%, Germany 12%, China 9%, Denmark 6.3%, U.K. 5.6%, U.S. 5.4%, Netherlands 4.1% (2011)



Marine Harvest produces high-quality, healthy, nutritious food for discerning consumers through our global retail and food service network.

As a market leader we take great pride in ensuring our customers that our seafood is of the highest quality.

www.marineharvest.com