

## Norwegian seafood exports grow in value in Q1 2020

Norway exported 213,000 tonnes of seafood worth NOK 9.6 billion in March. This is an increase of NOK 392 million, or 4 per cent, compared with March 2019. In the first quarter, 664,000 tonnes of seafood were exported, worth NOK 28.6 billion. The value of Norwegian seafood exports has increased by NOK 2.9 billion, or 11 per cent, against the same period last year.

“In the second half of March, the Covid-19 pandemic made its presence felt in Europe and the United States, leading to major turbulence in these seafood markets. Strict restrictions on exports to the United States and a reduction in air cargo capacity hit fresh seafood particularly hard last month. At the same time, we see that the global restaurant sector is almost completely closed and that the demand for seafood within this sales channel has been sharply reduced. Despite the challenging situation in some of our most important markets, export value has continued to increase as a result of a weakening Norwegian kronor”, says Renate Larsen, CEO of the Norwegian Seafood Council.

Despite a challenging market situation and a fall in demand for Norwegian seafood, there are also some bright points:

- We are seeing gradual normalization trends in some Asian countries such as China and South Korea.
- There has been an increase in online sales of seafood and food delivery services to households.
- Sales of fresh seafood products in South Korea are constantly setting new records, and quarterly figures show a 9 per cent increase in Norwegian salmon.
- Demand for Norwegian mackerel in Japan is exceptionally good, with a 59 per cent growth in volume in the first quarter.
- Exports of salted fish and clipfish continue their positive trend, especially to Portugal.



"The corona crisis has affected Norwegian seafood products very differently. Products that are exported to many markets have more resilience in such a situation compared to those that depend on a few core markets. The increased sales in online channels that we see in several markets are from low levels, but this also means that many people are trying out these types of services for the first time. Today's situation can lead to lasting behavioral changes. Increased purchases of freshly packed seafood may be something that persists even after the corona crisis", says Renate Larsen, CEO of the Norwegian Seafood Council.

Minister of Fisheries and Seafood Odd Emil Ingebrigtsen (H) praises the Norwegian seafood industry, which has managed to adapt in this difficult period.

"The last few weeks have been challenging due to the corona virus. It is therefore extremely gratifying that the growth in value for Norwegian seafood exports has continued in March. In the difficult situation, a formidable effort is being made in the industry to ensure that seafood reaches consumers worldwide. The corona situation has put the fresh fish market under pressure, and we are seeing a shift towards processed products. It's great to see that the seafood industry is adapting to market changes so quickly. The industry's robustness and adaptability are impressive", says Fisheries and Seafood Minister Odd Emil Ingebrigtsen.

### **Salmon sees growth**

85,800 tonnes of salmon were valued at NOK 6.1 billion in March. This is an increase in volume of 4 per cent, while export value increased by NOK 103 million, or 2 per cent, compared with March last year. In the first quarter, 252,000 tonnes of salmon were exported, worth NOK 18.5 billion. This is an increase in volume of 2 per cent, while the value has increased by NOK 1.8 billion, or 11 per cent. The average price for fresh whole salmon in March was NOK 64.98 per kg, compared with NOK 68.72 per kg in March last year. Measured by value, Poland, the United States and France were the largest recipients of salmon from Norway in March.

"Despite increased logistical challenges and reduced restaurant consumption, the proportion of salmon exports to Asia represents 17 per cent of the total. This is the same proportion as in March 2019.



The relatively strong exports are due to increased domestic consumption of salmon, either in the form of takeaway, in online channels or in the retail trade. Reduced demand and logistical challenges as a result of the Covid-19 pandemic have led to large price declines in local currency. Converted into euros, the export price fell by 19 percent in March compared to the same month last year”, says Seafood Analyst Paul T. Aandahl with the Norwegian Seafood Council.

The Chinese market saw gradually increased demand in March. In week 13, 517 tonnes of fresh salmon were exported from Norway to China.

“The first quarter figures confirm the trend of a gradual return in demand for fresh products in China, while we also see further good development for frozen products. Overall, Norwegian seafood exports to China declined by 12 per cent in value and volume this year. This export trend was in line with expected market development, as China is gradually moving towards a normalization”, says the Seafood Council's Fisheries Envoy to China, Victoria Braathen.

The United States is a market that is highly dependent on seafood imports, so the severe air traffic restrictions over the last month have been dramatic and have created great uncertainty.

“The development of the Covid-10 pandemic has led to a large part of the American restaurant sector closing down. As a consequence of these conditions, exports of, for example, fresh whole salmon have more or less stopped completely. This is happening at a very unfortunate time, since we are now in Lent which is traditionally a very good period for seafood turnover in the restaurant sector”, says the Norwegian Seafood Council's Fisheries Envoy to the USA, Egil Ove Sundheim.

### **Trout exports rise**

In March, 5,100 tonnes of trout were exported with a value of NOK 316 million. Volume increased by 46 per cent, while export value increased by NOK 53 million, or 20 per cent, compared with March last year. So far this year, 15,600 tonnes of trout have been exported to a value of NOK 969 million. This is an increase in volume of 43 per



cent, while value increased by NOK 201 million, or 26 per cent. The US, Ukraine and Finland were the largest export markets in March.

### **Herring and mackerel exports are up**

32,300 tonnes of herring were exported with a value of NOK 379 million in March. There is an increase in volume of 1 per cent, while the value increased by NOK 107 million, or 39 per cent. So far this year, 105,500 tonnes of herring have been exported with a total value of NOK 1.1 billion. Volume remains at the same level as last year, while value increased by NOK 248 million, or 29 per cent. Egypt, Poland and Belarus were the most important markets for herring in March.

“The average price of herring measured in US dollars in the first quarter has been somewhat higher than the corresponding period last year”, says Chief Analyst Frank Isaksen of the Norwegian Seafood Council.

In March, 20,800 tonnes of mackerel were exported to the value of NOK 361 million. Volume increased by 59 percent, while value increased by NOK 135 million, or 60 percent. In the first quarter, 81,400 tonnes of mackerel were exported, worth NOK 1.4 billion. This is an increase in volume of 59 per cent, while the value increased by NOK 495 million, or 58 per cent. China, Egypt and Nigeria were the largest recipients of mackerel in March.

“The increase in volume is due to increased quotas and catches. There has been a reduction in the average price measured in US dollars mainly due to the type of mackerel that has been landed. This has also affected which country products are being exported to. We have had some challenges with the logistics of some markets due to the lack of containers”, says Chief Analyst Frank Isaksen with the Norwegian Seafood Council.

Demand for Norwegian mackerel in Japan is exceptionally good, and the first quarter saw a 52 per cent growth in this market.

“The largest commercial houses report record sales of Norwegian mackerel in March. Especially boneless fillet and light salted mackerel are most in demand in Japan. Quarterly figures show a 59 per cent increase in volume, which confirms that both local processing and the industry in Norway are working hard to produce mackerel products



from Norwegian raw materials that are selling well at a time when home consumption is increasing” says Norwegian Seafood Council's Fisheries Envoy to Japan and South Korea, Gunvar L. Wie.

### **Skrei exports decline but frozen cod rises**

In March, 8,300 tonnes of fresh cod were exported, including skrei to a value of NOK 365 million. This is a 30 per cent reduction in volume, while the value fell by NOK 124 million, or 25 per cent, compared with March last year. In the first quarter, 23,200 tonnes of fresh cod including skrei were exported to a value of NOK 1.1 billion. There is a 7 per cent reduction in volume, while the value increased by NOK 20 million, or 2 per cent. Of this, 1,800 tonnes of landfill, which is a 24 percent reduction in March. The value of skrei was NOK 82 million, which is a reduction of 18 per cent year-on-year. Denmark, Spain and the Netherlands were the largest recipients of fresh cod in March.

“The loss of the restaurant segment has hit exports of fresh white fish particularly hard. March is normally the month of the year with the highest exports of fresh, whole cod and cod, but this year export volumes fell below the levels we had in February. Some of this reduction may also be due to lower catches due to bad weather”, says Seafood Analyst Ingrid Kristine Pettersen with the Norwegian Seafood Council.

At the same time, we have never seen better March figures for direct export of fresh whole yeast to Spain.

“The robust export figures show what a strong position the quality brand skrei has achieved in Spain. This is a result of the fact that we have managed to position Norwegian skrei as a unique cod with a very special quality that can only be purchased in the period January to April”, says the Norwegian Seafood Council's Fisheries Envoy to Spain, Bjørn-Erik Stabell.

In March, 9,800 tonnes of frozen cod were exported, worth NOK 452 million. This is an increase in volume of 18 per cent, while the value increased by NOK 97 million, or 27 per cent. In the first quarter, 23,300 tonnes of frozen cod were exported to the value of NOK 1.1 billion. There is a 7 per cent reduction in volume, while the value increased



by NOK 23 million, or 2 per cent. China, the United Kingdom and Lithuania were the largest recipients of frozen cod in March.

“After a somewhat sluggish start to the year, there has been significant growth in exports of frozen, whole cod in March, especially to China and Portugal”, says Seafood Analyst Ingrid Kristine Pettersen with the Norwegian Seafood Council.

### **Growth for clipfish**

6,200 tonnes of clipfish worth NOK 375 million were exported in March. Volume fell by 3 per cent, while the value increased by NOK 90 million, or 31 per cent, from March last year. In the first quarter, 22,400 tonnes of clipfish were exported, worth NOK 1.2 billion. This is a 10 per cent reduction in volume, while the value increased by NOK 109 million, or 10 per cent. Portugal, Dominican Republic and Congo Brazzaville were our main markets in March.

“Codfish in particular has contributed to value growth in March, with growth in both volume and value measured in Norwegian kronor. The biggest increase has been to Portugal. Here we see the same trend as in many other markets in March: The closure of restaurants in connection with the corona outbreak has led to a large increase in demand for clipfish in the grocery trade and trends in hoarding. This has led to a significant rise in prices in Norwegian kroner, while prices are relatively stable in euros”, says Seafood Analyst Ingrid Kristine Pettersen with the Norwegian Seafood Council.

### **Up for salted fish exports**

In March, 5,100 tonnes of salt fish were exported to a value of NOK 337 million. Volume increased by 27 per cent, while value increased by NOK 109 million, or 48 per cent, compared to March last year. In the first quarter, 8,400 tonnes of salt fish were exported to the value of NOK 514 million. There is a 30 per cent increase in volume, while the value increased by NOK 160 million, or 45 per cent. Portugal, Greece and Spain were our most important markets in March.

“Cod salt fish has contributed most to value growth. Reduced export of fresh fish and good demand in Portugal are the main reasons for



this increase”, says Seafood Analyst Ingrid Kristine Pettersen with the Norwegian Seafood Council.

### **Dried fish exports decline**

In March, 194 tonnes of stockfish were exported to a value of NOK 30 million. The volume fell by 27 per cent, while the value fell by NOK 21 million, or 41 per cent, compared with March last year. In the first quarter, 1,100 tonnes of dry fish were exported with a value of NOK 203 million. There is an increase in volume of 1 per cent, while the value fell by NOK 7 million, or 3 per cent. Italy, Nigeria and the US were our most important markets in March.

“We are now in a period when dry fish exports are normally low. Last year's production is mostly sold out, and what is to be exported for the autumn is hanging these days. From previous years, there has also been an increase in hanging when the fresh fish markets decline”, says Seafood Analyst Ingrid Kristine Pettersen with the Norwegian Seafood Council.

### **Prawn exports improve but king crab declines in March**

1,300 tonnes of prawns were exported to a value of NOK 103 million in March. This is an increase of 59 per cent, while export value increased by NOK 28 million, or 37 per cent, compared to March last year. In the first quarter, 3,000 tonnes of prawns were exported to the value of NOK 246 million. This represents a 16 per cent reduction in volume, while the value fell by NOK 21 million, or 8 per cent. Sweden, the Netherlands and the UK were the largest markets in March.

71 tonnes of king crab were exported to a value of NOK 25 million in March. This is a 23 per cent decrease in volume, while export value fell by NOK 5 million, or 16 per cent. In the first quarter, 422 tonnes of king crab were exported to the value of NOK 142 million. There was a 18 per cent reduction in volume, while the value fell by NOK 15 million, or 10 per cent. South Korea, the Netherlands and Vietnam were the largest recipients of king crab in March.

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