

Norway's seafood exports finally fall as pandemic hits trade

For the first time since September 2018, Norway has experienced a fall in seafood exports, according to the Norwegian Seafood Council (NSC).

In April, 183,000 metric tons of Norwegian seafood was exported at a value of NOK 8.2 billion (\$797.1 million). This was a decrease of 8% compared with April 2019.

"A significant fall in demand for salmon and whitefish in April as a result of the corona crisis is the main reason," said Tom-Jorgen Gangso, NSC director of market insight.

"This can be evidenced by the decline of the restaurant segment and increased air freight costs for the transportation of fresh products to overseas markets."

So far this year, NOK 36.7bn of Norwegian seafood has been exported -- up 6% in value.

"This year can be split in two for seafood exports, before and after the corona crisis," Gangso continued. "2020 started off well with a strong increase in value due to increased demand for Norwegian seafood products. This positive trend came to an abrupt end with the introduction of measures to reduce the spread of the coronavirus, which is why we are seeing exports fall for the first time in 18 months."

Despite a marked weakening of the Norwegian krone, the export value of Norwegian seafood fell by 8%.

Local measures to reduce the spread of coronavirus led to changes in the flow of goods. This was especially true for fresh fish, Gangso said.

"For example, we see growth in a market like Spain, while there is a decline in Italy. We also find that the corona crisis has led to layoffs and increased unemployment globally. There is considerable



uncertainty about how weakened purchasing power will affect demand for Norwegian seafood in the long run. We are already seeing a fall in demand for clipfish, including in Brazil."

Salmon sales down 13% in April

83,100t of salmon were exported at a value of NOK 5.4bn in April; down 3% in volume and 13% in value, the NSC said.

"Reduced prices due to lower demand and increased air freight costs have led to a fall in export value in April," noted NSC analyst Paul Aandahl.

So far this year, 334,600t of salmon have been exported, worth NOK 23.7bn – up 1% in volume and 4% in value year-on-year.

The average price for fresh whole salmon in April was NOK 57.71 per kilogram, compared to NOK 68.45/kg in April last year. Poland, France, and the US were the largest importers of salmon from Norway in April.

Aandahl noted a large change in the flow of goods to individual markets. Some markets have, to a greater extent than others, been able to compensate for reduced restaurant consumption with increased consumption at home, he said.

In markets such as China, Hong Kong, Taiwan, and South Korea, consumption of Norwegian salmon is increasing, while it is declining in tourism-dependent markets such as Thailand and Singapore.

"In Europe, the supply of salmon is increasing in markets that largely refine Norwegian salmon, such as Poland and Lithuania. Exports also increase to consumer markets such as Spain and Germany, while falling to Italy and France. This happens a lot because of local measures that make normal sales of fresh fish challenging," he said.

"Reduced freedom of movement prevents consumers from shopping as normal, thus shifting sales of fresh salmon towards products with longer shelf life. The result is that we will not be compensated for the loss of the restaurant sector."





Spain is one of the markets that has grown the most in value and volume so far this year. The export figures for April show this growth is continuing, especially interesting given how severely Spain has been affected by the corona crisis.

"Much is due to Norwegian seafood's strong position in Spain, especially when it comes to salmon," said NSC's envoy in Spain, Bjorn-Erik Stabell.

"Norwegian salmon has in just a few years become the number one favorite fish of the Spaniards, both in the restaurant and at home, for every day and for parties. In the wake of the corona crisis, Spanish salmon consumption has shifted from the restaurant market to the dinner table at home."

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