

THE CASE FOR CROSS-BORDER COLLABORATION: FRAMHERJI



JENS KRISTIAN VANG

'Høgaberg' skipper Jógvan Ingvar Olsen.

According to Anfinn Olsen, managing director and major shareholder in diversified fishing company Framherji, the benefits of cross-border collaboration in today's fisheries often by far outweigh its potential drawbacks.

IF ONE PERSON in the Faroe Islands has both the insight and strength of conviction to present the case for collaboration between domestic and foreign entities in commercial fisheries, it would be Anfinn Olsen, managing director and major owner in Fuglafjørður-based fishing company Framherji. With his long experience in Framherji and associated

companies, alongside his partner in life and business Elisabeth Olsen—both of them holding a Masters in Fisheries Technology from Tromsø, Norway—Mr. Olsen has deep knowledge about commercial fisheries in several sectors, both in the Faroe Islands and in neighboring countries.

With Iceland's Samherji holding

one-fourth of its shares, Framherji has long had extensive collaboration with Samherji in a range of areas associated with commercial fishing. The company has grown to become one of the leading operators in different Faroese fisheries including pelagic, Barents Sea whitefish, and domestic hook and line whitefish.

According to Mr. Olsen, much of



the progress that has taken place within the Faroese fishing industry over the last few decades, and even so further back, has to do with direct foreign connections at various levels, ranging from manpower and training to business finance to fishing technology to sales and marketing.

"The idea of foreign participation in fisheries should not by default be treated as anathema to the national interest," he noted. "Close collaboration between countries that share the same type of fisheries, vessels and technologies is natural, and even more so in today's internationalized business climate—for us in the Faroes, that means first of all Norway and Iceland, and in some cases Denmark, Greenland, and a few others including the UK, which has historically been very important. This is how we built our fishing fleets and how we learned much of the trade—including how to apply new technologies, for example, which has been key to building some of the strong positions the Faroes has today in fishing and related niche industries."

'ONLY REASONABLE'

Rightly or not, concerns about foreign influence in the business have become an issue in public debates of late.

"We should encourage healthy cross-border collaboration," Mr. Olsen commented; "but that is not to say that all concerns about foreign ownership are completely unfounded. Our existing legal and regulatory framework is very clear on limiting foreign ownership and control of Faroese fishing rights to a maximum one-third of the shares or capital stock of any licensee; in Norway, by comparison, that maximum limit is 40 percent, and in Iceland it's 25.

"This limit on foreign ownership is what our political authority has specified by law; whether it remains as is or changes is entirely up to our own parliament, not any foreign

entity. Our political authority was also adamant a few years ago to encourage foreign direct investment in trade and industry, including commercial fisheries.

"Now, to the extent that we may deem our law to be not adequately enforced for whatever reason, that's a matter for our own government and its enforcement agencies to ensure. The enforcement of the law could possibly be somewhat strengthened, and we should not leave room for any ambiguity there. Perhaps we should take a page out of Norway's book when it comes to enforcement and compliance, without necessarily copying all of their arrangements. But then, any such measures need to be kept in reasonable proportion to the reality of our problem."

One view that has been aired is that any foreign ownership in Faroese fishing rights runs counter to the parliamentary resolution that the living marine resources found in Faroese waters are "the property of the Faroese people"—a wording that is, meanwhile, deemed problematic and vague by some legal experts.

Mr. Olsen: "We need to separate between the key issues. The principle of the 'property of the people' is essentially about making sure that the Faroese people at all times maintains the full control over the exploitation of the natural resources found in Faroese territory or otherwise belonging to the Faroe Islands, and about making sure that the general populace gets its fair share of the profits generated by such exploitation. Which is only reasonable. It doesn't make sense, however, to ban all foreign interests in fishing licensees—again, it's up to us, our own government, to make sure that, whatever the level of foreign participation, the revenues derived from our fisheries benefit our society in general as much as possible, while being ecologically, socially and economically sustainable."

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Managing Director: Anfinn Olsen

Owner and operator of fishing vessels with catch rights in Faroese and international waters, focusing on groundfish and pelagic species.

- Frozen-at-sea: Whole round gutted or filleted cod, haddock, other groundfish; 'Jap cut' redfish; northern shrimp.
- Fresh chilled whitefish: Whole round gutted cod, haddock, other whitefish.
- Pelagic: Herring, mackerel, blue whiting, capelin.

Fully owned fishing vessels:

- Pelagic vessel 'Fagraberg'
- Pelagic vessel 'Høgaberg'
- Freezer trawler 'Akraberg'
- Freezer longliner 'Stapin'
- Longliner 'Mascot'
- Longliner 'Sigmund'

Partly owned subsidiaries:

- Faroe Origin — fishing, seafood processing (saithe, cod, whitefish)
- Pelagos — processing (pelagic species)
- Bergfrost — cold storage

UK seafood trading company: Seagold, Hull

Pelagic vessel Høgaberg (right); Freezer longliner Stapin (centered); Longliner Mascot (left).

Opposite, right to left: Pelagic vessel Fagraberg; Longliner Sigmund; Freezer trawler Akraberg.