

MARIA OLSEN



CEO Bogi P. Nielsen.

POISED TO CAPITALIZE ON EXPORT BOOM

As the Port of Tórshavn embarks on a major infrastructure development to raise the capacity of the East Harbour container and ro/ro terminal, Faroe Ship eyes new growth opportunities amid a hefty upturn in Faroese seafood exports.

WITH PRODUCTION of farmed Atlantic salmon and wild-caught pelagic species hitting record-breaking levels in the Faroe Islands, leading transport and logistics services provider Faroe Ship braces for further increase in demand from domestic seafood exporters as well as foreign entities that make use of the islands' storage and freight forwarding services.

In a major infrastructure development project, meanwhile, the coming extension of Faroe Ship's long-time home base in Tórshavn's

East Harbour will potentially add scale to the company's business, offering significant operational enhancements while at the same time enabling greater market reach, according to CEO Bogi P. Nielsen.

"We've seen quite a surge in demand for seafood-related transport and logistics services," Mr. Nielsen noted. "This is primarily due to rapid growth in the aquaculture business as well as increased quotas in the pelagic fisheries. All of this has presented our industry with new op-

portunities and challenges. Because of this growing demand—coupled with highly improved efficiencies expected to result from the coming extension of the East Harbour—we're looking to further advance the scope and quality of our offerings."

Given the small and compact nature of the Faroe Islands and the relative uniformity of its trade, the country's export markets tend to shift in size, depending on factors that range from fisheries and aquaculture production to price variations in the marketplace, from macroeconomics affecting key markets to trade relations turning out treacherous every so often in the face of disputes over access to resources and markets.

SCHEDULED AND BEYOND

With a dominant proportion of its gross domestic product based on and derived from seafood exports, the Faroe Islands is very sensitive to twists and turns largely outside of the country's control, all of which underscores the importance of business adaptability. As a case in point, Nigeria was a significant export market a few years ago; more recently, however, a collapse in the oil price wrecked in a matter of weeks. On the other hand, should the oil price make serious gains again, trade with the country could quickly be restored.

In the last few years, the Russian Federation has become by far the largest market for Faroese seafood exports. At the same time, Russian trawlers and freighters calling at Faroese ports have emerged as a sizable segment looking for domestic cold storage and international shipping services.

"We've become quick at adapting our services to the specific needs of our clients, as changes are fast in both the export and the import trade," Mr. Nielsen said. "Clearly, the recent rise in seafood exports has benefited the shipping business and you may say the overall supply of services has increased to match the demand. Meanwhile, one of our focuses has been to encourage Russian vessels to use Faroese cold storage facilities for their catches, whether fished in our waters or in international waters. Furthermore, in cooperation with leading international operators, we offer shipping to destinations beyond ours and Eimskip's scheduled routes."

Set to lay the basis for Faroe Ship to gain a positions of renewed strength in its market once completed, the Port of Tórshavn's new development of the East Harbour container and roll-on/roll-off terminal will see facilities enlarged by 95,000 square meters within the next year or so, doubling storage areas and dock space to dramatically improve vessel maneuverability and overall operational efficiency.

With offices and warehouses in Tórshavn, Klaksvík, Runavík and Tvøroyri, Faroe Ship holds a 50-percent share in Klaksvík's main cold storage facility, while also controlling one-fifth of Fuglafjørður's Bergfrost, as well as owning a smaller cold store in Tórshavn. In addition, the company has the Faroe Islands' largest and most modern truck fleet.

Established in 1919 and part of Eimskip since 2004, Faroe Ship operates four weekly shipments from the Faroe Islands to ports in Iceland, Scandinavia, the United Kingdom and continental Europe. On the return, imports are brought to the Faroes via port calls in the UK, Denmark, Norway/Poland (every other week), and Sweden. In collaboration with Maersk, Faroe Ship offers further links to Asia, the Middle East, Africa, and the Americas. Under the Faroe Express brand, the company also offers a worldwide courier service. Likewise, Faroe Ship has long had a port agency department, serving a variety of vessels types including, for example, cruise liners and offshore support vessels.

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CEO: Bogi P. Nielsen

Shipping, domestic and international transport and logistics services.

- Founded in 1919.
- Four weekly shipments from Faroe Islands direct to ports in Iceland, Scandinavia, the UK and continental Europe.
- Further links to Russia, Baltics, Asia, Middle East, Africa, and the Americas.
- Part of Eimskip.
- Exclusive agents for Maersk in the Faroe Islands.
- Faroe Express worldwide courier service.

- Other services include:
- Import & Export
 - Domestic Road Transport
 - Warehousing
 - Cold Storage
 - Port Agents
 - Oil and Gas Supply Base

Eimskip container vessel Dettifoss heading for Rotterdam having departed Tórshavn.

