



FRAMHERJI RAISES STAKES IN FISHING INDUSTRY

With operations ranging from offshore aquaculture to fish filleting, from domestic longlining and pair trawling to distant-water purse seining and trawling, vessel owner Framherji has moved to grow its business assets dramatically, becoming a major Faroese fish harvester.

WHILE TODAY FEW if any Faroese fishing companies can match Framherji in the range of species harvested and commercial fishing methods used, the company's potential for growth in the years ahead looks greater than ever before. With seven modern fishing vessels operating year-round, tens of thousands of farmed halibut juveniles and a million salmon smolt on-growing

in sea cages, in addition to business assets on land, Framherji has become one of the Faroes' leading vessel operators and seafood companies.

During the fall of 2005, Framherji's fleet in one stroke increased from two to seven fishing vessels as the company, after having sold its filleting trawler the Akraberg FD 10, purchased a 60-percent share of the Vesturvón group, the owner of the renowned filleting trawler Vesturvón VA 200 and four smaller fresh fish trawlers—pair Vesturleiki VA 363 and Vestursöki VA 364, and pair Akranes VA 261 and Dragasund VA

Managing owner Anfinn Olsen with skipper Eyður á Bergi (above); discharging frozen seafood from filleting trawler Vesturvón (left).

361—plus the Sörvágur onshore fish processing facility. Prior to the Vesturvón deal, worth some DKK 150M [EUR 20M / GBP 14M / USD 24M] according to unverified figures, Framherji's fleet also included the combined purse seiner/trawler Högaberg FD 1210; at the same time, the longliner Stapin FD 32 joined the fleet as Framherji purchased vessel owner Regn, a company managed and partly owned by Framherji's managing director, Anfinn Olsen.

Retaining the Akraberg's relatively small distant-water cod, haddock and redfish (ocean perch) quota, and combining it with that of the Vesturvón's, Framherji's 2,114-gt newly acquired factory trawler is licensed to catch sufficient



Purse seiner/pelagic trawler Högaberg.

quantities to yield 2,000 tons of frozen-at-sea fillets from the Barents Sea, the Irminger Sea southwest of Iceland and off Greenland's east coast. Exported to the UK and Japan at an average of about DKK 30 [EUR 4.00 / GBP 2.75 / USD 4.80] per kilogram, the Vesturvón may well maintain net sales at DKK 60M [EUR 8M / GBP 5.5M / USD 9.6M] per year.

Meanwhile the pelagic vessel Högaberg landed blue whiting, herring, capelin and mackerel at a total value of almost DKK 40M [EUR 5.4M / GBP 3.7M / USD 6.4M] in only nine months of operations during 2005. The landings of longliner Stapin, catching mainly cod, reached a total value of DKK 14M [EUR 1.9M / GBP 1.3M / USD 2.2M]. As to the two pairs Vesturleiki-Vestursöki and Akranes-Dragasund, last year's average catch of the Faroese pair trawler category—about 15 pairs catching mainly saithe [pollock/coley] within the Faroe Islands exclusive economic zone—amounted to approximately 4,000 tons per pair at an average allotment of 185 days at sea and an estimated average landing value of DKK 5 per kilogram corresponding to



about DKK 10M [EUR 1.35M / GBP 0.93M / USD 1.6M] per pair.

“Our vessels have performed well,” Mr Olsen remarked, “but eventually the Akraberg's quota was too small and selling it became purely a matter of pricing and timing. It turned out we got a fair price from a Polish vessel operator and with the money from that sale and the quota left, we were able to seize the opportunity as the Vesturvón was offered for sale shortly after. Now, with the Akraberg's and Vesturvón's quotas combined, we can run a viable, year-round filleting trawler operation.”

The 2,056-gt Högaberg, after having undergone refurbishments in late 2005 and early 2006, could report net sales of DKK 12M [EUR 1.6M / GBP 1.1M / USD 1.9M] from landings of blue whiting and capelin during its first six weeks of fishing operations in 2006.

Back in the cod business, longlining operations tend to be more constant and less costly than those of trawlers and purse seiners, Mr Olsen explained. “There are no huge figures involved with the Stapin,” he said; “it's a relatively steady and healthy business.”

“When discussing the fishing industry, some people tend to voice demands for restrictions and extra taxes; I think they forget the extremely volatile nature of most commercial fishing operations. Profits can be high for a few years sometimes, but bad periods invariably hit back and operators will have to be very strong financially to withstand the downturns.”

In the 1980s, Mr Olsen took a master's degree in fisheries management from the University of Tromsø, Norway, as did his wife and partner, Elisabeth Eldevig. The Olsens, raised in the fisheries com-

Longliner Stapin (left); pair trawlers Vesturleiki and Vestursöki (right).

FRAMHERJI

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Managing Director: Anfinn Olsen

Fishing vessel ownership and operations, suppliers of fish and seafood products, business holdings.

Factory trawler: 'Vesturvón' (2,114 GT)

Pair trawlers:

'Vesturleiki' and 'Vestursöki' (419 GT)

'Akranes' and 'Dragasund' (215 GT)

Purse seiner: 'Högaberg' (2,056 GT)

UK seafood trading company:

Seagold, Hull

Minority holdings:

Bergfrost cold storage facility

Notio venture capital fund

Frozen-at-sea products: Fillets of cod, haddock and other groundfish species.

Fresh iced products: Whole round gutted or filleted cod, haddock, saithe (pollock/coley), turbot (Greenland halibut), redfish (ocean perch), wolffish (ocean catfish), black scabbardfish, ling, tusk, monkfish, sole, plaice, and flounder.

munities of Toftir and Fuglafjörður, respectively, have built a strong international business network and a firm footing in the Faroese fishing industry. Founded in mid 1990s and owned by the Olsens together with Iceland's Samherji, which holds a one-third share, Framherji has gained prominence in the industry with business assets that include, in addition to the fishing vessels and the onshore processing facility, a 42-percent stake in the Bergfrost cold storage facility and a share in the venture firm Notio with holdings that include Faroese Yard, a minority share in Kollafjord Pelagic and several other businesses.

