



STUDY ON BLUE GROWTH AND MARITIME POLICY WITHIN THE EU NORTH SEA REGION AND THE ENGLISH CHANNEL

CLIENT: **DG MARITIME AFFAIRS AND FISHERIES**

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ANNEX II D- 2 PAGE COUNTRY SUMMARY

NORWAY



Background

The length of the coastline in Norway is 100,915 km, the coastal area makes up about 20% of the total coastal area of the EU-22 MS¹. All counties in Norway except Hedmark and Oppland have access to the sea. In all, 92 per cent of the inhabitants in Norway live in “maritime areas”, which can be identified as the sum up of maritime NUTS 3 areas.

Maritime economic activities

The main maritime economic sector in Norway is offshore oil and gas, which had a value creation on €63 billion in 2010². This sector constitutes about 80 per cent of all activity in Norway’s maritime sector.

Other important sectors are deep-sea shipping with a value creation on €5 billion in 2010 and shipbuilding, which had a value creation of about 3 billion in the same year (Menon, 2013).

Table Error! No text of specified style in document..1 Listing the 7 largest, fastest growing and most promising maritime economic activities in Norway at NUTS-0 level

Rank	Largest maritime economic activities	Fastest growing maritime activities	Most promising maritime activities
1.	Offshore oil and gas	Marine aquatic products	Offshore oil and gas
2.	Deep-sea shipping	Catching fish for animal feeding	Deep-sea shipping
3.	Shipbuilding (excl. leisure boats) and ship repair	Cruise tourism	Aquaculture
4.	Marine aquatic products	Environmental monitoring	Catching fish
5.	Coastal tourism	Short-sea shipping	Shipbuilding
6.	Catching fish for human consumption	Shipbuilding (excl. leisure boats) and ship repair	Coastal tourism
7.	Short-sea shipping	Yachting and marinas	Passenger ferry services

Note: Cells in colour represent maritime economic activities which are prominent in more than one category.

Regional level activities

Overall, the western and southern parts of Norway, consisting of Agder and Rogaland and Vestlandet, have the most dominant position within the maritime economies. These regions have a strong position within offshore oil and gas, deep-sea shipping, shipbuilding as well as aquaculture.

Overall, the region of Agder and Rogaland is the largest in terms of GVA. This is due to its strong position within offshore oil and gas, with large companies such as Statoil, BP and Conoco Phillips registered in the region. However, activities in these companies are spread all over Norway with large agglomerations in Vestlandet and Østlandet. Activity from oil and gas is however growing fastest in Northern Norway, as the area is considered to have potential for several large fields.

¹ According to the Norwegian Mapping Authority (2012). This includes the islands of Svalbard and Jan Mayen.

² Menon, 2013



With regard to deep-sea shipping, activities are mostly concentrated within the region of Vestlandet with close to half of total GVA. A substantial part of deep-sea shipping is related to oil and gas and to specialized transport.

Shipbuilding is also a quite large sector with a total GVA of about €2 billion³. In this segment, Vestlandet is dominating with close to half of all activities in this sector. Vestlandet is also an important region for aquaculture which is seen to be dominating to the same extent as shipbuilding both with regard to total GVA and distribution.

Clusters

Three main clusters were identified in the country all focusing on different maritime industries. The cluster of Stavanger is a centre for offshore oil and gas activities and is a global leader in terms of industry expertise in deep sea and subsea production. While its strong competitiveness and connections to all parts of the world is its main strength, the cluster is also solely reliant on this one industry which makes it vulnerable to market shifts and limits its ability to open up to other maritime economic activities.

Western Norway hosts aquaculture clusters which build especially on salmon production and have strong research potential for the inclusion of new species. The sectors' continuous growth is sparked by strong demand growth in BRIC-countries. Industries linked to aquaculture however, face challenges with regard to high fluctuations in fish prices on the global market as well as diseases and other environmental issues.

The third main cluster in Norway is the shipping cluster located on the west coast of Norway, which is linked closely to the oil and gas sector and as such it is highly dependent on the willingness by oil and gas companies to continue search and production.

National strategies and policies

There are four main maritime policies in Norway. Separate strategies apply to the oil and gas, shipping, tourism and aquaculture industries. Additionally, improving access to finance for high risk and high potential projects, cluster support and university-enterprise cooperation are all horizontal elements of Norwegian policy for strengthening growth among enterprises in all sectors of the Norwegian economy.

Though the strategies are quite new, the policy for the different industries has been remarkably stable, not least in the oil and gas, fishing and aquaculture and tourism sectors.

Policy for oil and gas has for a long time promoted research and innovation in combination with a stable business environment. The policy has undoubtedly contributed to both increased value creation and global knowledge leadership in both the oil and gas sector and the supply industry, which consists of both shipbuilding and deep-sea shipping, amongst others.

With regard to the shipping industry, Menon (2012) has shown that both value creation and employment would have been substantially lower without the shift in policy that came with the "Stø kurs"-strategy.

³ Menon Business Economics,(2010)