

SHIPPING REVIEW



INTRODUCTION

Norway has a very strong and stable economy built on natural resources that include oil, fish, forests and minerals. Over 30% of the country's income is from oil exportation. Norway elected not to be a member of the European Union but is an associate member and contributes to European policy particularly with respect to ocean resources and maritime transport.

Norway has a long and successful maritime history and is regarded as a large seafaring and maritime commerce centre however, shortsea shipping remains relatively underdeveloped. Historically the focus has been on deep sea shipping and fishing. As part of the Norwegian government's maritime strategy (2007), shortsea shipping (SSS) network development forms one of its central goals. The aim is to provide a competitive and environmentally friendly alternative to road transport. The maritime strategy contains funding of NOK 252 million for research, innovation and competency measures in the Norwegian maritime sector¹.

TRAFFIC

At present, SSS accounts for only 10% of total cargo volumes within Norway, and 45% of total outbound traffic. According to a report published by Det Norske Veritas, the value creation of the Norwegian controlled shortsea shipping industry is approximately 17 billion NOK annually. In 2008, the government allocated 25 million NOK to the development agency 'Innovation Norway' to encourage the development of the shortsea shipping fleet and environment projects in maritime industries.

Shortsea Links

There are currently no direct services to Norway. In 2009 DFDS Lysline ceased their 2 weekly services from Drogheda. However they still offer customers a service to Norway via Rotterdam, transporting goods on the DFDS service to Rotterdam from

Line	Service	Ports Visited	services / week
DFDS Lys Line	North Sea	Skogn	1
Faroe Ship	BLIKUR/LÓMUR 3	Fredrikstad	2
NCL	Rotterdam - WC Norway	Mosjøen/ Orkanger/ Tananger/ Haugesund/ Salten/ Ålesund/ Svelgen/ Florø/ Bergen/ Orkanger/ Ålvik	18
Samskip	Norway Service	Oslo/ Moss/ Larvick/ Kristiansand/ Brevick	8
Tschudi Lines	North Sea	Drammen/ Moss/ Larvik	3
Unifeeder	Rotterdam - Norway	Oslo/ Moss/ Larvick/ Kristiansand	8

Source: www.shortseashipping.no

Dublin and Waterford and then transhipping the cargo onto one of the services from Rotterdam to Norway. There are a number of other services from Rotterdam to Norway. With the majority of shortsea and feeder traffic from Ireland calling to Rotterdam, there are excellent links for transhipping cargo, as shown in the table.

Port Facilities

The Port of Oslo

The Port of Oslo is Norway's largest cargo port and the main container and passenger gateway. It is located in the centre of the capital's industrial and commercial areas and 5,000 ships dock in the Port annually². In 2008, the Port handled 5.9 million tonnes of cargo compared to 6.3 million tonnes in 2007. Oslo has extensive ro/ro, ferry and cruise facilities, and excellent road and rail connections with the rest of Norway and Europe. The Port is equipped to handle most types of cargo, and has large oil terminals in the Oslofjord; an area to the south of Oslo. It has 11km of quay with a depth of 11 metres and no tidal restrictions.

The Port of Oslo has facilities to handle bulk cargoes such as oil, salt, cement, stone, timber, newsprint, grain and animal feed. In January 2008, the new container terminal at Sjørsøya opened for business. The terminal is operated by Finnsteve/Norsteve and has a capacity of 143,000 TEU. Future developments include extending capacity to 450,000 TEU. The terminal has 305 metres of quay with a depth of 12 metres, and is equipped with two ship-to-shore cranes with a lift capacity of 40 tonnes, and five straddle carriers.

The Port of Bergen

Bergen is located on the south west coast of Norway, at the Southern end of Byfjorden; an area approximately 11 nautical miles from the open sea and 479km west of Oslo. The port has facilities to handle all types of vessels and cargoes. Major offshore oil field support facilities are located within the harbour district, and Bergen is also an important cruise destination. The Port provides a 24-hour service for cargo loading and unloading.

There are approximately 5,500 metres of public wharfs, with a depth of up to 35 feet. The harbour is ice-free in the winter, and has no tidal restrictions. There are 50,000 m² of storage rooms on the public wharfs, most of them frost-free. The harbour also has cooling and freezing facilities available.

In 2008, the volume of cargo handled in the port decreased however the number of containers registered increased between 2007 and 2008.

	2008	2007	% change
Total cargo volume in tonnes	52,428,346	61,295,338	-14.50%
No. containers (TEU)	101,930	98,161	3.80%

Source: http://www.bergenhavn.no/aarsmelding_2008_engelsk.pdf

¹ www.sintef.no/Home/Press-Room/Research-News

² www.oslohavn.no

The Port of Narvik

The Port of Narvik is located in the north of the country, and is Norway's largest dry-bulk port. The port can accommodate vessels of more than 300,000dwt. The bulk handling facilities consists of an iron ore berth, and a bulk pier. The Narvik terminal of Fagernes has a deepwater quay equipped with a ro/ro ramp, container crane and railroad track to the quay edge. The central port at Nordkaia handles mainly domestic cargo along with cruise traffic.

The Port is connected by rail to Europe via Sweden. The ARE 1 (Arctic Rail Express) is a containerised rail cargo express between Narvik and Oslo with seven weekly departures in each direction taking a total of 27 hours. The ARE II operates between Narvik and Padborg in Denmark connecting the port to the European Continent in 32 hours. Developments are currently under way to build ARE III which will link Narvik with Russia and China.

Trade

Between 2003 and 2007 the Norwegian economy experienced consistent growth facilitated by a wealth of natural resources, in particular petroleum related products, and fuelled by domestic demand which rose to 5% in the second quarter of 2007. However, in 2008 growth fell to 2.3% as a result of the slowing world economy and the drop in oil prices³.

Over the past two years trade figures between Norway and Ireland have fallen dramatically with a drop of 15% in Irish exports and 20% in Norwegian imports in 2008 year-on-year. Ireland's largest export to Norway by value in 2008 was petroleum related products totalling €117 million and accounting for 23% of total exports to Norway. This is partly due to Ireland's storage terminal in Bantry Bay which acts as a transshipment centre for oil. The second and third largest exports to Norway when measured by value were office machines and automatic data processing machines followed by essential oils and perfume materials. The figures stand at €90million (18%) and €59million (12%) respectively. In terms of volume, the main Irish exports were metalliferous ores and metal scrap with 295,056 tonnes shipped to Norway in 2008, and petroleum and related products (279,980 tonnes).

With regard to imports from Norway, petroleum and related products topped the list both by value and by volume (62% total value and 66.5% of total volume). In 2008 Ireland imported €775 million worth of petroleum equating to 1.4 million tonnes. Organic chemicals were the second largest import by value standing at €167 million (13%). In terms of volume the second largest import was gas (natural & manufactured) at 528,645 tonnes or 24%. Gas was also the third largest export by value at €123 million. Paper and related products ranked fourth in value and volume of imports from Norway, estimated at €48 million and 45,811 tonnes.

An analysis of the import and export figures between Ireland and Norway reveals the vital importance of the trade in petroleum. 2005 figures reveal that the industry accounts for a third of state income, employing 80,000 people directly.⁴ Norwegian oil and gas exports generate the greatest export revenues for the country. The rise in the price of oil over the years has contributed significantly to the Norwegian economy, however, oil prices decreased significantly in 2009. It has been

estimated by the Norwegian Ministry of Petroleum and Energy that the State's net cash flow from the petroleum sector will be NOK 261 billion in 2009, down from NOK 425 billion in 2008. As a result of falling prices, petroleum's contribution to State revenue fell from 36% in 2007 to 26% in 2008.⁵

Business Links

Enterprise Ireland, an Irish government trade development agency, has an office in Stockholm, Sweden, with responsibility for promoting Ireland in Sweden, Norway, Denmark, Finland and Iceland. A double taxation agreement has existed between Ireland and Norway since 2002.

Several Norwegian companies have operations in Ireland, either their own operations or through an agent or a sales office. In the maritime industry and fisheries sectors there are a number of companies including Marine Harvest and Statoil. Beyond the maritime sector, there are a number of other Norwegian companies that are operating in Ireland in the building/construction industry, the oil and gas sector and the travel and tourism sector.

Oslo is an important centre of maritime knowledge in Europe. The maritime cluster in Norway has some of the world's largest shipping companies, shipbrokers, and insurance brokers. Det Norske Veritas, whose headquarters are in Høvik outside Oslo, is one of the three major maritime classification societies in the world, with 16.5% of the world fleet in its register. Bergen's capital reign is acknowledged within maritime businesses and activities such as aquaculture and marine research, with the Institute of Marine Research (IMR) (the second-largest in Europe) as the leading institution. Bergen is the main base for the Royal Norwegian Navy (at Haakonsværn) and its international airport Flesland is the main heliport for the huge Norwegian North Sea oil and gas industry.

Business Links

Norway - the official site in Ireland
<http://www.norway.ie/>

Norwegian Irish Business Association
<http://www.niba.no/>

Shortsea Promotion Centre Norway
www.shortseashipping.no

Enterprise Ireland
<http://www.enterprise-ireland.com/>

The Norwegian Embassy in Ireland
Royal Norwegian Embassy
34 Molesworth Street
Dublin 2, Ireland
Tel: +353 - 1 - 662 1800
Fax: +353 - 1 - 662 1890
Email: emb.dublin@mfa.no

³ CIA World Factbook, available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/NO.html> (accessed 08/07/09)

⁴ www.norway.ie

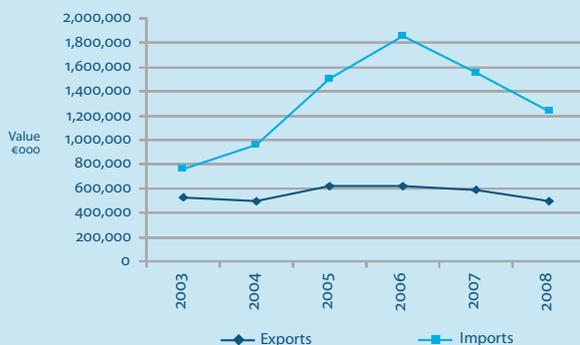
⁵ Ministry of Petroleum and Energy, available at: <http://www.regjeringen.no/en/dep/oed/press-center/Press-releases/2009/sustained-activity-on-a-high-level-in-th.html?id=561366> (accessed 13/07/09)

Norwegian Companies in Ireland	
Building & Construction	Glamox Ireland Ltd Nor-Dan A/S - www.nor.dan.no
Consumer Goods	Norske Skog (Ireland) Ltd - norskeskog@tinet.ie
Maritime Industry & Fisheries	Hydro Building System Ltd Lys Line (Ireland) Ltd. - www.lysline.no Jotun (Ireland) Ltd - www.jotun.com Det Norske Veritas (DNV) - www.dnv.com Simrad Horten A/S - www.simrad.no , www.barryelectronics.ie Mustad - www.mustad.no Hogskolen i Vestfold - www.hive.no Maritime Management - www.bmml.ie
Oil & Gas	Shell exploration Ireland Ltd. www.statoil.ie
Process Industry	Aker Kvaerner Pharmaceuticals www.akerkvaerner.com/pharma
Seafood/Food	Marine Harvest ASA
Agriculture	Kverneland Ireland Ltd www.kverneland.com
Travel/Tourism	Scandinavian Airlines System www.scandinavian.net

Total Value of Trade between Ireland and Norway

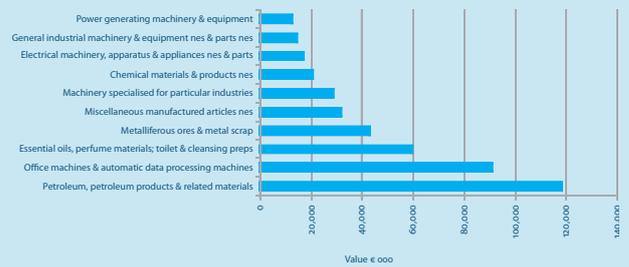
Year	Exports value (€000)	% Change	Imports value (€000)	% Change
2003	530,135		760,882	
2004	490,324	-7.51%	963,268	26.60%
2005	623,330	27.13%	1,506,966	56.44%
2006	620,482	-0.46%	1,857,007	23.23%
2007	587,359	-5.34%	1,552,190	-16.41%
2008	494,544	-15.80%	1,233,798	-20.51%

Value of Trade between Ireland and Norway



Source: CSO

Value of Commodities Exported to Norway 2008



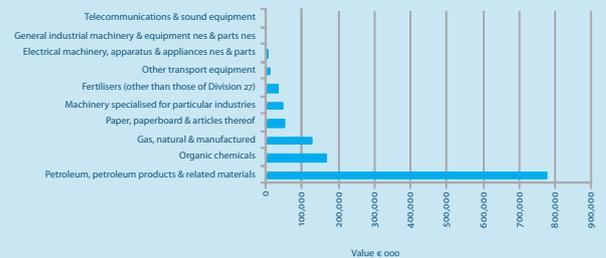
Source: CSO

Volume of Commodities Exported to Norway 2008



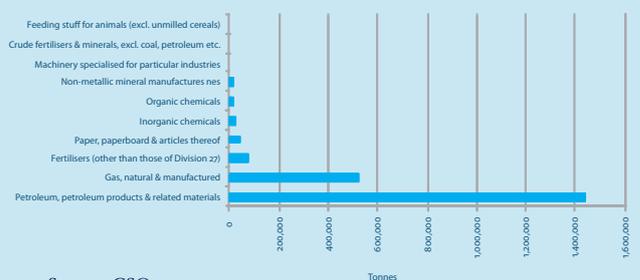
Source: CSO

Value of Commodities Imported from Norway 2008



Source: CSO

Volume of Commodities Imported from Norway 2008



Source: CSO