

*Framherji is successfully combining Faroese and Icelandic fisheries expertise, harvesting Barents Sea cod and haddock, Irminger Sea redfish, and North Atlantic pelagic species.*

ONE OF TODAY'S most successful fishing vessel companies in the Faroe Islands, Framherji, has built its business model on close cooperation between Faroese and Icelandic fisheries companies. Operating two large vessels, freezer trawler 'Akraberg' and purse seiner 'Høgaberg', the company's sales in 2004 totalled about DKK 100 (EUR 13.4 / USD 17.8) million, yielding a healthy profit for Framherji and its subsidiary EM Shipping.

According to Framherji's managing director, Anfinn Olsen, pioneering Faroese harvesting of Irminger Sea redfish (ocean perch) in the mid 1990s was made possible through cooperation with Icelanders who, in turn, were introduced to specialized Faroese skills in Barents Sea fisheries.

Mr Olsen, just like his wife and business partner Elisabeth Eldevig, was raised steeped in a fisheries tradition in Toftir and Fuglafjørður, respectively. In the 1980s, when at-



*Anfinn Olsen, Framherji's managing director, posing in front of freezer trawler 'Akraberg'; redfish catch (bottom left); purse seiner 'Høgaberg' (bottom right).*

tending the University of Tromsø, Norway, from which he earned a Master's degree in fisheries management, Mr Olsen discovered a good chemistry with some of the Icelanders there; later, these contacts extended to include Thorsteinn Már Baldvinsson, who became CEO of Samherji. Over the years, they have developed an on-going business cooperation, and Samherji, which is one of the initiating partners behind Framherji with a one-third stake in the company, has made significant investments in Faroese industry overall.

"The Icelanders were making a study of Faroese freezer trawlers in the 1990s and we had the opportunity to meet them several times," Mr Olsen recalled. "A few years later,

during a project involving a fishing vessel purchase, one Danish banker suggested we cooperate with Icelanders in order to pull this particular deal off. It turned out very well and ever since, we have had meaningful, mutually beneficial business cooperation. For instance, their skills in processing redfish for the Japanese market was very valuable for us; I take it they, likewise, appreciate what they've learned from us concerning the Barents Sea."

Cooperating under the brand 'Ice Fresh,' Samherji and Framherji hold a stake in the Hull, UK trading company Seagold Ltd, which markets their frozen-at-sea fillets of cod and haddock.

Framherji also has a 42 percent

cut, frozen-at-sea redfish is marketed to Japan through an Icelandic trading company. Volumes delivered by the 'Akraberg' in 2004 consisted of 1800 tonnes of Japanese speciality cut redfish and 1500 tonnes of cod and haddock fillets.

"Sales have been quite steady since 'Akraberg' went on her first trip after installation of new processing machinery," Mr Olsen said. "We have a strong brand in both the UK and Japan; sales have hit between 40 and 60 [EUR 5.4 to 8 / USD 7.1 to 10.7] million kroner each year, which is just about a fifty-fifty split between the UK and the Japanese market. We had a record year in 2004, though, with sales exceeding 60 million kroner."

As to the trawler and purse seiner 'Høgaberg', purchased in 2003 and operated under Framherji's subsidiary EM Shipping, annual sales have totalled around DKK 40 million, which is sufficient to make a profit, according to Mr Olsen. The vessel makes 35 to 40 fishing trips per year with an average catch of about 450 tonnes, the harvest mainly consisting of blue whiting, herring and capelin landed for industrial production; for consumption, the catch is mackerel, horse mackerel and herring. Operating in international, EU, Icelandic, Faroese and Norwegian waters, the 'Høgaberg' has a crew membership of 12 to 13 and a hold capacity of 2200 tonnes.

Mr Olsen added: "It's a very different concept in the pelagic business, because you don't have the same

**FRAMHERJI SPF**

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- E-Mail: svovil@post.olivant.fo
- Tel.: +298 447617
- Managing Director: Anfinn Olsen
- Fishing vessel ownership and operations, business holdings.
- Factory trawler: 'Akraberg' (1,805 GT)
- Subsidiary EM Shipping
- Purse seiner: 'Høgaberg' (2,056 GT)
- Cold store facility: Bergfrost, Fuglafjørður (minority stake)
- Seafood trading company: Seagold, Hull, UK (minority stake)
- Venture capital company: Notio, Tórshavn (minority stake)
- Svøvil Spf is a management company for Framherji Spf, EM Shipping Spf and Regn Pf, the owners of 'Akraberg', 'Høgaberg' and longliner 'Stapin', respectively. The company is based in Toftir, home of the largest fish auction in the Faroe Islands. The vessels are all in good condition and meet all the legal requirements from the veterinary authorities, ensuring fresh and processed fish of the highest possible quality for the local, European and Asian markets.

value-adding possibilities as you have with a factory trawler, which means you have to deliver a higher tonnage of raw fish. However, the 'Høgaberg' is doing just fine with 40 million kroner in annual sales."

