

Norway Country Report

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A northern star that continues to shine

Norwegians have plenty to feel content about as their nation shrugs the downturn and excels in fields ranging from technology and shipbuilding to filmmaking and sport, writes **Ed Peters**

Norway is one of the most prosperous nations in Europe and, while for the present it prefers independence to signing up for the European Union, it continues to make its mark in the world, notching up achievements in everything from sports to technology. It also regularly appears at the top of surveys designed to find the most peaceful and liveable country in the world.

An election in the autumn of last year brought a centre-left coalition to power and the country is thriving economically. The unemployment rate, hovering at a mere 3 per cent, is the lowest in the region.

A mild recession early last year was quickly brushed aside and the economy is forecast to grow approximately 2 per cent this year. The national wealth fund, which invests surplus revenues from exports of gas and North Sea oil in stocks and bonds, is estimated to be in excess of US\$400 billion, or about US\$85,000 per citizen, despite the recent global economic downturn.

Besides fishing, Norway's other major industries are shipping, food processing, shipbuilding, the metal industry, chemicals, and pulp and paper products from its extensive forests.

On the international scene, *Foreign Policy Magazine* ranked Norway last in its Failed States Index for 2009, judging Norway to be the world's most well-functioning and stable country, while the World Press Freedom Index, co-ordinated by Reporters Without Borders, put Norway first equal together with Denmark, Finland, Sweden and Ireland. Norway was also rated the second most peaceful country in the world last year, after New Zealand, in a survey by Global Peace Index.

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So, Norwegians – who receive free education and benefit from a heavily subsidised health care system – have many reasons to feel contented.

And the national sporting prowess simply serves to give the Norwegian ego an extra boost. Thomas Rogne, a 19-year-old defender who previously played for minor Norwegian team Stabæk, hit the headlines last month when he was signed by Scottish Premier League football club Celtic.

Rogne, who has also played for his country's under-21 team, has been described as "the best young talent to come out for Norway in the past 10 years".

With the Winter Olympics due to take place in Vancouver this month, hopes are high for 24-year-old cross-country skier Petter Northug, who picked up three gold medals at last year's Nordic World Ski Championships at Liberec in the Czech Republic.

Fans expect Northug to win at least half of the six cross-country events, relying on his trademark explosive finish that has powered him to the winner's podium in numerous races in the past. And it's not just men – 19-year-old snowboarder Helene Olafsen, who specialises in snowboard cross, halfpipe and slopestyle, is second in the world rankings, and forecast to have a glittering career ahead of her.

And, when it comes to technology, Norway is a world leader. Bach Technology was founded in Norway in 2007, with subsidiaries in China and Germany, and it specialises in providing applications for the digital music industry. As co-inventor of the hugely popular MP3 technology, it is now aiming to create another mini-revolution with a newly evolved music file format, which is dubbed MusicDNA. The device will allow music lovers to download tracks and extra content, such as news updates, lyrics and images of

the singers. The new format – which is expected to be able to prevent wide-scale piracy – will also allow publishers and retailers to update customers with news about forthcoming tours and similar events.

Film is another prominent feature of Norway's entertainment industry and, while the country has lagged slightly as far as international cinema is concerned, its recent success traces its origins to the 1987 Oscar nomination for Nils Gaup's *Pathfinder*. Berit Nesheim's *The Other Side of Sunday* was also nominated for an Oscar in 1997, and in the past 10 years the Norwegian movie industry has grown significantly, producing 20 feature films every year.

The most recent success, *Max Manus*, opened at Norwegian theatres in 2008, recounting the tale of the eponymous second world war resistance hero who had a series of successful sabotage operations against the German occupation. The movie became the highest grossing Norwegian movie ever, pulling in more than US\$11 million.

And, with one of the highest basic hourly wages in the world – averaging 120 kroner or HK\$157 – despite high taxation, Norwegian workers still have a reasonable disposable income to spend on fun and games. In a country that is indisputably adores music, one of the highlights is the Oya Festival that is held each summer, featuring more than 200 bands, 30 clubs, and four outdoor stages.

Plus as this is ultra-green Norway, organic waste from the festival is used in run buses in Oslo, and eco-friendly lighting equipment uses a fraction of the energy required by conventional systems.



Norwegian firm Bach Technology was the co-inventor of MP3 technology.



White-water rafting is a popular activity in the spring and summer months in sporty Norway.

Get wet and wild in the ice kingdom of extreme sports

It's wet, it's wild and it's very cold: this is Norway, the ice kingdom of extreme sports.

Take scuba diving for starters. Divers familiar with Asia will recall strapping on a tank over their swimwear and not much else. In the waters off Norway, wetsuits are necessary – and the sights below the waves are out of this world.

One of the most exciting dive spots is at Saltstraumen, a 150-metre-wide, three-kilometre channel between two fjords that's prey to incredible tidal currents reaching up to 20 knots.

At Gulen, on the west coast just south of the Sognefjord, the sea bed is littered with wrecks from the second world war, one – *Frankenwald* – is 90 per cent intact, including its masts. Lofoten is renowned for its rich kelp forests and masses of fish, while in winter the waters are patrolled by killer whales. Narvik is another place for wrecks, and there's even a German fighter plane in the lake at Hartvikvannet. Rare marine life abounds at the Trondheim fjord, which also boasts a coral reef at just 35 metres below sea level.

Just as thrilling, white-knuckle white-water rafting is really taking off in Norway. Two of the major

venues are the Jostedalselfva and Sjoa rivers, each of which runs through beautiful natural countryside and promises plenty of adrenaline-inducing rapids. The best time to go rafting is in spring and summer, as the snow and glacier melt ensures rivers are at their fullest during these seasons. Trips can be tailored for families or seniors, and experienced guides make sure everyone has a full safety briefing before setting out.

It's a country that's predominantly alpine and scaling the heights of some of the more challenging peaks is a favourite sport. The Lofoten Islands offer a wealth of rock climbing and bouldering opportunities year-round while, thanks to the midnight sun, there's almost unlimited climbing time in the summer.

The Troll Wall, or Trollveggen, makes up part of a mountain massif in the Romsdal valley on the west coast.

The Wall is the tallest vertical rock face in Europe, 1,100 metres from the base to the highest summit, while at its steepest, the summit overhangs the base by almost 50 metres. There's even climbing to be had just outside the capital, Oslo, at Haukjem and Tokerud.

There's climbing – and then there's ice climbing, although this is only for highly experienced climbers. In the past few years the waterfall at Rjukan has become northern Europe's top destination for ice climbers from all over the world, and it even hosts a competition every February. The season runs from October until early April. Other major ice climbs in Norway include Hydnefossen and the waterfalls around Lærdal at the head of the Sognefjord.

Getting to the top of a mountain or an ice fall is one thing – flying above them is a whole new ball game. Called both snow kiting and ski kiting, the latest craze in sporty Norway is taking its aficionados to the skies at speeds of up to 100km/h.

Instead of queueing for a chairlift, snow kites – equipped with skis, harness and a kite – can use the wind to power them up a mountain to untouched powder snow. The best locale for this is Varanger, in the north. Right next to the Arctic Ocean, it offers an opportunity to snow kite while looking out over the sea. The strong and constant winds make this the most dramatic of Norway's extreme sports.

Ed Peters

Norway	
POPULATION 4.6 million	GDP (US\$) 276.5 billion
CAPITAL Oslo	ETHNIC GROUPS Norwegian (including Sami, about 60,000), other European
LANGUAGES Bokmal Norwegian (official), Nynorsk Norwegian (official), small Sami- and Finnish-speaking minorities; Sami is official in six municipalities	KEY TRADING PARTNERS Britain, Germany, Sweden, France, Netherlands, China, United States
RELIGIONS Church of Norway, Pentecostal, Catholic, other Christian, Muslim	HEAD OF STATE King Harald V
NATURAL RESOURCES Petroleum, natural gas, iron ore, copper, lead, zinc, titanium, nickel, fish, timber, hydropower	HEAD OF GOVERNMENT Prime Minister Jens Stoltenberg

PHOTOS: REUTERS, SCMP PICTURE SOURCE: CIA WORLD FACTBOOK

Seamen's church still keeping watch over flock of tunnellers, teachers, executives and artists

Martin Donovan

Norway's band of globetrotting church ministers may be feeling blessed that their flock is not often caught between a rock and a hard place these days.

But one group of Norwegians will soon be making it their business to be amid stone and all that is geologically challenging. Between 40 and 50 specialists from Norway's rural north will be descending on the city over the next month to dig sewage tunnels from Aberdeen to Sai Ying Pun.

When not navigating for the Harbour Area Treatment Scheme, they may well join a small but vibrant community of Norwegian expats, ranging from teachers and

artists to engineers and executives. The social focus for many Norwegians here today is Klubb Norge rather than the chapel. But Norway-Hong Kong links stretch back to when the country was the world's third largest seafaring nation, and the establishment of the first Norwegian Seamen's Church here in 1864. That era saw the Scandinavian-style chapels dotted across the world's seaports.

"We still use the name seamen's church because every Norwegian knows what it stands for. The church is known to be tolerant, inclusive, hospitable and reliable," says Rune Birkeland, a Norwegian pastor. "We also use the name as an honour to the seamen. We feel they taught us to run the church in a particular

manner. The sailors were direct and honest. They spoke out if the seamen's priest seemed to live apart from the real world or behaved superficially. The seamen's church grew to be a tolerant, warm and trustworthy church."

Hong Kong's last Norwegian church closed in 1984, but visiting chaplain Birkeland meets members twice a year and takes in South Korea, Japan, Mongolia and the mainland.

The links also gave rise to the Norwegian International School in Tai Po which was originally founded to teach the children of Lutheran missionaries.

While Norwegians living here admit their numbers have fallen, and the Seamen's Church is now

only active a few times a year, Birkeland's focus is drawn to the small port of Okpo in South Korea where 800 Norwegians now live, working with the shipping industry. "We closed our church in Hong Kong in 1984, but it is important for us to keep the contact with the [Norwegian community] through the ambulant chaplaincy."

A spiritual gathering of another form can be found at The Keg in Lan Kwai Fong. "You can find a large group of Norwegians there every Friday... mainly because the manager agrees to show downhill skiing films when we drop in," says Trond Vagen of Klubb Norge.

One major concern among Norwegians, Vagen says, is the lack of a consulate general to issue new

passports after the mission closed here and was replaced by an honorary consulate.

He says this means a trip to Guangzhou to obtain biometric passports.

The club is popular among Norwegians such as Ingrid Ytterdal, who cultivated her love of painting by opening a gallery and studio in SoHo. "As we have such a small community here, it's easy to keep in touch," says Ytterdal, who runs art and jewellery design courses at the Elgin Street premises she runs with Australian artist Helen Boyd.

More bitter snowfalls, even by Norwegian standards, seen recently are inspiring Ytterdal's latest works, which are usually based on life drawings.



Artist Ingrid Ytterdal say it's easy to keep in touch with the Norwegian community as they are small in number. Photo: Edward Wong

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Marine supplier propels mainland expansion

Reports by Elizabeth Dusch and Ea Wederwag

Three years after establishing Frydenbø Industri as a separate company within the Frydenbø Group, Frydenbø Industri is prospering on its own through steady progress.

This Norwegian supplier for the maritime industry is experiencing financial growth as it builds its product and service portfolio and expands to international markets. Frydenbø Industri is reaching out to Asia, particularly China, in line with its growth and expansion strategies.

The Frydenbø Group is a family-owned business that was established in Bergen, Norway, in 1916. The group has three main corporate divisions serving the maritime, consumer and real estate sectors.

Frydenbø Industri is one of the largest suppliers of diesel engines, generator sets and propeller equipment in Norway. The company also holds a strong position in the areas of sales, service and spare part deliveries in the marine sector.

Through strategic acquisitions and partnerships with suppliers, Frydenbø Industri is able to propel the company into much faster growth. Frydenbø Industri is

the holding company for Frydenbø Power, Frydenbø Marine Services, Frydenbø Marine Equipment, Frydenbø Sabb Motor and Frydenbø Electric.

The subsidiary companies complement each other to strengthen Frydenbø's leadership in the maritime market. Frydenbø Power is one of the largest sales and service suppliers in Norway of diesel engines, propulsion systems, generator sets, fuel equipment and turbo chargers. Frydenbø Marine Services represents several international yards with its expertise in ship broking, agent services and ship inspection. Frydenbø Sabb Motor supplies diesel engines and equipment and co-ordinates service-workshops for repair and maintenance. Frydenbø Marine Equipment imports and distributes marine products and Frydenbø Electric provides electro-mechanic sales and service to the marine industry.

Most significant for the Asia market is the company's partial ownership of leading German propulsion specialist SCHOTTEL. Frydenbø acquired a 15.4 per cent share in the SCHOTTEL Group in 2007 in line with the company's strategy to strengthen its international presence. The acquisition also enabled Frydenbø to increase its direct involvement in production.

Frydenbø's activities in China are focused mainly through SCHOTTEL, which runs a production facility in Suzhou with more than 100 employees. The company has five sales offices on the mainland and is beefing up its service centres in key cities including Shanghai and Beijing.

"It is very important for us to be in China. China is a potentially big market for us and we want to be there not only to produce but also to continue increasing our investments through our customers," says Knut Herman Gjøvaag, chairman of Frydenbø Industri.

Recognising that shipping is a moving business, Frydenbø Industri has followed many of its original customers that have gone to the region. Frydenbø customers include shipping companies and firms engaged in the offshore, ferry, rig and fishing businesses. Another key sector for Frydenbø is the offshore business, with sales to racing boats and offshore vessels driving the company's revenues.

Frydenbø Industri is open to acquire more companies to support its international expansion and is looking at other Norwegian companies serving international markets. The company delivers lifeboat engines to lifeboat dealers in China and hopes to build more relationships with marine equipment

suppliers and manufacturers on the mainland.

Frydenbø Industri is strengthening its focus on service, aiming to be a one-stop shop for clients. "Earlier we were doing mainly engines but now we are focusing on the water segments and services. We can supply our customers with a one-stop shop for engines, propulsions, electricians, turbo charges, and we can offer several kinds of services when we are onboard the ship," Gjøvaag says.

Environmental protection is a priority for Frydenbø as the company explores opportunities in the green line sectors, Gjøvaag says. "We deliver several environmental products with the aim to achieve considerable reduction in fuel consumption and emissions."

Frydenbø supplies engines that are built in accordance to standards set by the International Convention of Safety at Sea and the International Maritime Organisation. The company is constantly aiming to offer solutions that will optimise the performance of its diesel engines while reducing fuel consumption and nitrous oxide emissions.

With China's maritime industry expected to grow rapidly over the next few years, Norwegian companies such as Frydenbø Industri are ready to ride the waves of opportunities in the market.



Chairman Knut Herman Gjøvaag says Frydenbø Industri is aiming to be a one-stop shop.

Nautisk Forlag keeps fleets on course



Jarle Baade, managing director

Without accurate and up-to-date sea charts, ship owners and operators risk costly delays and the safety of their ship and crew. Sea charts show information on tides and currents, navigational hazards and locations of natural and man-made navigation aids. They are revised weekly and, at times, daily.

Ship owners and operators such as ASP Tanker, Cosco, Executive Ship Management, Masterbulk, Solstad, V Ship Norway and Wilhelmsen rely on Nautisk Forlag to ensure that their fleets are equipped with the latest sea charts. The company, one of the world's largest agents of nautical charts and publications, is responsible for the smooth sailing of their fleets.

Nautisk Forlag has been supplying maritime charts and publications to the merchant marine for 113 years. It is an official distributor for the hydrographical offices of Denmark, Norway, Sweden, the United Kingdom and the United States, among other

countries. The company carries extensive stocks of charts and maritime publications for ocean-going vessels in its shops in Oslo and Singapore. The charts are available in paper and electronic formats.

"Though Nautisk Forlag is an old company, we are forward-looking," says Jarle Baade, managing director. "Our focus is shifting from paper charts to electronic navigation charts, a significant growth area."

Last year, the company launched Neptune, a unique information service that provides subscribers with up-to-the-minute marine management tools, weather forecasting, routing and news. Hundreds of vessels subscribe to Neptune.

"In the shipping business, customers need the latest sea chart immediately," says Baade. "With Neptune, they receive the latest electronic chart in five minutes on their computer screen instead of waiting for

days for a paper chart to be delivered to them."

Electronic commerce has transformed the way Nautisk Forlag does business. Users log on to the company website to read book reviews, use its trip planner and review its 10,000-plus range of products, including a wide selection of navigational equipment.

High technology goes hand in hand with customer service. At Nautisk Forlag, each client is assigned an account manager, a seasoned examiner who understands the customer's particular needs. This system ensures consistent service every time a client has a query or places an order.

Nautisk Forlag initially went to Asia to follow its Norwegian customers. Its offices in Shanghai and Singapore now offer local and international customers sales and after-sales services. The company sees significant growth in Asia and is open to partnerships.

China's aviation boom fuels growth plans for Park Air Systems

China's aviation industry continues to show resilience amid the global financial downturn, with 16.4 per cent growth in air traffic in the first half of the year, according to the Civil Aviation Administration of China.

The government's stimulus package provides significant support to infrastructure projects and aligns with plans to build 100 new airports throughout the country by 2020.

"China is an exceptionally good market for us this year," says Eldar Hauge, managing director of Norwegian firm Northrop Grumman Park Air Systems.

As a leading provider of communications, navigation and surveillance solutions for air traffic management, Park Air Systems has been doing business in China for more than 20 years. The company's instrument landing system NORMARC has the majority market share on the mainland. It sees more opportunities for its other products and services. Its GAREX communications



Eldar Hauge, managing director

strategy, for instance, is installed at the Beijing Tower at Beijing International Airport.

"We aim to be a top-tier supplier to the air traffic control market and be a key player in the development of airports in China," Hauge says.

Park Air Systems recently adopted a more customer and solutions-oriented

strategy. The Oslo-based firm unified its three core divisions (communications, navigation and surveillance) into one functionally structured organisation. Systems integration and services offerings have been enhanced as more customers demand full operational support.

With this management shift plus the company's commitment to safety, quality and customer service, Park Air Systems is well poised to meet the global aviation industry's higher safety standards and the growing demands of customers worldwide.

With a sales and services office in Beijing, Park Air Systems closely monitors market developments on the mainland to chart its directions on future investments, partnerships, products, services and local presence build-up. The company will introduce new IP-based communications solutions in China next year and will boost its surveillance, systems and services offerings.

FRYDENBØ INDUSTRI AS NORWAY



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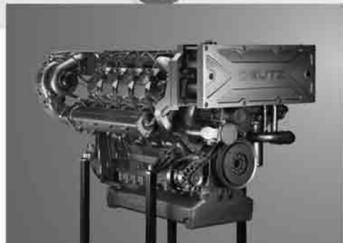


Photo: Lifeboat from Schah Parking with Sabb Motor engine.

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Software company OCS banks on enhanced product portfolio

In the cutthroat business of shipping and offshore, human resources and asset management are critical to the continuity of day-to-day operations.

Companies need a reliable partner with time-tested industry knowledge to help management, giving them more time to focus on staying ahead of the competition.

With more than 26 years of experience in this niche segment, software house Onsoft Computer Systems (OCS) has developed comprehensive solutions addressing the maritime software requirements of top companies, such as BW Gas, EMAS, TransOcean and 200 other companies, in 35 countries.

"Maritime software is niche knowledge. We master the complexity of this solution and there is no one else who can do what we do. We are dominant in Norway," says Karl Johan Kirkebø, OCS sales director.

OCS's primary solutions are OCS HR for crew planning, training administration and travel management, and OCS Maisy for planned maintenance, stock movements and rentals.



Hans Petter Torsvik, managing director

The company aims to reach HK\$133 million in revenues in two to three years. In line with this growth path, OCS expanded its product portfolio to include ship management software PreMaster.

In addition, OCS introduced a new business line for outsourcing its payroll. The company also

formed a joint venture with Norwegian company OilComp, resulting in competence management firm CompMan. Through the joint venture, OCS leverages on OilComp's existing training sites to grow its training business further.

Starting with Manila, where OCS established an office last June, OCS is investing heavily in Southeast Asia. OCS indirectly serves the China market through the representative office of clients such as Höegh and BW Gas. The company sees Hong Kong as a stepping stone in further penetrating the mainland market.

"We are open to do more acquisitions. We are looking for companies with shipping and offshore networks that can complement our business and help us into new markets," says Hans Petter Torsvik, OCS managing director.

Focus on quality drives Rotek's success



Ola Erlandsen, managing director

Capitalising on Shanghai's impressive infrastructure and skilled workforce, Norwegian bearings and transmissions specialist Rotek sources 75 to 80 per cent of its products from China to meet the varying demands of the company's global clientele.

Established in 1989, Rotek gained unparalleled industry know-how supplying ball bearings, roller bearings, chains, and sprockets to high-profile customers such as Rolls-Royce, Odium and Aker.

Rotek owes its success to stringent quality measures, demonstrated by its partnerships with ISO 9001 certified factories and its dedicated quality assurance and sourcing centre in Shanghai, Ochu. This facility is ISO 9001 certified and was awarded a Det Norske Veritas (DNV) certificate.

"We have been working in China with a partner since 2000, but we formalised everything in 2005 when we established Ochu. We have invested a lot of time to select good factories. We have a higher degree of quality because we have our own quality assurance centre," says Ola Erlandsen, Rotek managing director.

Rotek's quality assurance centre also serves as the company's research and development facility. Working together with local technical institutes, Rotek uses the facility for product testing and further development for other applications.

The company also manufactures its brand RTK entirely in China, making the country a vital location for Rotek.

Rotek foresees an increase in activities in China with the establishment of Interkit, an additional company under Rotek. Oslo-based Interkit assembles single products for pre-production or pre-moulding that clients need for their end-products.

"With Interkit, clients do not have to source all the single parts. We are going to source it for them and we're putting them partly together so that clients will have better logistics in sourcing products," says Erlandsen.

Rotek seeks partnerships with suppliers from China with the same commitment to delivering quality products at favourable pricing.

Industrial group establishes a firm foothold in China

Leshan Scana Machinery is one of the companies behind the stunning Bird's Nest Stadium in Beijing. The company produces cast steel rolls and steel castings of up to 10 tonnes for use in the energy, construction, offshore, steel and shipping industries. It supplied the cast steel construction nodes and fixing devices used in the stadium's 42,000-tonne outer skeleton.

Leshan Scana Machinery is a Nordic-Chinese joint venture. Eighty per cent is owned by Scana Industrier, a Nordic industrial group providing products and system solutions to the marine, oil and gas, steel and machinery industries. The Leshan Municipal State-Owned Asset Business owns 20 per cent.

Scana is known for its unique expertise in material technology and quality products. It has become a supplier of choice to customers all over the world, including Baosteel, Linde, Rolls-Royce and Samsung Heavy Industries. The company has units in China, Norway, Poland, Singapore, South Korea, Sweden,



Rolf Roverud, CEO

Brazil and the United States.

The company has set up three units on the mainland. Aside from Leshan Scana Machinery in Sichuan province, Scana has a representative office for propulsion systems and a service station of valve control systems in Shanghai.

The company has gained a strong position on the mainland. "Scana is one of

the top three Norwegian companies in China," says Rolf Roverud, chief executive of Scana. Eight hundred of the company's 1,900 employees are in the country. Scana achieved a turnover of HK\$454 million from its China units in 2008.

Roverud is also proud of Leshan Scana Machinery's compliance to stringent environmental standards. "If you move the company from China to Europe, you won't have to change anything because it complies with the highest standards," he says.

Scana is keen to explore business opportunities, such as acquisitions and partnerships, which will help the company expand its business in Asia.

Logistics company aims to boost trade relations in region

When doing business in China, think Bring Logistics. This is how senior vice-president Erik Johannessen aspires to influence Nordic companies. "We want to be top-of-mind for these companies when they think of China. It is important for us to be where our customers want us to be," Johannessen says.

Bring Logistics is taking the first step to building its business in Asia with the establishment of a service office in Hong Kong this month. Working with key partners, Bring Logistics is leveraging the long-term trade relations between Norway and the Far East to boost its operations in the region. The company plans to open other offices together with Nordic-based customers over the next three years.

The Hong Kong office will provide support services to Bring Logistics' Nordic customers who come to Asia to purchase items. "Even when our customers go back home, we can make sure that their orders are being fulfilled and delivered on time," Johannessen says. Similarly, the company aims to attract and support Asian companies that do business in the Nordic countries and the surrounding region.

Bring Logistics unites the logistical and service expertise of the companies formerly known as Nor-Cargo, Box Solutions and the parcels division of Norway Post. As a transport and logistics supplier, the company specialises in



Erik Johannessen, senior vice-president, left, and Robert Lona, vice-president

parcels, cargo and warehousing. The Oslo based-firm has activities in Norway, Denmark, Sweden, Finland, Estonia, Austria, Slovakia, Greece, Italy, France, the Netherlands, Britain and the United States. The company employs more than 2,500 professionals and has an extensive network of logistics and shipping partners in more than 170 countries worldwide. Its key partners include Cosco, Kerry Logistics, K-Line, Maersk, SeaCargo and TX Logistics.

"Our goal is to be a world-class logistics provider," Johannessen says.

With its tailor-made solutions and customised services, Bring Logistics fulfils the logistical requirements of many clients including COOP, Ericsson, ICA,

IKEA, Maersk, Norway Royal Salmon, Statoil and TNT.

Bring Logistics strongly supports the use of environmentally-friendly transportation. The company is the largest user of rail in Norway and is a key partner of the European Union's Marco Polo project, which promotes the use of rail transportation. Bring Logistics operates several railway solutions within the Nordic region and between Italy and the Netherlands.

As Bring Logistics expands its footprint in Asia, the company aims to meet with new companies for business and trading opportunities. The logistics provider is also open to building more partnerships in the region.

NorDrill provides state-of-the-art drilling equipment

Oil drilling rigs are placed in deserts and in Arctic regions. As such, they need to function reliably in extreme temperatures and be environmentally friendly.

NorDrill specialises in the production of top drives and drilling equipment that meet these requirements. The company is known for developing leading-edge products for the oil and gas industry based on proven Norwegian technology.

Close collaboration with customers is very important for NorDrill in its product development. "We listen to customer needs and combine advanced technology with ease of use," says NorDrill chief executive Per Torsvik.

Aside from working with customers, NorDrill also co-operates with reputable partners to ensure the quality of its products. Solutions Engineering Construction (SEC), a Norwegian manufacturer of high-quality mechanical, hydraulic, electrical and instrumental products, is a major shareholder in the company.

NorDrill has regional offices located around the world including India, Ecuador, Russia and Britain. With its extensive after-sales service, the company provides an on-location support team, complete with dedicated engineers, equipment, and spare parts.

"We have a unique satellite diagnostic system, which keeps downtime situations to a minimum," Torsvik says. The system enables



Per Torsvik, chief executive

NorDrill to monitor the performance of the equipment at rig sites thousands of kilometres away from its Norway office. With this technology, NorDrill is able to save significantly on time and money in case of rig failures.

The company aims to grow internationally in the next three to five years. "We would like to be where the customers need us to be," Torsvik says.

The biggest markets for NorDrill so far are Russia and Eastern Europe but the company is also exploring business opportunities in Asia. NorDrill is open to working with agents to penetrate the land-drilling market in the region. The top drive producer is also keen on pursuing manufacturing activities outside Norway.

Long-term commitment defines Grieg Star Shipping

Given the economic climate, companies implement diverse business strategies to attract clients and remain competitive in the market. In addition to providing reliable, quality services, Grieg Star Shipping sees the importance of expressing long-term commitment to its clients to distinguish itself from competitors.

Grieg Star Shipping made a name for itself in transporting forestry products and other dry bulk cargo using sophisticated open-hatch and conventional vessels. Grieg Star Shipping was formerly known as Star Shipping, a joint venture between Grieg Shipping Group and Westfal-Larsen. Both companies enjoyed a



Tom Rasmussen, president and chief executive

successful partnership before de-merging due to conflict between the owners.

With the de-merger, Grieg Star Shipping continues to serve its long-term areas in North America, Europe and the Far East. The company re-established offices in Brazil, China and Italy, and is already well-positioned in all the main areas previously represented by Star Shipping.

With a decline in the growth of forest products in North America, Grieg Star Shipping strongly focuses on Brazil, Uruguay, Chile and Indonesia. Showing its long-term commitment, Grieg Star Shipping works closely with clients to meet their needs. "We give the best value on freight rate and we promptly respond to challenges. We still work with companies we have worked with since the 1970s. That's a testament to our long-term commitment," says Tom Rasmussen, president and chief executive of Grieg Star Shipping.

The company is present in all main markets. The head office is located in Bergen, with 12 branch offices worldwide. One hundred and 60 people work in the marketing organisation, dealing with conventional bulk carriers and specialised vessels designed for forestry products and other unites cargoes.

Grieg Star sees China playing an important role for the company's open-hatch division and bulk division as the mainland is increasingly importing huge volumes of raw materials such as iron ore and aluminium. It also exports steel, paper, and board products.

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EPC contractor leads in process engineering

Process engineering is the heart of Kanfa's expertise. A subsidiary of Sevan Marine, the Norwegian design and engineering company provides contract services to the offshore oil and gas industry. As Kanfa marks its 10th year, the leading topside engineering, procurement and construction (EPC) contractor has expansion plans in Brazil, Singapore, Malaysia, China and other parts of Asia.

"We have seen many floating production, storage and offloading vessel owners in Europe working out of Singapore and Malaysia. We have to be where our clients are," says Kanfa managing director Aslak Hjelde.

Clients come to Kanfa for its competitive pricing, reliability, flexibility, and on-time delivery. The company has 70 employees representing broad expertise in engineering, design, project management and consulting, among others. Kanfa has three companies under its wing and remains financially stable despite the economic slowdown.

Kanfa is also targeting the oil and gas industry players in Asia. The company seeks to extend its fabrication market and ride on the growth opportunities in the floating Liquefied Natural Gas (LNG) market. Its subsidiary, Kanfa Aragon, has been awarded the world's first floating LNG topside contract by Samsung Heavy Industries, which will be owned and operated by FLEX LNG.

"Kanfa is a frontrunner in the LNG



Aslak Hjelde, managing director

floating production, storage and offloading market," Hjelde says.

In line with its growth strategy, Kanfa is looking to build partnerships with Asian manufacturing and engineering companies and is open to acquiring smaller companies to expand its portfolio. The company is rolling out its Singapore operations this year with local hires and aggressive targets to win new projects.

Kanfa is also negotiating with a company in China for possible collaboration to penetrate the market.

The Norwegian firm is keen on setting up an office in the country as it realises the strong opportunities in China's oil and gas industry particularly in the LNG segment.

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Industry innovator successfully explores other business areas

Oslo-based engineering company Moss Maritime pioneered technological innovations in the maritime industry. It developed and launched the world's first purely dynamically-positioned drilling and well maintenance platform in the early 1990s, and has the capacity and foresight to diversify its product range.

Moss Maritime has made a name in liquefied natural gas (LNG) carrier designs. The company maintains its reputation and differentiates itself from competitors by anticipating future market trends.

"We're not only concerned about the next quarter. We look at what could be in the market in the future. It's always important to think forward so we continuously look for improvements," says Moss Maritime president Per Herbert Kristensen.

With declining LNG carrier contracts due to the economic downturn, Moss Maritime focuses on other segments, such as floating regasification and liquefaction units, including conversions using existing LNG fleet.

The company saw increased interest in Octabuoy, its semi-submersible production platform that can accommodate dry trees even in harsh environments. Octabuoy is fully equipped with drilling facilities and possible storage for produced crude oil.

"When things go in a negative direction, people look for economical solutions and that's not bad for us because Moss Maritime makes a living out of being innovative. There has been significant interest for new sides



Per Herbert Kristensen, president of Moss Maritime

of our activities and products," Kristensen says.

Moss Maritime has foreseen the need for environmentally-friendly designs. More than a decade ago, the company developed a small liquefaction unit which, combined with revised propulsion systems, lowers LNG energy consumption. The company's semi-submersibles are also designed for a reduced environmental impact but higher operational efficiency.

The company began activities in the Arctic in response to growing interest in this area. Moss Maritime, together with mother company ENI-Saipem, is developing front-end engineering and design for the Shtokman Development Group on a floating production unit. In line with this new venture, Moss Maritime re-

introduced ice breakers, which are particularly essential in the Russian Arctic.

Moss Maritime sees big opportunities in Asia, especially China. The company has licence agreements with Cosco Shipyard Group, Dalian New Shipyard and Jiagnan Shipyard Group. Cosco Shipyard Group is constructing the hull of a Moss Octabuoy production platform for delivery next year.

Moss Maritime hopes for partnerships with mainland shipyards and oil companies to raise its competitive advantage. "Chinese shipyards are competitive in manufacturing so we see that as a great potential, that Chinese shipyards can build our products for domestic as well as foreign customers," Kristensen says.

Keeping an eye on business with Weldindustry

Employing deep industry skills and innovative technology, Norwegian company Weldindustry revolutionised the welding industry through its software application WeldEye Quality System.

Observing a lack of comprehensive welding-related control systems, Weldindustry founder and chief executive Tore Haukanes established the company in 2001 to develop an integrated solution.

"There are systems for welding procedures, qualifications and handling projects, but no one offers the total package. WeldEye is a unique solution which gives you complete control," Haukanes says.

Structured as a module-based solution and installed locally, WeldEye provides complete control over all welding documentation and quality requirements for welding procedures, welding certificates, non-destructive testing (NDT) and production process control. A Web-based version of WeldEye is also available for monthly subscriptions.



CEO Tore Haukanes (left) and Jarle Mortensen, project manager

Weldindustry works closely with clients to customise the functionalities of WeldEye – 50 per cent of the company's customer base accounts for customised installations. Depending on clients'

requirements, WeldEye can support multisite installations accommodating 15 to 30,000 employees.

WeldEye can support any language and requirements stated in international

standards. These give Weldindustry the competitive advantage to dominate the global market. The company sees the United States and Asia as key growth areas.

"We have already signed a point-of-contact agreement with resources in Asia in order to show that we are serious about Asia as one of our main target areas," Haukanes says.

One of Weldindustry's notable references is welding equipment supplier Lincoln Electric.

Lincoln Electric research and development centres use WeldEye for controlling their welding procedures. Weldindustry is holding discussions with numerous other clients located in the Asian region about potential installations.

"We are looking to partner with software companies who work towards our type of industry. This will help us fulfil our goal to become the preferred partner and the preferred supplier of the global welding industry," Haukanes says.

Health and safety define Nortura and Norilia

When it comes to high-quality meat, eggs and poultry, Norwegian company Nortura tops the list. With its customers' best interests in mind, Nortura applies meticulous health and safety guidelines conforming to European Economic Area Agreement standards.

Resulting from a merger between Gilde and Prior, Nortura is organised as a co-operative and is owned by 28,110 farmers. Its main activities are slaughtering, cutting, processing, marketing, selling, exporting and trading livestock and wool. Nortura launched 88 new products in Norway in 2008, resulting in a turnover of almost HK\$22 billion.

Nortura benefits from good animal health conditions in Norway. "On the infectious diseases list of the World Animal Health Organization, less than 10 cases have been discovered in Norway in the past 30 years. Nortura also has restrictive import practices for livestock



(From left) Norilia's managing director Morten Sollerud, Nortura's governmental and international affairs director Hanne Steen and Norilia's director for hides and casings Lars Christen Dorum

and drug use in animals," says Hanne Steen, governmental and international affairs director of Nortura.

This health and safety ecosystem

extends to the operations of Norilia, Nortura's fully-owned subsidiary.

Norilia's business involves hides, skins, casings and wool and is responsible for

processing Nortura's edible and non-edible by-products.

Norilia works with agents and tanneries to address growing demands from Asia. China is already one of Norilia's most important markets for lambskins.

"Initially, the Chinese found the hides a bit expensive, but when the economic crisis hit, China was able to buy the hides at a lower price. When the prices went back up, the Chinese still wanted the best quality so we have a very good market in China for hides," says Lars Christen Dorum, Norilia director for hides and casings.

Norilia also seeks to form long-term alliances with more mainland suppliers, particularly those with connections to top leather brands.

Independence bolsters company's drive for business growth

In today's competitive landscape, a niche company can be as successful and competitive as a big company, providing it focuses its resources on improving its business.

Demonstrating this, Valco Group, the former valve-producing division of the Technor Group, was established in January last year as a separate entity to streamline its industrial valve business.

The company has four main markets for its operations: marine sector, oil and gas upstream, oil and gas downstream, and the energy and industry sector.

Valco has three Norwegian subsidiaries – Westad Industri, which focuses on butterfly valves, Valco Valve



Oddbjørn Kopperstad, CEO

and Automation, which offers a wide range of valves and actuators, and Sontum Fire & Safety, which is Valco's specialist in fire and safety.

Valco's French subsidiaries, Malbranque and SNRI, produce gate, globe and check valves. Malbranque also provides Christmas trees and wellhead equipment for onshore applications.

Valco Valve Services focuses on valve maintenance in nuclear power plants during annual shutdowns.

Valco considers China an important region for sourcing and further development of the company's marine segment.

In this sector, the majority of Valco's

supplies go to shipyards on the mainland and South Korea.

"We are currently providing valves to oil tankers being built in China," says Valco chief executive Oddbjørn Kopperstad. "Our deliveries to shipyards in the Far East represent our biggest market segment. Our strong position within cryogenic products is well recognised among our customers."

Valco aims to become a valve supplier to other projects in China, such as the Yangjiang Project, the Ningde Project and the Fangchenggang Project.

"We are very interested to expand our business in China," Kopperstad says.

"With its programme for new nuclear plant constructions, we identified China as an important region for Valco's growth ambitions within the energy and industry sector. We hope that our subsidiary, Malbranque, is awarded delivery of valves to the Taishant Project in China."

Hi-tech fibre ropes are changing the landscape of oil and gas exploration

Venturing into new areas of oil and gas resources is critical to sustaining economic growth. Taking place in increasingly challenging waters, this growth requires extensive seismic exploration. Norwegian fibre rope manufacturer, Offshore Trawl and Supply (OTS), recognises this need and is primed to collaborate with companies in their expansion strategies.

OTS considers fibre ropes vital in exploring new areas in deep waters. Since fibre ropes do not transfer noise, seismic companies gather more accurate data.

High Modulus Polyethylene (HMPE) fibre ropes, in particular, show promise because of their particular strength,



Runar Paulsen, managing director

with only 15 per cent of the weight of steel wire. With fibre ropes, companies can use smaller ships for the same installation and fewer ships for moving a rig. Reduced weight on board improves vessel stability and lowers fuel consumption and nitrogen oxide emissions.

OTS is one of the few companies worldwide manufacturing HMPE fibre ropes and one of the even fewer factories producing mega-sized rope dimensions up to 350 millimetres. OTS fibre ropes are designed with a patented protective jacket outside and a proprietary coating inside, increasing the rope's abrasion-resistance.

OTS is actively researching new fibre rope applications and working with clients for customised solutions. "Every customised project involves research and development," says managing director Runar Paulsen.

Because of increasing oil and gas exploration activities and improving capabilities in mainland shipyards, OTS sees China as a key growth region. OTS aims to supply materials to floating production, storage and offloading (FPSO) units, vessels and rigs being operated or built there. The company is also looking to tap seismic and oil companies for future growth.

"In Hong Kong and China, there is a huge shipping and offshore environment. When they see the potential for fibre rope, OTS is the natural choice. If they need special applications that haven't been done before, we will make it," Paulsen says.

CMO helps its clients protect their bottom line



Jan Stori Eriksen, chairman

The first time Jan Stori Eriksen and Bård Haukvik set foot on Chinese soil six years ago, they were hardly on a pleasure trip. The two entrepreneurs had a dream: to build a profitable contract manufacturing organisation (CMO) from the ground up.

A CMO manufactures pharmaceuticals under the label or brand of another company; it provides such a service to several firms based on its own or the customers' formulas and specifications. Pharmaceutical companies turn to mainland-based CMOs to reduce their costs, tap into flexible capacity and improve their time to market.

Armed with HK\$89.8 million in start-up capital, Eriksen and Haukvik established Yessamin (Nantong) Health, in the Qidong Economic Development Zone in Jiangsu in 2003. The company specialises in the manufacturing and packaging of tablets and capsules.

"Our first factory started production in 2006, and our company has been profitable from year one," says Eriksen, chairman of Yessamin Health. The company reported net profits of HK\$4.6 billion in 2006.

Yessamin Health serves the needs of pharmaceutical companies aiming to protect their profit margins. The company signed an agreement with health and beauty retailer Mannings for five products to be released next spring.

Eriksen credits the company's success to its 89 dedicated employees and its state-of-the-art facility. Yessamin Health brought key Chinese employees to its offices in Oslo to enhance their understanding of the company. "In the future, we will integrate Chinese staff in our growing Norwegian operations," Eriksen says.

The company's 7,000-square-metre production facility features the latest machinery to meet the stringent requirements of multinational clients and international standards for the quality of pharmaceutical products.

In addition to expanding its Scandinavian retail customer base, Yessamin Health sees much opportunity in the mainland's huge pharmaceutical market, the sixth-largest in the world. The company seeks acquisition opportunities and research and distribution partners.

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Acquisitions and joint ventures provide boost for TTS Marine



Johannes Neteland, CEO

Strategic acquisitions and successful joint ventures have made TTS Marine a world leader in designing, developing and supplying equipment for the marine and oil and gas industries. The expertise of the companies it has acquired has allowed TTS Marine to address the particular needs of different market segments and venture into new business areas.

"We have gone into the drilling and offshore equipment sector because of an acquisition in 2007 resulting in TTS Sense. TTS Marine aims to supply total drilling packages for rigs," says TTS Marine chief executive Johannes Neteland.

To serve different markets more efficiently, TTS Marine consolidated six divisions into three areas: marine, energy, and port and logistics.

The company is also focusing on service companies to increase after-

sales revenues, which amounted to HK\$478 million in 2008. Aside from establishing these companies, TTS Marine also plans to create service companies in Greece, Mexico and Brazil to reach its revenue goal of HK\$1.3 billion by 2012.

An additional competitive advantage for TTS Marine is its dedicated centres of excellence, allowing the company to develop technologically-advanced products with its customers.

"We're building a ship tailor-made for launching windmills on the bottom of the sea. We also developed an active heave compensating helicopter deck allowing helicopters to land on the ship even if the waves are high. These are new products we developed with other players in the market," Neteland says.

China continues to be important to the global strategy of TTS Marine. Since its first joint venture with state-owned China State Shipbuilding Corporation in

1998, TTS Marine has continued to experience exponential growth in the region.

With the success of the first joint venture, TTS Marine also founded a joint venture in cranes with another state-owned company, China Shipbuilding Industry Corporation. It also established two companies with 100 per cent ownership, another company with 50 per cent ownership through a joint venture with private owners, and one new acquisition. In these six facilities, TTS Marine employs almost 600 Chinese personnel.

In response to market trends in ship building, TTS Marine is focusing on manufacturing for marine and offshore sectors in China, while seeking partnerships which can further its progress in these sectors. In turn, TTS Marine can help partner companies with technology transfer, creating a mutually beneficial relationship.

BassTech relies on expertise, building win-win relationships

New orders from mainland shipyards totalled 2.71 million compensated gross tonnes from January to October last year, according to Clarkson Research. As China's shipping industry expands further, innovative expertise from international providers is increasingly important.

BassTech, the Oslo-based marine and offshore engineering firm, aims to assist mainland shipyards in developing and executing new projects. "We will provide Chinese shipyards with design expertise and engineering support to build offshore units and drilling systems," says BassTech chief executive Truls Rosenberg.

BassTech is part of the Basso Group, which has been providing offshore brokerage, project development, venture capital, and information services since 1978.

BassTech has a history of delivering new designs for mobile offshore units



Erland Bassoe (left), chairman, Basso Offshore, and Truls Rosenberg, chief executive officer, BassTech



BassTech's recognised expertise has already enabled the three-year-old company to land important contracts in China. It developed the BT 7000, a cost-effective, dynamically positioned deepwater drilling semi-submersible, exclusively for Dalian Shipbuilding Offshore Company. The BT 7000 has gained the approval of Det Norske Veritas, one of the world's leading classification societies.

BassTech has also entered into a technology transfer agreement with Marine Design & Research Institute of China (MARIC) in Shanghai. MARIC is the most comprehensive ship and offshore structure research, development, design and engineering organisation in China.

Basso considers China a key country for building drilling structures. "In three to five years, many of the newbuild mobile offshore units delivered from Chinese shipyards will be designed by BassTech," he says.

around the world giving it a competitive edge. Its 36 highly skilled employees have an average of more than 15 years of experience in the design and construction of semi-submersibles, drillships and other offshore floating units.

"We believe the skills set that we have with our people far exceeds that of other design companies," says Basso Offshore chairman Erland Bassoe. "Our experience in this niche is deep, and it's not a competence that you can readily buy in the market."

Staying ahead of industry trends

Staying ahead of industry trends, Lorentzen and Stemoco pinpointed China as a key market in 1991. To support business in the region, the company established an office in Beijing and later in Shanghai and Hong Kong.

To efficiently address customers' needs, Lorentzen and Stemoco added a finance department to its structure, making it Norway's one-stop shop for all ship brokering and consulting services.

"We want to assist ship owners with their finances. By utilising our experience, both from the lending and investor side, LS Finans is able to support owners in finding and executing beneficial financing structures, enabling them to achieve their short- and long-term business strategies," says Hans Christensen, Lorentzen and Stemoco's managing director.

The new finance department



Hans Christensen (left), managing director, Lorentzen & Stemoco, and Kjetil Sjuve, president of LSS

broking house with several departments, so if one market is down, we have other markets. With this security and stability, we focus on the future and do not sacrifice our services to our clients to make a deal. Because of this, we develop long-term relationships with our clients," Christensen says.

The company provides unparalleled service to its customers and ensures that clients avoid operational setbacks. The company takes the initiative to remind charterers to regularly inspect vessels according to environmental standards.

The firm has 16 staff on the mainland and seeks to add more Chinese professionals, among others, to prepare for the exponential growth of the offshore and oil industries in China. "We are looking for people that have the hunger and drive to become a broker in an international environment," Christensen says.

complements Lorentzen and Stemoco's comprehensive service portfolio which includes gas, dry bulk and product tanker chartering, and offshore projects, contracting and traditional sale and purchase.

Since its founding in 1919, Lorentzen and Stemoco has strengthened each business area to safeguard the company from market fluctuations.

"We are a fully integrated ship

Sensoror shifts to high-end applications

Every week, Sensoror Technologies ships 800,000 MicroElectro Mechanical Systems (MEMS) sensors for use by clients in Japan, Central Europe and North America.

MEMS are tiny mechanical devices that are built into semiconductor chips. For the past 30 years, the Norwegian company has built a reputation for developing and industrialising MEMS-based products.

Sensoror makes MEMS devices that sense pressure, acceleration and tilt, primarily for the automotive market. It is a leading supplier of tyre pressure monitoring systems (TPMS) and gyro sensors. TPMS warn drivers of under-inflated tyres, which waste fuel and can lead to accidents. Gyro sensors measure the change of rate in a car's rotation and trigger the opening of airbags.

"Sensoror has 60 per cent market share in TPMS," says Hans Richard Petersen, vice-president for sales and marketing. "In gyro sensors, we have the highest-performing device."

The company, founded in 1985, has a tradition of innovative solutions. Sensoror boasts an impressive list of global firsts,



Sverre Hornthvedt, president and CEO

including the first MEMS accelerometer for airbag systems in 1987, the first microsystem for tyre pressure measurement in 1998, and the first low-cost automotive gyro in 2003.

Sensoror became a fully owned subsidiary of Infineon Technologies in 2003. It became an independent company last March, backed by Norwegian investors. The new structure allows the company to grow into diversified areas.

"The key word is high-precision MEMS," says Sverre Hornthvedt, president and chief executive. Sensoror's technology, knowledge base, and production capability can be harnessed for high-end niche applications, such as precision gyro sensors, for the aerospace, defence, industrial and medical markets, and uncooled thermal imaging sensors (bolometer) for cameras.

"China has expressed much interest in Sensoror's high-precision products," Petersen says. The company participated in the 74th China Electronics Fair in Shanghai in 2008. "Our number one target is to develop a strong customer base in China," Hornthvedt says. Sensoror seeks agents and distributors in the country.

Aqualine sets its sights on China



Trond Lysklætt, managing director

The traditional net cages in the Andaman Sea in Thailand were torn to pieces after the 2004 tsunami in the Indian Ocean. A thriving pilot fish farm that produces white fish cobia is now on site thanks to the Norwegian government and Aqualine.

The Norwegian company supplied the circular floating cages made of plastic used at the farm. Since its establishment, the farm has earned approximately HK\$4.1 million from sales to Germany, Singapore and Thailand.

Aqualine is the world leader in plastic net cage systems and mooring equipment. Since the company's founding in 1980, it has constructed and supplied about 5,000 cages and net cage systems to clients all over the world.

Engineering expertise, international sourcing and quality assurance drive the company's success. "We have our own engineers, and we also tap external engineering and research expertise," says Trond Lysklætt, managing director of Aqualine. The company works with Reinertsen Engineering, one of the largest engineering organisations in Norway, and SINTEF Group, the leading independent research organisation in Scandinavia.

To reduce prices for customers, Aqualine outsources production to Asia, Eastern Europe and Sweden. To assure product quality, Aqualine's cages and mooring systems conform to NS 9415 standard. The standard, set by the Norwegian Standard Organisation, regulates the design, dimensions and operation of marine fish farms.

"Our approach is to make the equipment as good as possible to keep our customers from experiencing any operational hiccups," Lysklætt says.

Aqualine takes pride in durable equipment that has an average lifetime of 15 years.

Aqualine has set its sights on China. The country produces 34.4 million tonnes of seafood per year; this figure is 67 per cent of global seafood production, according to the mainland's Ministry of Commerce.

The company has a representative office in Beijing. Aqualine seeks partners in its quest to be the preferred supplier of key components for marine fish farming in China.

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Norwegian firm set to build HK sewage system

The second stage of the Hong Kong Harbour Area Treatment Scheme (HATS), a major sewerage infrastructure project to improve the water quality of Victoria Harbour, is now in full swing. To ensure success, the government relies only on reputable contractors, such as Norwegian mining and tunnel contractor



Frode Nilsen, project director

Leonhard Nilsen & Sønner (LNS), to carry out parts of the project.

In a joint venture with Leighton Asia, LNS has secured a HK\$2.54 billion contract with the Drainage Services Department to build sewage tunnels on Hong Kong island. The project will allow LNS to showcase to the Asian market its expertise in excavation and tunnel construction.

"We can make tunnels fast, efficiently and safe. We are interested in doing more projects in China," says LNS project director Frode Nilsen.

Established in 1961 and consisting of 15 companies, LNS has worked on projects all over Norway, Spitsbergen, the Antarctic and Greenland. The company is

responsible for the construction of the UN Global Seed Vault, a safety vault built on the mountains of Spitsbergen comprising of tunnels and three rock caverns.

LNS also recently finished projects in Russia and Iceland.

LNS can take on challenging infrastructure projects because the company invests in modern machinery equipment and is constantly at the forefront of developing and using new technology. "We always try to find new solutions for the clients in order to make projects better and make things more cost-efficient for all parties," Nilsen says.

LNS maintains a flat organisation that allows employees to freely make decisions and build up their expertise. The company implements an incentive system that shares 10 per cent of the company's profits to all employees and key personnel are considered co-owners of the firm. LNS has experienced strong financial growth due to the dedicated employee interest in the company.

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Norwegian seafood served on Asian plates

Norway's seafood exports weathered the rough waves of last year's global economic crisis in resilient fashion. The country experienced a record high as seafood exports totalled HK\$61.2 billion last year, up by HK\$8.2 billion from 2008, according to recent data from the Norwegian Seafood Export Council (NSEC). Leading the pack for Norway's seafood is the world-famous Norwegian salmon, which registered a HK\$7.9 billion hike in exports to reach HK\$32.5 billion.

With its extensive coastline, Norway is naturally privileged with rich marine resources. Its seas provide millions of tonnes of catch every year, making the country the largest supplier of fish and fish products in Europe. Recognised worldwide for excellent quality and good taste, Norwegian seafood is exported to more than 150 countries.

Roger Hofseth successfully capitalises on Norway's prospering seafood industry. A veteran in the fishing business, he founded his own company, Hofseth, in 2001 and has since been a key player in salmon production and trading in Norway. The company offers a wide variety of fresh and frozen Norwegian Atlantic salmon throughout Norway and Europe, and to more than 20 countries including Australia, China and the United States. Hofseth has its own brand and also produces for private labels.

"Our products are clean and come from the original waters of Norway. We produce only superior fish. We are very strict on quality. Once we get the fish fresh from the water, it takes only about 45 minutes to be finned, frozen, packed, stored and made ready for shipment in our state-of-the-art facility," Hofseth says.

Since the establishment of the company, Hofseth has tripled its turnover and has grown its operations significantly. Hofseth set up its own production facility in 2005 with the purchase of a salmon-processing plant. Two years later, it acquired another plant. One plant focuses on smoked salmon production, the other on frozen finished products.

In order to expand its products, Hofseth allied with Seafood Farmers of Norway, as the two companies saw synergies in production and markets. Seafood Farmers, which specialises in smoked products and various forms of fresh airborne fillet and portions, has extensive distribution networks in Norway, Europe and the US. The co-operation led to the establishment of Hofseth International in 2008.

Hofseth serves as the holding



Norwegian salmon, grown in fish pens like this, make up more than half of the country's seafood exports.



Hofseth financial director Samuel Muren (left), general manager Roger Hofseth (centre) and sales and purchase director Lars Lovund

Look for the Salmon Welfare brand in the store and feel the original taste of a healthy Atlantic salmon from the deepest and cleanest fjords of Norway," Lovund says.

Essential by-products

Hofseth is leveraging on Norway's natural advantage as an ideal source of fresh and clean seafood. However, the company is not limiting itself by focusing only on selling raw produce. For sustainable growth, Hofseth has engaged in a new business endeavour that aims to extract essential by-products out of leftover parts of the salmon.

In salmon processing, only 50 per cent of the fish are used for fillets. Because Hofseth cares for the environment and aims to conserve resources, the company packs the salmon heads, bellies, backbones, bits and pieces and trimmings. These parts are offered in a variety of packs, weights and grades and sold to several markets including Vietnam and Eastern Europe.

Aside from these efforts, Hofseth is developing a new business via Hofseth Biocare that will extract value-added clean lipids, proteins, omega-3 and calcium ready for human consumption based on salmon by-products.

"There's a huge market in the world for all these by-products," Hofseth says. The company expects new revenue streams to come from its by-products business. Target markets include the pharmaceutical industry and places with special food and dietary requirements, such as India and Middle Eastern countries.

Hofseth is putting a huge investment on Biocare and continues to talk with more investors for the improvement of its factory.

Attracting Asia's seafood market

When it comes to international markets, Hofseth's strategy is to maintain all production activities in Norway and focus on selling finished products only. Aside from the US, China offers strong market potential for Hofseth.

According to Norwegian seafood trade group NSEC, China could soon become Norway's largest market in Asia for salmon exports. NSEC reported that Norway exported HK\$1.1 billion worth of salmon to China last year, representing an increase of almost 60 per cent from 2008 figures. Norway now sells 23,000 tonnes of salmon to China annually.

China is considered one of the fastest-growing consumer markets in the high-quality seafood sector. This growth is attributed to the increasing prosperity among the Chinese, which allows more people to afford premium seafood items. In addition, interest in healthy food is on the rise in China. Hofseth is looking to build relationships with retail chains and distributors in China to push its products on the mainland. Initially, the company aims to find one partner that has the capacity to handle all its products.

"We will start looking into China and Asia with finished products of higher quality. What is most important for us at the moment is to find the right people who can think like us and operate like us. We don't want to take any shortcuts," Hofseth says.

The seafood company will continue to pursue more private label contracts and will look into more acquisition and partnership opportunities internationally.

Apart from salmon, Hofseth intends to expand its offering to include other fish species. The company already processes mackerel on a small scale but is interested in processing more seafood products.

company for Hofseth International. The latter acquired a 51.7 per cent share of Swedish distribution company Lindström Handel in January last year. Lindström Handel distributes various kinds of food products to about 700 stores in Sweden. Hofseth also bought another factory, renamed as Hofseth Biocare, to focus on the production of salmon by-products. The company also holds ownership interests in UAB Fjord in Lithuania and Hofseth North America.

Hofseth's biggest market is the US, which takes up more than 60 per cent of the company's total sales. The company supplies salmon products to major American retailers and distributors, including Costco, Lipari Foods, Sam's Club and Wal-Mart.

"In certain months of 2009, we've delivered up to 30 to 40 per cent of the total supply of Norwegian salmon in the United States," says Samuel Muren, Hofseth business development director.

Keys to success

Hofseth attributes its success to the company's direct contact with customers, responsiveness to market demands and

high quality standards.

"Market thinking is thinking about consumer needs. The direct contact with customers is very important for us. They come to us with their demands and we produce it. We can also produce the volumes that they ask for," Muren says.

The company maintains a well-structured sales and distribution network to keep close connections with customers.

"We find partners in certain regions that we develop and we help them grow their business," Hofseth says.

To ensure quality, the company buys only superior raw products from selected producers. Hofseth's processing factories are equipped with modern equipment that enables the company to operate with a small number of staff, effectively reducing the risk of contamination that usually come from human interaction with food products. The company uses advanced cameras to monitor production flow and has modern machinery to speed up product processing.

"Hofseth runs one of the most efficient salmon processor factories in Norway," says company sales and purchase

director Lars Lovund. "Our strategic use of technology is one of the reasons why we've been successful in recent years. We have intelligent production lines and intelligent machines designed for the fish industry that allow us to produce big volumes with only few hands. This, in combination with only the best raw materials from the cleanest farm sites in Norway, makes it possible for us to serve our customers with the best quality and competitive prices."

Hofseth is also implementing cast-freezing technology that makes use of magnets to freeze products instantly in order to effectively seal in the freshness of the fish.

With this freezing technology, Hofseth is able to maintain the high quality of its frozen salmon in almost the same way as the fresh products. The company is already doing some trials on test freezers for this new freezing technology. Hofseth plans to initially implement the system on some of the fresh fillets that are sent to the US.

In order to meet increasing customer demands, Hofseth has started a new production line last month to increase its

capacity by as much as 30 per cent.

Documentation and traceability are important in Hofseth's entire food production. Its main suppliers take hundreds of samples from fish and feed every year, to ensure the salmon grow under the best conditions possible.

"With our traceability system and co-operation with our main suppliers, we are able to link the production process from fish eggs to final produce, ready for eating. Within minutes, we can review the whole life story for our valued fish products," Lovund says.

Caring for the environment is a key priority for Hofseth, with the company constantly striving to minimise its carbon footprint. "Short travel fish" is a philosophy that Hofseth applies to its operations, which means the company takes the shortest time possible to move the fish from the water to the slaughterhouse and finally to the market.

"It is our philosophy to take care of the welfare of both fish and consumers. Our main suppliers work with nature for the best welfare of the salmon, and this way the consumers also get the best food available and get to eat with confidence.

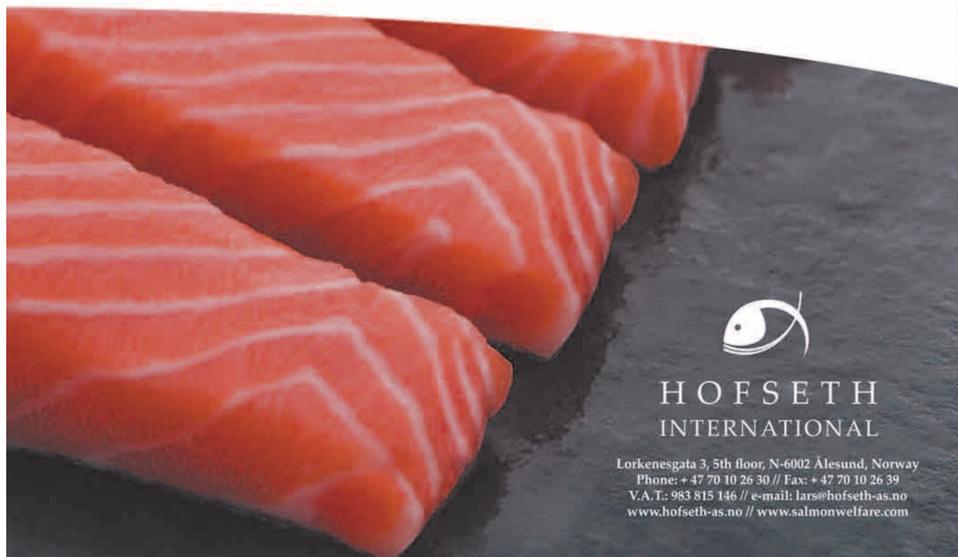


The Norwegian art of taste

- from the cold, clear waters of Norway

At HOFSETH's we pick salmon from Norway's best and most sophisticated farmers, with the best sites in the clean, deep Norwegian fjords. We only use 100% superior fish, farmed on the principle of good, ethical husbandry and sustainable production.

Salmon Welfare is our quality brand that we use in cooperation with our suppliers. This enables us to link the production process from fish eggs to final product, ready for eating. Within minutes we can review the whole life story for our valued fish. Visit www.salmonwelfare.com or contact us for more information about Salmon Welfare.



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With patented technology BioCare extracts raw materials from the freshest Norwegian salmon available. The result is a line of pure, low-oxidized, high quality products approved and ready for use in human consumption products.

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