

BACKGROUND

This section of the report summarizes those findings of the Committee's trip to Norway and Scotland which are relevant to the Canadian situation. More detailed information on the aquaculture industries of these two countries is provided in Appendix "B" which contains the Committee's third report.

A. *Norway*

At present, the Norwegian aquaculture industry is almost exclusively based on Atlantic salmon aquaculture although much research is being carried out into the possibility of intensive fish farming of other valuable species such as halibut and turbot; it is expected that by the mid-1990s halibut aquaculture will be fully on stream. The indications are that government sponsored aquaculture research and development in Norway is increasing.

Norway initially favoured the development of small owner-operated and locally-based aquaculture businesses consistent with the regional development objectives of the Norwegian Parliament. Publicly funded programs offering grants and loan guarantees encouraged the establishment of fish farms in specially designated, mainly rural, areas in the northern parts of the country. Such policy measures helped to increase the amount of risk capital available for the industry's development.

Although regulations designed to maintain small owner-operated enterprises have recently been relaxed, pressure continues from farmers, for an increase in the maximum size of marine cages as a way of maintaining an economic competitive edge. Competition on the Norwegian aquaculture industry's closest markets (such as the EEC) is increasing, often under the impetus of the Norwegians themselves, who have invested in other countries where size and ownership restrictions are much less stringent. Investment abroad, and the resulting increase in international competition, is accepted by the Norwegian authorities for two reasons: one is that the markets are thought to be sufficiently large to accommodate increases in production resulting from the aquaculture development in such countries as Canada and Scotland (the United States market especially is thought to offer tremendous product export opportunities); the other reason is that aquaculture abroad expands technological and equipment markets for the Norwegian aquaculture service industries.