



# Krill Industry Report Number 4

Antarctic and Southern Ocean Coalition

October 8, 2007

*The Krill Industry Report provides reports, information and commentaries on the Antarctic krill industry.*

## Vanuatu Notifications

Vanuatu notified that four vessels will fish for krill this year – three of these vessels caused controversy at last year's CCAMLR meeting. Vanuatu is a signatory to CCAMLR but not a member of the Commission.

The four trawlers are the *Frey*, *Frigg*, *Odin*, and *Thor*. The trawlers are near identical 105 m long vessels, which were built in Spain for Russian companies in the early 1990s. The vessels have been flagged to Vanuatu for several years.

The vessels have been involved in jack mackerel fishing in the South-East Pacific. Previous krill fishing under the Vanuatu flag was undertaken by the *Aker* operated *Atlantic Navigator* in 2004 and 2005.

The beneficial owners of the vessels are the Laskaridis family from Greece. The two brothers, Thanassis and Panos Laskaridis, have expanded the *Laskaridis Shipping Co* into a major Greek shipping operation. *Laskaridis Shipping Co* runs over 70 vessels and is based in Athens. The vessels are predominantly reefer/refrigerated boats with global coverage. It also manages a number of chartered vessels.

In the late 1990s the Laskaridis' invested in 14 Russian factory trawlers based in Vladivostok. Most of these vessels have been sold to other European interests leaving the four vessels flagged to Vanuatu under control of the Laskaridis family.

The family has also investments in hotels and airlines in Greece and ship building interests in Ukraine.

The skippers of the Vanuatu-flagged krill vessels are of Russian or Norwegian nationality and it is not known if there are any Vanuatu nationals on the boats. To our knowledge none of these vessels have been to Vanuatu.

## New Krill-Fishing Vessel

A major New Zealand fisher, *Sealord*, announced in September that it had sold the trawler *Paerangi* to Norwegian fishers *Ervik Marine Services AS*. *Ervik* has one of four Norwegian licences to fish for krill and it has announced that the vessel is to be used in that fishery.

The *Paerangi* is a 71 m factory freezer trawler owned jointly by *Sealord* and the Norwegian Company *Volstad*. The vessel was built in Norway in 2003 and it has previously been used to fish in the declining hoki fishery in New Zealand.

## Israeli Company Develops Krill Oil Products

The Israeli biotech company *Enzymotec* has increased its interest in krill oil. *Enzymotec* specialises in enzyme modification and the production of various lipids.

*Enzymotec* announced earlier this year that it was going to develop krill oil products and undertake clinical studies to explore their health benefits. At the same time, *Enzymotec* is developing markets for non-krill products with joint ventures in Poland, Australia and India.

*Enzymotic* is also to build a new research and development centre to assist with product development, including from krill oil. The facility is intended to be completed by the end of the year.

### **Aker Takes a Sharemarket Dive**

The stock market has sent *Aker Bio Marine* shares down over 40% since the company was listed on the Oslo Stock Exchange in June of this year.

The decline appears to have been driven by a drop in income. Aker's second quarter revenue in 2007 was down 11% from the same quarter in 2006. At the same time, earning before interest and tax dropped 18% from its 2006 level.

According to Aker, its krill operation was providing income above that in 2006 but its Argentine operations were well below last year's revenue. Aker holds two of the four licences granted by Norway to fish for krill in CCAMLR waters during the 2007-08 fishing season.

This share decline has occurred despite positive research demonstrating the potential benefit of using krill meal in salmon feed. The study was undertaken by the Norwegian Aquaculture research institute, AKVAFORSK. It compared salmon raised in sea pens with feed supplemented by either 7% or 15% Aker krill meal.

After three months, the salmon weight was higher for those fish receiving krill supplements. The salmon weight increases were between 18% (when fed 7% krill meal) and 23% (when fed 15% krill meal) more than fish in the control group, which did not receive any krill meal.

Aker has registered its krill meal and krill oil products for aquaculture and animal feed with the brand name *Qrill*. According to Aker, it has sold more than 5,000 tonnes of

krill meal for delivery in second half of 2007 at around US\$1,700 per tonne. This price is 10% above expectation.

According to Aker, in the first six months of 2007 18 % of its krill catch was processed into first-class krill meal, significantly greater than the 11-13% level predicted.

Aker's krill trawler, the *Saga Sea*, is predicted to catch 50,000 tonnes of krill in 2007. A second trawler, the *Atlantic Navigator*, will be converted again next year into a krill harvesting vessel. Aker estimates that in 2009 the two vessels will have a combined annual capacity of 170,000 tonnes of krill.

Aker also plans to launch the company's first trademarked products made from krill oil for human consumption in 2008.

### **Aker Chief in Trouble with the Law**

*Aker Seafood's* owner, Kjell Inge Roekke, spent 23 days in prison in September after being sentenced for corruption in connection with a boat permit he obtained in 2001.

In 2005 he was found guilty of paying a Swedish maritime inspector over US\$15,600 to get a permit to pilot a large yacht without sitting any exams. This permit allowed him to pilot his 18 metre yacht *Celina Bella* after it was converted to a Norwegian licence.

Roekke was also ordered to pay a fine of US\$17,000. In addition to *Aker Seafood*, Roekke controls several other large companies including energy and construction group *Aker Kvaerner*.

**Disclaimer:** The material in this newsletter is intended to assist people in understanding the nature of the krill industry. While we try to ensure that information is accurate and up to date, the Antarctic and Southern Ocean Coalition gives no warranty as to its accuracy.

For further information contact:  
James Barnes [jimbo0628@mac.com](mailto:jimbo0628@mac.com)