

# **The Salmon Farm Protest Group**

*An ruda na bo bhroin, cha bhi e na do thmhnaidh*

‘That which you have wasted will not be there for future generations’

Mr Edwin James  
Inquiry Secretary (Pan Fish/Marine Harvest inquiry)  
Competition Commission  
Victoria House  
Southampton Row  
LONDON WC1B 4AD

Dear Mr James

## ANTICIPATED ACQUISITION BY PAN FISH ASA OF MARINE HARVEST NV

In response to your invitation to supply evidence in connection with this proposed merger, The Salmon Farm Protest Group would respectfully draw the attention of the Inquiry to the following points:

- (1) Our view is that Marine Harvest has no serious competitors. European farmed salmon production is centred primarily in the West Highlands and Island of Scotland (and to a lesser extent in Ireland) where an estimated 160,000 tonnes of farmed salmon are produced each year. Marine Harvest is responsible for approximately 75% of this total. Should the proposed merger of Marine Harvest and Pan Fish proceed then this figure will increase to nearer 90%.
- (2) There are few independent producers left in Scotland. Since the expansion of the industry in the late 1980's the majority of independent producers have either contracted to rear salmon on Marine Harvest's behalf or have gone out of business because they could not compete with Marine Harvest on price.
- (3) Marine Harvest has also announced their intention to import smolts from Norway rather than buy smolts produced in Scotland. This will severely impact on Scottish smolt producers who are at present capable of supplying Marine Harvest's needs.
- (4) Current industry reports indicate that imports of farmed salmon to UK from Norway have already increased by up to 40% during the last year. Our anecdotal evidence from supermarkets confirms this; less and less Scottish farmed salmon appears to be on sale throughout the UK whilst more and more farmed salmon from Norway is being offered to consumers.
- (5) Since the merger of Marine Harvest and Stolt Sea Farms, both Norwegian-owned companies, there have been several hundred job losses in the West Highlands and Islands of Scotland as these companies rationalised production practices. If the Pan Fish/Marine Harvest merger goes ahead there will be further job losses that will destabilise once stable communities in the West Highlands and Islands.

- (6) With almost complete control of the production and marketing of farmed salmon products the merged companies will be able to, with impunity, control the supply of farmed salmon, dictate what products are produced and settle the price at which these products are sold.

Given all of the above The Salmon Farm Protest Group considers that the proposed merger is not in the best interests of consumers and that if the merger goes ahead then Scotland will become simply a 'factory' producing farmed salmon for Norwegian-owned business interests.

It is also the view of The Salmon Farm Protest Group that the merged companies will increasingly favour expansion and investment in Chile where production costs are approximately 50% less than they are in Scotland and that this will have the potential to completely destroy all but a very small part of that which remains of independent farmed salmon production in Scotland.

Yours sincerely

Bruce Sandison

Chairman