

HOW ASIA ADOPTED NORWEGIAN SALMON

By Erik Hempel

Massive promotion of salmon by the Norwegian Seafood Council since the late 1980s, driven by an ingenious marketing strategy referred to as the “kitchen door strategy” which focused on top chefs in high-end restaurants in the region, has paid off. Asia now accounts for over 12 percent of Norwegian salmon exports (by volume) and is earmarked by the Norwegians as a focus area for expanded promotion. Farming initiatives in the region will mean keener competition for imported salmon but as Asian markets are continuing to grow, foreign suppliers are not expected to be pushed out for now. However, there may be some pressure on prices in due course.



Salmon and tuna sashimi

For many Asian countries, salmon was a relatively unknown and foreign species. The exceptions are Japan and the Republic of Korea, both of which have been fishing salmon in the Pacific for many years. In 1950, Japanese catches of salmon were estimated to be about 15 000 tonnes, and by 2022, landings had grown to over 95 500 tonnes. All of this was Pacific salmon. In addition, salmon farming in Asia started in 1979 in Japan; in 2022, production of farmed coho salmon from this sector had risen to just over 20 000 tonnes.

Nevertheless, all told, salmon has not been an important species on Asian markets until more recently, its consumption and imports in the Asian Far East and Southeast Asia having grown remarkably since the early 1990s. By 2022, it was estimated that imports of salmon to the most important Asian markets amounted to about 210 000 tonnes, net product weight (see Figure 1 and Table 1).

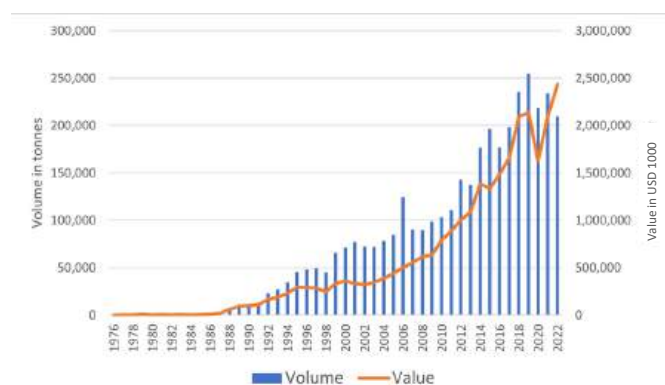
So, what happened?

It was the advent of farmed Atlantic salmon, first introduced by Norwegian exporters, that stimulated Asian imports of salmon. Two other countries also stand out as suppliers to the Asian market: Chile and Australia. Chile is the second largest producer of farmed salmon, while Australia, which produces mainly Atlantic salmon, is benefitting from its geographical proximity to the Asian market. Chile in 2022 accounted for 25 percent of Asian imports, while Australia accounted for 10 percent.

Supplies are likely to increase further, and in the meantime, several Asian countries (including China and the Republic of Korea) are now trying to develop their own salmon producing industries. While this may mean increased competition for exporters like Norway and Chile, it is likely that the domestic production of Asian countries will supplement the existing

supplies and help expand the market further. In the years to come, salmon will continue to play an important part in Asian seafood markets.

Fig. 1: Imports of salmon and salmon products by selected Asian countries (volume in tonnes; value in USD 1000)



Source: FAO FishStatJ 2024

Imports of salmon started a steep growth curve in the 1990s, but had a temporary decline just before the turn of the century. From then on, imports skyrocketed except for a lull during the COVID-19 pandemic, but trade has picked up again since then.

In recent years, Asian imports of salmon have fluctuated between 200 000 and 255 000 tonnes per year. Today, the major importers of salmon in Asia are China, Thailand and the Republic of Korea.

Table 1: Imports of salmon and salmon products by Asian countries (volume in tonnes, net product weight)

Importing country	2017	2018	2019	2020	2021	2022
China	51 885	80 093	89 746	56 380	58 652	64 026
Thailand	18 392	21 127	24 783	22 774	33 835	29 866
Republic of Korea	22 902	29 833	27 527	29 922	32 661	25 508
Japan	33 738	31 655	32 062	29 714	29 074	22 599
Taiwan	18 387	20 075	20 821	26 942	26 173	19 676
Hong Kong SAR	15 666	16 396	15 197	12 690	15 373	14 678
Viet Nam	18 898	12 960	13 195	11 941	11 663	13 346
Singapore	4 392	4 666	5 286	5 858	6 197	6 129
Philippines	3 959	10 319	16 185	15 242	10 791	4 980
Indonesia	4 701	2 883	3 203	1 590	3 565	4 420
Malaysia	3 901	3 293	4 555	4 023	3 533	2 979
Others	1 988	2 073	2 328	1 825	2 878	1 578
Total	198 809	235 373	254 888	218 901	234 394	209 785

Source: FAO FishStatJ 2024

It was not only Norway that benefitted from this development. Farmed salmon producers in Chile and the Australia also saw the opportunity, and

today, the three countries account for 92.3 percent of Asian¹ imports of salmon and salmon products. The Faroe Islands and the United Kingdom accounted for 3.0 percent and 1.6 percent of the import volume in 2022, respectively (see Table 2).

Table 2: Suppliers of imported salmon and salmon products to Asia (in '000 tonnes net product weight)

	2019	2020	2021	2022	% of total 2022
Norway	105 065	88 544	116 993	104 452	56.6 %
Chile	66 290	56 494	35 883	47 151	25.6 %
Australia	9 199	18 410	22 601	18 546	10.1 %
Faroe Islands	13 933	5 365	5 805	5 505	3.0 %
United Kingdom	12 769	9 189	10 118	2 879	1.6 %
Viet Nam	470	687	595	1 055	0.6 %
Canada	2 318	1 316	1 384	895	0.5 %
Denmark	1 436	838	663	881	0.5 %
Iceland	944	562	764	546	0.3 %
Thailand	251	411	290	362	0.2 %
Other, Asia	5 804	4 431	7 192	2 149	1.2 %
TOTAL	218 479	186 247	202 288	184 421	100.0 %

Source: FAO FishStatJ 2024

While Norway is the top supplier to all the importing countries, its domination varies a great deal. In 2022, Norway accounted for 37.1 percent of Chinese imports, 88.1 percent of salmon imports to the Republic of Korea, 63.8 percent to Thailand, 36.6 percent to Japan, 60.8 percent to Taiwan, and 85.2 percent to Hong Kong. The market share of the second largest supplier, Chile, varies from 9.5 percent to 33.3 percent on these markets.

The “kitchen door strategy”

Around 1990, Norway needed to find new markets for farmed Atlantic salmon, and Asia seemed a good place to go. But salmon was relatively unknown in Asian cuisine, and therefore, a bold new strategy had to be applied.

A major player in this was the young chef Frank Næsheim, who moved to Singapore in the mid-1980s and set up the Scandinavian restaurant “Vikings” on Orchard Road together with another Norwegian chef. They also established a trading company in order to take care of imports from Norway, and called the company Snorre Food Pty Ltd. The restaurant was closed after some years, but the trading company blossomed, mainly thanks to the strategy they had developed.

Frank knew that salmon was relatively unknown among Asian chefs, so he invited a selection of Singapore chefs to courses on the use of salmon in Asian cuisine. He organised competitions, one result of which was the publication of the book “Norwegian salmon in Asia” in 1989.

¹ The following countries were included: Bangladesh, Brunei, China, Hong Kong, Macao, North Korea, India, Indonesia, Laos, Malaysia, Myanmar, Pakistan, Philippines, South Korea, Singapore, Sri Lanka, Taiwan, Thailand, Viet Nam.



Frank Næsheim of Snorre Food explaining about Norwegian salmon to a Singaporean Minister at an exhibition in Singapore

Chinese chefs in top restaurants in Singapore caught on to this and started offering salmon dishes in their up-market restaurants. Others picked up the trend, and soon consumers were asking for salmon in the supermarkets. Sales of salmon rose, and Frank's imports also grew. And then he took the idea to other countries in the region, such as Thailand, Malaysia, Hong Kong and China.

In Chinese cuisine, using salmon for the raw fish dishes (*yusheng*) also became popular. *Yusheng* (or *lo sahn* as it is sometimes called in Singapore and Malaysia) is a raw fish salad usually served in connection with Chinese New Year. It consists of strips of raw fish mixed with vegetables and a variety of sauces. The original dish used raw mackerel, but due to temporary supply problems, salmon was later offered as an alternative, and today, salmon is actually the most-used species for this dish.



Braised Sichuan salmon, prepared by Friedrich Erhard

Korean consumption of salmon has increased in popularity in recent years, and Norway has focused on this market recently. Through a comprehensive study of the Korean market and Korean consumer habits,

the Norwegian Seafood Council (NSC) decided to focus on promoting salmon as part of the popularity of outdoor activities in the country. Koreans are particularly fond of camping (and the more luxurious version "glamping"). The NSC erected a large tent in the centre of Seoul and re-created Norwegian outdoor landscapes inside. Part of the experience was barbecuing salmon "outdoors" and learning about salmon as a "glamping food". The result was unexpectedly positive.



The Norwegian Seafood Council put up a tent and emulated Norwegian nature inside, appealing to the outdoors and camping-loving Koreans

Other salmon dishes were also introduced, and a variety of different dishes were promoted to the Koreans.

"Project Japan"

In Japan, raw fish had been consumed for centuries. But salmon was not on the list of species consumed as sashimi or sushi although it compared well with the very expensive tuna. Therefore, when the Japanese started to use salmon in sushi and sashimi dishes, it was a major breakthrough.

A large part of the credit goes to Norwegian exporters. When they started planning their promotion of salmon, they realised that going through Japanese importers would be a waste of time. The importers were conservative and regarded salmon as being the wrong colour, the wrong shape and the wrong smell for sashimi.

The alternative for the Norwegian exporters was to take the "kitchen door" route once again: enticing famous Japanese chefs to accept salmon as an alternative raw fish. It was not an easy task. They started their promotion campaign, named "Project Japan" in 1986, but did not really see any great results until about 1995. It took almost ten years to gain acceptance of salmon on the Japanese raw fish market. But when it was finally accepted, it became a resounding success, not only in Japan, but around the world where sashimi and sushi have become amazingly popular.

While countries like China, Japan and the Republic of Korea have been, and are the dominant markets for salmon in Asia, other countries are also set to develop as salmon markets. Taiwan, Hong Kong, the Philippines, Thailand and Viet Nam are all countries where the market can be expanded, and they are being targeted by the Norwegians.

Singapore, where much of this trend started, is of course a limited market with a small population. But it is very much a trading hub and the other Southeast Asian countries are being influenced by traders in Singapore.

Imports in South Asia have been slower but may be set to develop. Norway is launching a campaign for Norwegian seafood in general in India. In 2024, Norway and India signed a trade agreement, whereby certain Norwegian products, among them seafood, would be granted zero import duty in India. The challenge in South Asia is pretty much the same as the one faced by countries in Southeast and Far East Asia thirty years ago: salmon is not part of their cuisine or culture. Therefore, salmon exporters are facing a major task educating the market.

The future

Asia is very hungry for seafood. But will the popularity of salmon in Asia continue to grow?

The short answer is yes. One of the main reasons is that the main supplier, Norway, seems to have reached its limits in other markets, particularly in Europe. As much as 70 percent of Norwegian salmon exports end up in the European Union, and the volume of exports to the EU has been stagnating in later years. Norway wants to increase production of salmon (the Government has indicated a production target of up to five million tonnes by 2050!), and it needs to develop new markets. Asia is the most likely focus.

Asian investors have now become interested in aquaculture of salmon in Asia itself. There are several big projects either in the planning stages or already in operation in China, the Republic of Korea and Singapore.

China seems to focus on two major technologies: offshore floating installations and land-based recirculation aquaculture systems (RAS). Korea seems to focus mainly on land-based RAS, as does Singapore. As salmon is a cold-water species, the warm waters of Singapore will have to be cooled down, and this will no doubt add cost to the operations.

In South Korea, a large industrial conglomerate is developing its land-based technology called hybrid flow-through technology (HFS) and expects to produce 20 000 tonnes (live weight equivalents) per year. Production was expected to start in 2024.

Some years ago, China built the first large offshore floating installations for Norwegian salmon farming giant SalMar, called the Ocean Farm One. By building this structure, the Chinese shipyard learned a great deal about offshore salmon farming, and they have now developed their own designs and technology and are in the process of going through trial production.

These Asian initiatives will result in a higher production closer to the market. This does not necessarily mean that foreign suppliers will be pushed out of the market, but it will bring keener competition on these markets. But the markets are growing, and as a result of the massive promotion, they will grow fast. The domestic production will be a supplement to the imported supplies. However, it must be expected that there will be some pressure on prices, which in turn will benefit the consumer and lead to greater demand.

Traditionally, salmon was an expensive fish available seasonally and only in limited regions. Salmon farming and logistics changed that. As salmon farming developed, the price of salmon fell, and became available year-round all over the world thanks to air transport.



Credit: Erik Hempel

Salmon on display in Asian supermarket

However, in recent years, the cost of production and the enormous demand for salmon has brought prices up again, and today salmon is by no means a cheap fish. Even so, Asian consumers appear to be willing to pay these high prices. In fact, in certain niche markets, a high price for a very high-quality product is considered an asset. In some sectors of Asian society, there is even a tendency to show off wealth by buying expensive products, including in the food sector.

A trend that may play an increasingly important part in the market, and not only the salmon market but in the market for everything, is e-commerce. China has in some ways been a leader in this, and the company Alibaba has already offered salmon through its online services. In addition to its online promotion, Alibaba has, through its retail chain Hema, started offering Norwegian salmon on a grand scale.

A key word in promoting salmon in Asia has been information, or knowledge about the product and how it can be used. Norway is bringing groups of journalists and chefs to Norway to visit salmon farms and to teach them how to prepare salmon dishes. The "kitchen door strategy" is still being used in countries other than where it originated, and it probably will be used in many more, for example in South Asia. 🇳🇴



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