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FIELDWORK IN MANIITSOQ



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At the end of May 2018, we travelled to Maniitsoq in the Qeqqata municipality on the west coast to meet with members of the community to hear about their visions for the future. Although we were meant to stay for only two days, the weather had other ideas and we spend six days in Maniitsoq. We took advantage of this time to meet with 19 people, including entrepreneurs, fisheries workers, health service workers, people in the tourism industry and representatives of the municipal council. We visited the pioneering Royal Greenland factory and learned about the <u>Nutaaq® project</u> and Anne attended a town meeting on health services.

The Maniitsoq community suffered a sharp and painful decline when the fish factory was closed suddenly in 2001 with the loss of 200 jobs. The factory building was taken over by some local entrepreneurs but operated on a vastly reduced scale. Multinational aluminium firm, Alcoa, began showing interest in tapping the vast hydro-electric potential to power an aluminium smelter and signed a memorandum of understanding with the Greenland home rule government in 2007. They anticipated beginning work on the hydro-plant in 2010 and the smelter in 2012. They also promised hundreds of jobs, a significant share of which would be reserved for Greenlanders. Public hearings were held with local residents in Maniitsoq and other towns that had the potential to host the smelter. Six citizens groups were established to consider the potential opportunities for the town, identify the issues they considered most important and inform Alcoa and other investors about the town's needs and hopes. This culminated in a <u>report</u> that set out different plans for the town's development. The citizen's groups are still active today.

Our interviewees spoke of this time as one of great optimism with people believing the Alcoa project could reverse Maniitsoq's decline. However, by the mid-2010s, Alcoa's interest had dwindled and by the time of our arrival, Alcoa had returned its exclusive rights for the hydro resource and the plans were publicly available. Norsk hydro has expressed interest in harnessing the hydro potential but there is no consensus about how it should be used.

Maniitsoq's fortunes turned around in 2013 when Royal Greenland reopened the fish factory and made it the centre of its innovative and unique cod production, *Nutaaq*[®]. A representative showed us around the impressive facility and we heard how the cod is transferred alive into net cages around the facility where it is stored for 10-14 days. During this time, it evacuates its intestines, producing a very clean product when it goes to slaughter. The fish are processed in under two hours, from net to freezer. This creates a very high-end and valuable product which is then sold at gourmet restaurants in Europe. During the winter months, when the cod is not available, the factory processes halibut. This means it can operate year-round. It employs over 220 people, including in-house catering, laundry, cleaning and stockroom workers. This investment has also created a local market for fishermen to land their catches.

Besides Royal Greenland, there is a smaller fish factory, Maniitsoq Fish, employing around 15 workers and we heard of plans to open a third. The construction is very active, building housing and other buildings in the town and employing a lot of skilled workers. The town is growing once more, in population and economy, but the resurgence makes it difficult to secure skilled workers, especially in the trades.

There are a number of mining projects close to Maniitsoq and people are generally aware of these even if they do not know the details or cannot name them all. There is good attendance at public meetings to discuss them. Nevertheless, most people expressed scepticism in light of the Alcoa experience. They are not convinced that the mines will open and even less that they will impact the town, either positively or negatively. Meanwhile, they continue with their lives and their own personal projects and are not (any longer) waiting for a major international investment project to change the town. The people with whom we spoke were keen that investment in extractive industries nearby would benefit the town. One was concerned that the hydro potential might be tapped to support projects that are over the border in the Semersooq municipality and would by-pass Maniitsoq altogether.

Maniitsoq was merged with neighbouring town Sisimiut and surrounding villages into the Qeqqata municipality in 2009. The residents we spoke to were largely positive about the merger and did not believe that Maniitsoq had been disadvantaged, even though the new municipal centre is in Sisimiut and sometimes they felt like a 'little brother.' Residents felt that Maniitsoq was big enough, both in population and in economy, to maintain itself and defend its interests. We heard that tax receipts from the town had grown rapidly over the past few years so that it was contributing on an equal footing to Sisimiut.

Maniitsoq is not heavily marketed as a tourist destination and there are limited touristoriented services but this is a growing market and some entrepreneurs are eying opportunities. During our visit, a cruise ship anchored close to the shore and passengers were transferred to and from the town on small boats.

Notwithstanding the developments, unemployment is still rather high in Maniitsoq with over 200 registered unemployment. However, the available local labour force was not sufficient to staff the fish factory and over twenty Chinese workers have been hired and are now resident in Maniitsoq. Some people reported that they were not very visible whereas others though they were becoming well integrated. Everyone whom we met spoke positively of the Chinese workers, emphasising that the factory depended on them, that they were reliable and competent workers, and this in turn made the factory and the jobs more stable for local workers.

The need for imported labour indicates that extractive projects will compete for a limited labour force. This was also supported in our interviews and we were told that there was a particular shortage of tradespeople. The public sector cannot compete on salaries with private companies so this creates a risk of skills shortages for public sector activities, as well as the fish factories.

Maniitsoq is a town that has recovered from the disappointment of an extractive promise that went unfulfilled and it provides a number of lessons that can be adapted for other places. While the return of the cod is a factor that is not within the control of the municipality, the investment in the factory and its siting in Maniitsoq was not a foregone conclusion. That it is located in Maniitsoq owes a great deal to a determined, strong local leadership and a willingness to make something happen. The people of Maniitsoq did not passively wait for another large international investor to step in with a new extractive project but took charge of their own affairs, returned to their roots in fisheries, and convinced Royal Greenland that they had the skills and insights to lead the innovative *Nutaaq*[®] project.

Even though Alcoa has left, the six citizen groups are still active and consistently on the look out for new ways to benefit the town. This includes promotion of youth projects to build a whale outpost, footbridges, and benches around the town, thus improving the town, giving the young people a pastime and useful experience, and encouraging them to take pride in their work and their community.

One lesson from this from companies interested in investing as well as the government in the planning and negotiation stages is to establish such initiatives that are not directly connected to the project and can continue even if the project does not go ahead.

Although the fish factory is 'the heart of Maniitsoq' as described to us by one citizen, there are a number of other projects on the go. People continue to look for other potential developments. This shows us that diversity, flexibility, and innovative, determined leadership is the key to resilience.

Finally, we were charmed by friendliness of the people of Maniitsoq and experienced an atmosphere of optimism and positivity.