



# **The global trade policy development**

How does it affect business?

Trond Aanerud

18 February 2019

The leading Nordic BCG company

## Unique customer and consumer insight in local markets

**300**

local brands with  
strong positions

Market positions typically  
in the range of

**30%-80%**

**#1**

*The leading branded  
consumer goods company  
in the Nordic region*

**#1**

*The leading branded  
consumer goods company  
in the Baltic region*



NOK  
BILLION

OPERATING REVENUES<sup>1</sup>

**39.6**

EBIT (ADJ.) MARGIN<sup>1</sup>

**11.1%**

MARKET VALUE<sup>2</sup>

**69**

# Our vision: Your friend in everyday life

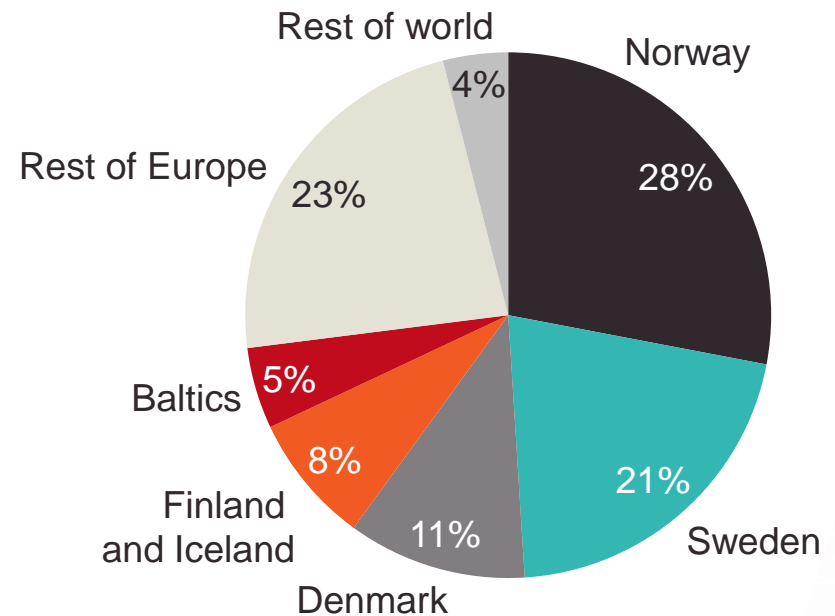
Our business idea:  
Improving  
everyday life  
with healthier and  
more enjoyable  
local brands



# Branded Consumer Goods: ~70% of net sales from the Nordic region



## Geographical spread of sales revenues



# Sweden is the second largest market for Orkla

NET SALE VALUE<sup>1</sup>

8,494

EMPLOYEES

2,929

PRODUCTION SITES IN SWEDEN

16

Abba®

EKSTRÖMS®

Frödinge  
SWEETENERS

Göteborgs

Salvequick®

KåKå

Odme

ÖNOS

Pierre Robert®

BOB

FELIX®

GRANDIOSA®

HÄLLÖ

KALLES

MÖLLER'S  
GRUNNLAGT 1954

OLW

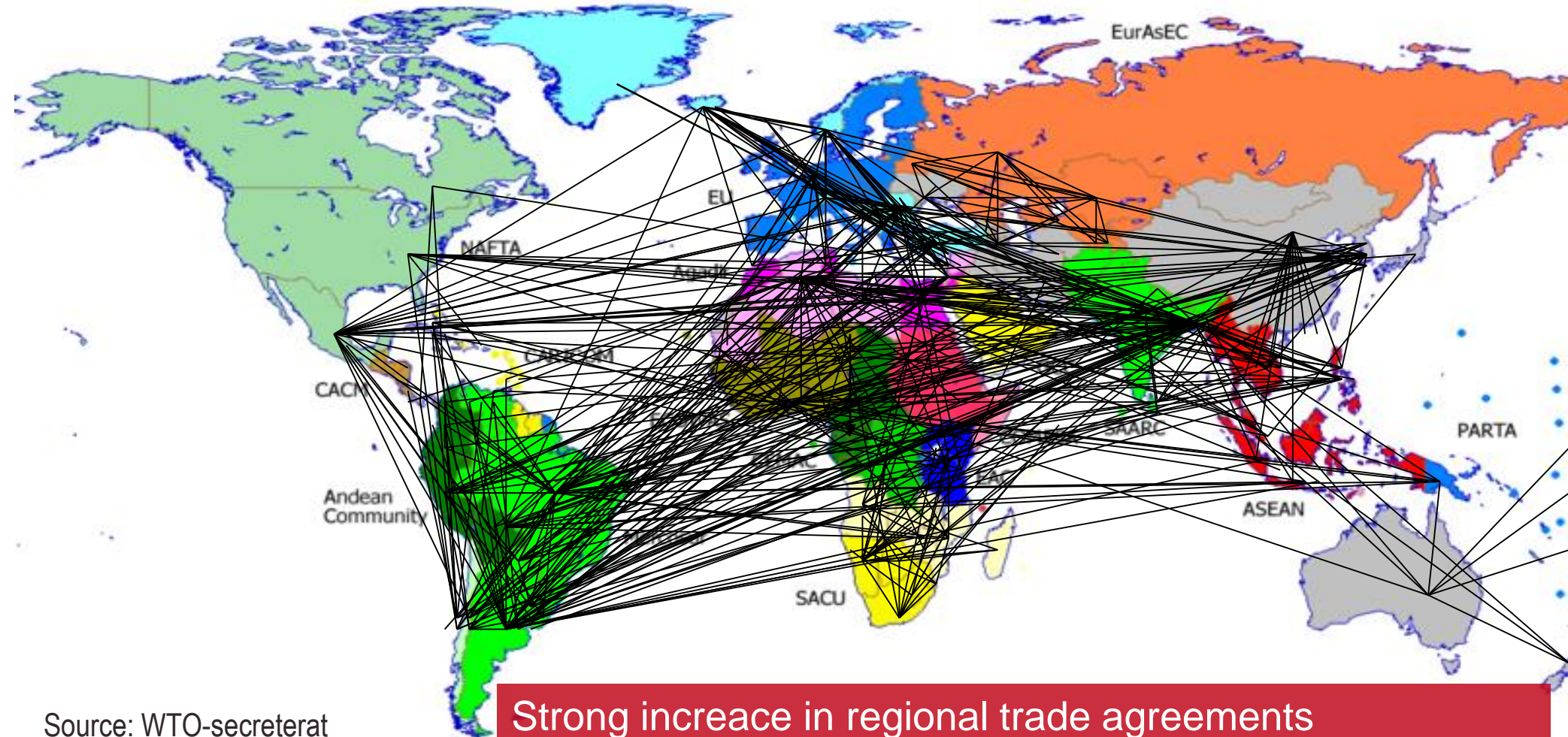
Pauliuns®

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# **Trade Policy**

**Important for both sales and  
sourcing**

# The alternative to multilateralism with in the WTO



Source: WTO-secreterat

Strong increase in regional trade agreements  
("the spaghetti bowl")

# Bilateralism increases the complexity

- Free trade agreements are playing an increasingly important role in global commerce
- Need to fulfil requirements for preferential treatment.
- These requirements can differ from agreement to agreement.
- Increased complexity and costs.





# Trade Wars are hitting the economic growth

Trump's trade wars and Brexit are making us all poorer

*Jeffrey Frankel*

Current policies are hitting real incomes - and only voters, not central banks, can change that

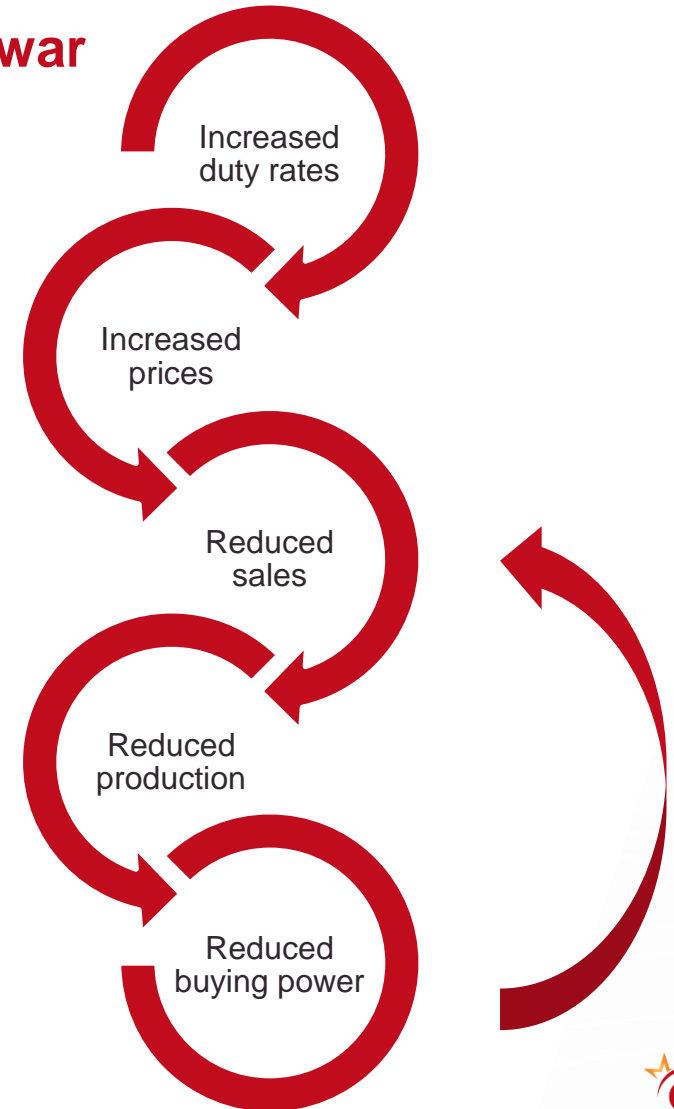


▲ Donald Trump's protectionism is hurting the US trade balance (when one includes the effects of his administration's fiscal policies). Photograph: Saul Loeb/AFP/Getty Images

**T**he world is in a trade war and there is no sign of peace breaking out anytime soon. By now, the disruption to trade appears extensive

Source: *The Guardian*

## Trade war



# Trade disputes creates uncertainty

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## Uncertainty



### Changing trade regulations

- Duty rates, non-tariff barriers etc.



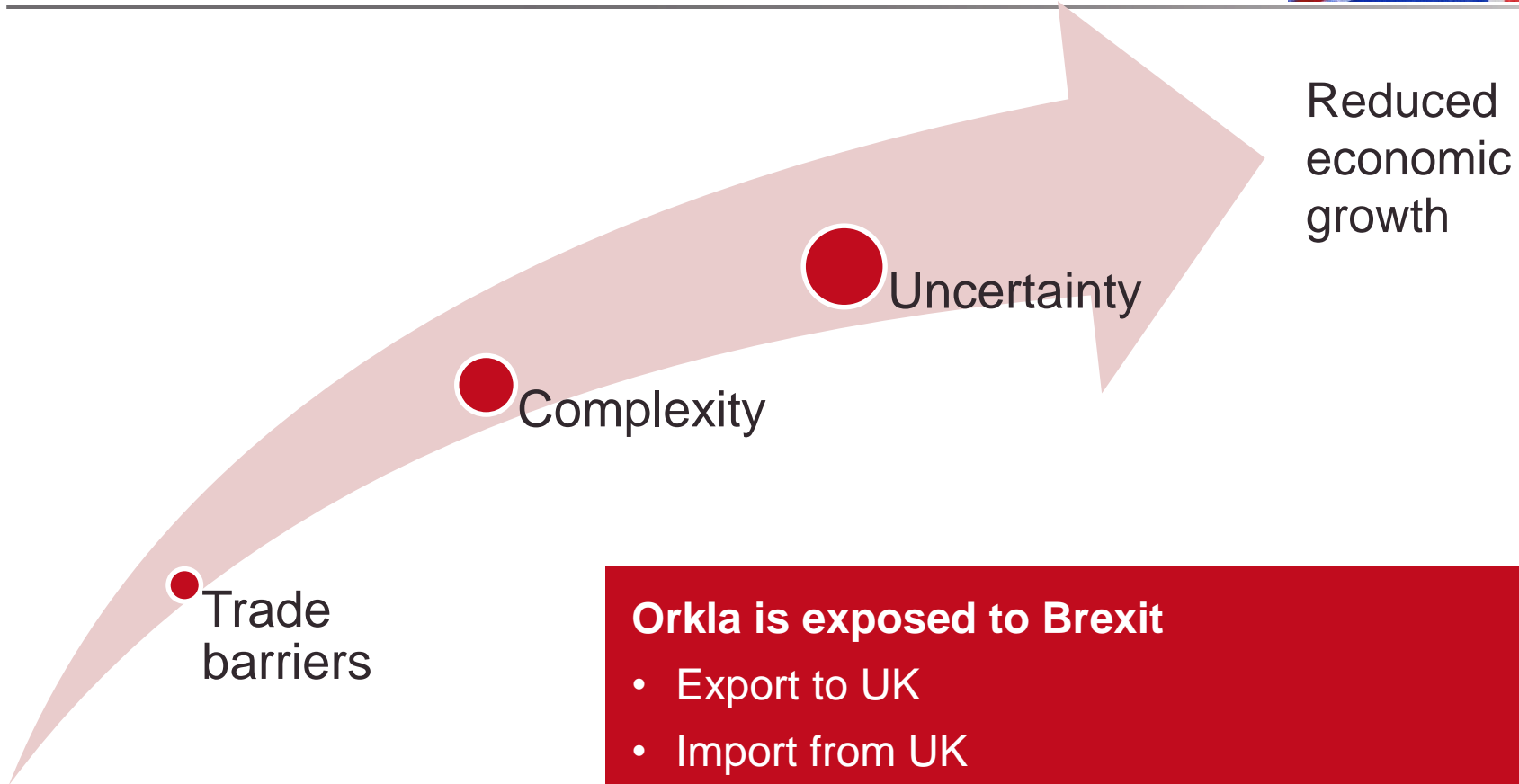
### Single business decisions

- Export activity?, Investments etc.



### Global or national stock market development

# Brexit



## Orkla is exposed to Brexit

- Export to UK
- Import from UK
- Six production companies in UK who have both import and export activities
- Preparations and mitigating actions high on the agenda