

THE NORWEGIAN PERSPECTIVE IN THE MEDITERRANEAN SEA

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Norway's interests and engagements in the Mediterranean region are strongly influenced by the geopolitical, geo-economic and geo-strategic dimension of Norwegian affairs. Historically, the Vikings - predominantly the Varangians - were active across the region, in particular in Istanbul and Sicily. During the 15th-16th centuries, Norway's trade relations with the Mediterranean - certain Italian city states especially - expanded. Trade, fisheries and maritime activity have allowed these linkages to continue to expand into the modern era. Today, Oslo's perspective is focused mainly on security aspects, related to the geopolitical evolutions in the Mediterranean Sea, and to the ongoing evolutions of the Israel-Hamas conflict and the crisis in the Gulf of Aden linked with the Houthi's threat to maritime security, a dimension where Norway as a maritime country is deeply interested in. Moreover, the security and defence perception from Oslo towards Mediterranean issues is strongly dependent on the Ukraine crisis' consequences and outcomes, due to the increasing and expanding Russian influence in the Mediterranean, the Sahel and the Red Sea. While not being only limited to the security aspects, but including the economic and financial domain, energy is another key element in the way Norwegian decision-makers are looking at the Mediterranean, particularly after the EU embargo on Russian hydrocarbons supply and the need for many EU countries, including Italy, to find rapid and sustainable alternatives for today's needs and for the future strategic approaches. Last but not least, Norway is involved in climate related dynamics of the Mediterranean, considering the strong interconnections that this region has with the Arctic in terms of climate change management and sea life protection.

Security issues

Considering Norway's interests and engagements in the region, the Norwegian perspective on security in the Mediterranean Sea is

multifaceted, and driven by several trends depending on which *issue* we look at, and which *parts* of the Mediterranean is in question. In traditional geopolitics, a state was “secure” if it controlled its land and maritime borders around it. Today, this is no longer the case because threats have changed, taking on increasingly transnational characteristics, and military technologies allow for the targeting of strategic objectives at a very long distance and with very high precision.

Norway, as a maritime nation, is strongly interested in maintaining security and stability not only in adjacent seas but also in those geographically distant ones that can affect Norwegian national interests. This is also the case with Norway’s interest in the Mediterranean. The main interests that connect Norway to the Mediterranean include energy, submarine cables, migratory flows, Russian and Chinese activities in the Mediterranean, upholding the primacy of the Law of the Sea, bilateral relations with various Mediterranean states, the links between NATO’s Northern and Southern flanks, and finally climate change, for which geographical boundaries do not exist. Following the Russian invasion of Ukraine, Norway became the EU’s primary supplier of oil and gas¹. Many of the communications within the European continent rely on a complex system of submarine cables installed beneath the Mediterranean. This is one of the main reasons why Norway has been seeking to revise the 1998 “Security Act”² to include regulations tailored for the defense of submarine cables and has been investing in technologies able to increase the protection of this relevant infrastructures³.

Other reasons that strengthen the interconnections between Norway and the Mediterranean from a security standpoint include the increasing presence of Russia and China in the Mediterranean Sea. February 2022 significantly strained relations between Russia and Norway. Many bilateral cooperation efforts were suspended, and numerous Norwegian companies operating in Russia halted their projects. With the continuation of the war in Ukraine, the Russian threat becomes increasingly tangible along the 196 km border between

¹ See the “European dimension” chapter.

² <https://wvm.legislationline.org/taxonomy/term/13199>.

³ S. Treloar, “Norway to Improve Security Around Submarine Fiber Cables”, Bloomberg, November 29, 2022. Accessed 14 February 2024. <https://www.bloomberg.com/news/articles/2022-11-29/norway-to-improve-security-around-submarine-fiber-cables?embedded-checkout=true>.

Russia and Norway and the extensive maritime boundary with Russia in the Arctic Ocean. For this reason, the growing Russian activity in the Mediterranean is a source of concern for Norway as well. On one hand, there is an increasing presence of Russian submarines in the Mediterranean Sea, and on the other hand, there are the alliances that the Russian Federation is establishing in North Africa and the Middle East. The latter point can be directly linked to other Norwegian interests in the Mediterranean, such as maritime strategy, which has become a cornerstone of Norwegian policy, especially after the Russian invasion of Ukraine and the regulation of migration flows. Moreover, this links to broader security concerns and how NATO increasingly conceives of the interconnectedness between the defence alliance's Northern and Southern Flank. Linking capacities and shared threat perceptions have been in focus ever since Norway launched the Core Area Initiative (i.e. back to territorial defence and the "basics" of NATO) in 2008, further amplified after 2014. Norway's role as a key country for NATO activity and control in the North Atlantic mirrors that of Italy in the Mediterranean in terms of the Italian "*peninsula*" geographic centrality and geopolitical relevance.

Although the immediate threat in a European context is undoubtedly Russia, the long term "pacing threat" is increasingly perceived as China - not only in the United States but also in Europe. Here, again, the maritime domain stands out. From Xi Jinping's renowned speech on the Polar Silk Road in Norway, two conflicting perspectives coexist. On one hand, there are the significant advantages that the opening of the Northern Sea Route (NSR) annually would bring to the Norwegian economy, potentially making it the gateway for Asian goods into Europe, akin to the role currently played by the Mediterranean Sea in the Suez route. On the other hand, there is a concern about potential reliance on Chinese and Russian authorities and related leverage that investments in Norway could bring - so called geo-economics - alongside the environmental perspective that seeks to protect the fragile Arctic environment. It has thus become clear in recent years that Norway takes a rather cautious approach to the development of the NSR and its links to a Polar Silk Road, mirroring concerns raised in many EU-Mediterranean states such as Italy when it comes to Chinese investments and ownership over crucial port infrastructure.

Linked, the recent attacks by the Houthis on container ships in the Red Sea aim to disrupt the commercial flows connecting Asia to

Europe, which is the primary market for Asian raw materials worldwide. This crisis, which may seem distant from Norway, could indeed have significant repercussions on the annual opening of the NSR. The instability in the Red Sea and the challenges of navigating through the Bab al-Mandab strait have resulted in losses in terms of goods and transportation costs. Recent reports indicate that these factors have prompted China⁴ and Russia to seriously consider and expedite plans for an annual opening of the NSR⁵. The strategies employed by China in the Mediterranean are also of interest to Norway. In fact, China is utilizing a similar approach in the Arctic as it does in the Mediterranean. China employs a broad range of political, economic, and military tools to increase its global footprint, often remaining opaque about its strategy, intentions, and military buildup. In the maritime domain, China aims to subvert the rules-based international order, including freedom of navigation and utilizes its economic leverage to create strategic dependencies and enhance its influence in key maritime routes by controlling critical infrastructures.

Moreover, the ongoing conflict in the Middle East also impacts relations between Norway and the Mediterranean, or more accurately the Eastern Mediterranean. Norway has historically been a strong supporter for peace negotiations - naturally given its small power status and dependence on international law and stability - and has come forcefully out against the Israeli atrocities in Gaza. The conflict in that part of the Mediterranean risks overshadowing other long-term structural challenges like that of China, and immediate European security concerns emanating from the Russian invasion of Ukraine. Seeing these issues as interconnected concerns thus relate to both an actor-oriented approach (Russia, China, Italy) and issues that connect

⁴ T. T. Martins, “Arctic Ambitions: China’s Engagement with the Northern Sea Route”, November 24, 2023. <https://thediplomat.com/2023/11/arctic-ambitions-chinas-engagement-with-the-northern-sea-route/#:~:text=China’s%20interest%20is%20branded%20as,connectivity%20and%20promoting%20Arctic%20exploration>. Accessed February 15, 2024. G. Oddo, “La crisi nel Mar Rosso accende i riflettori sul rischio dell’Artico. Che cosa può succedere tra Russia, Nato e Cina. E l’Europa...”, Milano Finanza, Numero 015, 20 January 2024, pag. 28, <https://www.milanofinanza.it/news/la-crisi-nel-mar-rosso-accende-i-riflettori-sul-risiko-dell-artico-che-cosa-puo-succedere-tra-russia-202401191730514118>. M. P. Funaiolo, B. Hart, J. S. Bermudez Jr., and A. Powers-Riggs, “Frozen Frontiers. China’s Great Power Ambitions in the Polar Regions”, CSIS, April 18, 2023. <https://features.csis.org/hiddenreach/china-polar-research-facility/>. Accessed February 15, 2024.

⁵ For data and analysis about the Russian approach to the NSR, see the “Italian perspective” chapter of this publication.

Norway/the Arctic and Italy/the Mediterranean (the role of NATO, challenges to the Law of the Sea framework).

The ever-present security concern that derives from being a neighbor of Russia, alongside, new and nontraditional security threats, are the primary reasons why Norway is considered a steadfast member of the NATO Alliance. Relatedly, Norway has committed to increase defense spending to 2% by 2026 and has supported NATO missions in the Mediterranean, such as Operation Sophia, Operation Sea Guardian, together with the US led “Operation Prosperity Guardian”, in the Red Sea⁶.

Trade and economic dimension

The Norwegian economic interests and presence in the Mediterranean are a genuine demonstration of the geographic determinants linked to trade and investments. Most of Norway’s trade relations and investments are strongly related to Scandinavia, the Arctic region, the European Union in general and, understandably, with the two major trade actors at global level: USA and China.

Taking into consideration the average of Norwegian exports in the period 2018-2023 in value, 65% concerned just five countries: the United Kingdom (20.7%), Germany (20.5%) and the Netherlands (8.2%), France (7.2%) and Sweden (7.1%). The eight Arctic states are among the main destinations for Norwegian goods, all in the top 20 places, except Russia, which occupies the 31st place only. Comparatively, considering the average values over the same period, the top 5 countries of origin of Norwegian imports were China (11.5%), Sweden (11.5%), Germany (11.5%), USA (7.0%) and Denmark (5.0%). Again, as might be expected, all Arctic states are among the top 20 countries of origin of Norwegian imports, with the exception of Iceland, which occupies 40th place. When considering the Mediterranean Basin, the situation is significantly different, even if, both in terms of exports and imports, some Mediterranean countries are playing a relevant role in the trade relations of Norway. Norway economic and commercial links with the Mediterranean are strongly driven by its membership in the European Economic Area (EEA),

⁶ “Norway increases support to Combined Maritime Forces in the Red Sea”, Norway Government Website 21 December, 2023. <https://www.regjeringen.no/en/aktuelt/norway-increases-support-to-combined-maritime-forces-in-the-red-sea/id3019271/>. Accessed 14 February 2024.

within which Norway fully applies the EU’s *acquis communautaire* related to free movement of goods, persons, services and capital. Further, and as a member of the European Free Trade Association (EFTA), Norway is also able to conclude bilateral Free Trade Agreements (FTAs) in the so-called EFTA framework, negotiating an FTA with a respective third country via EFTA. Considering the three main trade partners of Norway in the Mediterranean, France, Italy and Spain, it should be highlighted that these countries are observers of the Arctic Council.

**Main Mediterranean destination of Norwegian exports of goods
(NOK million)⁷**

Country	2018	2019	2020	2021	2022	2023
France	65,846	53,490	39,506	112,540	247,863	111,068
Italy	13,432	12,502	11,782	18,445	23,205	31,600
Spain	18,214	20,721	14,326	21,954	23,786	24,976
Türkiye	5,864	7,275	12,845	14,165	11,133	11,894
Greece	1,002	1,822	2,257	6,767	5,366	6,706
Croatia	755	481	466	1,084	784	2,606
Israel	1,120	1866	1860	2,071	2,639	2,314
Egypt	3,244	3579	1262	2,220	3,024	2,263
Morocco	1,356	955	879	456	361	524
Cyprus	235	240	424	243	392	433

⁷ “External trade in goods”, Statistikkbanken, Statistics Norway, <https://www.ssb.no/en/statbank/table/08804>. Accessed 13 February 2024.

**Main Mediterranean origin of Norwegian imports of goods
(NOK million)⁸**

Country	2018	2019	2020	2021	2022	2023
Italy	22,673	23,631	22,975	25,416	27,432	31,757
France	22,628	24,975	23,954	24,388	28,691	29,079
Spain	14,497	15,607	18,408	19,996	20,977	22,295
Türkiye	6,493	8,671	8,806	11,680	8,973	9,773
Slovenia	1,399	1,502	1,518	1,782	1,909	2,196
Morocco	976	884	1,037	1,358	2,268	2,051
Greece	803	924	865	994	1,052	1,942
Israel	879	990	1,323	1,178	1,649	1,801
Croatia	746	513	671	1,124	934	938
Malta	93	70	78	102	122	759

Taking a look at Foreign Direct Investments (FDI) related to Norway, 31% of the average FDI's stocks coming from abroad between 2018-2022 where from Sweden (19%), Denmark (7% and Finland (5%), while the entire Mediterranean basin contributed to less than 10%, mostly with stocks related from Cyprus, Spain, France, Israel and Italy⁹.

**Top 10 countries of origin of FDIs to Norway - average value of
stocks 2018-2022 (% of total inward stocks)¹⁰**

Country	Norway inward FDIs stocks (% on total)
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⁸ *Ibidem.*

⁹ "Foreign direct investment", Statistikkbanken, Statistics Norway, <https://www.ssb.no/en/statbank/table/11326/>, Accessed 13 February 2024.

¹⁰ *Ibidem.*

Country	Norway inward FDIs stocks (% on total)
Sweden	19%
Luxembourg	13%
Netherlands	9%
United States	9%
United Kingdom	8%
Denmark	7%
Finland	5%
Switzerland	4%
Ireland	4%
Cyprus	2%

The main sectors in terms of inward FDI are financial and insurance services (17.5%), wholesale and retail trade (11.6%), manufacturing (11.4%), information and communication (10.1%), and real estate (9.3%)¹¹. Norway continues to be a major investor abroad, with a total stock of outward FDI of USD 188 billion, mainly: in 2022 17% of Norwegian FDIs abroad were related to mining and quarrying, while 14% to manufacture¹².

Top 10 countries of destination of norwegian FDIs - average value of stocks 2018-2022 (NOK million)¹³

Country	Norway outward FDIs stock
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¹¹ “Foreign direct investment”, Statistikkbanken, Statistics Norway, <https://www.ssb.no/en/statbank/table/11325/>, Accessed 13 February 2024.

¹² *Ibidem*.

¹³ “Foreign direct investment”, Statistikkbanken, Statistics Norway, <https://www.ssb.no/en/statbank/table/11326/>, Accessed 13 February 2024.

United States	17%
Sweden	14%
Netherlands	11%
Denmark	8%
United Kingdom	7%
Singapore	5%
Spain	4%
Brazil	4%
France	4%
Luxembourg	3%

The geo-economic relevance of the Arctic region and of Northern Europe for Oslo is confirmed by the data coming from the Geo-economic Proximity Index (GPI). The first Mediterranean countries in the ranking are Spain (12th), France (13th), Turkey (19th) and Italy (20th). Considering the southern shore of the Mediterranean Sea, and precisely, Northern Africa, the closest to Norway is Morocco, which ranks 65th.

Geo-economic proximity of Norway (Top 20 Countries + Arctic Council countries + Mediterranean countries)

Rank	Country	GPI with Norway	Rank	Country	GPI with Norway
1	Sweden	0,5821	21	Greece	0,175
2	Netherlands	0,3969	25	Israel	0,1729

3	Denmark	0,3561	26	Lebanon	0,1723
4	USA	0,3089	27	Malta	0,1721
5	United Kingdom	0,308	28	Jordan	0,1715
6	Switzerland	0,307	30	Cyprus	0,1711
7	Luxembourg	0,2902	31	Croatia	0,1667
8	Iceland	0,2786	32	Slovenia	0,1664
9	Germany	0,2616	38	Albania	0,1556
10	Finland	0,2607	45	Bosnia and Herzegovina	0,1526
11	Liechtenstein	0,254	47	Palestine	0,1522
12	Spain	0,2488	60	San Marino	0,1333
13	France	0,2445	63	Canada	0,1039
14	Ireland	0,2323	65	Morocco	0,0775
15	Poland	0,1951	76	Egypt	0,0727
16	Belgium	0,1913	83	Tunisia	0,0709
17	Lithuania	0,1804	91	Russia	0,0621
18	Estonia	0,1803	97	Algeria	0,0574
19	Turkey	0,1784	112	Libya	0,0536
20	Italy	0,1783	131	Syria	0,0497