

## **The Effect of Negative Events on Stock Returns of Fishing Enterprises: a Case Study of Norwegian Fisheries**

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### **Abstract**

Interactions between various uses of marine systems and between marine and terrestrially-based activities are quite well documented, and, in some cases, the negative impact of competing activities on the value of wild and farmed fisheries has also been evaluated. While such effects are usually reflected in a decline in the value of fishing and aquaculture enterprises, news foreshadowing such interactions may also precipitate changes in the market value of such enterprises. For instance, announcements of forthcoming changes in fisheries management (such as the creation of marine reserves) or declines in fish stocks, regardless of the actual outcome, may lead to negative effects on the value of publically traded enterprises involved in activities along the fisheries and aquaculture supply chains. Using an event study methodology, and sixteen Norwegian fishing and aquaculture firms quoted on the Oslo Stock Exchange as a case study, we capture the effect of negative announcements on the stock returns of enterprises in the sector. We do this for two events, namely the announcement of significant offshore oil and gas exploration and of the detection of fish disease. We find that the value of publicly traded fisheries and aquaculture enterprises fall just before or immediately after announcement of these events. This reinforces expectations of the damaging effects of these events on the value of Norwegian fisheries and thereby on livelihoods.