



**A Speech
by
the President of Iceland
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at Driving Sustainability
Fourth International Conference
on Energy Solutions for Transport
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*The speech was delivered without notes.
This is a transcript of the recording.*

Ladies and gentlemen

It is a great pleasure for me to be here this morning and participate once again in the opening of this remarkable Conference. It was initiated by visionaries some years ago. I still remember when they came to my office and explained their ambitious plans for creating an international forum in Reykjavík to discuss how, together, we could all transform the traffic system of the future on the basis of driving sustainability, how we could get city planners and policy makers, as well as car companies and others, to share in this important endeavour.

I freely admit this morning that although I am quite often prepared to support new ideas I was a bit sceptical of whether they would pull it off. You can say many things about Iceland, but we are not big car producers although there is a town up north, Ólafsfjörður, a small fishing town which has had a most successful car industry in recent years, more successful than Detroit! It produces ambulances and fire engines. If you really want to observe the contradiction in the global economy, go up north to this Icelandic fishing town and look at their car production.

We have moved from coal and oil, which were Iceland's primary energy sources when I was young, to 100% success in terms of clean energy urban heating and electricity production. The next big stage in our development in order to be completely 100% clean-energy-based for all land activity, is the traffic system. If we could do that we could truly

claim to be the first country in the world to move from oil and coal over to 100% clean energy for all land-based activity.

That is not only important for Iceland. It is also an important signal to the rest of the world; it demonstrates what can be done. I don't buy the argument that because Iceland is small, we can do it here but it can't be done elsewhere. The reason why I don't buy that argument is that I was brought up in this country when it was still the poorest country in Europe, classified by the United Nations Development Programme as a developing country, a community of farmers and fishermen that had to spend a large part of the earnings for the fish catch to pay for imported oil and coal in order to light its street lights and heat its homes.

For such a country to achieve a global leadership in the transformation to clean energy within a few decades is something that, if you had described it to my generation when I was a teenager, not to say to my parents' generation, nobody - *nobody* - would have believed it.

There are similar situations all over the world. I just came back, late yesterday afternoon, from a long trip to China. The first thing I did when I arrived was to have a meeting at the airport with the departing Secretary General of the Communist Party of Beijing, who is actually one level higher than the Mayor, given their political system, to discuss his visit to Iceland and share with him the results of my visit to China.

I pointed out that it probably was a diplomatic "first" in the five-thousand-year history of Chinese relations with other countries that a Head of State, after a long journey to China, had as his first obligation when he returned to his home country, a meeting with the leader of the Capital of China, Beijing. The Chinese always like historical background!

One of the issues we discussed was the recent decision by China to put one million clean-energy cars on the streets in the next few years. It is inspiring to find in my discussions, not only with the leadership of China, the Prime Minister, the President and the Vice-President, but also with Mayors and Governors, officials, experts and academics all over the country, that they are now aggressively engaged in changing China, city by city, province by province, from a fossil-fuel-dependent society to becoming, what I said during this visit, in twenty years' time the No. 1 clean-energy country among the major economic powers, i.e. Japan, United States, the European Union and others. With the combination of solar, wind, geothermal and hydropower, they want to do it.

They will do it on a scale which I am sure, if we don't start acting now in Europe and the Western World, will shame us in twenty years' time. We will have to face the difficult question: How will we catch up

with China in this area? Are we really going to have a situation in Europe and the United States in twenty years' time, in which the cities in China, a great many of them, are more predominantly clean-energy cities than those in the Western World?

This is, I believe the challenge now. It is very important for urban leaders, national leaders, the business community and experts to realize that we are already engaged in such a race. If we lose it, the technology that China will develop will be exported to our part of the world. Not our technology and expertise exported to their country. It will be a monumental loss to our economic sector.

Why are the Chinese doing it? There are two very important reasons. The first is that given the long history of China they realize that the greatest source of instability is social unrest. During the last few years there have been over fifty thousand demonstrations in China every year; demonstrations by ordinary people due to environmental worries, because of pollution, because of the effect it has on the people in the cities. When you arrive in Beijing everybody breathes pollution, everybody gets a sore throat, everybody's eyes hurt, everybody is stuck in the fossil-fuel-based traffic, for hours every day. The leadership realizes that if they do not change the fundamental basis of their cities there will be increasing social tensions and social unrest, leading to political problems.

The second reason is the melting of the glaciers in the Himalayas. I visited during this journey the Tibetan Plateau Research Centre. It was impressive to see this highly developed technological institute with modern machinery for glacial research and a gathering of young scientists who have decided to dedicate their careers to examining what is happening to the glaciers in the Himalayas.

A short while ago due to a mistake in the IPCC's report, it was stated that the Himalayan glaciers would disappear in the next thirty-five years. Although many people quoted it, including myself, it was not entirely accurate. It is more likely to be fifty, sixty or seventy years. But as the Chinese look at it, that is hair-splitting difference. As Jiang Zemin said to me when he came to Iceland eight years ago, the problem with you in the Western World is that you haven't really understood that for us in China fifty years is not a long time.

I visited also the Yunnan province. For centuries, it had fifteen glaciers. Four of them have now disappeared. The people are already being moved, relocated and the villages have changed. The Mayor of Lijiang told me this is already causing great problems for the water system of their old city. It was built five hundred years ago with one of the most remarkable water systems in the world at that time.

The social unrest which is already manifesting itself within China because of pollution, together with the melting of the glaciers and its affects on agriculture, food production and water systems, is the reason why the Chinese don't really need any lessons from us. They realize that action is in their own interest.

I mention this here this morning because when we started these conferences on Driving Sustainability we somehow had the vision that this was primarily a European or a Western task, that is was London, Oslo, Reykjavík or cities in America or Europe that were really in the process of change and maybe, sometime in the future, we would engage with other parts of the world. That engagement is now already with us.

I also attended the so-called 'Summer Davos' in China. The World Economic Forum realized four years ago that because the world is changing in a fundamental way it should hold a Summer Davos every year in China in addition to the famous Winter Davos in January. It was an incredible experience to be at this large gathering of leaders, city officials, planners, mayor, scientists, experts and corporate leaders, mainly from Asia. What were they primarily talking about? In one workshop after another: The future of the cities. The future of the cities.

The core problems for Asia are in the cities: the pollution, the driving systems and the water systems. How can they solve these? How, when the growing middle class wants to buy cars, wants to move from one place to another, and when the population moves from the countryside into the urban areas? How are they going to have sufficient water resources for agriculture and running water in the cities?

So what became the focus of this gathering, Driving Sustainability, four years ago, the cities, as the forum of global change, was exactly correct. That is where the battle is going to be lost or won. It's not going to be international agreements or governmental actions, although these might help, and even be necessary. The real battle will be won or lost in the cities. How we plan our cities in order to move people from one place to another, because that is what people want to do. People want to be free. They want to live in a society which is sufficiently open and mobile. Whether it is in Communist China or in democracies in the Western World, individual citizens, and especially the emerging young generation, see it as fundamental human right to be able to move from one place to another. The dynamic economic progress of our societies will depend on people being able to do it.

How can we meet the challenges of the environment, the melting of the glaciers here in Iceland, in Greenland, in the Himalayas, which the Chinese called the Third Pole, as well as giving people the decent life, the

civilized life which they want to have? The core of the answer will be the solving of two problems.

One is the traffic system and the other is the water system. These are the two fundamental challenges that the world has to solve in the next five to ten years. I say it again: The next five to ten years. It was at the same time inspiring and disturbing to listen to one mayor after another from China, from India, from Indonesia and other Asian countries describing how their city government is dealing with these two fundamental challenges.

When the Icelandic visionaries decided to create this international forum for discussing the future of cities, they were perhaps not aware of how quickly we would move to this situation. I think it is telling that it was within this forum that an agreement was reached with Mitsubishi two years ago; an alliance between the clean-energy achievement here in Iceland and Mitsubishi's desire to be a major player in developing a clean- energy-based traffic system.

That is an indication that we need to bring everybody together. I have always been an optimist, and I believe it can be done. I know it will be difficult but I believe it can be done, especially when I look at the transformation that my country has gone through in the clean-energy era which I referred to before, from over 80% based on oil and coal when I was young. The city of Reykjavík in the years between the Wars and the years immediately after the Second World War, was still primarily a coal-based city. Now we have achieved global leadership in clean energy to such a degree that the Vice-President of China, who will probably be the next president of China, declared at our meeting that China now sees Iceland as its primary partner, primary partner, in the geothermal transformation of China.

China has enormous geothermal resources. The creation of clean energy is for them essential if they are going to have a clean-energy-based traffic system in their cities. There has, as we all know, been very extensive discussion about bio-fuel. But it is disturbing to listen to calculations of how much water is required to produce the bio-fuel necessary to run the traffic system in our cities. With water being the other limiting factor in global, and especially urban, development in the next decades, it seems to me absolutely clear that it will be extraordinary difficult to get sufficient water for the agricultural production necessary to produce the amount of bio-fuel which is needed to base the transformation primarily on that.

This is one of the challenges we need to discuss. Whether there are other resources of clean energy which we should use, and must use,

because quite simply in ten, twenty or thirty years time we will not be able to get the water necessary for the vast majority of mankind in order to be able to have clean sustainable future in the cities.

Reykjavík is in many ways an ideal place to have this discussion. Although we are a small country, and Reykjavík is not large on the global scale, it is an inspiring example of what can be done with the involvement of engineers and experts, with cooperation from the corporate sector. Here we have a capital which has a realistic chance of becoming the first capital in the world to have an entirely clean-energy-based traffic system.

In order to do that we need partnerships, we need partnerships with car producers, we need partnerships with international experts, we need partnerships from all of you who have come from afar to participate in this dialogue. We can't do it alone; that is absolutely clear. But if we succeed, the argument for forcing others to change will be much stronger. Then we can bring them to a city which has done it in the same way we now bring them here to demonstrate the geothermal clean energy hot water urban heating system. The information revolution in the world has created an extraordinary force of examples, of demonstrations showing what can be done.

I welcome all of you who have travelled from afar, and I thank my visionary Icelandic friends for having stuck to their plans, for having once again brought this about. I thank all of you for participating in this dialogue and I hope that together with many other participants from all over the world we will succeed.

I told those Chinese stories here this morning to make us realize that there are people all over the world who want to learn about the solutions, who want to learn about the technology, who want to learn about the change because they also urgently feel the need to act. That is why I hope your dialogue continues to be productive.

I wish you well in your endeavours. We need partnerships all over the world in order to make this transformation possible. If we do not succeed, the consequences for the global environment, for the future of mankind, will be more disastrous than anybody can imagine. We have a lot to do, but my message here this morning is simply: We can!