



Speech
by
the President of Iceland
Ólafur Ragnar Grímsson
at
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*The speech was delivered without notes.
This is a transcript of the recording.*

Let me first welcome the Minister, who has arrived in Iceland after a successful geothermal-clean-energy visit to India. Is it true that we can achieve enormous success in a relatively short time. I have talked to people in India for many years about geothermal energy, and I can tell you that it is a remarkable shift that during this visit by our Minister, Icelandic engineering and geothermal companies signed agreements to start the geothermal transformation in India.

I was thinking when Michael Porter concluded his presentation that there was really nothing more to be said except to say: “Amen”.

And to all of us on the Icelandic side: “Let’s get going”.

That is the fundamental message: let’s get going.

The opportunities are there. The combined effort of those who started more than half a century ago to lay pipelines along our streets is our resource. The world is ready and waiting to co-operate with us.

As has been demonstrated here today, this is not a case of companies competing and grinding each other into the ground. This is a case of all of us coming together in what has been called a cluster—a dynamic, wide-ranging, co-operative alliance where everyone can benefit from being together on this journey.

Michael and his team at Harvard have proved that you can have at the same time both co-operation *and* competition. You can have partnership with the government *and* business success. These are compatible elements in a shared journey. They are not polar opposites. They are essential ingredients for us here in Iceland in order to make the most of our geothermal experience in the next ten or twenty or thirty years.

We were very fortunate that while most of the world forgot about the geothermal sector, we had visionaries in Iceland. Not just scientists and technical experts, but also local councillors in towns and cities who saw the opportunities in this area. While the world ignored the geothermal potential, we were able gradually, due to the work of these people, to create this enormous global competitive advantage.

These are not just words. Our problem is that the demand for co-operation with Iceland is now so great that the question is: Can we meet it?

Less than a month after the Indian Minister of Renewable Energy came to Iceland, his mission has become simply this: to deliver complete projects in India based on co-operation with Iceland.

I met with Prime Minister Putin and President Medvidev last month. Within two weeks, the Minister of Energy from Russia came to Iceland with the CEO of one of their biggest energy companies in this field,

RusHydro, and the Governor of Kamtsjatka. Their mission was clear: to enhance co-operation with Iceland, not in the next five years, but here and now, in order to execute concrete clean energy projects in Russia.

Last week, last Wednesday (they televise cabinet meetings in Russia), he reported before the world, to Prime Minister Putin, on the success of his visit to Iceland.

I was in China in September. I had a meeting on Sunday afternoon with a delegation from Inner Mongolia about the potential for developing Inner Mongolia's extensive geothermal resources with Icelandic partners. The following Sunday, a week later, the Governor of Inner Mongolia came to Beijing to sign an agreement with Sinopec and Enx in order to start this process.

I mentioned these three examples here—India, China, Russia, all of which happened within a few weeks of each other—in order to prove to you that there is already a race on in many parts of the world to gain access to this knowledge.

We have a window of opportunity for only the next five years or so. If we utilise it, there will be enormous opportunities, because it would take others years or decades to catch up while we keep running. But of course if we stop, they can do the same thing as we are now doing, and perhaps beat us.

We have great competitive advantages. One is that Iceland is the only place in the world where you can, in a single day, witness *all* the aspects of geothermal utilisation. You can witness three geothermal power plants, a greenhouse town in a farming area, a world famous international spa, a medical clinic, as many swimming pools as you want

to and visit fishing companies that use geothermal energy for drying their products.

There is no other place in the world where you can see the entire structure of geothermal success in a single day. That is a great competitive advantage, especially—as Michael said—with respect to the developing countries. Remember that in twenty or thirty years' time, over 70% of global trade will be based on Asia. Within Asia, China, Indonesia, the Philippines and other countries have great geothermal potential. Iceland has this great potential to demonstrate to the world how geothermal development can lead to the production of energy, to agricultural production, to regional development, to tourism and so on. One of the reasons why my friend Farooq Abdullah, the Minister of Renewable Energy in India, wants to bring Icelandic geothermal companies to Kashmir and the Himalayan region is the development of tourism and the agricultural sector—the comprehensive development of villages as well as the cities.

Iceland has a second competitive advantage which Chevron doesn't have and which Ormat doesn't have either, to name the two biggest companies that were put here on the screen: we are a country—they are companies. We can put together all the forces of a single nation and also develop partnerships with other countries at a level where decisions are taken with ministries, governors and mayors. An American company or an American-Israeli company cannot do that. If the Icelandic Government, the business sector, the universities and the technical institutions all come together, others will never outcompete us.

The third competitive advantage is why the world has now woken up to geothermal potential: climate change, the melting of the ice.

It is, I think, highly appropriate and also a strong message, that on this very day there is another distinguished speaker in this city who gave a brilliant presentation in the university at lunchtime, the former Prime Minister of France, Michel Rochard, special representative of President Sarkozy on the Arctic and Antarctic. He is here because the ice is melting. The world wants clean energy because the ice is melting.

If the European Union, China, India, the United States and all the leading economies of the world are going to meet the targets they have now agreed on, they will have to go through a fundamental clean energy transformation. Iceland has the image as well as the ability, and is perhaps the only country (together with Norway) that has demonstrated what can be done.

When we bring people here, they are inspired, they have a vision. They leave Iceland full of hope, inspired by the possibilities. That is very important, because political decision-making and even business decision-making need more than mere calculations. They also need a vision and inspiration—hope. That is what we can give. That is why China, India, East Africa, Central America, Slovakia, Hungary and parts of the United States are now eagerly and actively looking to Iceland and asking themselves the question: How can we cultivate this co-operation?

We can define our partnerships in many ways. We could obtain a small shareholder stake in these products. We could build what I sometimes call elementary district heating systems in so many Chinese cities that it would be difficult to count them. If we obtain just a tiny percentage of that transformation in China, it would amount to a major economic input into the Icelandic economy.

As has been so correctly said here today: “Shame on us if we don’t utilise this enormous opportunity.”

We talk about the economic crisis. Of course it is worth talking about. But it was a good reminder that Michael put on the screen—the Icelandic financial crisis is not the worst in history, as we have been telling each other for the last two years. It was not the worst economic crisis in history.

But we cannot utilise these opportunities if we don't get our act together and take heed of the message we have received here today: that we can both co-operate and utilise the benefits of competition. We can have both private enterprises and a partnership with the government and state institutions. But as has also been correctly said here today: “The business sector, the companies, have to take the lead.”

I perhaps shouldn't say this, because sometimes people have formulated an opinion of what the President can and cannot say, but I am going to say it anyhow. Irrespective of what people think of the Government, we should stop blaming the Government and using that as an excuse for delaying action. There is nothing in the geothermal sector that does not offer opportunities here and now for Icelandic private companies. You can assume the leadership of this geothermal cluster if you want to, the private companies, the engineering companies, the energy companies, the research companies. It is, my dear friends, in your hands.

So let's get going, let's make this a success, for two reasons in addition to the business reasons. First, because the younger generation of Icelanders needs inspiration. The young people who haven't decided what they will study at university—should they decide on engineering, geosciences or other opportunities? They need to know that if they do so, they can enjoy wonderful opportunities by being based in Iceland while also having global careers. The geothermal sector can pass that vision to

the young generation of Icelanders in a better way and more effectively than any other sector. Inspiring the young generation is of fundamental importance.

The second reason is that although the driving motive is the profit motive, there is also the moral reason. We all carry responsibility for Planet Earth. We are all on the same journey. If we don't act, humankind together, in the next twenty or thirty years, and promote a fundamental, wide-ranging clean energy revolution all over the world, it might be too late.

The disastrous consequences of that for our country, for Europe, for America, for Asia, for Africa, for everybody, will be so drastic that the present financial crisis will be miniscule in comparison. Millions, hundreds of millions of people, will lose their homes. Cities will be drowned. Living conditions will be completely impossible in many parts of the world.

So there is also a moral reason for doing this, in showing the world that it can be done. Many leaders, presidents, prime ministers, mayors, governors, all over the world, and business leaders, need to see that it can be done. Iceland is the ultimate place that proves it is possible, it can be done. You in the energy companies and the geothermal companies, in the universities and the technical community, you are the people who can convince them. No matter how good the speeches are that I make, the fundamental reason why Iceland is good at this is the quality of our educational leaders, of our scientists, our technicians and business leaders with experience in this area.

The world is now waiting for all of us to get our act together. That is why this has been a great day. I hope, a landmark event, signifying that from now on we will all embark on this journey together. Everybody,

through both competition and working together within this cluster model, will benefit, and thereby make a major contribution to the success and the prosperity of our nation.