



**FRANCE-ICELAND  
THE 21<sup>ST</sup> CENTURY COOPERATION**

**A Speech  
by  
the President of Iceland  
Ólafur Ragnar Grímsson  
at  
Conference – *Islande, la Renaissance*  
Paris  
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Your Excellencies  
Ladies and Gentlemen

When we assemble to examine the opportunities for enhanced French-Icelandic cooperation in the early decades of this new century it is worth remembering the strong bonds woven in previous times, some rooted in centuries past.

Indeed the first recorded trade deal between our two nations was in fact concluded more than 800 years ago when Icelandic wool was brought into the port of Rouen. A few centuries later Basque fishermen started to frequent our waters, searching for whale and cod while making good use of our first bilingual dictionary authored for their needs.

Commerce and culture were thus already in earlier times the prevailing strands in our cooperation, enriched and strengthened in the modern era with a multitude of creative enterprises and artistic endeavours.

Two weeks ago I was honoured to present Life-Time Achievement Recognition to the filmmaker Kristín Jóhannesdóttir at the annual Icelandic Film and Television Awards; and some years ago Sigurður Pálsson received the President's Literature Prize; both moulded by French education and culture during the tumultuous years of the late 1960s; the very subject of Pálsson's award-winning book.

Many Icelandic writers and artists, cultural innovators and pioneers in the second half of the 20<sup>th</sup> century were greatly influenced by France and in recent years new Icelandic novels are increasingly published in this country. The impact of French thought and culture on modern Iceland is both strong and wide-ranging as demonstrated by the fiery literary spirit of novelist Thor Vilhjálmsson, much missed after his death just two years ago.

It is within this framework of vibrant cultural exchanges that our commercial bonds have remained strong. France continues to be an important market for Icelandic fish products and French tourists are increasingly attracted by our landscape, volcanoes and glaciers, rivers and lakes, black deserts and green valleys, villages in magnificent fjords and the street scene in Reykjavík, both during the invigorating, bright summer nights and the dark days of December, with the season's decorations and the mesmerizing Northern lights.

Since 2005 the number of French tourists in Iceland has doubled, contributing, after the financial crisis, to the remarkable economic recovery. Interestingly, the years since the banks collapsed have seen an annual 15-20% growth in tourism and in 2012 seventeen airlines flew scheduled flights during the summer to Iceland, demonstrating a strong commercial confidence in our country.

Icelandair has, like many of our larger companies, celebrated record profits and a strong growth in the post-crisis era; a paradox also illustrated by various enterprises including Marel, a global leader in food processing technology; Össur, also a global leader in its field, prosthetics; Actavis, the fourth largest generic pharmaceutical company in the world; and CCP, a recognised global brand in Internet games.

The strength of these companies, and many others, for example in the fishing and the energy sectors, in IT and high-tech, in design and tourism, are among the explanation, why Iceland, which four years ago was among the primary European examples of a failed financial system, is now enjoying stronger economic growth and lower unemployment than nearly all other countries in Europe.

Among other factors strongly contributing to our current recovery is the clean energy transformation in previous decades, making Iceland a global leader in renewable energy usage with practically 100% of our electricity and space heating derived from sustainable resources.

Our clean energy economy has helped the people of Iceland to survive the banking collapse, not least because the cost of heating and electricity for ordinary families, homes and business companies are

significantly less than those in the rest of Europe. But also because it makes Iceland an attractive location for industrial investments; for aluminium smelters, data-storage centres, high-tech industries and other profitable enterprises.

Thus, the first global investment decision taken by Rio Tinto after an interval following the fall of Lehman Brothers in 2008 was to modernize its aluminium smelter in Iceland; and Century Aluminium is now in the process of building its second smelter in Iceland; decisions taken because aluminium produced by clean energy maintains a strong, long-term market position. Similarly the establishment of new data storage centres is helped and inspired by the supply of clean energy.

It is also worth noting that the scale of our national savings resulting from geothermal house heating alone is demonstrated by the fact that every ten years Iceland saves, by not having to import oil and coal to heat the houses, what amounts to one year's GNP.

This has indeed been a revolutionary transformation, not only allowing us to build an economy with an inherent long-term strength but also to make significant contributions to the rest of the world. The geothermal sector has now become one of the major pillars of Iceland's global position, of our foreign policy and our diplomatic efforts.

The United Nations Geothermal Training Programme, founded three decades ago in Iceland, has strengthened the capabilities of more than 40 developing countries and in recent years Icelandic energy companies and engineering firms have participated in geothermal projects in China and India, in East-Africa and Central-America, in Western and Eastern Europe, in the Middle-East, Russia and the United States.

Promoting such cooperation has been a central task of my presidency, especially since the threat of irreversible climate change makes it now our moral duty to help others to move towards a more sustainable future.

In this respect we need to explore together the opportunities for geothermal energy within France, especially in the light of modern drilling technologies, geological research and the experience of other continental European countries. Here a partnership between Icelandic energy and engineering companies and their French counterparts could hold great promises and perhaps lay the foundation for a new dimension in France's contribution to the fulfilment of the EU 2020 CO<sub>2</sub> reduction targets.

Wide-ranging cooperation in clean energy transformation is the only route open in order to prevent irreversible climate change. Coming from a country with the largest glaciers in Europe, close to the frozen Arctic, Icelanders hardly need to attend international conferences to be reminded of the accelerating rate of climate change. Our own neighbourhood exhibits ample evidence that time is running out, that without a comprehensive transformation of its energy systems the entire world will already during this century face costly and dramatic consequences of severe weather events and rising sea levels.

It is in this respect that the growing cooperation between Iceland and France on Arctic matters is of great importance, signifying that we all now live in an ice-dependent world.

I have twice had the honour to host in Iceland former Prime Minister Michel Rocard, appointed special envoy to the Polar Regions, first by President Sarkozy and then again by President Hollande; visits which have broadened our dialogue and cooperation. An agreement signed last year on Icelandic-French scientific cooperation on the Arctic is also significant and in my meeting on Tuesday with President Hollande we agreed to consolidate our joint efforts on Arctic issues.

Whereas the Arctic remained for centuries, even into the second half of the twentieth, remote to nearly all nations, it has now increasingly become a global theatre of interests and concerns, harbouring vast resources of importance to the global 21<sup>st</sup> century economy, leading to new shipping routes linking Asia to Europe and America in transformative ways, like the Suez Canal did a century ago.

In Iceland we are preparing ourselves for these Arctic opportunities and challenges; indeed so effectively that Iceland is now the first Arctic country to offer comprehensive cargo shipping and regular air connections throughout the Arctic region.

Eimskip and Samskip provide transport both to the countries in the West-Arctic and the East-Arctic, linking northern US, Canada, Greenland, the Faroe Islands, Norway and Russia into a comprehensive network with Iceland as the central hub. When Anchorage and St Petersburg join the Icelandair family of destinations next May our flagship airline will be the first airline in the world to offer regular flights to all Arctic countries.

With Eimskip's and Samskip's continental European port services and Icelandair's daily flights from Paris this comprehensive Arctic transport network enables Iceland to offer a new opening for fascinating

times in French-Icelandic cooperation, aimed at the 21<sup>st</sup> century Arctic theatre of commerce, tourism, resource utilisation and transport.

The quickest way from Paris to the Alaskan wilderness will be via Iceland – and given the regular flights from Anchorage to Hawaii, Iceland will also be the most convenient hub for French-Hawaiian tourism! Such is the shape of the globe and the surprising opportunities for new dimensions in our cooperation.

It has given me great pleasure to support the growing dialogue between our countries on the new Arctic since it is in tune with the ongoing global transformation, and also serves as an homage to the legacy of the great and admired French explorer Commandant Jean-Baptiste Charcot who together with the crew of Pourquoi-Pas met his fate on the shores of my country.