



Address
by the President of Iceland
Ólafur Ragnar Grímsson
at a conference on information technology
organized by ACOTæknival
May 17, 2002

Ladies and Gentlemen:

We welcome the organization of such a substantial conference on information technology and the changes that it bodes in the new century for our society, our ways of working and lifestyles. It is also gratifying that representatives of major corporations which compete fiercely in world markets should have joined up to come to Iceland to talk together. This shows us that our small country was not only capable of bringing Gorbachov and Reagan to a historic meeting just over fifteen years ago, and NATO and Russia to new cooperation a few days ago, but also powerful rivals in information technology to constructive dialogue about the future.

In fact Iceland is a highly apt choice of forum for discussing the impact of IT on industry and global progress, because IT has indeed created a wealth of new opportunities for small states.

We all know how the metals industry, oil resources and heavy goods manufacturing generated wealth in the last century. The industrial revolution was the era of large nations and mass production was their means towards advancement. Information technology and globalisation, on the other hand, have dramatically transformed the operating environment. Innovations can now merge from any direction, new types of market goods have appeared, individual initiative and creativity can lay the foundation anywhere in the world for companies which can establish a global presence. Technology and intellectual products, specialist services and information systems developed within a small nation can rapidly become highly lucrative products in the global marketplace. Company growth in small states is no longer subject to the same restrictions. Through globalisation, they can grow to gigantic proportions in their respective fields in the space of a few years.

With the IT revolution, computerisation and a wide spectrum of technological advances, world industry and business have been radically transformed, and these fundamental changes have become increasingly widespread with the impetus given by globalisation. Now, in effect, avenues have opened up for ideas and innovations from anywhere in the world. Every entity has the opportunity to profile itself. New companies can emerge regardless of where their home base is, and soon have the whole world as their market region.

Small size is no longer the obstacle it once was. The traditional sectors of the industrial revolution, which based their growth on economies of scale, are no longer decisive. Now, innovations can come from all directions and individuals and businesses in small states or in small communities within larger states can rapidly attain key positions.

In fact, there is much to suggest that, in the new economy, the small state can be a profitable basis for business innovations. In small states it is easy to see the way that different elements link up, establish cooperation between different fields, gain access to information and experience, grasp solutions to difficult tasks. Although Iceland has a small population, it has all the characteristics of developed Western societies, its market is similar and its government administration disciplined – plus the fact that the general public are ready to embrace technological innovations and eager to cooperate with experts and researchers in all fields. Experience shows that the small state can serve as a kind of laboratory or research station in precisely the sectors of industry that are increasingly dominating the economy of the new century. In this respect, the new economy can truly open up new horizons for small states.

Many examples can be cited to show how Iceland has managed to establish itself in a world market with innovations in diverse fields, and this success is to a significant extent based on research and development which has been conducted in the small home market. Something that gains a foothold in Iceland proves competitive elsewhere in the world. Iceland acts as a kind of training centre for penetrating larger national markets. Companies are no longer held back by the boundaries of the small state. The entire world is their playing field. Industrial growth is not restricted. Icelandic businesses can now become the best in their fields in the world.

A number of Icelandic software companies have developed products in recent years which have attracted the attention of major corporations and governments around the world. Although Icelandic society is small, its scope is nonetheless sufficiently wide to reflect most of the problems

that need to be tackled in larger societies. Iceland can be a profitable site for development of interesting products.

The main problem facing Icelandic software companies in global markets has been how to gain sufficient access to venture capital. In this sense the small size of the Icelandic economy has proved to be a temporary obstacle, but greater contact with international finance markets, more training of Icelandic experts in this field and wider knowledge of the Icelandic economy among foreign investors ought to give Icelandic software houses easier access to the capital required to put their products on the world market.

I hope that this conference that ACOTækknival has organized will serve as an important contribution to this development and that the representatives of the international corporations who are represented here today will be convinced that Iceland is a good place to find partner companies which could become exciting companions on the enchanting voyage that information technology presents us with in the new century. Like the ice after which our country is named, our society is transparent, but it is also reachable like the expanses of our highlands. On the adventure trip that the hosts of this conference have invited you to make tomorrow, it will be interesting to remember how nature has shaped Icelandic society in many ways. The creative force that manifests itself in nature's upheavals, volcanic eruptions underneath glaciers, hot springs, earthquakes and new lava fields, has also made its home in our souls and our thoughts.

Icelanders have always respected creative people above all others, poets have held a higher place of honour than officials in the nation's mind, and originality of thought has been considered a cardinal virtue. It is precisely such qualities that can produce advantages in competitive markets dominated by information technology, and we Icelanders applaud the opportunities that these new times create for us. We look forward to the changes and tasks that await us and greatly appreciate being able to cooperate closely with people and corporations that are world leaders in their fields. It is in this spirit that this conference is held and I express my thanks to everyone who has made it a reality.

With these words I declare the conference open and wish you all the best in your lively and creative discussions.