



**CHINA AND ICELAND:  
LESSONS FROM EXPERIENCE –  
PATHS TO THE FUTURE**

**Speech by the President of Iceland  
Ólafur Ragnar Grímsson  
at Beijing University  
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Distinguished professors,  
students and scientists;  
Dear friends,

It is indeed a profound honour to be invited to address you here today. I thank the University for the opportunity to have a dialogue with the young generation in China, with students in different fields.

In my earlier years I enjoyed being a professor at the University of Iceland, building up the Faculty of Social Sciences, engaging in creating new knowledge and drawing lessons from fresh discoveries.

I often learned more from my students than they learned from me. I learned from their original approaches, their critical questions and their independent thinking.

During my Presidency I have welcomed the opportunity to address students in different countries – in the United States, Russia, Canada, India and many European countries – and I have always been stimulated by the searching questions that the students have raised.

I hope we will enjoy a similar dialogue here today and I urge you to ask me any question that reflects your interests. Only by having an open mind and examining every option will we be able to move together towards a better future.

The universities are indeed the power-houses of the new age, because our progress increasingly depends on ideas and discoveries, innovations and fresh approaches. This is why study and research, and the communities of scholars, scientists and students, are so important.

Although our countries are far apart and very different in size and culture, we are increasingly realizing how much we have in common. Cooperation between us in recent years has taken many forms.

In 2002 I welcomed President Jiang Zemin to Iceland. That was the first State Visit by a President of China to my country. By inviting me now, President Hu Jintao has given a clear indication of his support, of his willingness to see China and Iceland develop their cooperation even further and extend it into many new and exciting fields.

In recent years many other leaders of the Chinese government have visited Iceland, including the President of the National People's Congress, government ministers and many regional leaders. Icelandic representatives, ministers, high officials and leaders in science, the arts and culture, have been treated with great hospitality in China.

My visit now is a confirmation of the solid foundations we have been building together and also a strong indication of our determination to progress even further in the decades to come. We have learned important lessons from each other's experience and we can see promising paths towards an even more stimulating future.

We have learned that cooperation between China and Iceland can in many ways be a guiding example, a symbol, of how countries large and small can work together, how everyone can play a part in the new global age and how differences in size are no longer hindrances in the same way as they were before.

We have learned how a small state can make an organized and successful response to globalisation, how innovations can now emerge from any direction and how individual initiative can lay the foundation for companies that establish a global presence in a short time. New companies can now emerge into the world market, regardless of where their home base is, and in a short time have every continent as their market region.

Iceland has shown that a small state can serve as a laboratory or a research station in precisely those sectors that are increasingly dominating the economy of our times. Globalisation and information technology have given small states opportunities on a scale never witnessed before. Obstacles to their growth have largely been abolished and replaced by an open and wide field where talent, imagination and creativity determine what is harvested.

We have also learned that our cooperation in the field of energy can indeed help to reduce pollution in our cities. In Iceland we have

succeeded in replacing coal with geothermal power so that now over 90% of our houses are heated without causing any pollution. Gradually, first in the 1940s and the 1950s, and then with increasing vigour and ambitious investments, we started to drill for hot water in different parts of the country, in the north, the west and the east. Consequently, geothermal power stations, large and small, have been built in most regions in recent decades.

The advantage of geothermal power is that it can be tailored for any need, for a city or a region, for a village or a single household. This reminds us that our thinking on energy resources has been dominated by large projects, by big dams or nuclear stations. No study has yet been made of how an interlinked network of small-scale energy structures could contribute to meeting global energy needs in the future. But it is of the utmost importance that such a study should be undertaken.

An understanding of geothermal power and the evolution of its use in my country in the last fifty years offers many interesting guidelines for such an endeavour. It provides ideas for debate and illustrates how a piecemeal approach can produce a comprehensive change in the energy system of a nation and transform our ability to reduce pollution.

Iceland can also offer to China an interesting case through which to examine the hydrogen option, how hydrogen-powered cars could free our cities from the damaging pollution created by the present traffic system.

Seven years ago, Iceland agreed to join DaimlerChrysler, Shell International and Norsk Hydro in testing how a hydrogen-powered traffic system could evolve. The first hydrogen refuelling station in the world freely open to the public was inaugurated in Iceland in 2003, and since then, hydrogen-powered buses have been transporting people from one part of Reykjavik to another.

Furthermore, only two weeks ago I myself drove the first private hydrogen-powered car in Iceland around the neighbouring area of the Presidential Residency. I can assure you that the car worked very well. All that came out of it was clean white steam – what a vision of the future if our capitals, Reykjavik and Beijing, and all other cities, could one day have hydrogen-powered traffic and we would be rid of the damaging pollution that endangers our health!

The threat of climate change caused by pollution is indeed the most serious issue of our times, and probably the greatest challenge you and your children will have to face.

I have often said that if anyone doubts the urgency of the need to analyse and react to climate change, then they should take a journey to the North, to the Arctic regions. Such a journey would provide a healthy warning, a wake-up call not available elsewhere in the world, because climate change is taking place faster in the Arctic than elsewhere. The melting of the ice, the transformation of the tundra, the retreat of the glaciers and the enhanced force of the rivers are affecting our lifestyles and future prospects in a dramatic way.

Last November a remarkable report was submitted to the Ministerial Meeting of the Arctic Council, an international organisation founded a decade ago and embracing the United States, Canada, Russia and the five Nordic countries.

The report shows that the evidence from the Arctic is indeed convincing and the consequences of the changes taking place in the Northern regions will affect the entire world, primarily through rising sea levels all over the globe and through dramatic changes in the conveyor belt of ocean currents, which stretches from the North Atlantic to the Indian Ocean and onwards into the Pacific.

The report to the Arctic Council was prepared by a large gathering of scientists and representatives of research institutions from the eight member countries, and its evidence is backed up by accounts from people who live in the far North, those who see the effects of climatic change on their daily life.

They offer us the following evidence:

- The melting of glaciers throughout the Arctic and sub-Arctic.
- The melting of the Greenland ice sheet, which has recently been taking place faster than ever before.
- The diminishing of lake and river ice, which has reduced the ice season by up to a month, leading to severe economic consequences for both the oil and the gas industries and for the mining of diamonds and various metals.
- The growing flow of fresh water from the arctic rivers into the Atlantic Ocean, thus affecting the balance of salt concentrations which drives the global conveyor belt of ocean currents throughout the world. The implications of this for global and regional climates, and for living conditions in Africa, Asia and other parts of the world, are indeed dramatic.

Rising sea levels would have disastrous consequences for people in distant regions, consequences akin to the destruction of communities in the wake of the recent tsunami. The giant wave can thus be seen as a forewarning of our future fate if mankind fails to unite in common action, fails to join in the creation of a global programme dedicated to the elimination of the climatic threat.

It will be a paramount priority for your generation to examine these challenges, to study the scientific evidence and engage in the debate among nations on how to respond.

It is of the utmost importance that such a global debate should be open and democratic, that each and every citizen should have a voice, that any student or scientist should be able to influence the actions to be taken.

In the dialogue between the leaders of China and Iceland in recent years, in my discussions with President Hu Jintao yesterday, during the meetings with President Jiang Zemin when he visited Iceland and in other meetings between the leaders of our countries, the importance of a democratic dialogue, the importance of the rights of the citizen, the freedom to express one's views openly and without fear, has always been on the agenda.

The evolution of democracy will undoubtedly continue to be a crucial theme in our deliberations, especially since strong evidence seems to suggest that democracy is becoming the vision of more and more nations.

I often remind my foreign friends that during the first years of my life there were fewer than ten democratic countries in Europe. Now over 40 countries in Europe are democratic. In fact we can clearly say that for the first time in history, all of Europe is now democratic.

Similarly, democratic rule has replaced military dictatorships in Latin America and important democratic improvements are taking place, both in Africa and the Middle East.

As a young member of parliament in the 1980s, I had the privilege to serve in the Council of Europe where representatives from the national parliaments come together. I was able to witness the importance of human rights and the rule of law in European development, how in the wake of war the people of a democratic Europe had decided to make human rights the cornerstone of our future. Ever since then, this message has been growing in strength and nations all over the world are now learning the same lesson.

Many people who visit Iceland and see the prosperity, the welfare and the open and democratic society we now enjoy, seem to forget that for centuries we were literally the poorest country in Europe, an impoverished and scattered nation of fishermen and farmers living under foreign rule. Iceland had most of the characteristics of the countries that today are associated with the third world. The campaign for independence began around the middle of the 19<sup>th</sup> century, and the Republic was established in 1944, so bringing to an end seven centuries of foreign domination.

The transformation of our living standards has indeed been impressive. Iceland now has one of the highest incomes in the world, US \$ 30.000 per capita annually. We have adopted information technology on such a scale that our per capita use of mobile telephones and internet connections is the highest in the world. The driving force behind this incredible progress has been the democratic spirit of the Icelandic people, and our experience offers many interesting lessons to others of what can be done.

In recent years a new generation of young Icelandic entrepreneurs has made bold inroads into the global market, becoming innovative players in Europe, America and Asia, building up companies in many different fields: in prosthetics and pharmaceuticals, in banking and finance, in retail and fashion, in telecommunications, transport and computer technologies, in health service and food production.

This new generation of Icelandic entrepreneurs is building on our previous experience in both fishing and airlines, areas in which Iceland became highly successful in the decades following the Second World War.

Our seafood companies established prominent sales networks in Europe and America and we are profoundly pleased that in recent years we have built up a similar cooperation with China in the field of seafood processing and the global marketing of fish products. On Friday I will visit Qingdao where our cooperation in this field is centred, thus signalling our intention to move strongly forward with our Chinese friends.

From the 1960s onwards, Icelandic airline companies began to achieve an international presence, especially when Loftleidir – now Icelandair – became the first low-fare airline in the world, enabling the hippie generation to cross the Atlantic cheaply. At the beginning of the 21<sup>st</sup> century, two Icelandic airlines, Avion Group and FL Group, have established strong partnerships with China, and we foresee an important potential in the growth of our cooperation in the airline business.

Icelandic retail companies which are strong players in various European countries have demonstrated a strong interest during my visit in cooperation with China, and our pharmaceutical industry is determined to involve China in its broad network of production, development and sales which now embraces Europe, America and India.

I could go on and list many other examples of the deep interest that the Icelandic business community has in establishing a long-lasting friendship and cooperation with its Chinese counterparts. This desire is clearly demonstrated by the large business delegation which has accompanied me to China. It is the largest business delegation that an Icelandic President has ever taken on a State Visit.

The nature of the new global market, with the potential for transformation that information technology and globalisation have created, means that Icelandic companies can become important vehicles for Chinese commercial and business advance in the global market.

I believe that the key potential of our cooperation lies in such globally relevant and strategic Chinese-Icelandic partnerships, partnerships in which Icelandic companies, through their established positions in the European and American markets, could provide China with the benefit of growing trade with different parts of the world: with Britain and other countries in Europe, with the United States and Russia, and even with India and other countries in Asia.

Iceland is indeed a small country, but we have no enemies and many friends; we pose no threat to others and do not carry any baggage of military motives. We have discovered that these characteristics make others open all doors to us when we arrive. They know that we come with good intentions only – consequently, many nations have welcomed Iceland as a partner.

It is in this spirit that we arrive here in China on a visit which is of historic importance in the relations between our countries.

The fascinating aspect of our cooperation for the young generation both in China and Iceland is that it offers a multitude of opportunities in many different fields, in science and technology, in business and culture, in political dialogue and international cooperation.

Your generation is indeed the first generation in history that can have the entire world as its stage. You can at the same time be deeply rooted in your own country and become global players in your chosen profession.

Together, the young Chinese and the Icelandic generations will be able to demonstrate how the 21<sup>st</sup> century offers each and every one of you the opportunity to work with anybody anywhere in the world, to develop your full potential, to influence the future course not only of our countries but also of the entire world.

Thus, through partnership and cooperation, China and Iceland can show other nations how countries large and small can effectively work together and bring peace and prosperity to all people.

That is the message I want to give you here today. Once again, I wish to thank you and the University deeply for the opportunity to address you.