

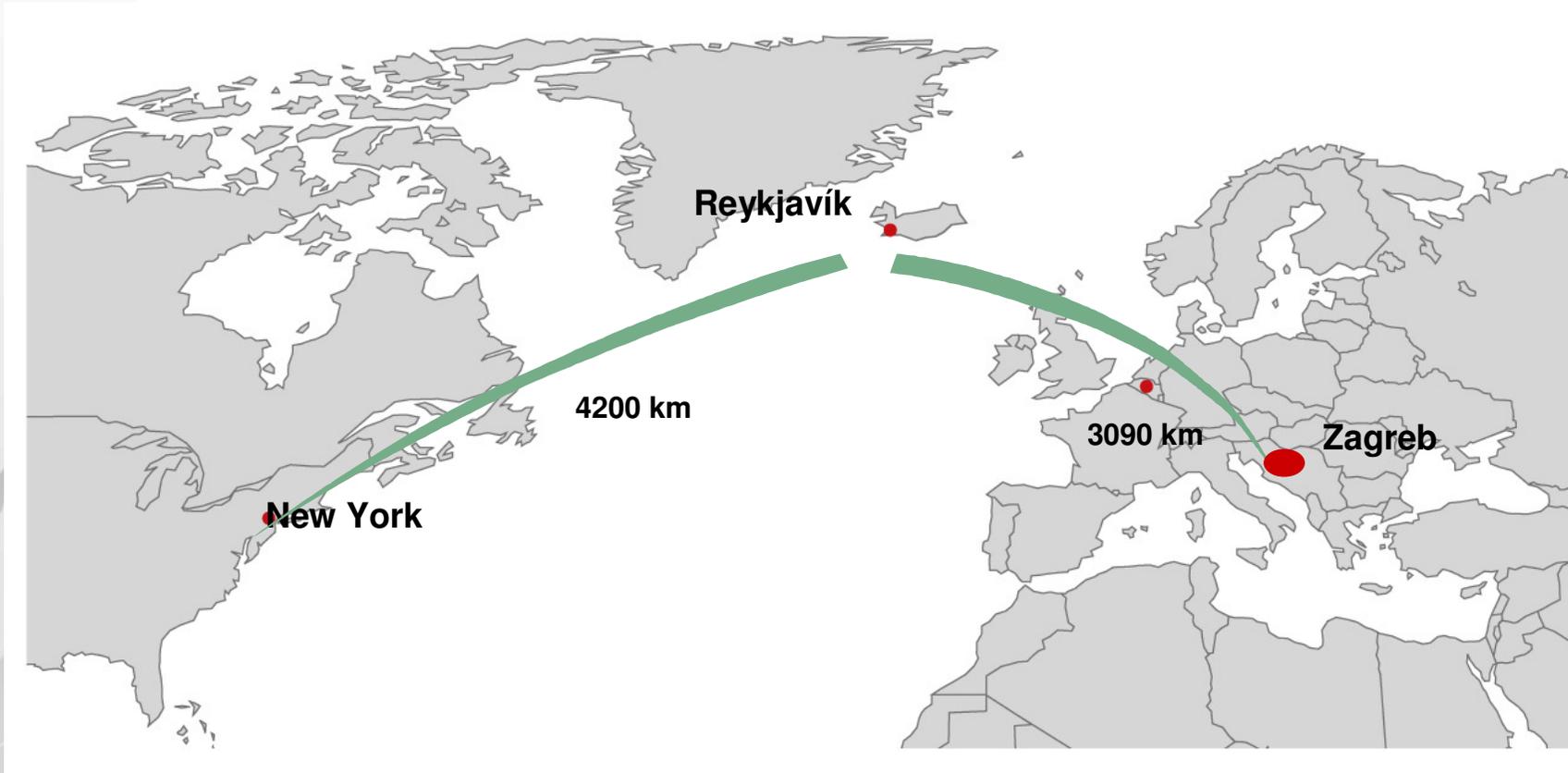


TRADE COUNCIL OF ICELAND  
ÚTFLUTNINGSRÁÐ ÍSLANDS

*Foreign Trade in Iceland  
Thorleifur Thor Jonsson  
Project manager  
New markets*



# Where is Iceland ?





# Iceland - Basic Facts

## Climate, Reykjavík:

- January -0.5°C
- July 10.6°C

## Population:

- 312,000 people
- 3,0 inhabitants per km<sup>2</sup>

## Life expectancy:

- Female 83 years
- Male 79.4 years

## Land size:

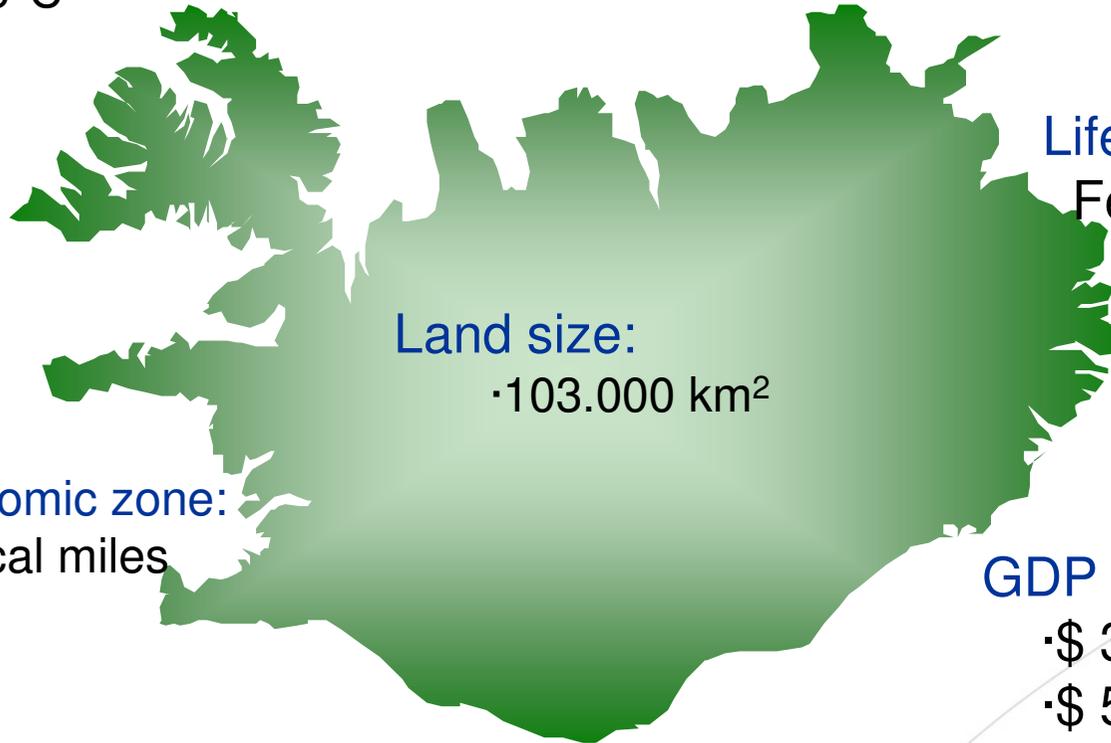
- 103.000 km<sup>2</sup>

## Exclusive economic zone:

- 200 nautical miles

## GDP Per Capita:

- \$ 39,986 (ppp)
- \$ 54,764





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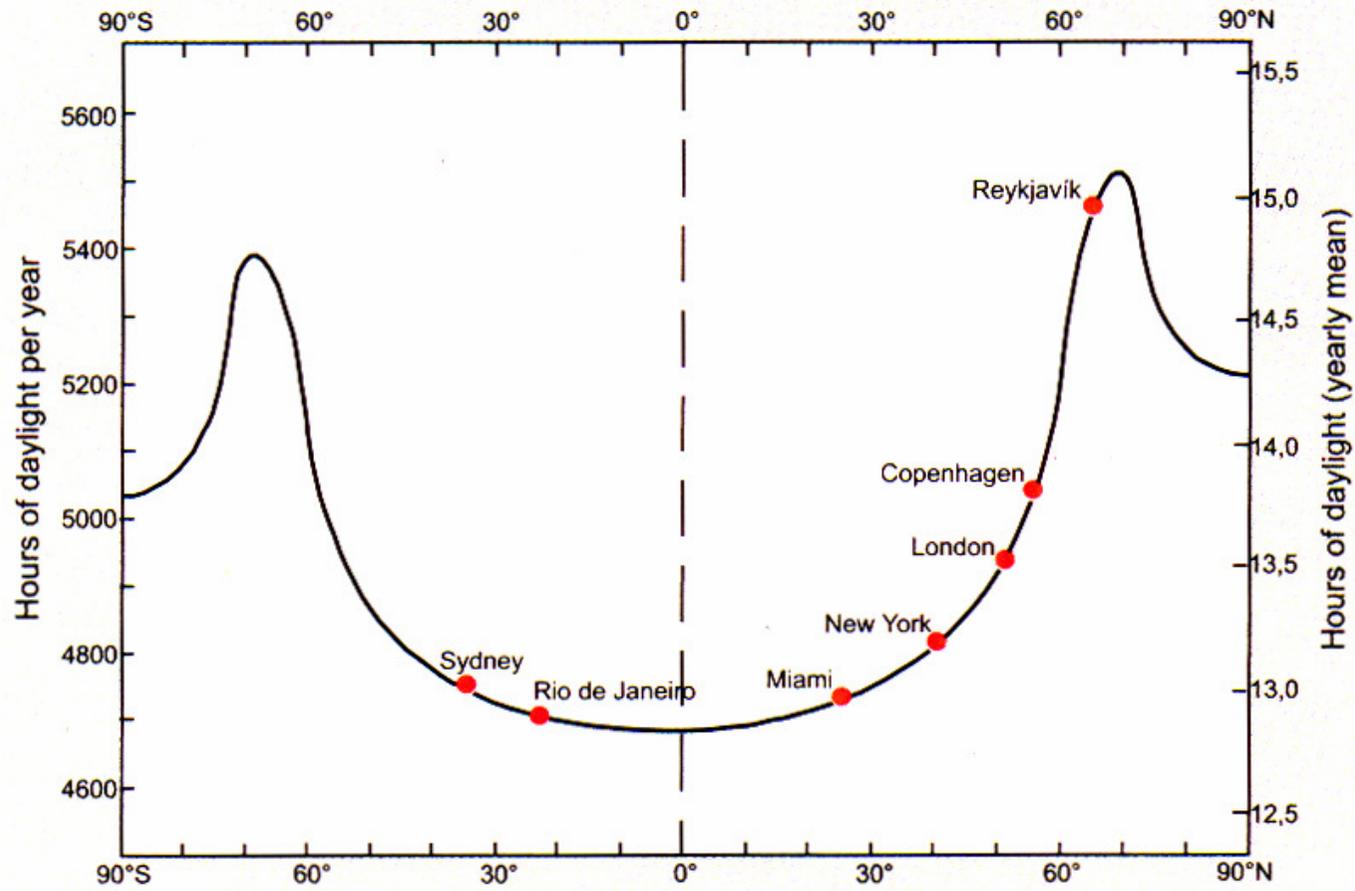


July: 13°C



January: -0.5°C

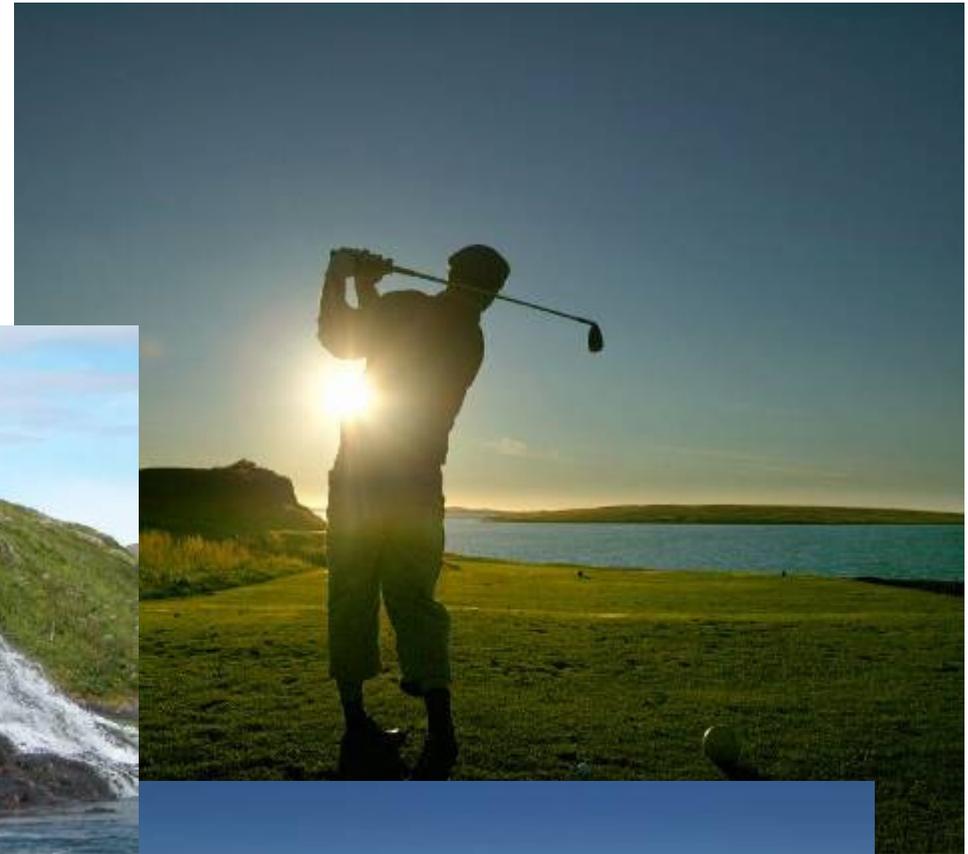
Iceland – think it's just ice?



Hours of daylight at different latitudes north and south



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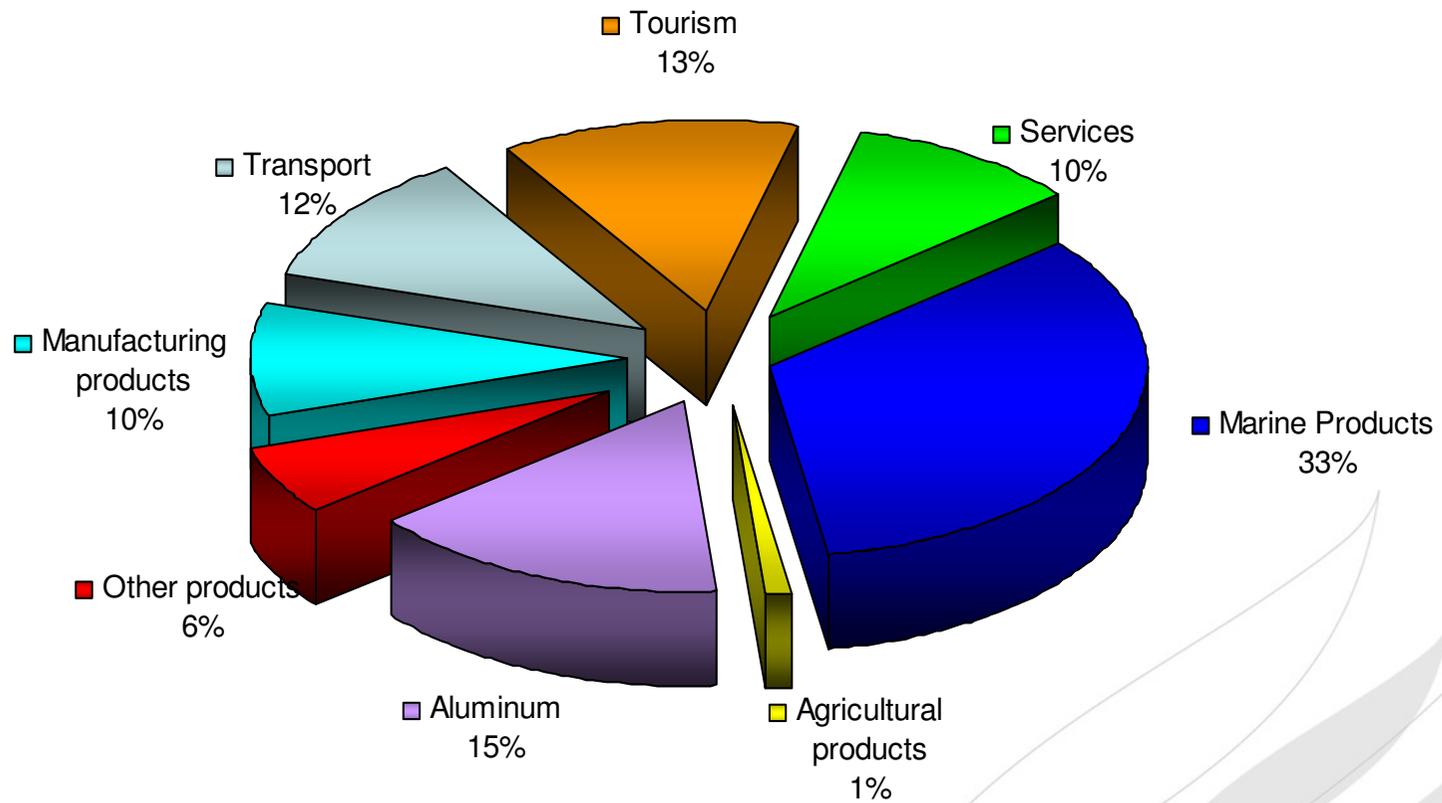


## Outdoor Activities



# Foreign Currency Earnings

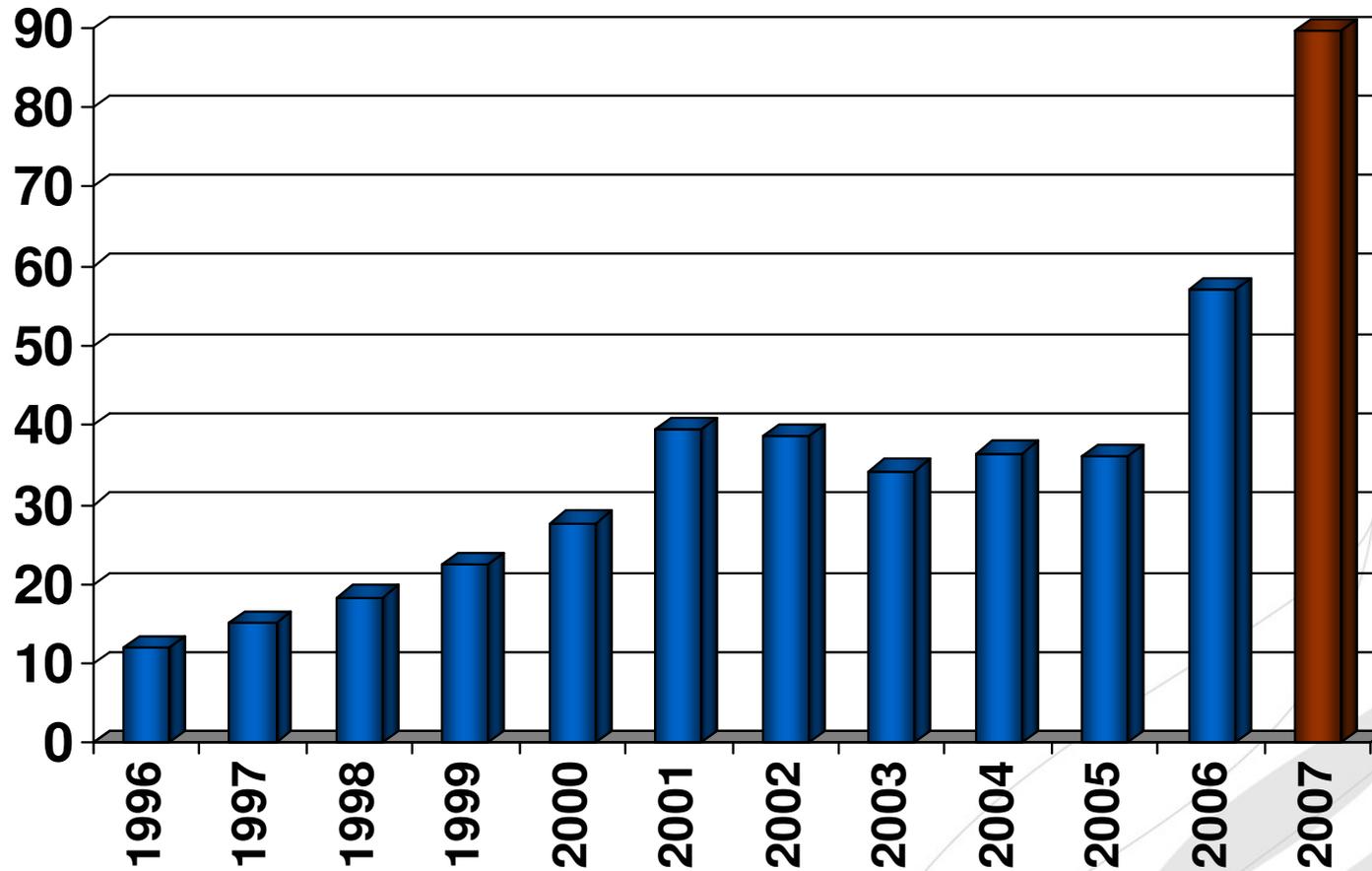
**Total: 370 Bill. ISK**





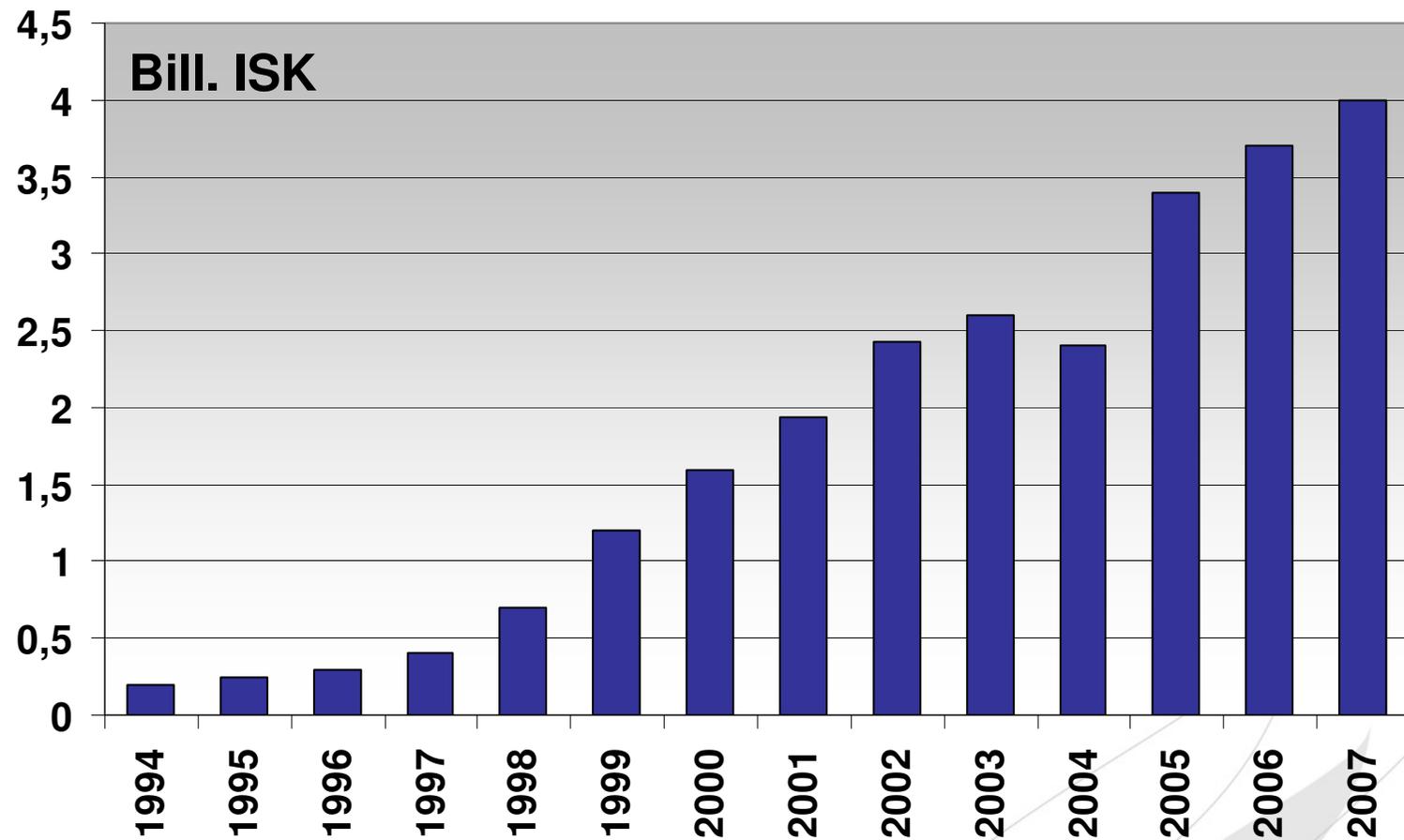
# Export of Aluminum

Billion ISK





# Export of Software



Source: Statistics Iceland



# Internet Users

Per 1000 inhab.

## WORLD RANKING



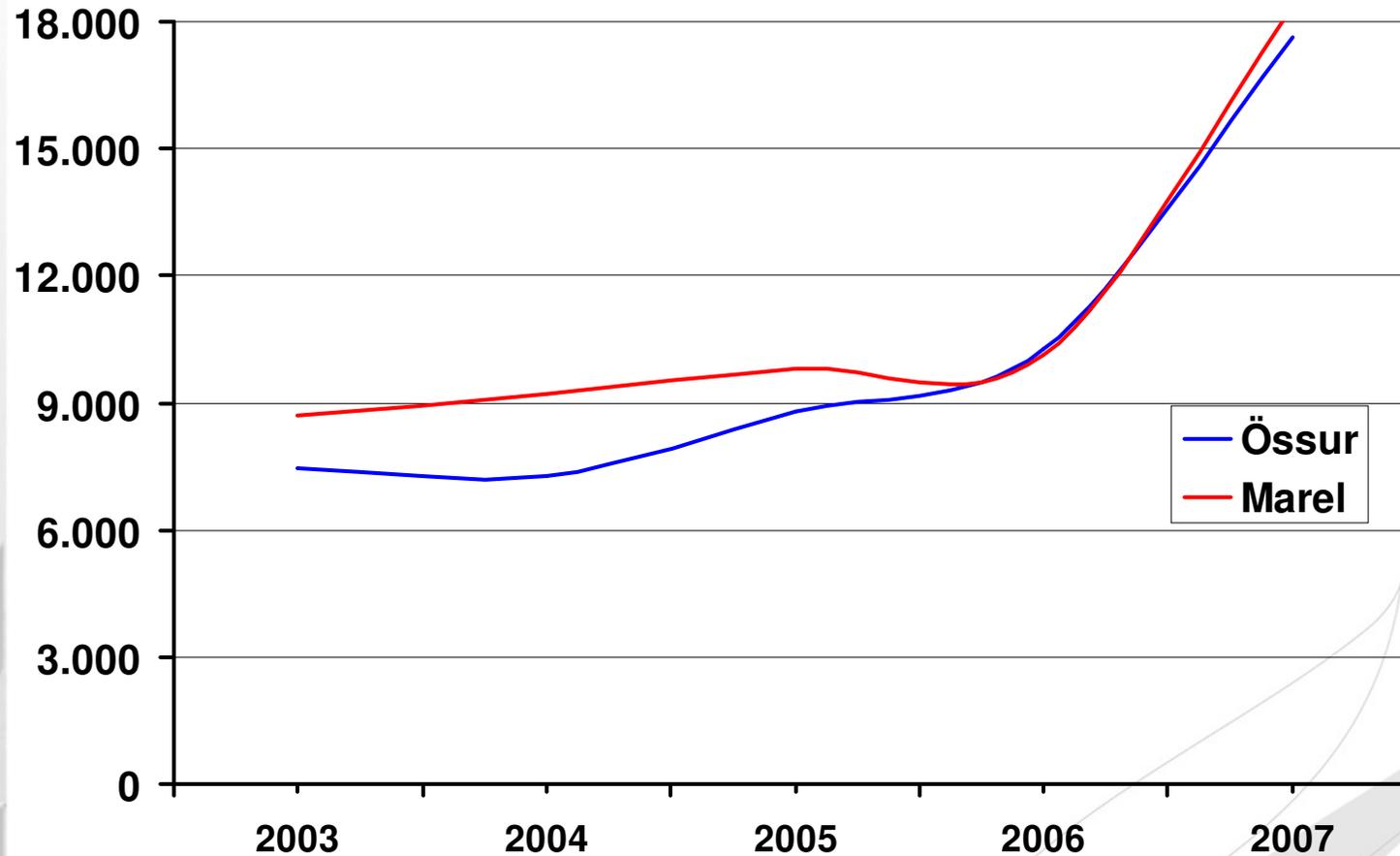
Source: World Competitiveness Report 2007, IMD



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# Iceland goes Global

## Prosthetics – Food Processing Machinery

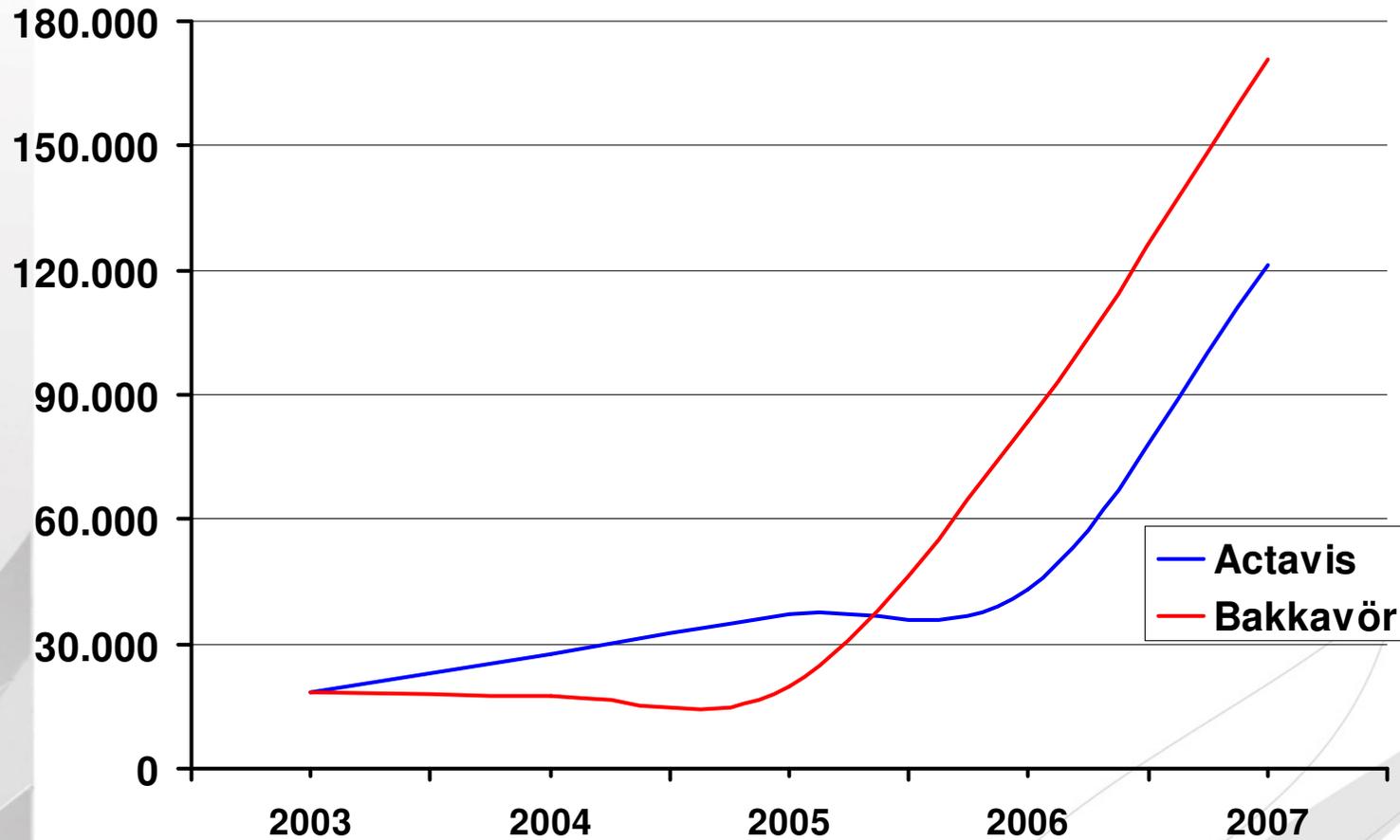




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# Iceland goes Global

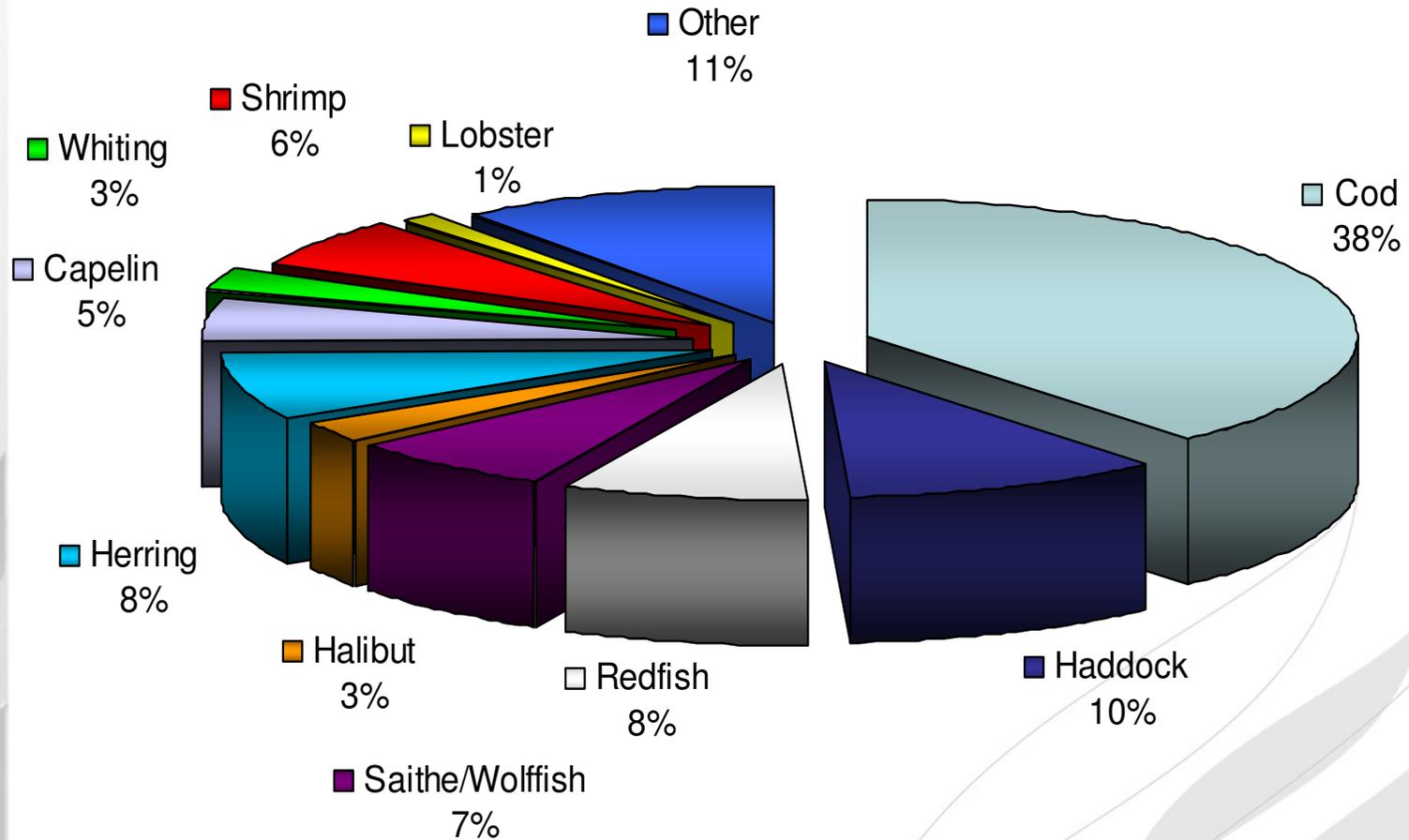
## Pharmaceuticals – Convenience Foods





# Value of catch 2006

**Value 124 Bill ISK**





# Examples of catch

**Lobster**



**Catfish**



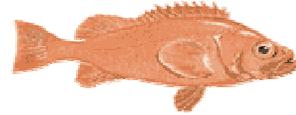
**Haddock**



**Cod**



**Redfish**



**Capelin**



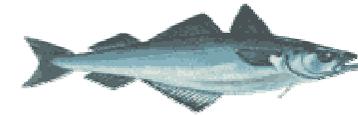
**Halibut**



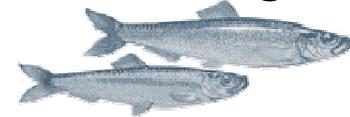
**Shrimp**



**Saithe**



**Herring**



**Plaice**



**Greenl. Halibut**





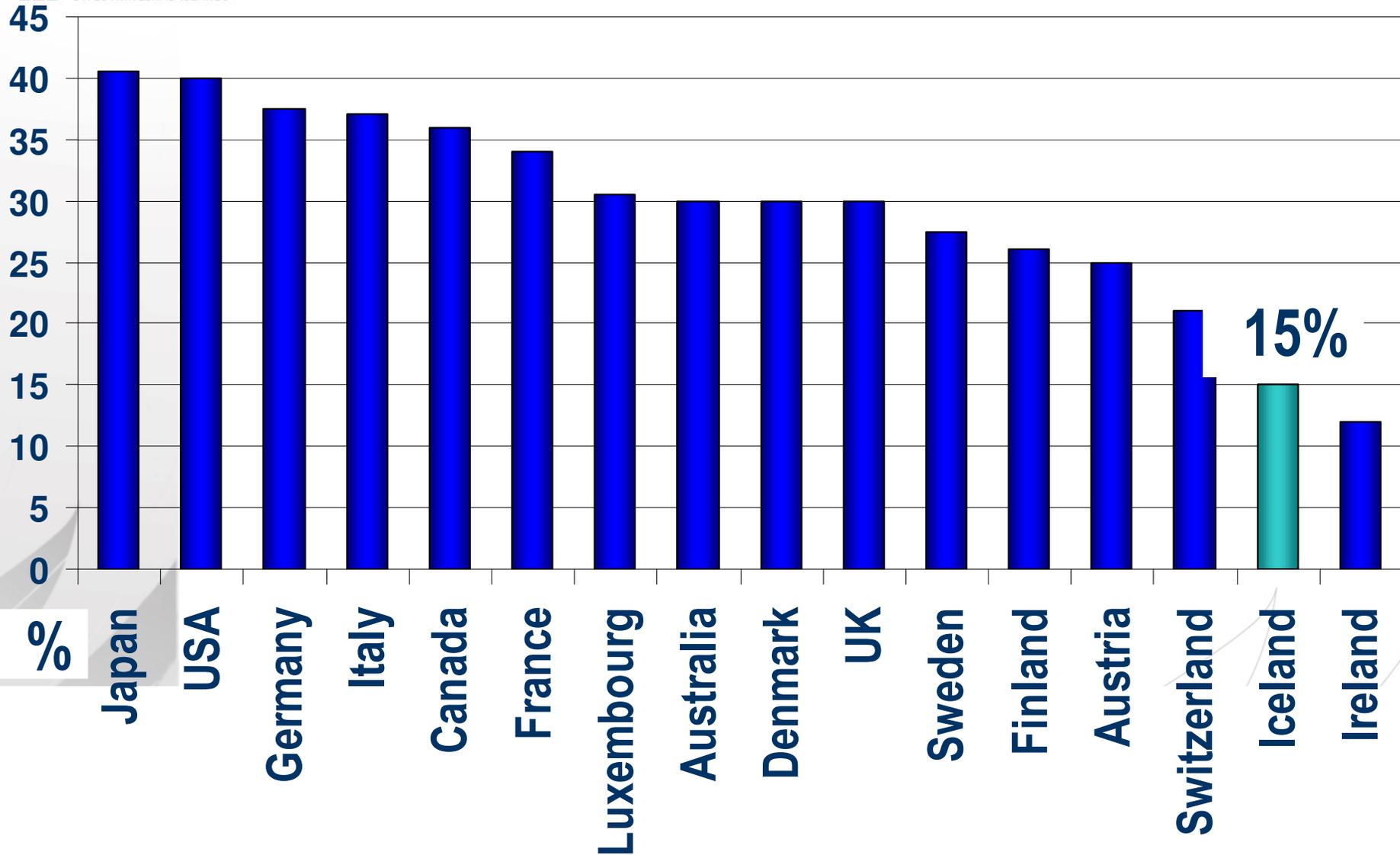
# Fish Industry Cluster

- Catch
- Processing
- Sales
- Technology
- Research
- Financing



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# Attractive Business Environment



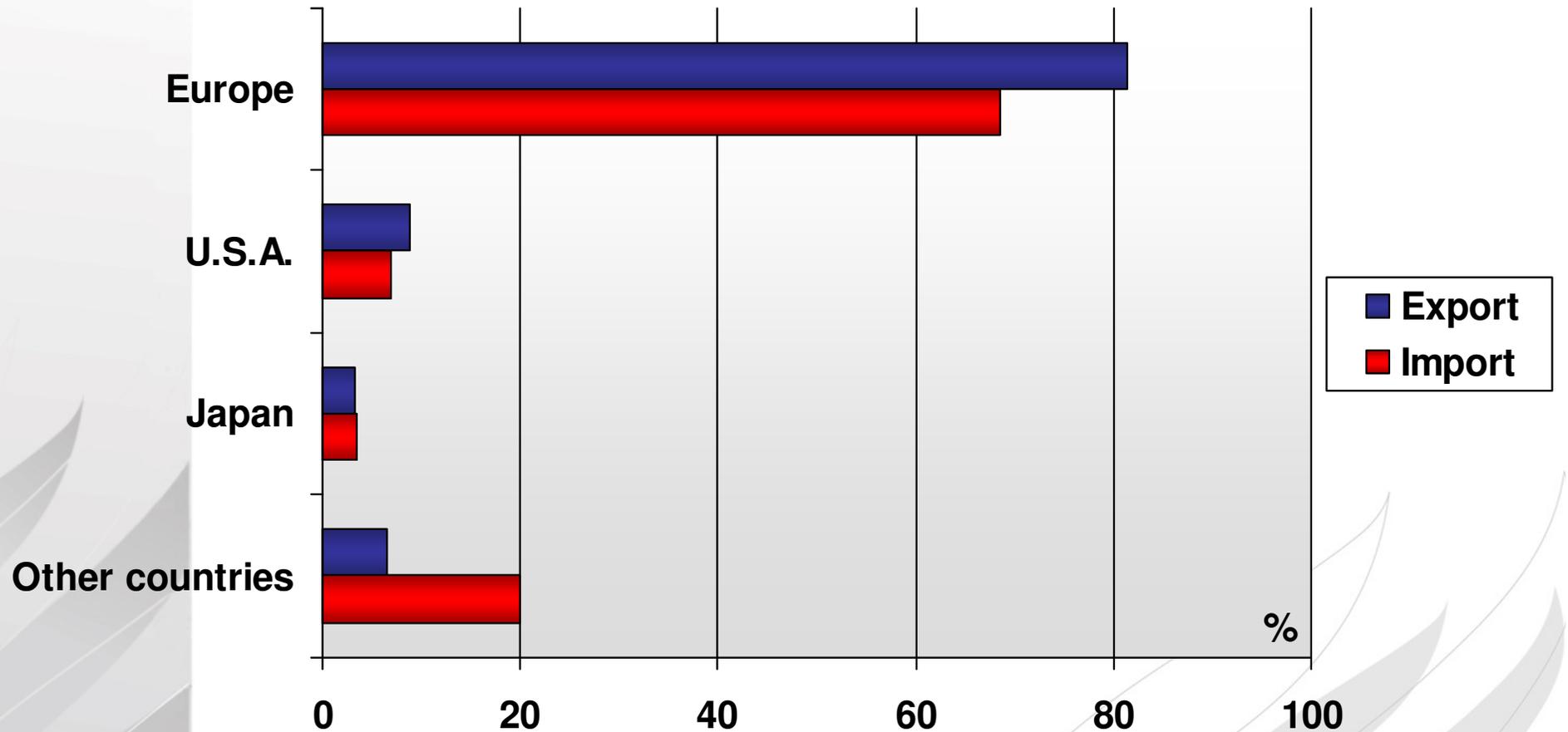
**Low corporate taxes**

# Strengths and Weaknesses

- Minimum red tape – transparent society
- No corruption
- Low corporate taxes
- Bridge between Europe and USA
- Political stability
- Advanced infrastructure
- Young and well educated nation
- Safe society - low criminal rate
- Competitive specialist prices
- International accounting rules
- European legal framework
- Entrepreneurial spirit
- Relatively high labour cost
- Small working population (165.000) in real terms.
  - Currency fluctuations
- High living cost



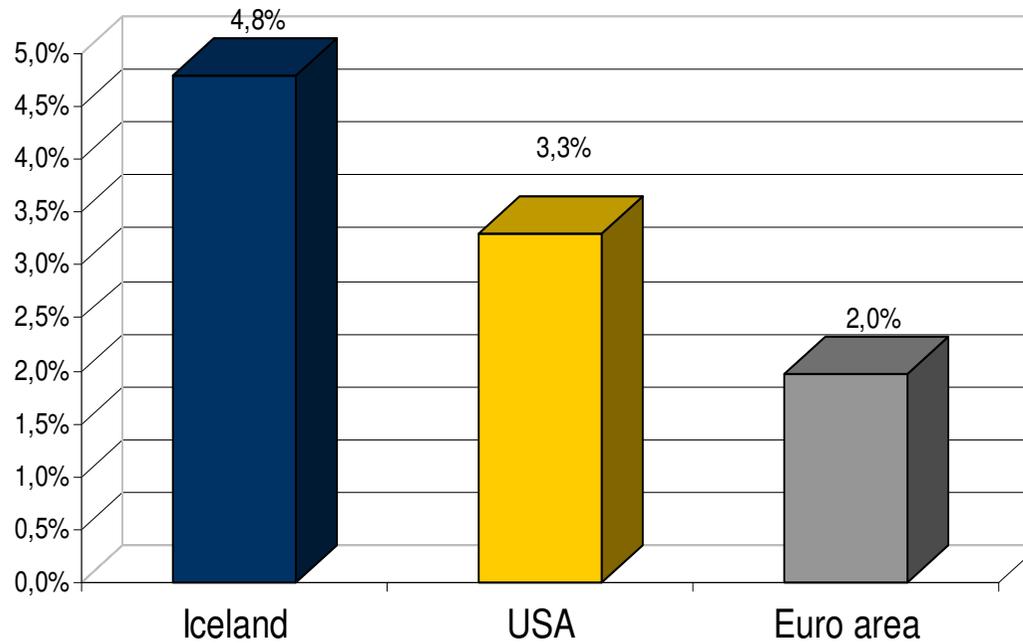
# Main Trading Areas 2007





# Economic growth

1996-2005



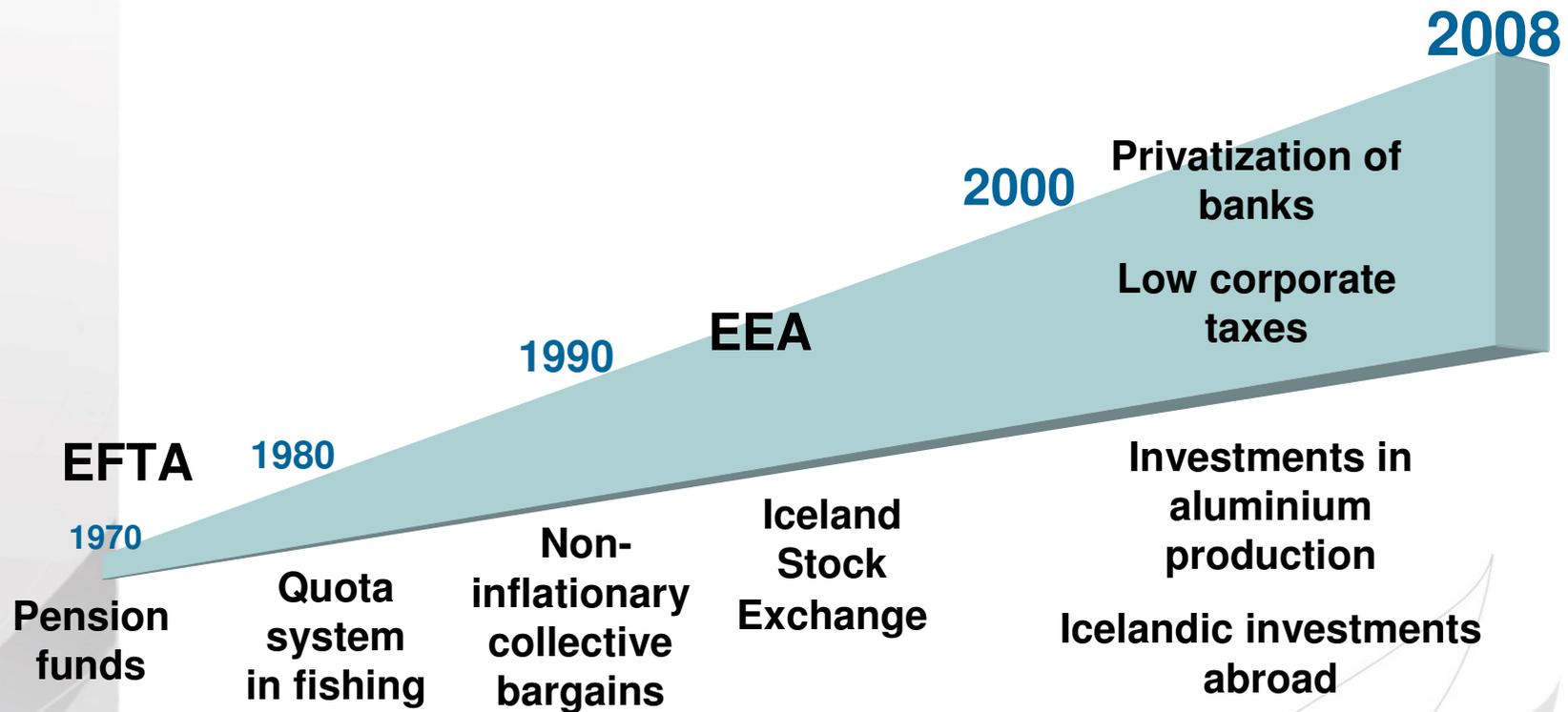


# GDP per person

Luxembourg	220
Norway	146
USA	144
Ireland	133
Switzerland	123
<b>Iceland</b>	<b>122</b>
Denmark	118
Netherlands	117
Austria	117
Canada	115
<b>OECD</b>	<b>100</b>



# The Road to Prosperity





# International Comparison

Examples of Iceland's performance:

<i>Criteria</i>	<i>Ranking</i>
Quality of life	<b>2</b>
Competitiveness	<b>4</b>
Creativity	<b>7</b>
Low corruption	<b>1</b>

Quotes:

United Nations Human Development Index, Human Development Report 2006

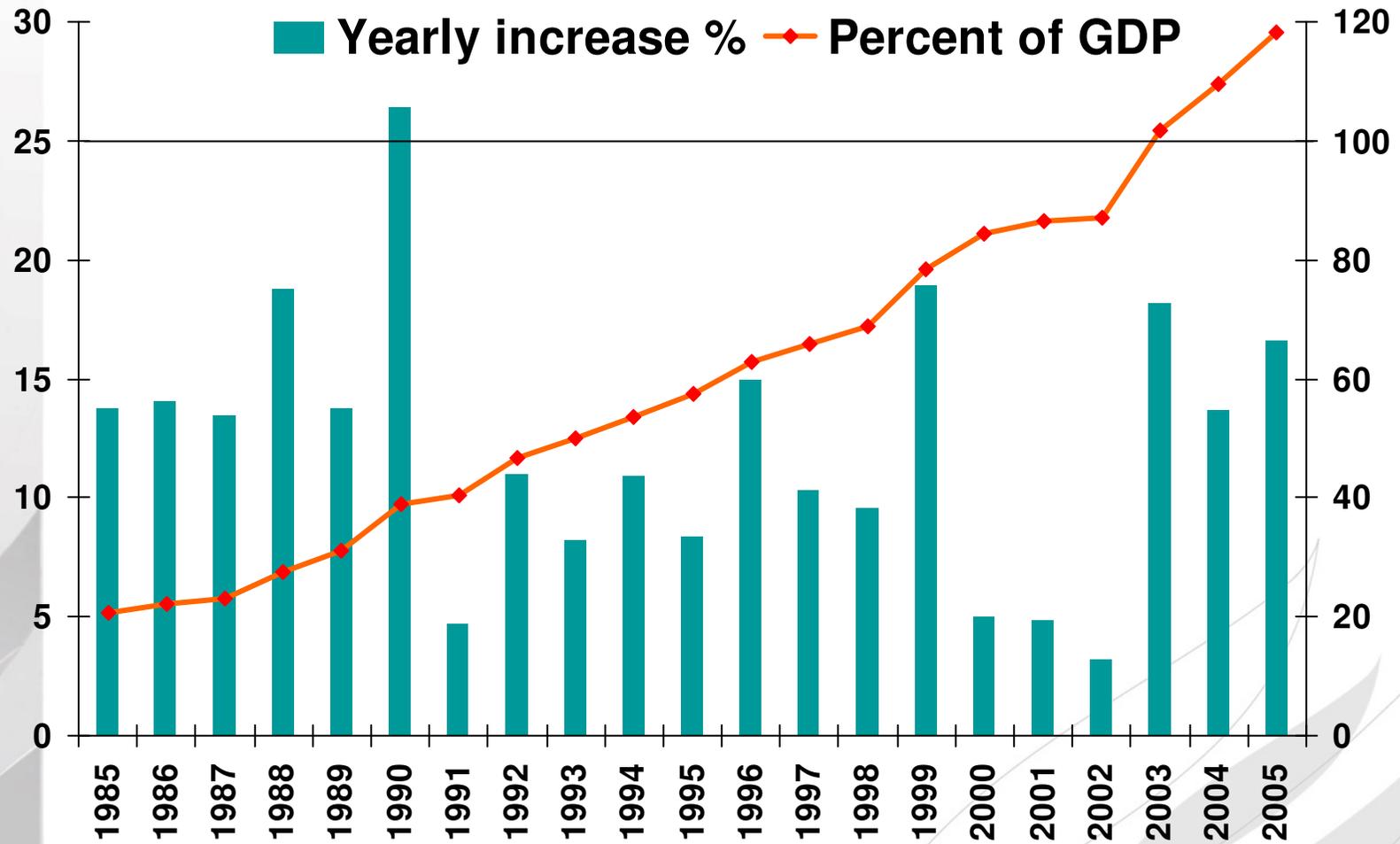
The IMD World Competitiveness Yearbook 2006, IMD Switzerland 2006

The Flight of the Creative Class: The Global Creativity Index, Professor Richard Florida 2006

Transparency International: The International Corruption Perception Index 2006



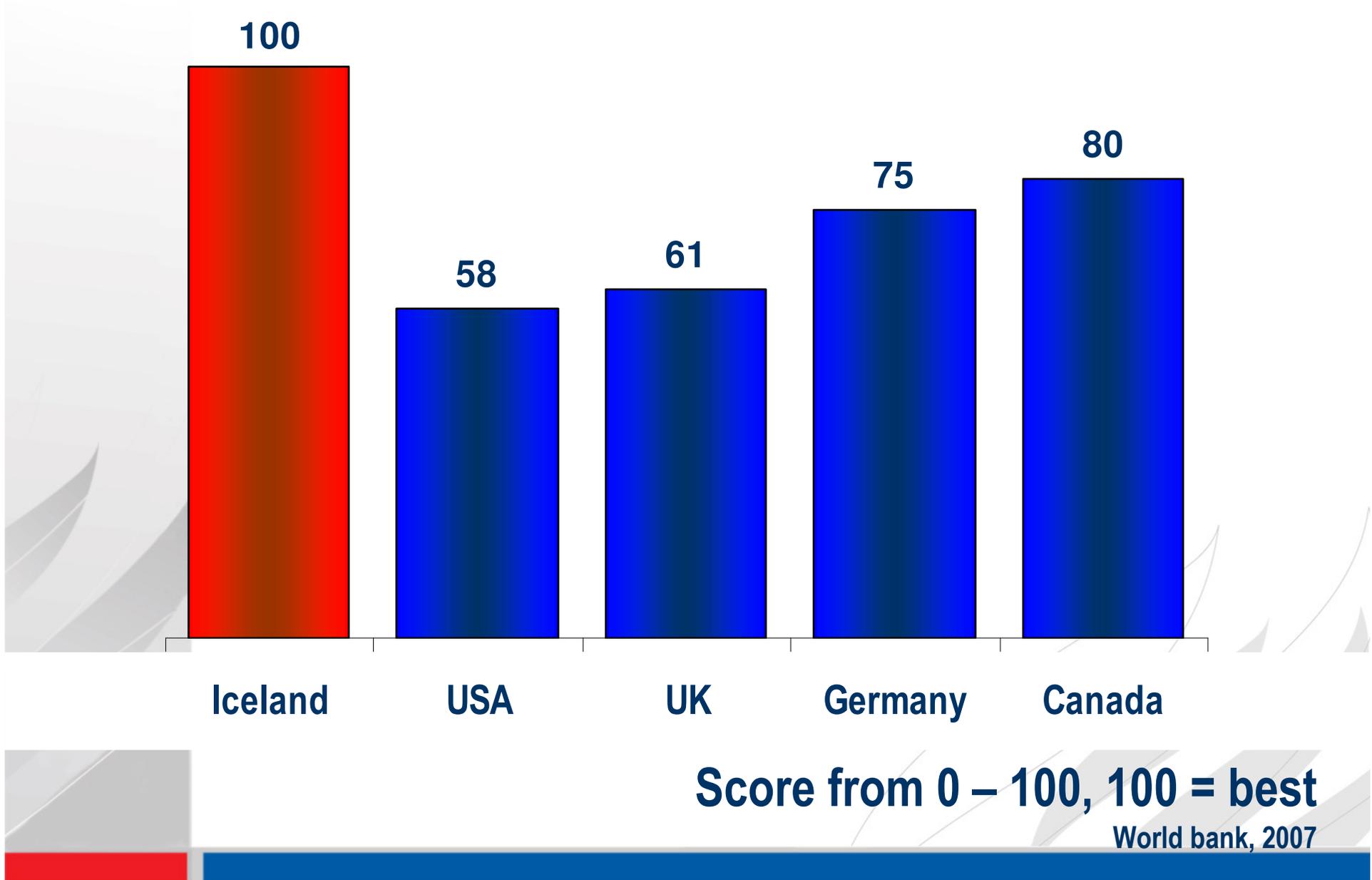
# Pension fund assets 1986-2006





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# Political Stability Governance Indicator





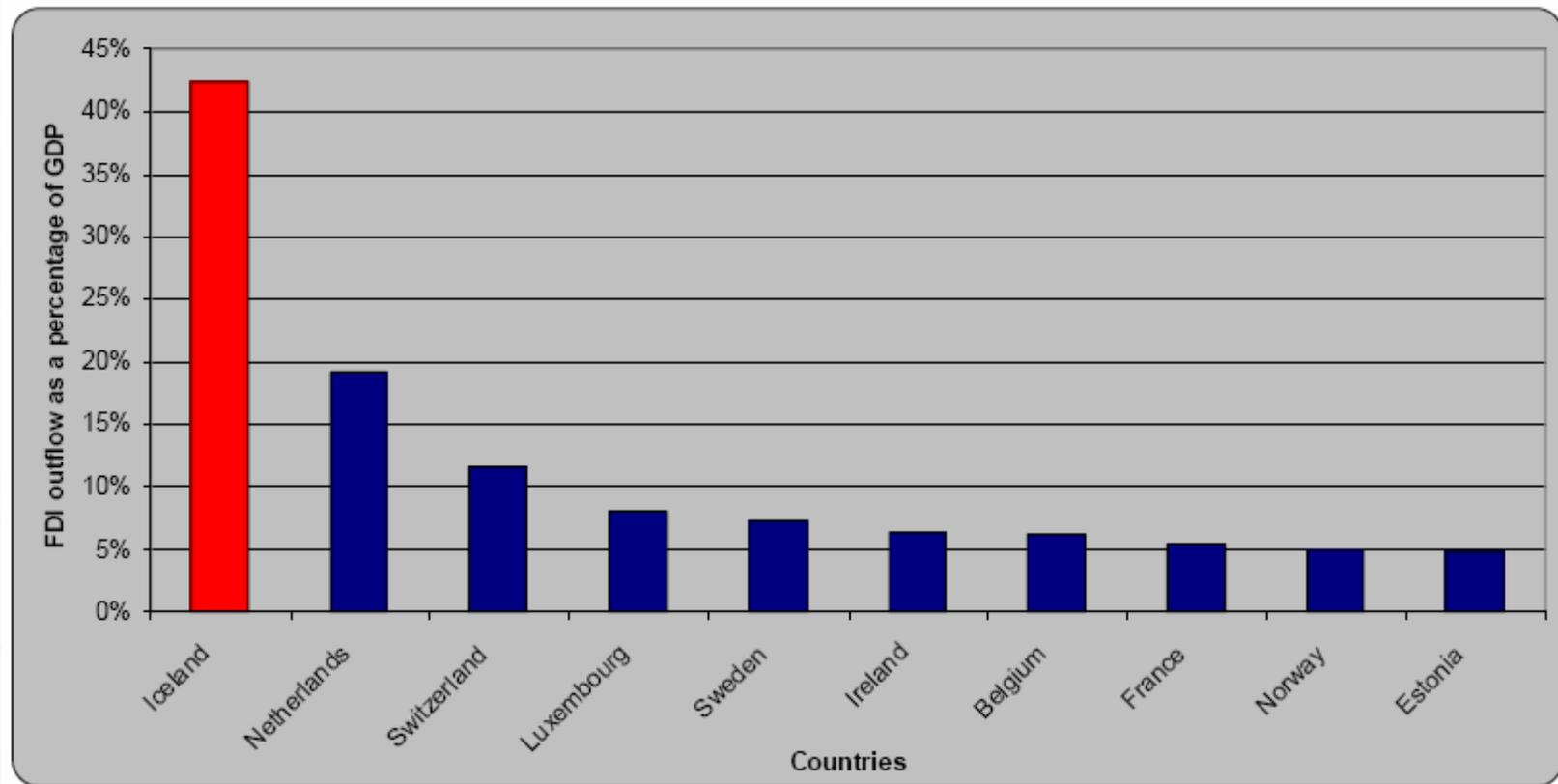
## Investments Abroad

- Pharmaceuticals
- Retailing
- Financial services
- Transportation
- Food Processing
- Real Estate

1 % of total flow of global investments



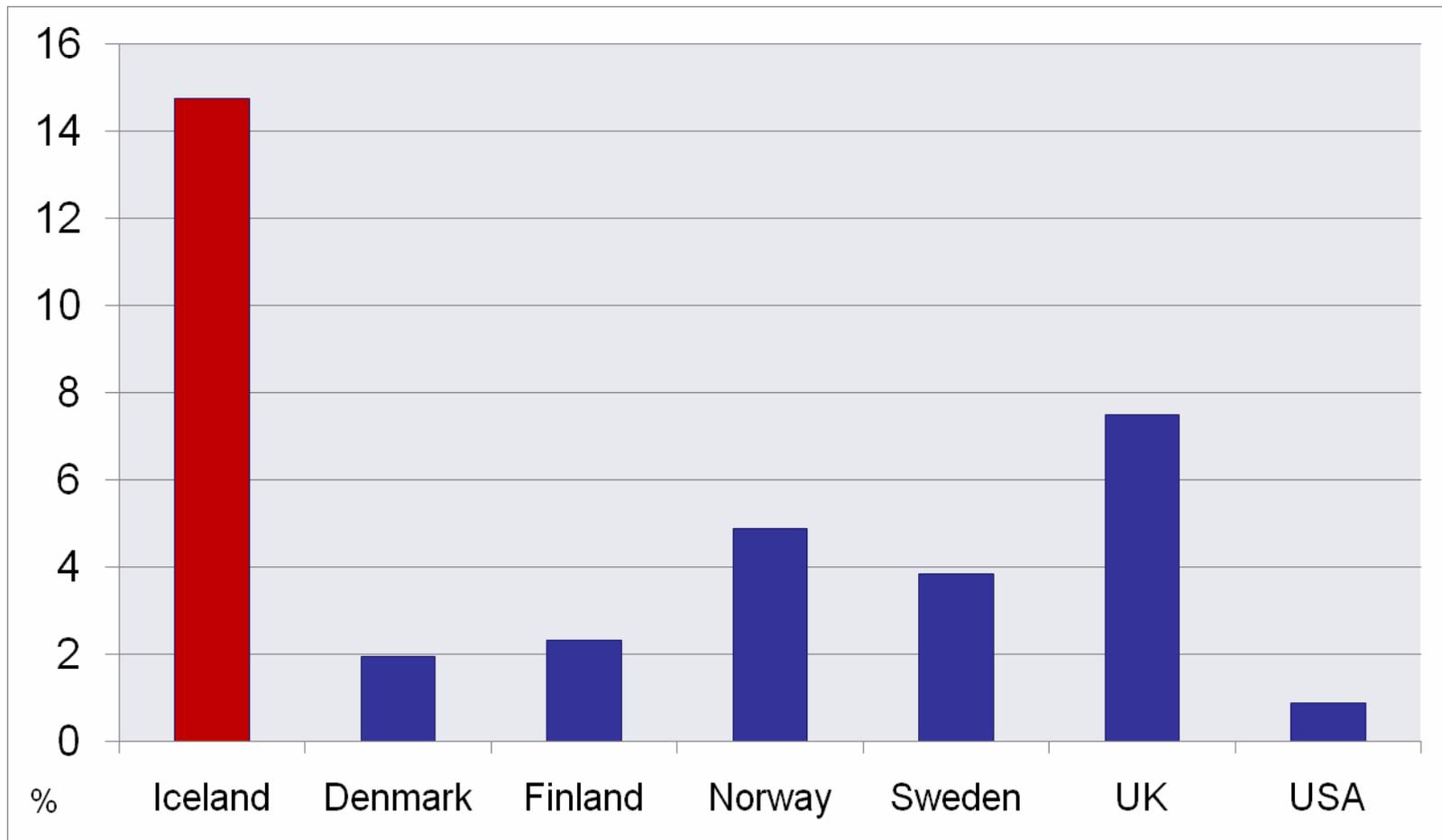
## Foreign Direct Investment outflow as a % of GDP in 2006



Source: UNCTAD, n.d.

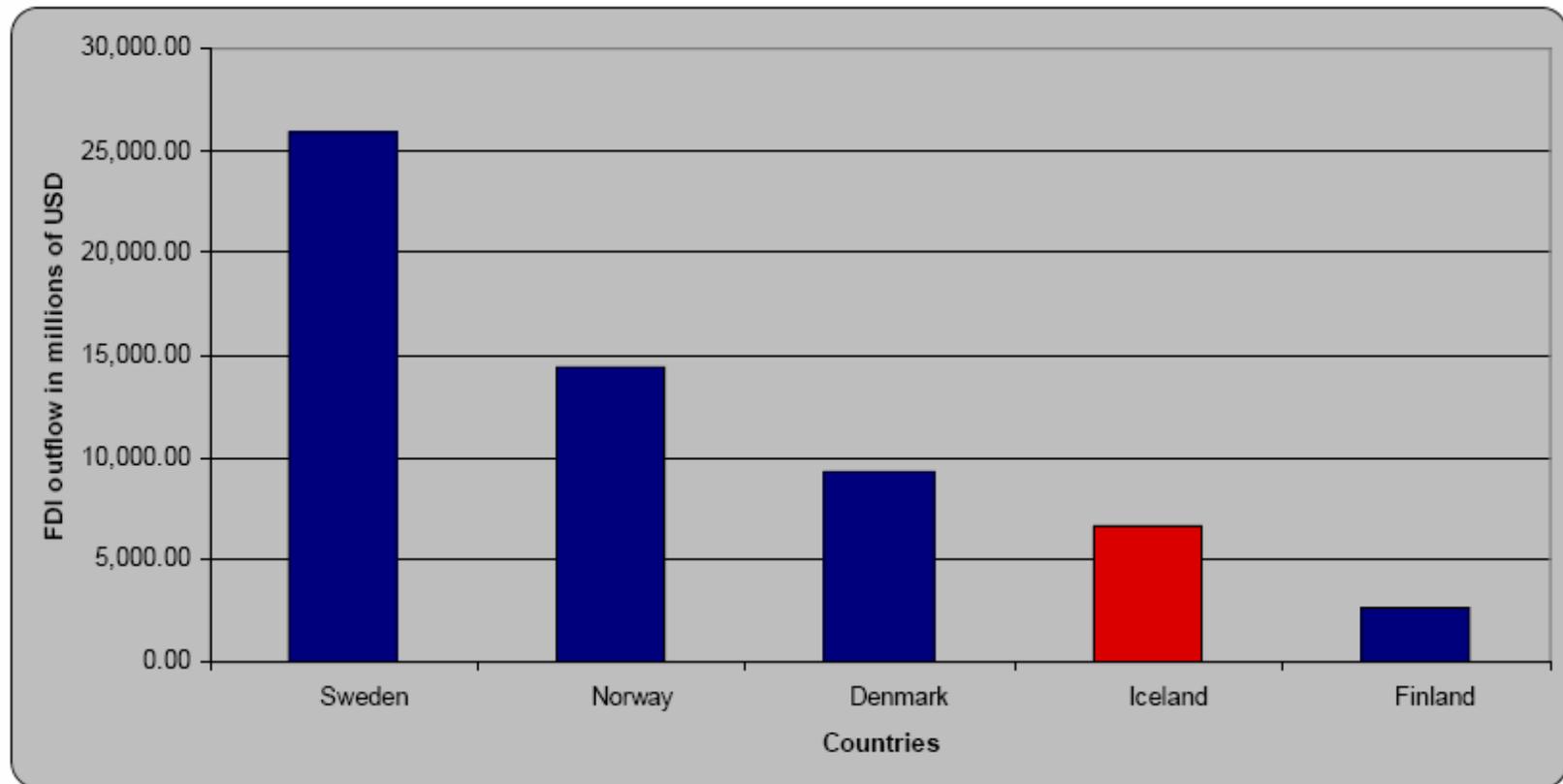


## Direct Investments inflows as % of GDP 2006





## FDI outflow from the Nordic countries in 2006



Source: UNCTAD, n.d.



## The reasons why...

- Education
- Entrepreneurial spirit
- The “captain” management style
- Short management span
- Risk takers
- Iceland too small



## Not so European...

- Retirement age
- Low unemployment
- Low absenteeism
- Young population
- Growing population



# New Trends

- IT
- Film
- Music
- Design
- Eco Tourism
- Bio Technology
- Bio Medical Engineering

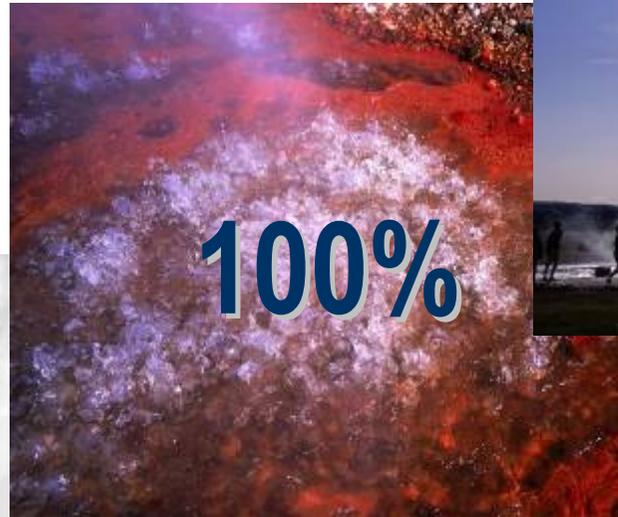


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# Natural resources



**Hydropower**



**100%**



**Geothermal  
Energy**

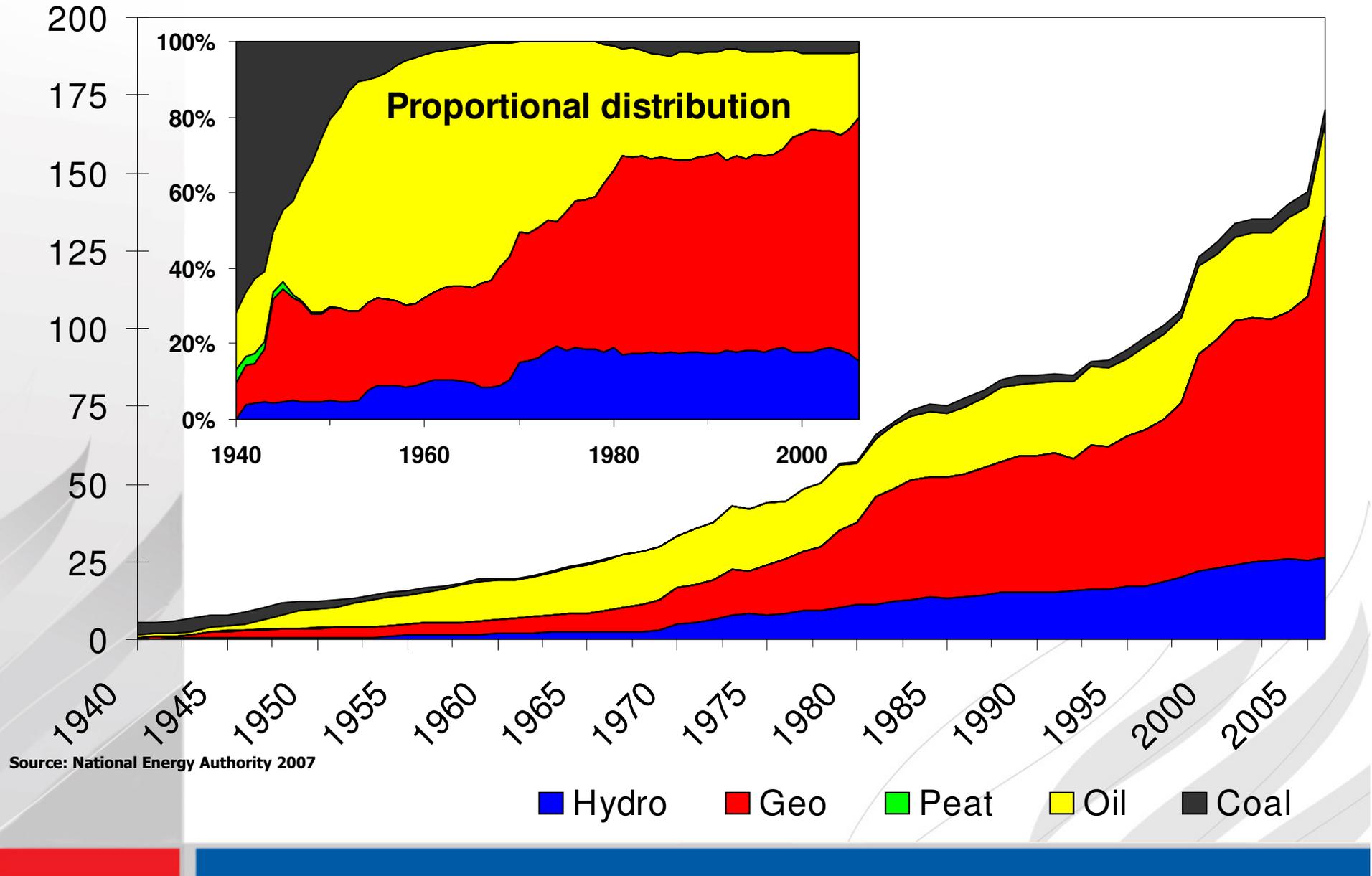




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# Energy consumption- Iceland

## 1940 -2006

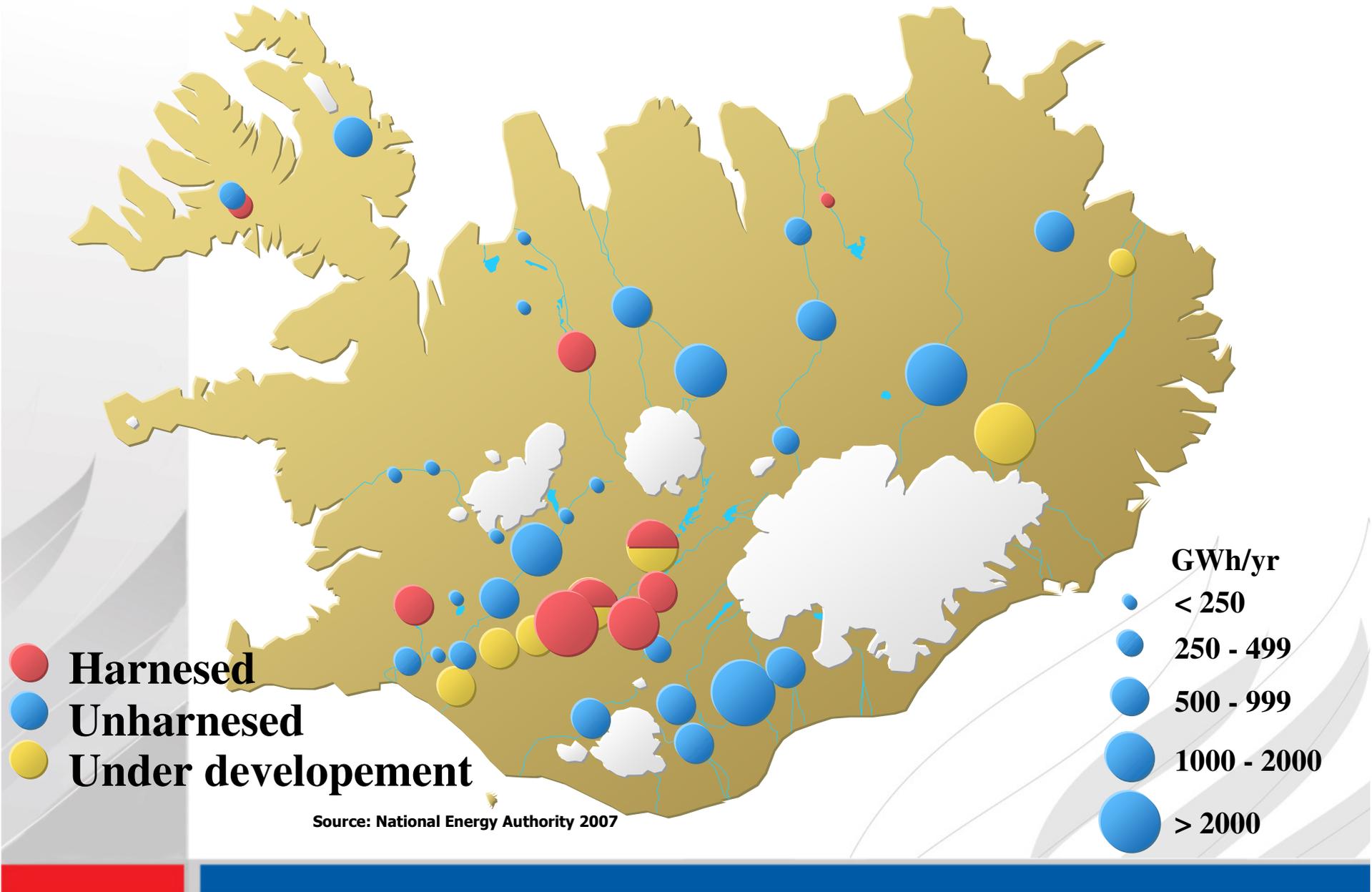


Source: National Energy Authority 2007



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# Hydropower in Iceland

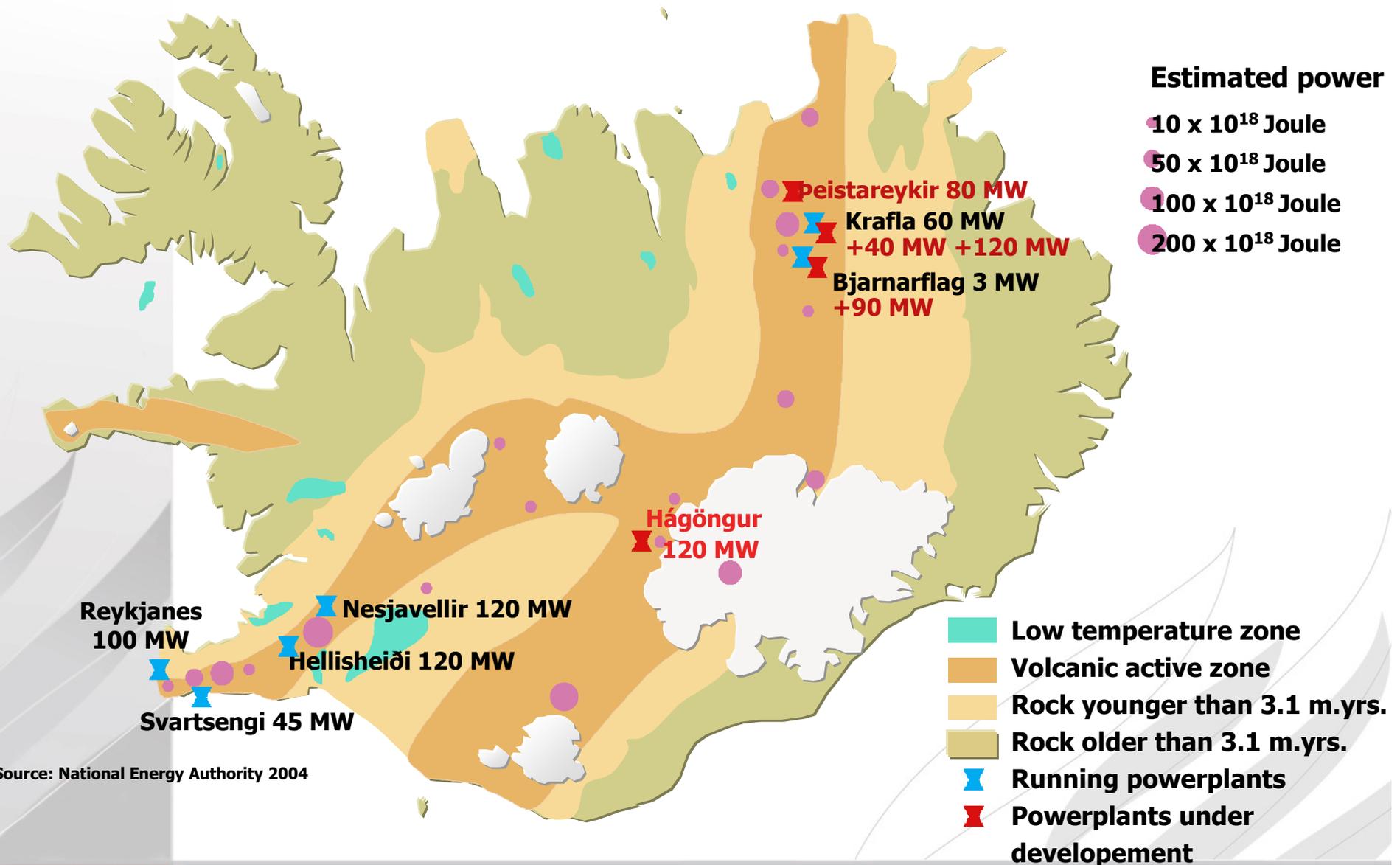




# Geothermal energy in Iceland

## Estimated power

- 10 x 10<sup>18</sup> Joule
- 50 x 10<sup>18</sup> Joule
- 100 x 10<sup>18</sup> Joule
- 200 x 10<sup>18</sup> Joule



Source: National Energy Authority 2004



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# Electricity production 1983-2010

TWh / year

18

16

14

12

10

8

6

4

2

0

■ Hydro

■ Petro

■ Geothermal

'83

'86

'88

'90

'92

'94

'96

'98

'00

'02

'04

'06

'08

'10



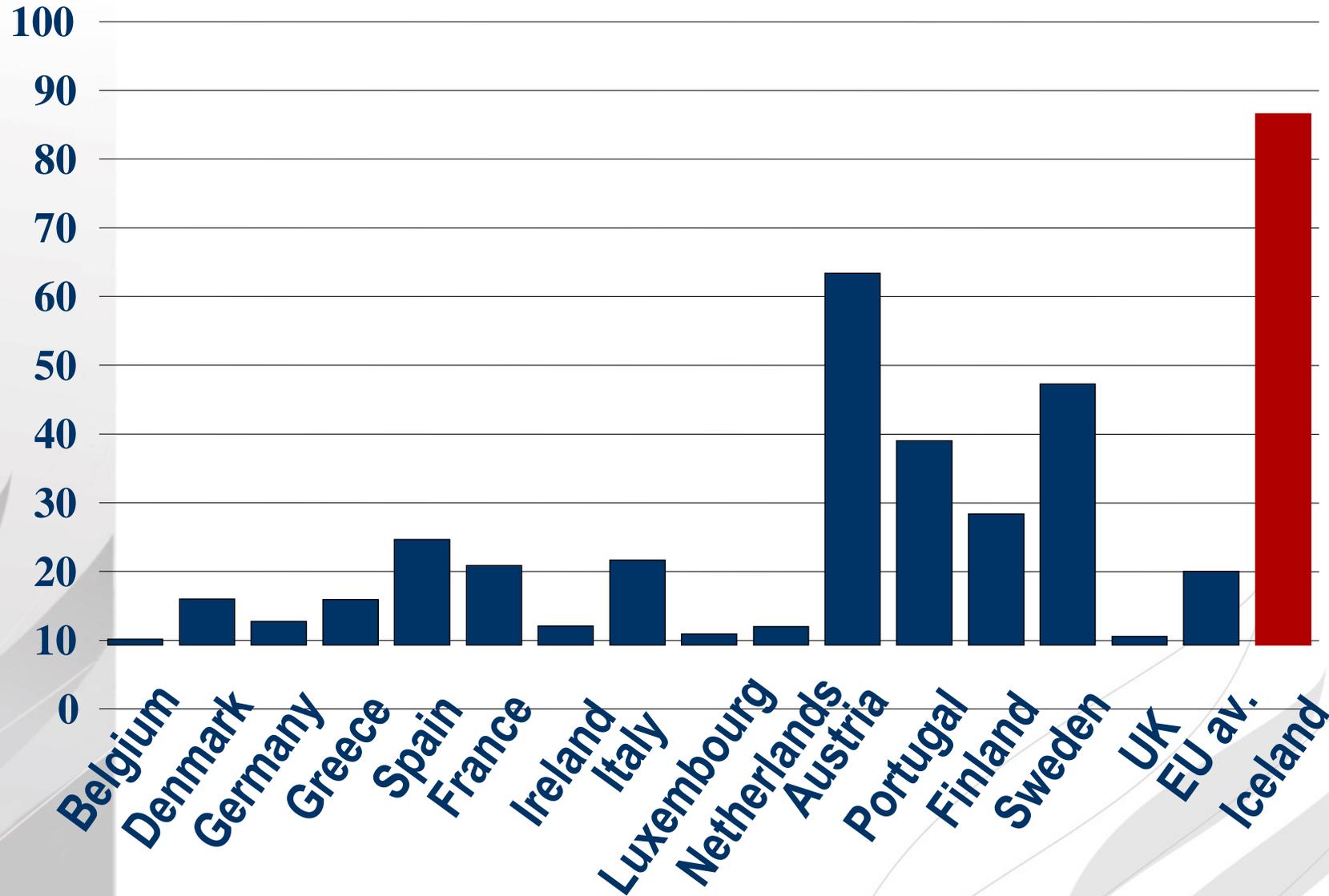


# Renewable Energy in % of consumption

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%

## Electricity and district heating



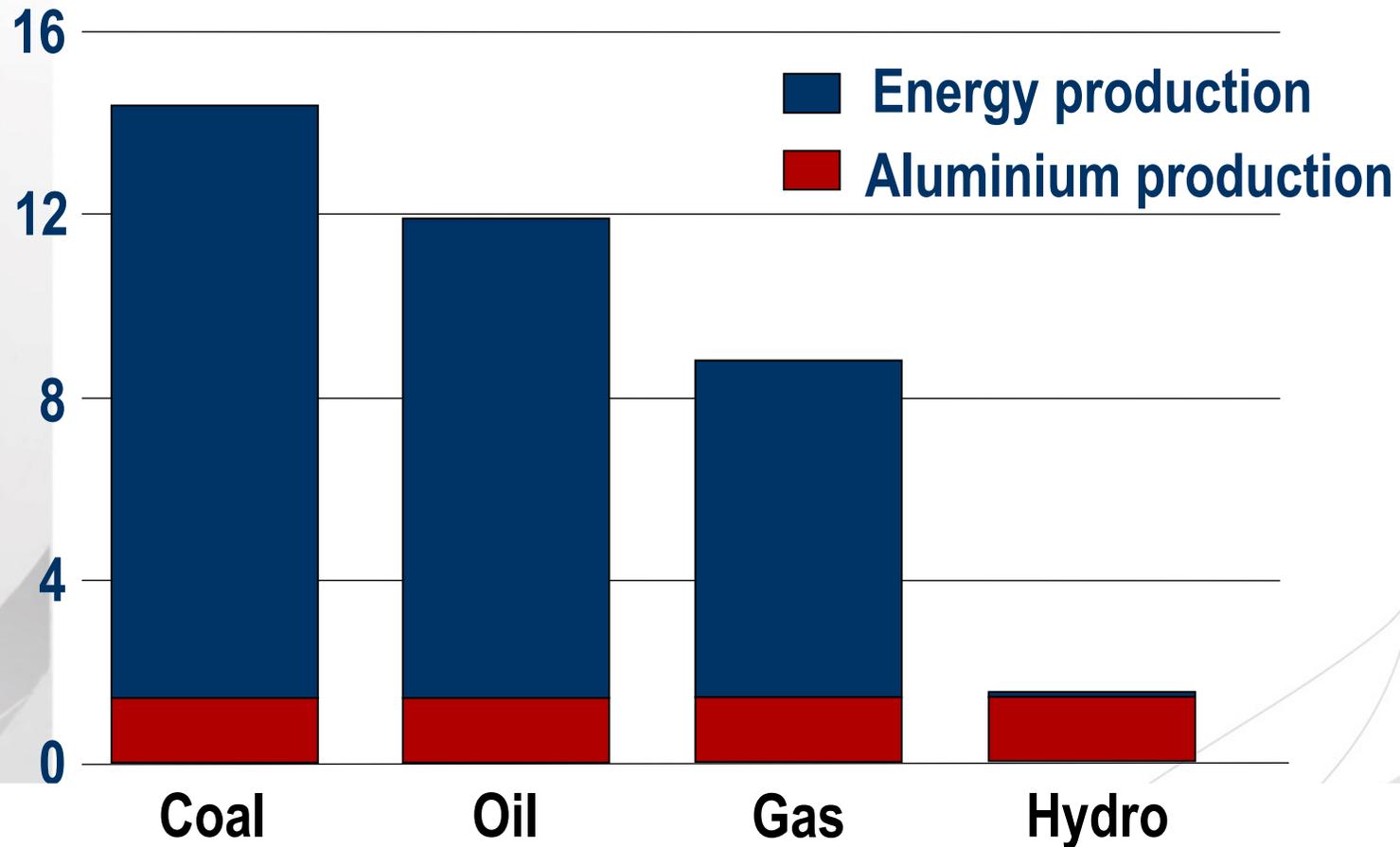


# CO<sub>2</sub> emission from aluminium production

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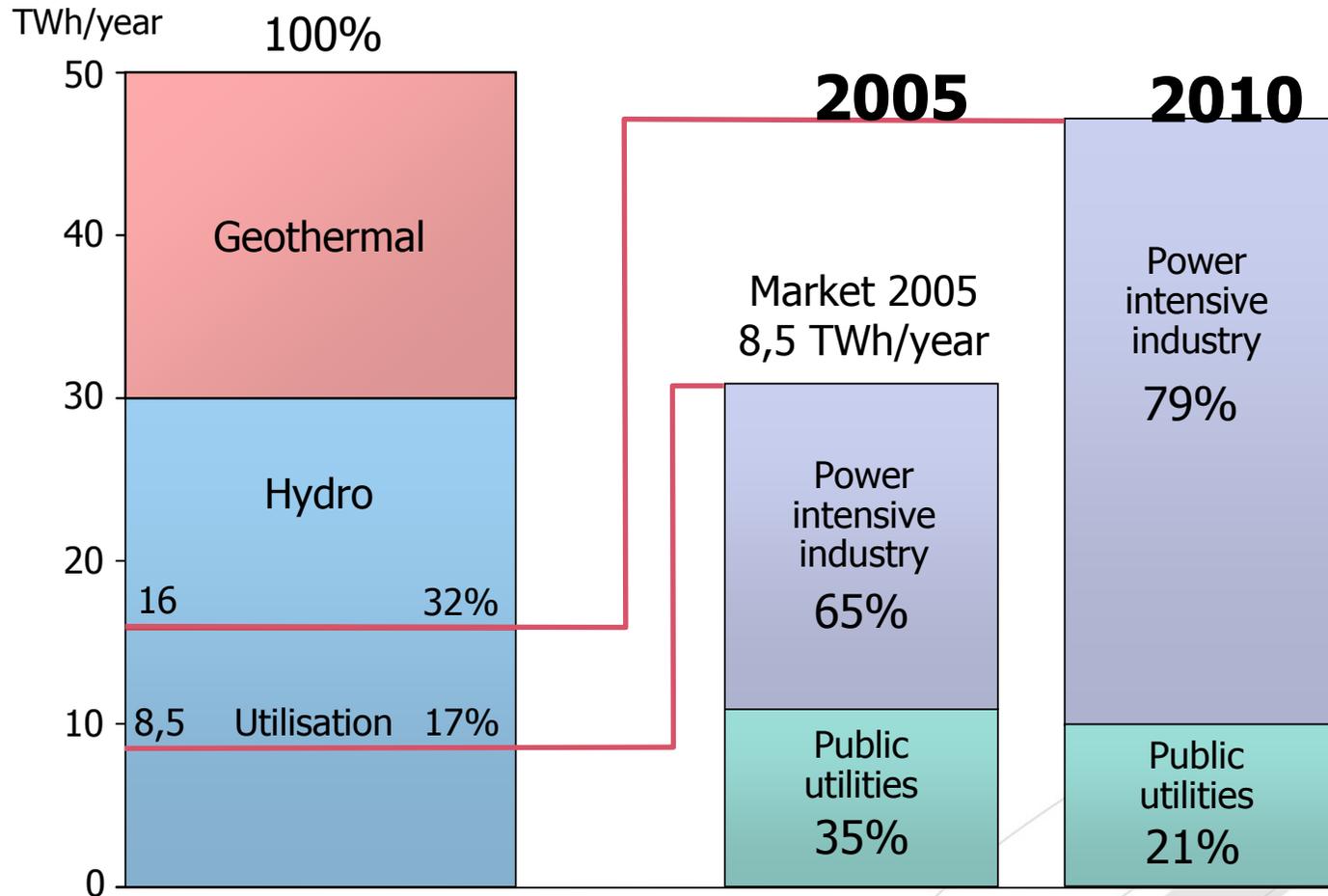
## Different energy sources

kg CO<sub>2</sub> / kg al



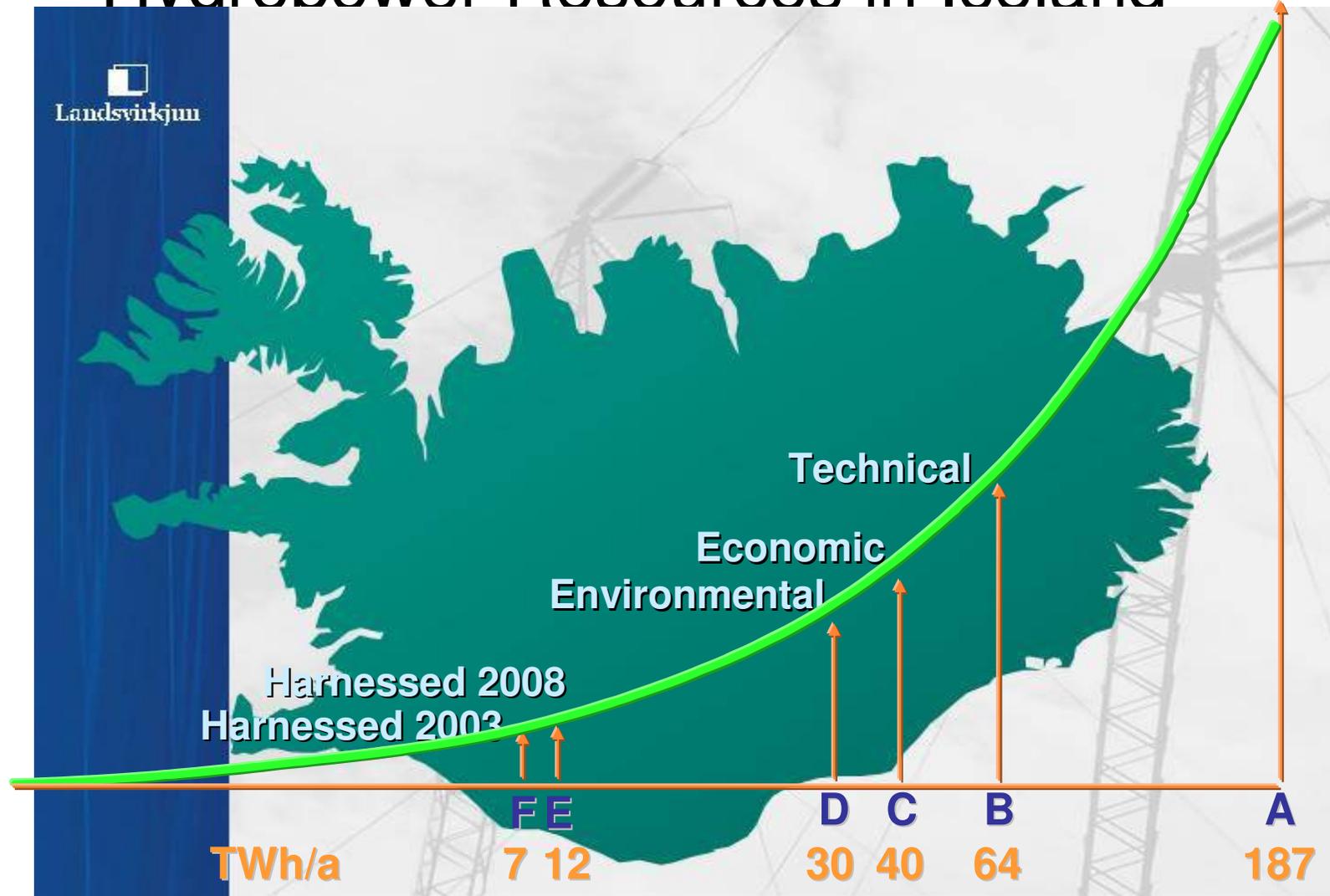


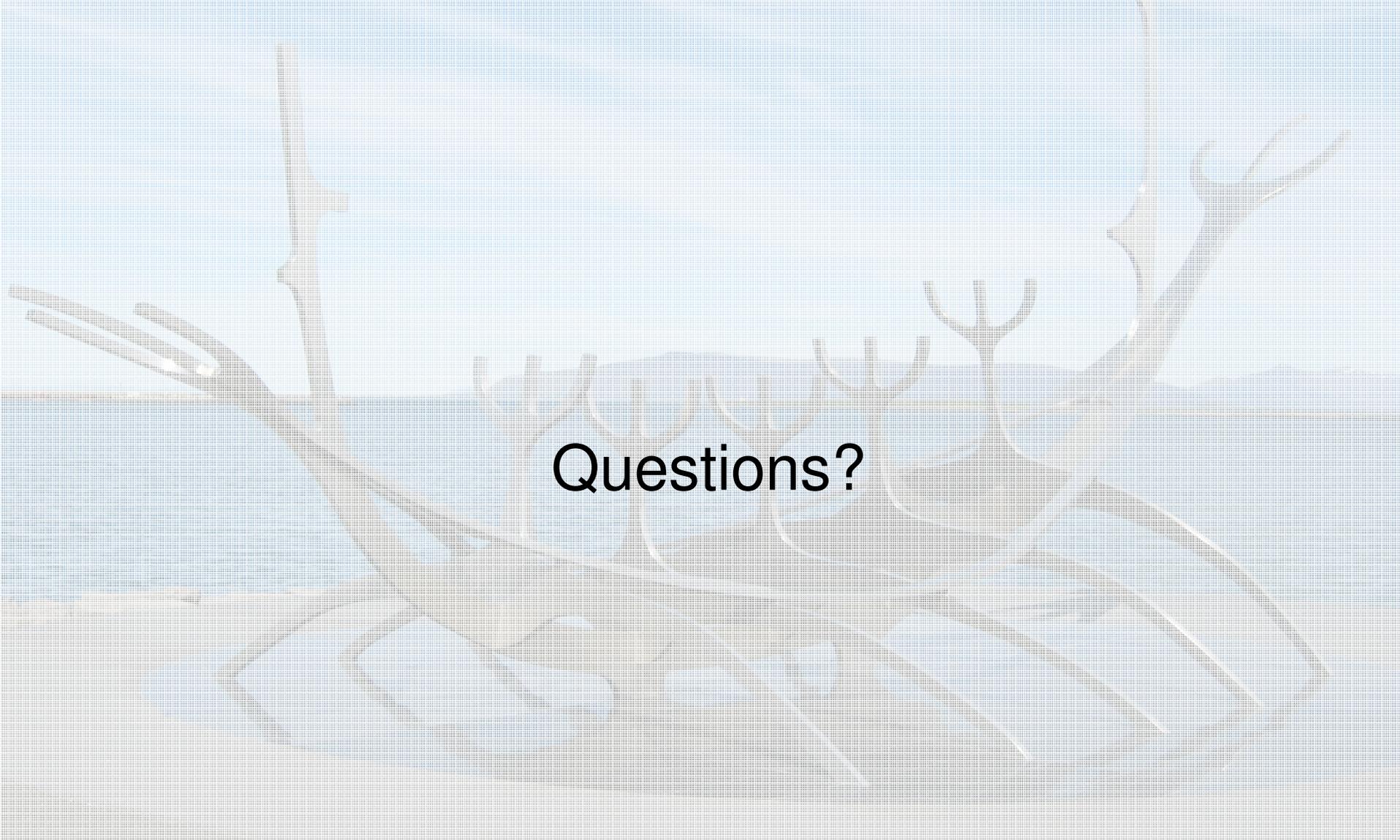
# Electrical power potential and Utilisation in 2005 and 2010





# Hydropower Resources in Iceland Gross





Questions?





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# www.icetrade.is

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