

# Samstarf við fjarlæg lönd, flutningar, uppbygging & nýir straumar

*“Samfélög í þróun”*  
Eskifjörður, 2 júní 2015

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# Overview

- The Arctic: Transport, Development & International Importance
- International Cooperation With Far Away Places
  - The Case of China and Iceland Arctic Cooperation
- Conclusion: New Currents and Opportunities For Iceland

# The Arctic Region is Sparsely Populated

Iceland accounts for 8% of the Arctic population and 6% of the Arctic GDP

## The Arctic in Figures

Annual economy US\$ 230 billion (2013)

20% of World's natural resources

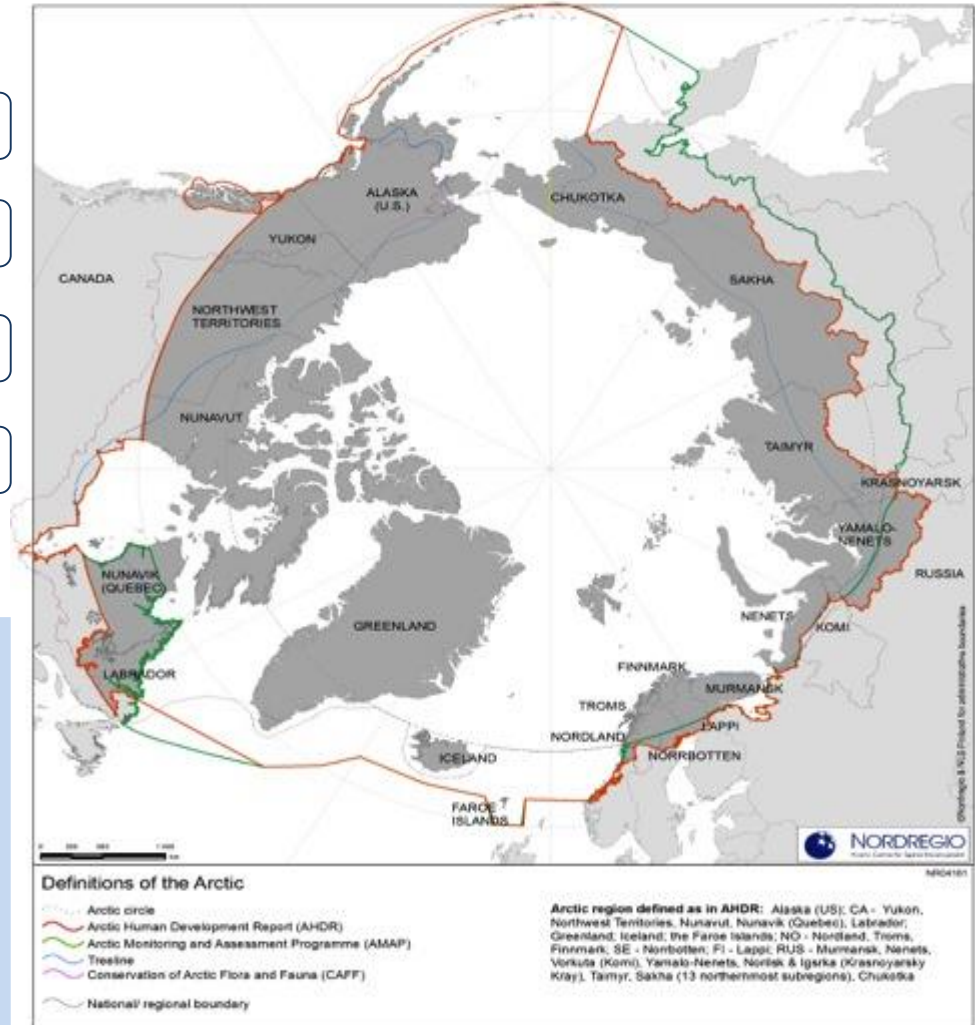
15% of World's landmass

4 million inhabitants

0.05% of World Total

“Up to **the 1900s** or so the **Arctic** was largely, both to us in the Arctic and definitely to the rest of the world, an **unknown part of the world**. By **2000**, we had made it **our Arctic**. But I believe **now**, in this new century, it has already become the **global Arctic**. We can witness this almost every day”

- President Ólafur Ragnar Grímsson (2012)



Sources: AHDR; Guggenheim Partners; Nordregio; President.is; Ursus Investments; WEF

# Arctic and Asia Cooperation: Important Future Trends

Why Trade With China: An Arctic Perspective, The Diplomat

## Major Trends

Demography

Natural resources

Purchasing power

Globalization

Climate change

Technology

### Large opportunities for Arctic Stakeholders

Increased economic activity

Transport

Natural resources

Tourism

Science & tech.

International cooperation is essential for a prudent and economically feasible development of the Arctic

### Economic & scientific factors driving Asian interest in the Arctic

Arctic Newcomers

China

Singapore

India

Japan

Korea

Italy

EU is pending

10/11 of the world's largest economies now represented in the Arctic council

### Cooperation between the Arctic and Asia

Arctic

Asia

Resources

Buying power & consumers

Competence, S&T

Mutually beneficial, based on need and demand of resources and capabilities

Sources: World Policy; The World in 2050; The Diplomat; Brookings Institution; Arctic Council

# Iceland in the Global Arctic

*Iceland's Arctic Awakening, World Policy*



Strategic Location between Europe & North America

Established infrastructure in the Atlantic Arctic

West Nordic Arctic opportunities – Greenland key

Resources: Energy, mining, seafood, fresh water, technology, tourism etc.

Central to all Arctic shipping CAR, NEP, NWP, Arctic Bridge



# Arctic Shipping Routes (ASR)

China Can Play Key Role For Arctic Shipping, Maritime Executive

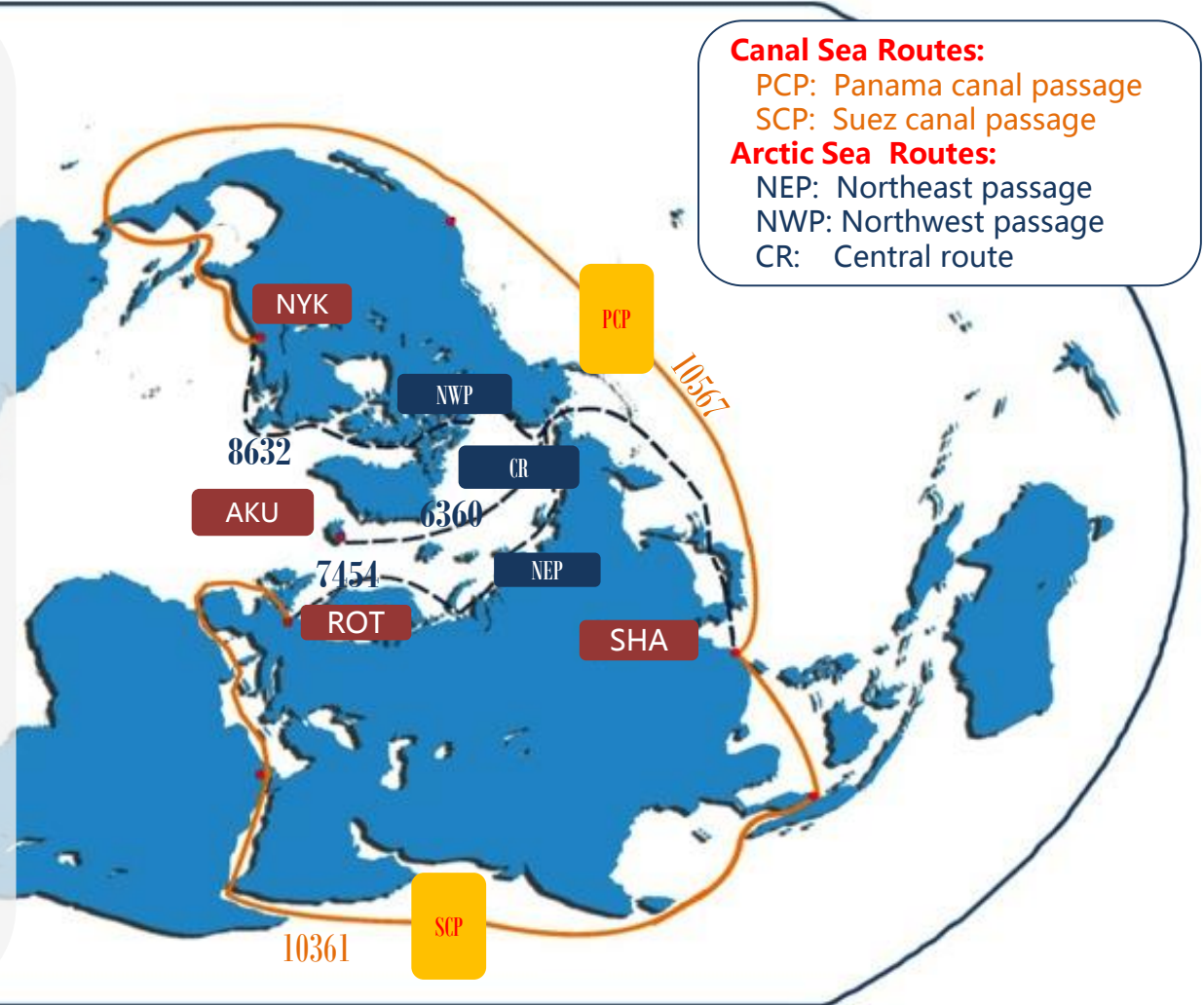
Lowering costs, saving time, decreasing CO2 emissions

CR shortens the voyage between Shanghai and Iceland by approx. 40%

Connecting the World's 4 largest economies

Asia to N-Europe/N-America accounts for 60% of transcontinental TEU cargo volumes

88% live north of the equator, and global trade more or less reflects this fact.



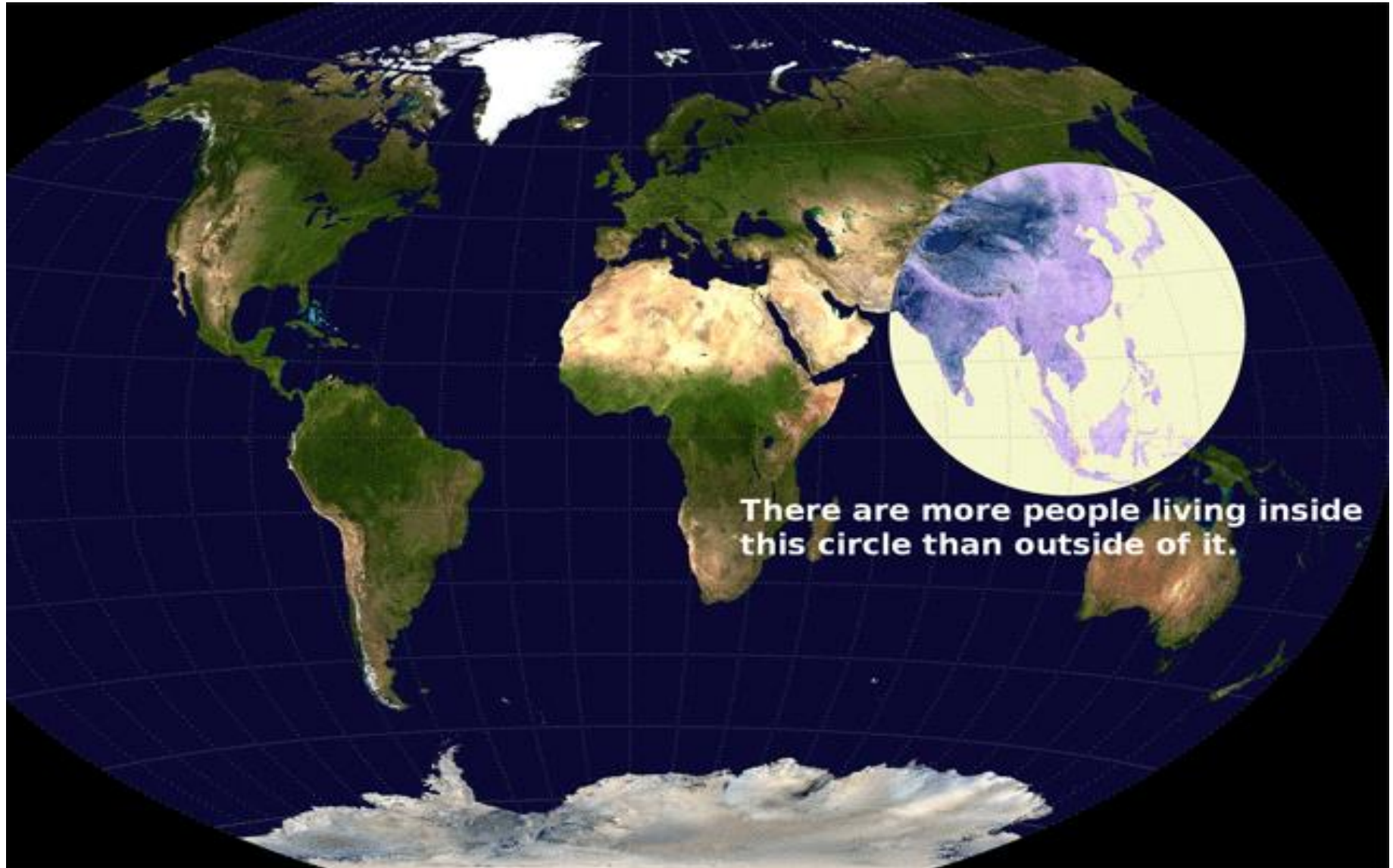
Sources: CNARC; Maritime Executive; PRIC; World Policy

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# International Cooperation With Far Away Places

There are more people living in Suzhou (China) than the Arctic and the economies are of a similar scale





# The Case of China and Iceland Arctic Cooperation

China-Iceland Arctic Cooperation Milestones of Recent Years

2011

1<sup>st</sup> China-Iceland Arctic Seminar takes place in Reykjavik

2012

Framework agreement on Arctic cooperation (research & shipping) signed on Premier's visit to Iceland

R/V Xuelong crosses Northern Sea Route and Central Sea Route on round-trip Shanghai-Qingdao-Reykjavik-Akureyri-Shanghai

2013

Free Trade Agreement is signed between Iceland and China

1<sup>st</sup> China-Nordic Arctic Cooperation Symposium takes places in Shanghai

Agreement on China-Iceland Aurora Observatory is signed between PRIC and Rannís at Kárhóll, Reykjadal

China-Nordic Arctic Research Center (CNARC) is inaugurated in Shanghai

2014

FTA is ratified in Iceland and China

CNOOC becomes operator for an E&P license in the Icelandic continental shelf, partnering with Eykon Energy and Petro for a license in the Dreki area

Eimskip and COSCO sign cooperation agreement, including Arctic shipping

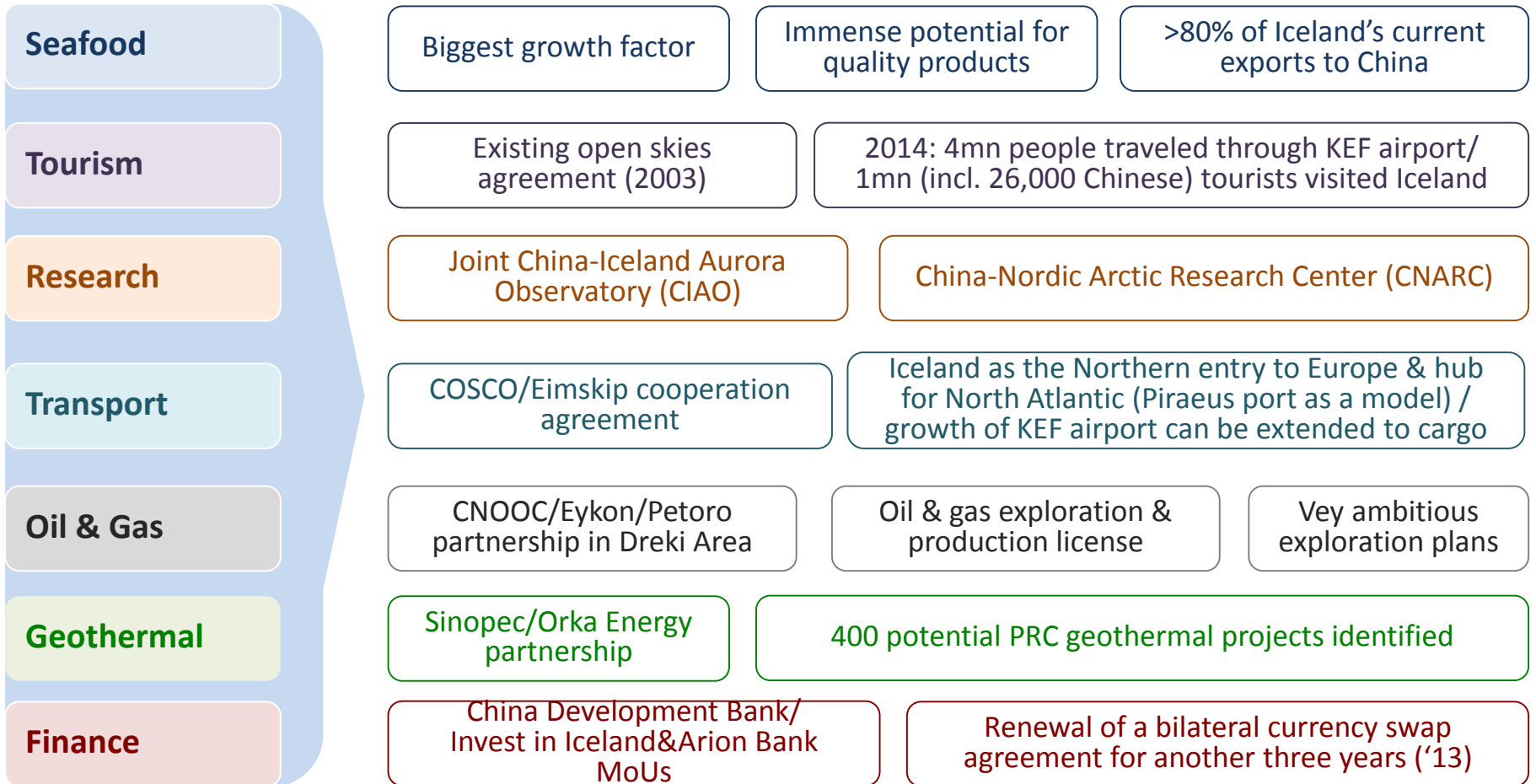
2<sup>nd</sup> China-Nordic-Arctic Cooperation Symposium takes places in Akureyri / 1<sup>st</sup> Chinese Arctic business delegation

Sources: China Daily; Eimskip; Eykon; Icelandic Ministry for Foreign Affairs; PRIC

# China-Iceland Economic Cooperation

Relations with China: Free trade agreement and Arctic opportunities at the very center of economic cooperation

## Examples of current and potential cooperation opportunities



Exports to China decreased around 30% from 2013 to 2014 despite of the ratification of the FTA on 1. July 2014, immense opportunities for export driven business in Iceland / NZ case, 2 years takeoff

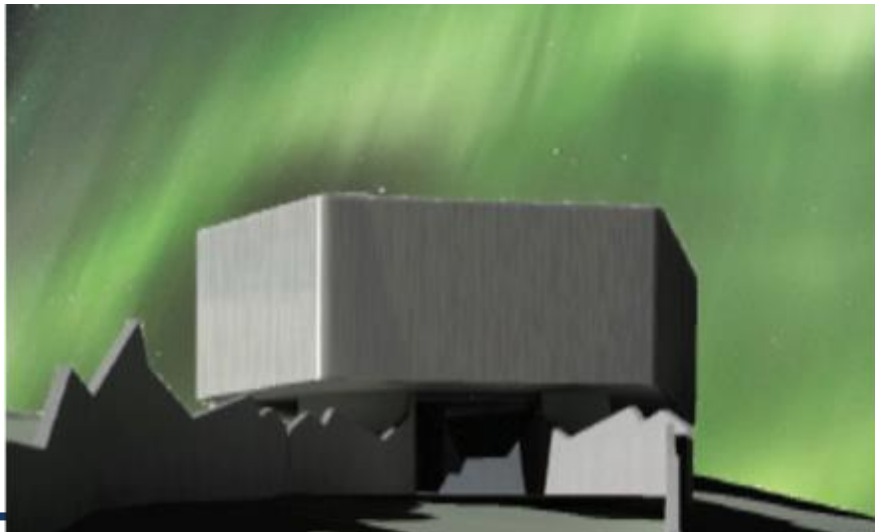
# Bilateral Framework Agreement on Arctic Cooperation & MoU on Marine and Polar Science and Technology



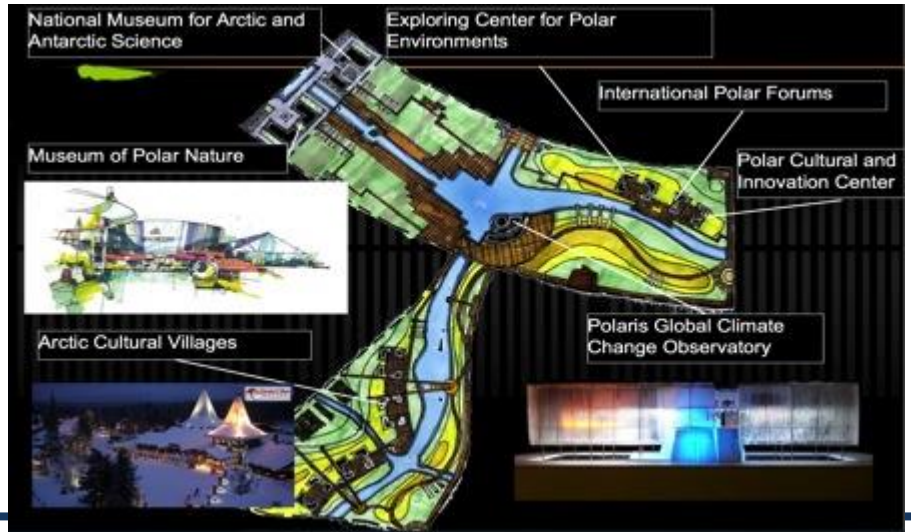
Polar Research Institute of China (PRIC)



New campus of PRIC, Shanghai



China-Iceland Aurora Observatory (CIAO)



International Polar Theme Park, Shanghai





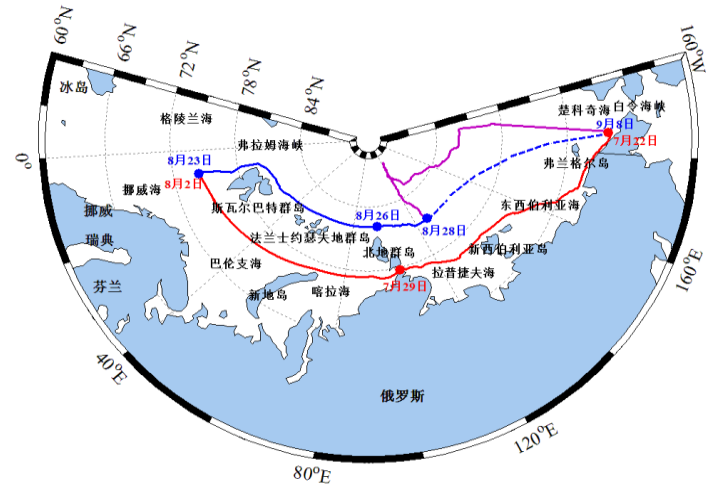


# Two Examples of China-Iceland Arctic Cooperation

## CHINARE 5: Historical Expedition to Iceland through the Arctic Ocean



Sailing through the Northern Sea Route (NSR)



Route through the NSR and Central Route



Meeting onboard R/V Xuelong



Arrival day in Iceland

# CHINARE 5

## Agreements and Events in Iceland, 16-20 August 2012



2<sup>nd</sup> China-Iceland Arctic Seminar



MoU on CIAO: Science Institute (UoI) & PRIC



MoU on CNARC: RANNÍS and PRIC



Xuelong in Akureyri



# Two Examples of China-Iceland Arctic Cooperation

## China-Nordic Arctic Research Center ([www.cnarc.info](http://www.cnarc.info))

### Purpose

- To increase awareness, understanding and knowledge of the Arctic and its global impacts
- To promote cooperation for sustainable development of the Nordic Arctic and coherent development of China in a global context

### Activities

- China-Nordic Arctic Cooperation Symposium
- CNARC Fellowship / Internship Program
- CNARC Publication Program
- Joint Research Project

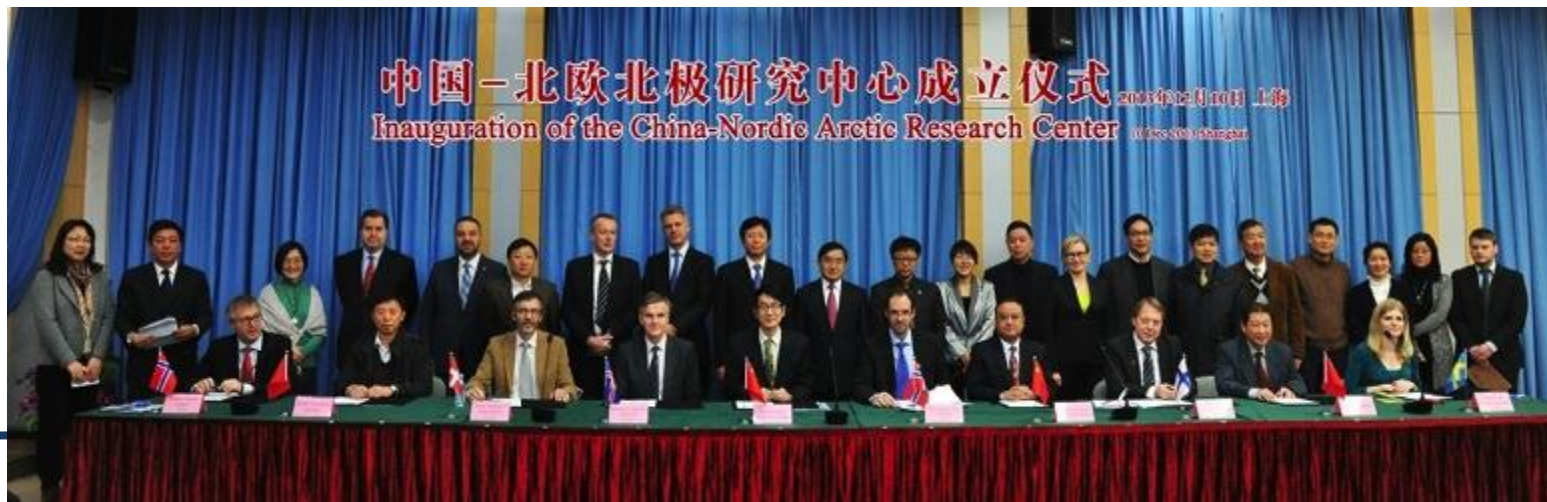
### CNARC member institutes

#### - Nordic

- Arctic Center, University of Lapland (Finland)
- Fridtjof Nansen Institute (Norway)
- Icelandic Centre of Research
- Nordic Institute of Asian Studies (Denmark)
- Norwegian Polar Institute
- Swedish Polar Research Secretariat

#### -China

- Polar Research Institute of China
- Shanghai Institutes for International Studies
- Tongji University
- Ocean University of China
- Shanghai Jiao Tong University



# China-Nordic Arctic Cooperation Symposia



- Symposium Theme: Human Activity and Environmental Change
- Roundtable Theme: Establishing CNARC

Location: Shanghai, China  
Date: 4-7th June, 2013



- Symposium Theme: Arctic Synergies: Policies and Best Practices
- Roundtable Theme: Cooperation Towards Operational Use of the Arctic Sea Routes

Location: Shanghai, China  
Date: 26-28th May 2015



# 2<sup>nd</sup> China-Nordic Arctic Cooperation Symposium, June 2-5 2014

## “North Meets East”



Welcoming Reception: Lay the foundations of the joint China-Iceland Aurora Observatory at Karholl ([www.karholl.is](http://www.karholl.is)), June 2



China-Iceland Arctic Economic Roundtable in Reykjavík, June 5

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# Conclusion: New Currents and Opportunities For Iceland

- Arctic opportunities offer great potential for local economic development
  - Finding the right partners
  - Deep pockets and competence key factors for many of the projects
- China-Iceland Arctic (economic/scientific) cooperation one example
  - The most important factor is that there are mutual benefits from the cooperation
  - Singapore, Japan, South Korea, India (Asia), to some extent Germany, UK (EU) etc.
- Iceland in the driving seat
  - EU and North America will remain important partners but opportunities point North (West Nordic region) and East (Asia)
  - Large-scale projects (North) combined with capital & consumers (East)
  - Great potential for export-driven regions such as Austurland to reap the benefits of new currents in Arctic developments, a proactive approach is key





**Thank you**