Samstarf við fjarlæg lönd, flutningar, uppbygging & nýir straumar

“Samfélög í þróun”
Eskifjörður, 2 júní 2015

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norðurslóðamiðstöðin
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
- Tourism

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
- Resources
- Competence, S&T

Asia
- Buying power & consumers

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

Canal Sea Routes:
- PCP: Panama canal passage
- SCP: Suez canal passage

Arctic Sea Routes:
- NEP: Northeast passage
- NWP: Northwest passage
- CR: Central route

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

1st 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

1st China-Nordic Arctic Cooperation Symposium takes place in Shanghai

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

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 Petoro for a license in the Dreki area

Eimskip and COSCO sign cooperation agreement, including Arctic shipping

2nd China-Nordic-Arctic Cooperation Symposium takes place in Akureyri / 1st 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

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<th>Examples of current and potential cooperation opportunities</th>
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<td><strong>Seafood</strong></td>
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<td>Biggest growth factor</td>
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<td>Immense potential for quality products</td>
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<td>&gt;80% of Iceland’s current exports to China</td>
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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)

Meeting onboard R/V Xuelong

Route through the NSR and Central Route

Arrival day in Iceland
CHINARE 5
Agreements and Events in Iceland, 16-20 August 2012

2nd China-Iceland Arctic Seminar

MoU on CIAO: Science Institute (UoI) & PRIC

MoU on CNARC: RANNÍS and PRIC

Xuelong in Akureyri
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
Welcoming Reception: Lay the foundations of the joint China-Iceland Aurora Observatory at Karholl (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 extend 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