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Ministerial Roundtable on Climate Change:

**Opportunities and Challenges Created by
A More Accessible Arctic**

**Arctic Council
6th Ministerial Meeting**

Tromsø, Norway
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Ministry for Foreign Affairs of Iceland

Mr. Chairman,

I would like to use this opportunity to congratulate Norway on its successful Chairmanship of the Arctic Council.

Since the last Ministerial meeting of the Arctic Council, we have been witnessing changes in the Arctic of profound and long lasting nature, as a result of human induced climate change.

At present, we may be more occupied by the wide spread melt down in the international financial system and its immediate affects on our economies, which are particularly bad in Iceland.

But the changes we are now witnessing in the Arctic as a result of human induced climate change are of much more profound and long lasting nature than our economic difficulties which we will surely overcome in a few years.

This is why all the Arctic States, and indeed not only Arctic States but other countries as well, are putting more focus on the Arctic. Most of the Arctic States have produced policy statements or reports on the Arctic, including Iceland, which has just published a report on Iceland's position.

The report has not yet been translated into other languages, but for those of you, who do not read Icelandic, we have made a copy of its highlights in English.

Above all, we are stressing the importance of international cooperation with the Arctic Council at the center. We also welcome the growing interest of various international organisations in the region, including the European Union and

NATO. This interest should help in increasing international understanding of Arctic issues. On security we are emphasizing the importance of inclusive circumpolar cooperation of all the Arctic states with a focus on emergency reaction and environmental protection.

Iceland is the only country located entirely within the Arctic region, so we naturally pay great attention to resource development and environmental protection based on the principle of sustainable use of natural resources. Arctic research and science is also of great importance to Iceland as well as cooperation with other communities throughout the Arctic and its indigenous peoples.

But of most relevance to our present discussion is the prospect of increased shipping and transportation throughout the Arctic Ocean. This is thoroughly documented in the Arctic Shipping Assessment of the Arctic Council presented at this meeting.

The changes in the Arctic are faster and more dramatic than predicted. The drastic decrease in sea ice in the Arctic Ocean in the summer of 2007, and the disappearance of multi-year ice from the Central Arctic Ocean in 2008 has far reaching consequences, which we are gradually realizing. We are suddenly facing the prospects of a navigatable Arctic Ocean within a few years, which most of us did not expect to see on our lifetime.

Simultaneously, new technologies are being introduced which make all year navigation straight over the polar region possible using a new generation of double-acting ships. Furthermore, with remote sensing, it will soon be possible to estimate ice-thickness to plot out optimal shipping routes through the ice.

This means that the opening of new shipping routes between the North-Atlantic and the Pacific Oceans straight over the Central Arctic Ocean is no longer a distant dream of scientific novels, but something we can and should start preparing for now. Because of our geographic location at the fringes of the Arctic Ocean, this development is of particular interest to Iceland.

A Trans-Arctic shipping route would create a much needed connection between the old economies around the North-Atlantic Ocean and rising economies in East Asia. It would not be limited by the capacity constraints of the present transportation routes through the Suez- and Panama Canals, which have been operating at maximum capacity for decades.

The creation of a Trans-Arctic Trade Link could give a strong stimulus to the world economy in a similar way as Trans Atlantic Trade between the continents of Europe and America did in the past.

What we need is a vision of how we can make use of the opportunities arising from this new situation. At the same time, we must ensure that these developments, and the decisions we take, do not destroy the delicate ecology of the Arctic, which is already being threatened. This is especially important for Iceland, which is heavily dependant on the sustainable use of living marine resources. The same holds true for many other Arctic Communities.

The creation of a Trans-Arctic Trade Link is of course, of particular interest to Iceland, which could serve as a transshipment hub for trade between the continents of Europe and North America on both sides of the North Atlantic Ocean and East Asia across the Central Arctic Ocean.

The Icelandic Government is following these developments closely and is looking forward to work with the other Arctic States and other potential partners in studying how we can make use these opportunities to our advantage. This, of course, includes all parties present here today.

Thank you, Mr. Chairman