

**Ávarp Sigurðar Inga Jóhannssonar samgöngu- og sveitarstjórnarráðherra
í málstofu um samgöngur á norðurslóðum á Arctic Circle í Hörpu 19. október**

We live in times when the Arctic is opening, for the first time, to modern human activities. Times when we must strategize, based on the best available information, to assess the strengths, weaknesses, opportunities and threats of the options that lie ahead. With the climatic and environmental changes taking place in the Arctic we must tread with caution. It is a fragile environment, the source of our livelihood and deserves the utmost respect.

Iceland's geographical position in the middle of the North Atlantic Ocean is unique, crossing the boundary of two continental plates, the Eurasian plate and the North American plate, with more than 200 active volcanoes – and geothermal areas creating valuable sources of energy. Off shore there is an oceanographic boundary where the cold currents from the Arctic meet the warm Gulfstream waters, giving rise to some of the world's richest fishing grounds. Simultaneously the boundary of cold and warm ocean ensures enough precipitation to maintain glaciers that feed the raging glacial rivers producing most of the country's electricity. The climate is temperate thanks to the Gulfstream.

Only a few decades ago Iceland was at the edge of the unknown, visited only by a few adventurous travellers. The image of the Arctic is changing from remote and unreachable, to a sought-after destination. Climate change and receding polar ice are opening new opportunities in the Arctic. Fishery resources are moving northward, lands rich in rare minerals and new sources of fossil fuels are becoming accessible, and the commercial sea routes are opening. Tourism is booming as more people seek the freshness of the Arctic. The growing interest and opportunities in the Arctic lead to a wide range of challenges including social and environmental responsibilities in this scarcely populated, fragile environment.

The growth in offshore activities in the Arctic and the interest in shipping north of the American and Eurasian continents require improved or new logistic and transport solutions, better guidance to ships and an extended emergency

response service, including Search and Rescue Services (SAR). The international opening of the Northern Sea Route has proved the commercial viability of this route as an alternative international trade route during the ice-free season. **The first container ship from Maersk completed the route last month.** The Northern Sea Route to China shortens the distance of traditional shipping routes through the Suez Canal by more than 40%. This new route has the potential to generate significant savings for both cargo and ship-owners with reduced fuel consumption, transportation time and CO2 emission.

This is also the case for increased tourism and fishery activities in the Arctic. There are opportunities and developments in this area adding life to old native communities that until recently depended on fishing, which has led to a shift in the age pyramid for the better as tourism attracts the young to stay or even return home.

A wide range of challenges are facing the operations in the Arctic due to extreme distances, climatic and weather conditions, as well as winter darkness. Low temperatures, summer fog and long distances to shore-based resources require a robust communication infrastructure, new warning systems, survival and lifesaving equipment, rescue units and operating procedures.

The increase in human activity also gives rise to many environmental challenges. The polar region's inhospitable climate and vulnerable ecosystem make it essential to ensure that adequate preparedness measures are in place for dealing with oil spills and search-and-rescue operations.

As activities increase, cooperation across national boundaries is crucial due to the region's remoteness and dispersed resources. The countries of the Arctic are conscious of the challenges posed by harsh Arctic conditions on search and rescue operations and the vital importance of providing rapid assistance to persons in distress in such conditions. Mindful of the increase in aeronautical and maritime traffic, and other human activity in the Arctic such as resource exploitation, increased search for oil and the fast expanding tourism sector, the countries around the pole have joined forces. Consequently, a number of international treaties have been concluded by the member states of the Arctic council, mainly on emergency preparedness and search and rescue.

It is evident that economic advancement in the Arctic will require a robust information infrastructure. This must include communication, monitoring and surveillance for improved preparedness, for emergency response, search and rescue service and shared operating procedures. In Iceland the first steps have already been taken with the Joint Rescue and Coordination Centre for Maritime and Aeronautical Search and Rescue, a single point of contact for all maritime related information ensuring fast responses to emergencies. It is an important part of the Icelandic safety at sea system that has resulted in a few years where Iceland enjoyed no loss of life at sea. Another important part of the safety system is the **Safety for seafarer's programme**. The programme is run/operated by the Icelandic Transport Administration and consists of education and training of seafarers, distance learning and a safety management system, involving a manual, where special emphasis is given to the human factor in the working environment of fishing vessels.

Long distances, a demanding climate and limited availability of rescue personnel and equipment are characteristic of the Arctic region. This means that three considerations are crucial for commercial exploitation of the Arctic.

- Firstly, it is important to prevent accidents, as the consequences for both people and the environment will often be greater in the event of accidents in the High North than elsewhere. In the Icelandic Government's view, particularly stringent maritime safety standards are therefore required.
- Secondly, cooperation between the countries in the region is essential for making effective use of the rescue personnel and equipment available, as well as for ensuring that rescue operations are conducted as swiftly as possible.
- Finally, it is important to be aware that time considerations, the distances involved, and the harsh climate will make some rescue operations impossible, regardless of the resources allocated to search and rescue services.

Therefore, responsibility usually lies with individual companies and their industry organisation to reduce the risk of accidents, and to ensure that they are able to manage crises themselves to a greater extent than is required in other waters.

In past years Iceland has experienced a fast increase in air and maritime traffic.

- The driving force behind this development is tourism. For example, 169 cruise ships made port calls in Reykjavík last summer. Fishing boats are also going further north which is likely to increase with the opening of trans-arctic shipping routes
- The Government of Iceland has already taken concrete steps towards addressing these new challenges and risks. Iceland has introduced more stringent regulations on shipping lanes in its coastal waters while strengthening the Coast Guards response capabilities - with a new Patrol Vessel and Maritime Patrol Aircraft.
- Iceland has also concluded various bilateral agreements on broad security cooperation with its neighbouring countries, both Arctic and Non-Arctic states.
- Prevention is of course the most effective way to ensure safety via international agreements and laws that are implemented and enforced - but we also need to be prepared.
- It is important, particularly given the growing economic activities in the region, that those that benefit, be it states or private companies, work together and contribute to developing proper response infrastructures where needed. This will also strengthen the region's economic competitiveness.
- Given the vast distances, lack of infrastructure and the cost of operation, it is important to take a more holistic view in order to explore the most cost and time efficient ways to respond.
- Iceland has built an information system on weather and sea state which has proven invaluable for seafarers and fishermen. An important task for safety at sea is to improve the weather information system for better weather forecast, predictions of ice free areas and wave conditions.

The Circum- and Transpolar shipping routes

Arctic sea ice is melting rapidly, and within the next decade the effects of global warming may transform the Polar region from an inaccessible frozen desert into a seasonally navigable ocean.

A study by NASA suggests that the ice-free period along the Arctic's main shipping routes is expected to increase to more than 120 days by the middle of the century. The North Eastern Sea Route is already in use by an increasing number of ships. The Trans Polar route may also open sooner than expected as the distribution of the summer ice will not be uniform across the Arctic Ocean but collect and persist the longest along Canada and Greenland while the central and eastern part of the Arctic is expected to see significant decline of ice. The limited seasonal window will however for the foreseeable future limit the development of trans-Arctic shipping, and its economic viability. The Arctic route will thus not serve as a substitute for existing shipping lanes but will instead provide a new and seasonal additional capacity for a growing transportation volume. For this Iceland will be prepared and will make the most of the new possibilities in transshipping.

A key characteristic of Arctic shipping routes is the limited number of ports of call. Iceland's strategic location at the entrance and exit to the Arctic Ocean is a stronghold, as the harbours offer good service, linkage to airports, health services and other necessary commodities allowing for future development. Iceland also enjoys good commercial air and sea links with 4 international airports and many well sheltered harbours. The ports of Akureyri/Eyjafjörður and Reyðarfjörður, as well as the greenfield port project Finna fjord in North East Iceland, may serve in the near future as major Arctic Transshipment hubs. Investment in such structures will however depend significantly on investments in related infrastructure. The stakeholders Bremenports and Icelandic counterparts foresee that the opening of the Northern sea route will attract investors to utilize the favourable location of the Finna fjord for transshipment of goods from Polar code vessels and on to the markets of Europe and the east coast of North America.

The future remains unknown. One thing is sure, there will be changes, and we aim to make responsible use of what the future brings in transport and related services in the Arctic region.