

MINUTES

of the meeting of the **Icelandic Industrial Policy Council**
October 21-22, 2025 in Reykjavík

Attendees:

Members

Robert-Jan Smits, Chair
Nana Bule, Member
Pétur Þ. Óskarsson, Member
Gylfi Zoega, Member
Tanya Zharov, Member

Officials

Rósa Guðrún Erlingsdóttir, Prime Minister's Office
Bjarki Vigfússon, Prime Minister's Office

1. The IPC finds the problem analysis which has been made of the Icelandic economy convincing and supports the proposed way forward to put greater focus on the high-productivity export sectors.
2. Focus on high-productivity sectors requires dedicated measures of both horizontal and vertical nature. The most powerful horizontal measures are R&D support and skills development. The vertical measures call for choices to be made on what sectors to focus and require for each sector tailor-made instruments, based on the specific needs and maturity of the sectors involved.
3. The IPC paid special attention to the following issues:
 - a. The importance of integrating resilience in the Political Statement of the Policy and taking a more inclusive approach by including “other actors” such as universities in the Statement
 - b. The importance of organizing public consultations with different stakeholders to obtain their views and inputs
 - c. The importance of integrated policy making, whereby each ministry is contributing to the Industrial Policy
 - d. Overall deliverables for 2035 and indicators to measure success of the proposed Policy
 - e. The potential of Industrial Zoning
 - f. How to mitigate the possible negative externalities and side-effects of a growing and successful high-productivity export sectors
 - g. Execution power needs to be ensured to implement the Policy
4. As low-hanging fruit, and in line with the recommendation of the Science and Innovation Council, urgent action is needed to address the current financial problems faced by the three competitive funds and delays currently faced concerning the tax incentive scheme for R&D investments by companies.