



ATVINNUVEGA- OG NÝSKÖPUNARRÁÐUNEYTIÐ

Natural resources and profit sharing

Ráðstefna um sanngjarna skiptingu arðs af orkuauðlindum

16 November 2012

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Natural resources owned by the people

- Constitution
- What is the meaning of “owned by the people”?
- Who can exercise the ownership right?
- How to share the profit?



Natural resources and economic growth

- Large natural resources, low economic growth
- Lack of resources and economic prosperity – resources and poverty
- Natural resources, investment and innovation
- Human resources
- Access to natural resources and corruption
- Norway, an exception or an example

Natural resources for the people

- The existenz of natural resources is not the only thing that matters
- Social structures
- Governance and politics



Ownership by the people

- Moral commitment for reservation
- Claim on the resource rent
- Right for disposition



Individuals and natural resources

- Free disposition by individuals
- Individuals can participate
 - Temporary using rights
 - Lease of using rights
- Common interests secured by conditions, the resource rent must be returned and the right for disposition must be kept



Municipalities and natural resources

- Ownership by state and municipalities
- Limitation on municipalities
 - Limited coverage
 - Limited rights
 - Interests of the municipality vs. the nation
- Municipalities can not exercise the ownership rights for natural resources owned by all

Natural resources and the immediate community

- Service role of municipalities
- Resource utilization for provision of services
- Resource utilization for profit



Resource utilization for provision of services and others' interests

- Energy sold to residents at a discount; what about others?
- Equalization measures
 - Subsidies and facilitation of energy procurement
 - Subsidized energy costs

Natural resource policy

- Cooperation agreement among governing political parties
- Resource policy committee report
- Putting words into action

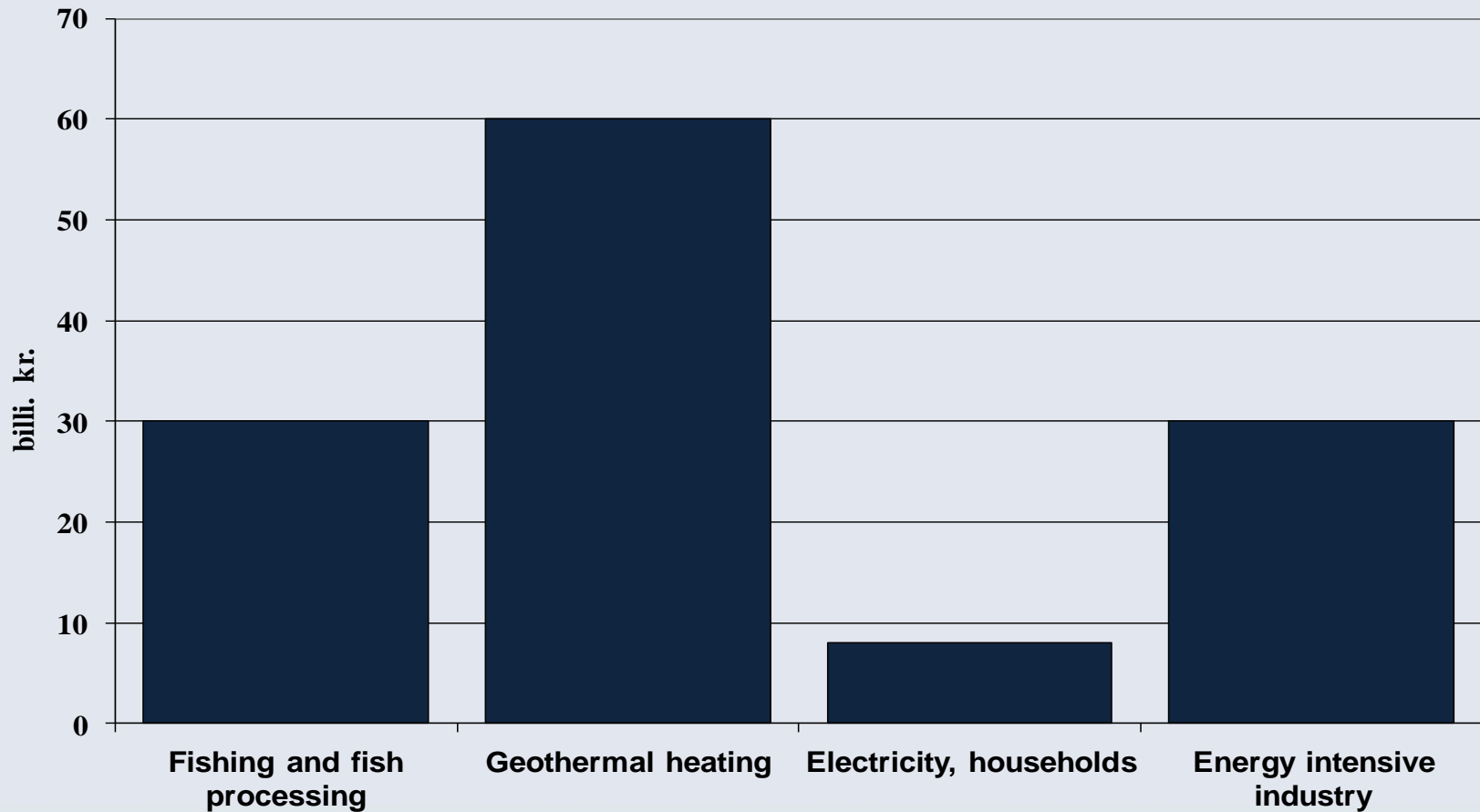


Natural resources and their value

- Fishing resources
 - Restricted access has generated resource rent
 - Provided to fisheries at no significant cost
 - Fishery rent 2008-2010 estimated at ISK 30 bn per year, closer to ISK 40-50 bn per year in 2011 and 2012
 - Fishing fees intended to return part of resource rent to the nation



Estimated rent (2010)



Natural resources and their value

- Energy resources
 - Energy sales, official price decisions, and long-term contracts
 - Discounted price to households, businesses, and industry
- Estimated resource rent
 - Indoor heating: ISK 60-70 bn, households in geothermal areas
 - Public electricity: use ISK 5-10 bn, households nationwide
 - Energy sales to heavy industry: ISK 25-40 bn, industrial plants

The tasks ahead

- Create an environment for the most economical resource utilization possible
- Ensure that resource rent reverts to the nation
- Find means to divide returns on resources fairly between the nation and the immediate community