

## **Reception Speech**

**The Prime Minister of the Faroe Islands, Mr Jóannes  
Eidesgaard**

**Copenhagen, 6 October 2004**

### **Ministers, Excellencies, Ladies and Gentlemen:**

It is great honour for me to have this opportunity to meet so many distinguished guests here today. It is also a great pleasure for me to welcome you here to the Representation of the Faroes in the North Atlantic House.

These new premises are a testimony to our success in adapting history to modern life. This former storehouse was an important first point of delivery for trade in valuable fish products from the Faroes and from our North Atlantic neighbours. If you take a deep breath you can actually smell the history.

We are of course still delivering high quality products from the sea, but these days they go directly to their many different markets.

The North Atlantic House has now been successfully transformed to meet our modern political needs. Today it provides us with a striking venue for the Representation of the Faroes – which is our important first point of contact with the representatives of other nations here in Denmark.

### **Ladies and Gentlemen:**

Since the 3rd of February this year, I have had the honour and privilege of heading the Faroese Government, which is a coalition between the Social Democratic Party, the Conservative Peoples Party and the Unionist Party.

The coalition counts 21 of the 32 members of parliament. My hope is that with this broad coalition, we can create the political stability necessary in the years to come in order to reach our ambitious goals.



In our programme we have given high priority to the independence issue, where our objective is, in collaboration with the Danish authorities, to find a suitable and workable setup for the years to come. Also a reform of our industrial policy is needed. I will come back to these issues later in my speech.

In the domestic sphere, we are facing many new challenges over the coming years, challenges which my government is ready to tackle, with the welfare of the people at the top of our agenda.

Last week we presented our first full year budget proposal for the year 2005, a budget that in some ways is very different from those we have had over the last few years.

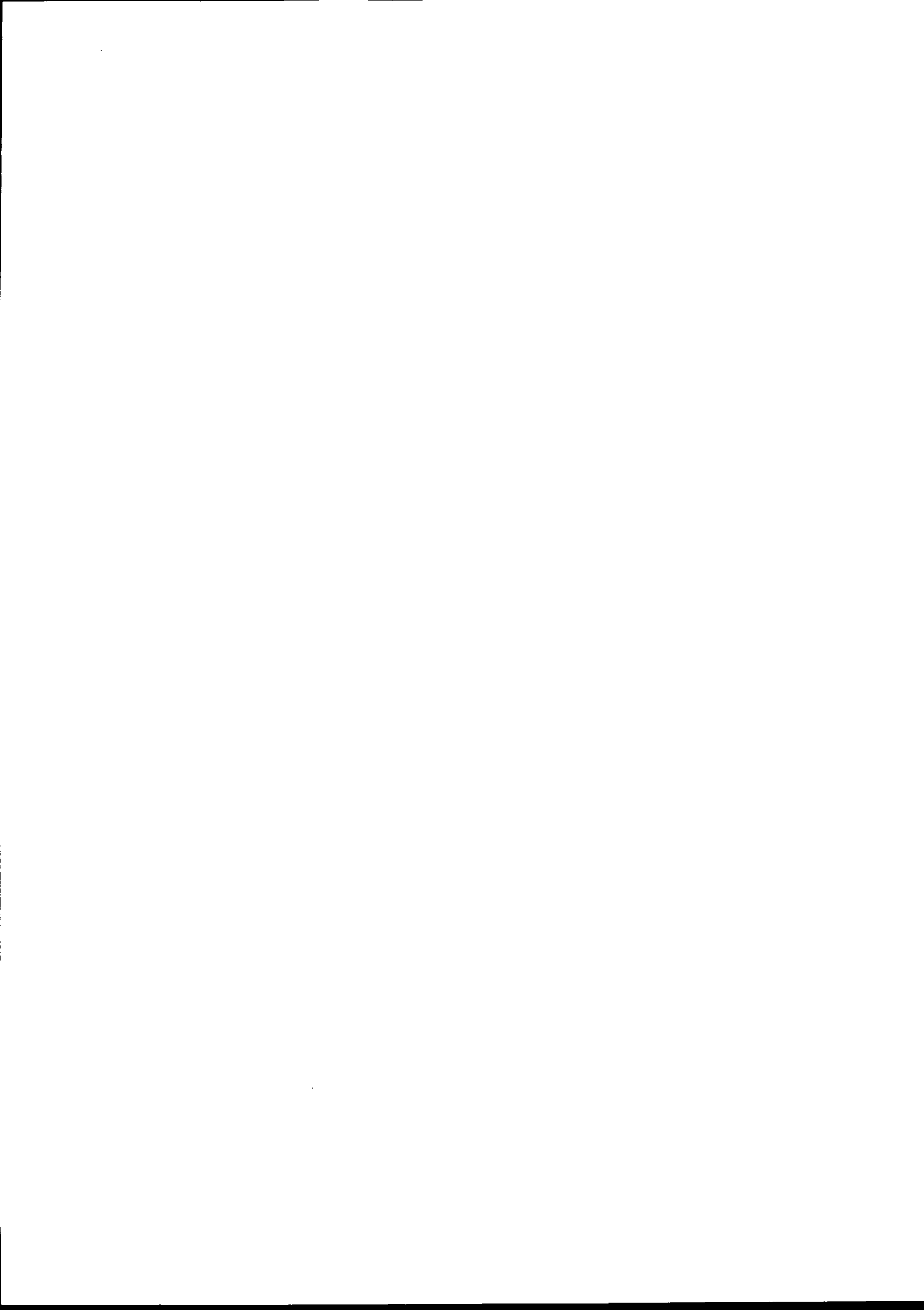
Although we today have a strong economy after several years with high growth, we did see an economic slow-down last year. This fact and the recent substantial cuts in the block grant from Denmark, which now is 7 percent of the GNP, have meant that we now find it necessary to restrict government expenditure.

### **Ladies and Gentlemen:**

The Faroes are overwhelmingly dependent on the resources of the sea. So it goes without saying that significant changes in any one sector of our fisheries will be felt by all of us. We are - and we have always been - vulnerable to the fluctuations of nature and international markets. Some may say this is a dangerous position for a small nation. But I believe this is in fact our real strength as a nation and a people – it has taught us to be resilient, creative and outward-looking, more so now than ever before in today's globalised world.

Our approach to management of fisheries resources has been the subject of widespread international interest and attention.

Failed fisheries management systems in other parts of the world, not least in Europe under the common fisheries policy, have increased the focus on how best to ensure the sustainable use of marine resources.



The Faroese system of regulating fisheries effort – fishing days system - has so far been a success, not least because it takes account of both the composition of marine ecosystems around the Faroes as well as the structure and diversity of the fishing fleet.

The globalisation of the fishing industry has resulted in huge changes in trade patterns. We need to continue to adapt to these changes, as we have done before.

We currently face serious challenges in our fishing industry as traditional production is now contending with cheap production in low cost countries.

I believe that as long as we manage our valuable natural resources carefully and allow visionary and capable investors, managers and the workforce to ensure the very best conditions, then there will always be a high demand for our quality seafood.

Private companies within the financial and the fisheries sectors went bankrupt because of the economic crisis beginning on this very day October 6<sup>th</sup> twelve years ago and were in due course nationalised. Over the next years my government plans to privatise some of these companies. This would allow new owners to take these commercial entities forward in such a way that they can successfully adapt to today's challenges.

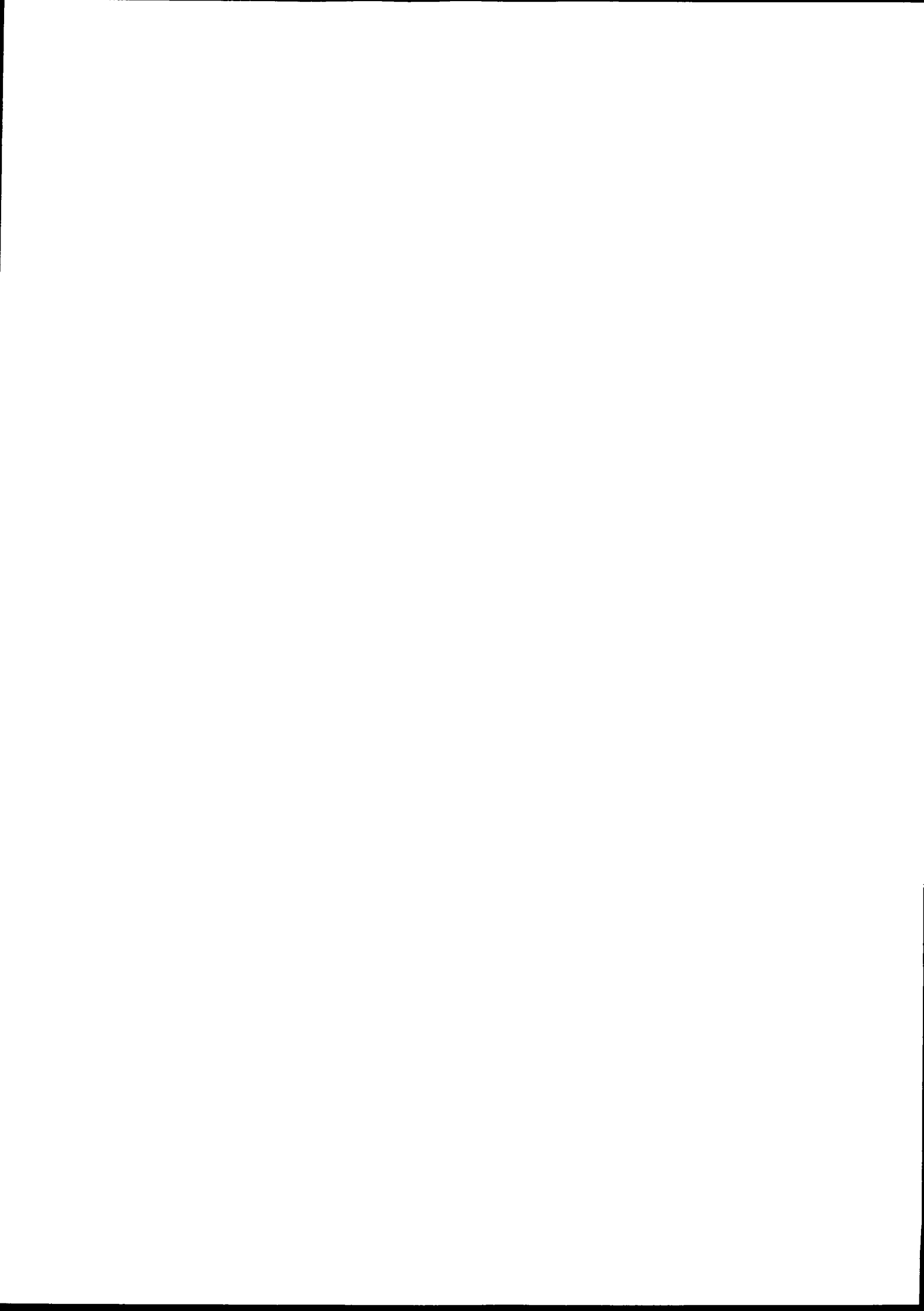
### **Ladies and Gentlemen:**

As you can tell, we talk a great deal about fish in the Faroes – they are the natural resources on which we base our economy and welfare as a nation.

For many years we have been fully aware of the fact that if we want to see a more stable and self-sufficient economy, we need to diversify our industries.

On the horizon we see new industries emerging. There is a steady increase in tourism and IT sector has shown great entrepreneurship and innovation and has become an international player over the last years.

As you might be aware there is a considerable interest among the international oil companies in exploring our seabed in the pursuit



of oil and gas. In 2000 we had our first licensing round, when 7 licenses were granted to a total of 12 oil companies.

In short it can be said that, after drilling four exploration wells within the Faroese area, an active petroleum system has been proven and one of the wells has been categorized as a discovery. However, reserves in commercial quantities have yet to be proven.

Recent rumours sited in the distinguished oil magazine "Upstream" about a significant discovery just 9 miles from the Faroese area, will most likely increase interest in our second licensing round, which is currently open with a deadline in November this year.

We may - or may not - be fortunate in having these additional natural resources. But of course our most important and valuable resources are our people – our human resources.

So our most important investments for the future will be in the knowledge and know-how of our people. We aim to strengthen our capacity to do what we already do best - living off the sea - as well as to explore new avenues that can give our young people new and diverse opportunities for the future.

My government's policy is to enhance research in several areas and in this respect we want to encourage researchers to engage in international cooperation. This may also be done through bilateral research cooperation agreements with other countries that can provide us with a framework for future research and development cooperation.

We also want to stimulate students and other academic exchanges. Today, my country has a progressive student support scheme allowing our students to study all over the world.

### **Ladies and Gentlemen:**

As a small island nation we have over the centuries learnt to be mobile, flexible and open to the world around us. In this respect let me also turn briefly to two other important issues, which have to do with our relationship to Denmark and the wider world.





Firstly, let me emphasise that we have now an excellent and open dialogue with the Danish Government. Both parties agree to a new and pragmatic approach to increased Faroese autonomy and this has helped put relations between the Faroes and Denmark back on an even keel.

It allows us to proceed with a gradual process towards greater autonomy at a pace which provides for careful planning.

My government is currently in the process of finalising an agreement with the Danish Government on a new legislation which will allow for unilateral transfer of all remaining areas of competence to the Faroes. However, foreign affairs, defence and security policy, citizenship and currency are excluded.

When and how such transfers of competence occur will be entirely a matter for the Faroese parliament to decide.

Both parties agree that when the only powers remaining in Copenhagen are those linked with sovereignty and if we wish to take the final step towards full independence, then this decision will be for the Faroese people to make.

Secondly, it has been recognised in both Tórshavn and Copenhagen that the time has come for a stronger role for the Faroes in the international community.

Given the fact that the Faroes decided to remain outside when Denmark joined the Common Market in 1973, there have been issues - and still are - where the two parts of the Kingdom do not always see eye to eye.

Increasing globalisation has also led to a much broader range and scope of international issues in both administrative as well as economic relations in general between countries, in which we need to play a more independent role.

Already today we negotiate our own international agreements, especially in the areas of fisheries and trade. We participate independently or together with Greenland in a range of international organisations, where Denmark participates as part of the EU.



This role has given us an independent international profile as a fisheries nation and independent trading partner, and as a result we have gained important experiences to build upon.

But we need to broaden our competence as an active player in the international community. We cannot afford to let our size and location isolate us in this globalised world. I can assure you that we certainly do not see ourselves as isolated.

New legislation presently being finalised will grant my country new competence and a more active role on the international arena. Effectively it will allow our Government to act on behalf of the Kingdom in international matters that exclusively concern the Faroes.

We expect that this legislation will enter into force on the first of January 2005.

With competence comes responsibility. As an active international player my government also plans to develop a clear strategy for active involvement in development aid. We see potential in focusing on links with developing countries, which we can assist in particular with our know-how and expertise as a fisheries nation.

### **Excellencies, Ladies and Gentlemen:**

May I end my speech by reminding you that the North Atlantic House is also a showcase for the cultures of the North Atlantic.

When it comes to the Faroes, there is certainly no shortage of creativity and quality in the fields of visual arts, music, drama and literature. I hope that those of you who are based here in Copenhagen will be regular visitors to this exciting new venue where you will experience some of the very best of what our culture has to offer.

And I hope you will have the opportunity to visit the Faroe Islands in the near future – whether on official business or for pleasure. It is always our pleasure to welcome you.

