

# **Building a Successful Fishing Economy**

**6 November 2015**

**Ho Chi Minh, Vietnam**

## **Keynote Speech**

President of Iceland, Excellency's, Dear guests,

### **[Introduction]**

Let me first say how honoured I am being here in Ho Chi Minh City. This is a city with history.

At the age of seven I followed the news coming out of this city every day during the year 1975. A sad story of course as horrific wars always are and something beyond understanding for a child. But at the same time the year 1975 was to become a new beginning for Vietnam.

And now 40 years later I find myself here in this very thriving city with the task of sharing with you some of the things we do best in Iceland.

My hope is that we can contribute to a continuous solid development of the Vietnamese economy which is no longer at a starting point but very much developing at a solid pace.

Even though vast distances separate us geographically we have things in common and experience and knowledge to share. The aim of our visit to Vietnam is to strengthen the bonds between our two countries and to identify the areas where we can deepen our relations.

Looking at our trade it is minimal in both directions. I am sure we can do better on that front. Clearly a Free Trade Agreement would be a strong platform for that and I hope that on-going negotiations between EFTA and Vietnam will soon lead to the conclusion of such an Agreement. But more efforts are needed.

I also believe that stronger collaboration for example in fisheries could also turn out to be important for the same purpose.

### **[Vietnamese fisheries]**

In that context it is of great interest to me to learn how important part fisheries play in the Vietnamese economy. From that we can relate certain areas of common interests and define issues where our experience and knowledge could benefit Vietnam.

Fisheries, including aquaculture, is an important element of the Vietnamese economy and has in that context similarities to Iceland. Even though the industry is more focused on aquaculture than in Iceland there are still lessons that may be shared.

It certainly looks like Vietnamese fisheries, including aquaculture, have a lot of untapped potential. Addressing those could increase value of the products and generate new revenues for the industry and the Vietnamese economy.

This may include measures like stronger emphasis on science based approach in decision making and in management, improved equipment in the widest range, both on vessels and in the processing industry. From then on you can start to concentrate step by step on the whole value chain in order to assess where improvements can be made.

Your industry is very much like ours becoming more export orientated. Even though more of your production is going for domestic consumption, fisheries remain importance source of your foreign currency revenues. All the more important it becomes to increase the value which mainly is done through increased quality with focused measures throughout the value chain where high tech solutions are a key factor.

Then you can move on to looking into new options of making even more out of every kg you catch or farm through greater utilisation of for example by-products from your industry, but I will come back to that.

### **[Icelandic fisheries and ocean industries]**

One may take from current figures that Iceland is very strong and competitive when it comes to fisheries. That is correct. But it has not always been like that. The fact is that we have become this strong and competitive through measures we have taken over the past 20-30 years.

The transition of the Icelandic economy in the 20<sup>th</sup> century into a modern welfare society can largely be contributed to developments in the fisheries sector.

We have not always been successful in sustainable use of our resources, we have made mistakes, but we have learned from them and made necessary changes.

The most fundamental management change took place around 30 years ago laying the ground for a sustainable fisheries management system.

In the eighties it was becoming clear that we needed to take drastic measures as our stocks were overfished and the fleet was too big.

We introduced a completely new management system. We adopted and applied very strict science based approach to decisions on allowable catches every year. These interconnected measures have meant that now 30 years later we have extremely competitive and profitable industry and at the same time the most important stocks are becoming stronger. This has been a win-win for all.

To put this in numbers: In the year 1981 the total catch of cod in Icelandic waters was 460 thousand tons. In 2013 it was down to 236 thousand tons, but the export value more than doubled in real terms. And now the science have started to advise us to increase the catch which is of course very welcomed.

Key element is sustainability and quality of the products beginning on the vessel or with the farmer and has to be kept as the highest priority throughout the processing and the whole value chain. That is what makes the product more valuable.

This is what our industry has achieved; not necessarily catching or producing more but increasing the value through better quality.

But you are never done. The industry is continuing its efforts to increase value and income only with limited increase in catches. The emphasis now is on focusing on research and product development from all parts of the raw material at hand.

What that in essence means is that businesses have been established that convert fish skin into leather used to produce high street fashion products. Another company is producing medical product where complete fish skin processed in a specific way is used for tissue regeneration on humans by transplantation. This transplantation technology is used to reconstruct the skin in chronic wounds, for hernia repair, breast reconstruction. And yet another company is collecting all shrimp shells it can get hands on and producing important ingredients into different health and cosmetic products. The opportunities are immense and the estimates are that we may be able to increase the value of our production considerably through this.

These are just few examples of the new generation of high value products now being developed or produced from parts of the fish thrown away for decades and centuries.

To this we could add production of different equipment for catching of fish, processing etc. Other speakers will go into that.

But all of this combined is something we now look at as our ocean industry. New thinking and new approach is developing very fast. It is extending the value chain for fisheries into other industries focusing on the interconnection between different segments of industries that all have in common that they are linked to and depend on fisheries one way or the other.

This is something we can share and this is something we are very proud of.

**[Lessons learned]**

There are number of lessons we have learned from our long relations with the ocean and in our endeavour to build up aquaculture industry.

Respect for nature and to take science based approach. Overfishing or too much pressure on utilisation of certain areas will only run the risk of hit us economically and increase the risk of diseases.

Solid management of the same limited resources is of key interest. Not only science based management but also clear emphasis on sustainability. Country like Iceland cannot afford overfishing its stocks; that has a serious consequences for our economy.

With increased importance of the whole value chain research, increased knowledge and experience become key factors in raising the value of what we produce. And by broadening up our approach on the whole chain we open for new opportunities to make more from what we produce and throw less away. It is not only increasing the value, we are also contributing to our environment

Technical improvements are improving quality and efficiency of the fishing industry. It is everywhere. It relates to catching of the fish or farming of it, how you treat the product, like cooling, how you process it in the most efficient way and how you bring the final product to the market – fresh or frozen – so it meets the requirement of demanding customers.

### **[Iceland and Vietnam]**

So is there anything we can do in our relations to get this knowledge and experience across?

What we should bring with us out of this is to foster in a much closer way our relationship. I am convinced that your fishing industry can benefit from our decades of experience in gaining more and more from a limited resource and at the same time bringing your products to domestic and international markets in a way that brings you more benefit.

This conference here today is clearly one step in this direction as some of our leading individuals in the ocean industry will share their vision with you and our science based approach on utilisation. The key words here are the “Ocean Industry”. We are arguing the case that fisheries are not only fisheries anymore. This is about new concept that looks at every element of the industry, be it direct fishing or processing or producers of high tech equipment, start-ups etc.

But how can we develop this cooperation between our two countries?

My first stop would be the fact that Iceland has for almost two decades contributed to capacity-building in fisheries management in developing countries. We have done so through the UN Fisheries Training Program in Iceland. Around 300 experts from 50 countries have graduated and over 1.000 specialists have participated in shorter programs. To develop our cooperation in relation to that would in my mind be very feasible for example through fact finding missions, study visits etc.

**[Closing remarks]**

Dear guests,

In the relations of our two countries we have numerous opportunities to develop.

To finalise our Free Trade Agreement would clearly be a key factor in strengthening our trade.

Secondly I hope that the briefings we will have here today will bring new ideas of cooperation on the table that we could follow up on over the coming weeks and months.

Our doors are open to you and I am sure that goes for others from Iceland here with us today.

I wish us all a successful seminar.