
From: Snorri H. Gudmundsson [shg@icestat.com]
Sent: mercredi 29 avril 2009 16:40
To: MARE CFP CONSULTATION
Subject: Contribution to the consultation - Citizen

Dear Directorate-General for Maritime Affairs and Fisheries,

I operate a consulting firm/data center in Iceland that services enterprises and government both domestically and abroad. Among the core issues Icelandic is dealing with at the moment is potential EU membership. EU fishing policy will be a deciding factor when it comes to national vote; the discussion so has been very ambiguous and must be clarified. Comments made by Enlargement Commissioner Olli Rehn that Iceland will simply have to succumb to EU fishing policy will tip the vote against EU membership.

There is reason to consider the EU to be an organization similar to a multinational enterprise, where countries are divisions. In a merger situation, a smaller entity is incorporated into a larger operation in order to strengthen the latter. It is not in the best interest of the large entity to make the smaller unit less profitable. The addition of Iceland into the EU gives the EU added international competitive strength as well as putting a solid foundation for future food sustainability. That the EU would put Iceland's fishing industry at risk is unthinkable and makes little strategic sense - a move in that direction is nothing short of being self-destructive. Iceland's fishing expertise is a major bargaining chip and ought to be considered as such.

I urge the Directorate-General for Maritime Affairs and Fisheries to consider the points raised in the following articles that address these concerns:

Elections 2009

<http://www.icestat.com/index.php/newsarticles/144-elections2009.html>

Article quotes

"EU membership is really not an option; Icelandic firms are considering relocating as a result of the local currency (ISK) which makes international trade and the overall operating environment extremely difficult. Importers are forced to place risk premiums on wholesale / retail prices, which trickles into inflation figures with resulting ripple effect throughout the economy. Entering into long-term business agreements is an impossibility because of the instability of the ISK. Not moving toward EU membership therefore threatens to increase unemployment."

"There is considerable discussion regarding EU membership and fishing which affects Iceland considerably and must be negotiated properly. This discussion has to this point revolved around EU membership carrying with it the threat of foreign vessels fishing in Icelandic waters, but this threat can and should be turned 180° - into a major opportunity."

"Iceland has a long history of successful fishing management from ensuring fish stock sustainability to high tech fish processing equipment and a strong international sales network. As a member of the EU, Iceland will strengthen the EU in a sector where the EU is weak. It is logical for Iceland to move into a position where it provides expert insight into how to balance EU fish stocks and even assume leadership in how to build a sustainable fishing industry for the future. It can very well become one of the pillars on which the future well-being of the EU rests."

Fish exports: Eurostat

<http://www.icestat.com/index.php/newsarticles/136-fishexports.html>

Article quotes

"With increased fish consumption in France, Germany, Italy, and Spain, Iceland will be a strong asset in the EU arena. The country's

well-managed marine supplies and current boom in cod stock makes its bargaining power considerable. If oil is found in the Jan Mayen region, the marine fleet will gain another advantage that may force Norway into the EU for competitive reasons."

"Iceland's trade margin, calculated like the operating margin in common size analysis, is the strongest of the Big 6 exporters. Remaining steady at above 93%, it is challenged only by Norway, which trade margin hangs around 85%. Removing currency risk will stabilize fishing fleet expense factors."

"Strategic alliances are likely to follow Iceland's EU membership (if that is the route the government will take and succeeds in convincing the nation), where the competitive strengths of these competing nations are realigned to lay the foundation for a stronger economic region."

"The greatest threat facing the [Icelandic] fishing and fish processing industry is that of excessive debt in foreign currency and a decrease in the workforce."

Marine exports

<http://www.icestat.com/index.php/newsarticles/138-marineexports.html>

Article quotes

"Iceland's total marine export quantity decreased by 6.3% between 2006 - 2007 but have increased by 25.1% since 1981. Increase in value between 2006 - 7 measures 2.6%."

"With the collapse of the ISK, Iceland has gained a competitive advantage and can outprice the competition. This is the strongest argument against EU membership, yet having a weak currency is detrimental to overall economic structuring. The instability of the ISK has raised foreign debt incurred by fisheries and fish processing operations and raised operating overhead (i.e. procurement of supplies). Adoption of the EUR will put a fixing on the operating margins and simplify revenue generation, particularly pricing, and shift focus from where the currency will stand next week to marketing and quality controls. Currency risk must be removed from this core industry or the country will continue to bop with the international economic waves like a buoy. It may not sink, but building anything in such a turbulent environment is next to impossible."

Fishing sector performance

<http://www.icestat.com/index.php/newsarticles/146-fishingsectorperformance.html>

Article quotes

"The Icelandic fishing sector shows a certain degree of liquidity but has a serious short term maturity problem."

Best regards,

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