

## **EU-Iceland: Steady progress to the mutual benefit**

*Štefan Fiüle, EU Commissioner for Enlargement and European Neighbourhood Policy*

Even though all candidate/accession countries in my portfolio are different and have their own specifics, Iceland still stands out even in this variety. When I visited Reykjavik last October the first greeting I have seen on the way from the airport was a billboard saying: „EU? No, thanks.“ But the EU is part of your life for quite some time already: You are integrated in the common market, you are part of the Schengen border-free travel area. Three out of four legislative norms are EU-conform and, as I stated recently in the European Parliament, your adoption of the EU legislation is better than the one of an average EU member. You also stand out by the speed of your accession process. Less than a year since the start of substantive membership negotiations there is a steady progress and almost one third of all the chapters already provisionally closed. And furthermore: you do not have to go through the political transformation of building the rule of law and democracy since they have been deeply rooted here, with your Althingi (parliament) being (one of) the oldest in Europe.

I am coming for my second visit to Iceland to convey a message that we remain engaged in a unique process of placing Iceland's future into the context of an united and ever growing Europe. We are committed to work together to have Iceland become a constructive member of the Union that will contribute actively to its policies. These policies already impact on Iceland's economy and society today, and EU membership would give Iceland a say in the Union's decision making. It would also be a stabilising factor for the Icelandic economy, bringing in foreign investment, resources, technology and, as a result, jobs.

We all know that the road there is not easy. There are big challenges for both of us in the negotiations, in particular when it comes to the fisheries, agriculture, free capital movements and food safety. But we are not shying away from them and I believe we can find workable solutions based on Iceland's specificities within the framework of the negotiations that has served all parties so well in the recent EU enlargements.

The EU is here not to take away from you what is part of your heritage and identity, but to accommodate it to the full benefit of all of us - because Europe is united in diversity.

When it comes to the on-going debate in Iceland about the future of the Icelandic kronur, the EU membership would lead to the joining of the monetary union too. Iceland has made impressive and painful efforts to recover from the economic crisis and is on course to overcome the remaining challenges. One of these relates to lifting the capital controls as soon as feasible. We have agreed, together with the Icelandic authorities, to establish a working group to assess the state of play and prospects for lifting of the controls and assist in forming a common understanding of the challenges in the process. I trust this will facilitate the Icelandic government's work in this respect. Another hotly debated issue is Icesave. Although this case is not part of the accession process and negotiations, I have noted the recent debates after the European Commission decided to intervene in the EFTA Court. We did similar interventions in the past with the sole motivation to ensure coherent application of the European Economic Area agreement and to provide legal certainty on the obligations of all its members including the EU. It is not a hostile move directed against Iceland, it is about fulfilling on of the core responsibilities of the Commission; to make sure that the rules of the European Union are respected and obligations met. I would also like to react to the concerns raised on the Commission's proposal regarding possible measures to ensure sustainable fishing. This is proposed as a universal measure – and therefore not solely directed at Iceland - and in full conformity with international including EEA obligations.

I am coming to Iceland on Thursday to focus attention on those areas which are crucial for the negotiations to progress and to increase our efforts in those areas. With a constructive spirit on both sides, we can maintain the pace of negotiations and achieve a successful outcome, with Iceland eventually becoming a full partner in the EU policy making process for the benefit of its own people and for the benefit of Europe, which with you will keep on growing stronger and more diverse.