

Landsbanki Freezing Order revoked

On 15 June the UK Government revoked the Landsbanki Freezing Order that had been in place since 8 October 2008. The Icelandic people were greatly offended and concerned by the use of the Anti-Terrorism, Crime and Security 2001 legislation. The imposition of the Act's sanctions had ramifications well beyond what seems to have been the UK Government's original intention. It had a severe negative impact on Iceland's economy, its financial system, as well as on its worldwide reputation. The imposition of the freezing order has been an aggravation in the relationship between Iceland and the UK.

Icesave agreement concluded

The Governments of Iceland, the UK and the Netherlands have concluded loan agreements on the Icesave issue. According to the agreements, the Icelandic Depositors' and Investors' Guarantee Fund will reimburse the UK and the Dutch Governments the amounts paid out to eligible depositors of the Icesave accounts in accordance with the EU Deposit Guarantee Scheme (20,887 euros per deposit). Under the terms of the Agreement, 2.35 billion pounds will be reimbursed to the UK and 1.33 billion euros to the Netherlands. These amounts will be treated as loans from the UK and Dutch Governments to the Guarantee Fund to be repaid over 15 years. The agreement awaits debate in the coming days by the Icelandic Parliament as to a guarantee clause to the loan agreements.

Economic update 12.2% inflation



Inflation 2007-2009 (Consumer price index, annualized rates, 12 months, %)

According to the Icelandic National Statistics Bureau the Consumer Price Index (CPI) based on prices in June 2009 is 344.5 points (May 1988 = 100), 1.38% higher than in the previous month. Increased taxes

on alcohol, tobacco, petrol and diesel oil, decided by the parliament on 28 May, make up for 0.4% of the increase in the CPI, as the constant tax rate CPI rose by 0.98%. The effect of the higher special tax on petrol is not yet realised in the index.

Fisheries Minister meets counterpart



The Icelandic Minister of Fisheries and Agriculture, Jón Bjarnason, met recently in London with Huw Irranca-Davies MP, Parliamentary Under-Secretary of State in charge of Fisheries.

The Minister also paid a visit to the Humberside where he visited the fishmarkets in Grimsby and Hull, was briefed by representatives of Icelandic companies in the area and met local political and business leaders.

Responsible Fisheries Workshop III

The Embassy and LÍÚ, The Federation of Icelandic Fishing Vessel Owners, held the third workshop on Responsible Fisheries on 10th June at the Embassy in London for all the major buyers of Icelandic fish products in the United Kingdom. Among the 55 participants was Jón Bjarnason, the Icelandic Minister of Fisheries and Agriculture, who addressed certain elements of Icelandic fisheries policy.

Dr Kristján Þórarinnsson, from LÍÚ, gave a progress report on certification and labelling of sustainable marine products and Mr Þorsteinn Sigurðsson from the Icelandic Marine Research Institute, gave an overview on the present biology, stock status and outlook for cod and haddock in Icelandic waters.

The Minister of Fisheries, along with the presenters and Mr Friðrik Jón Arngrímsson, the CEO of LÍÚ, followed by a questions and answers session. Ambassador Gunnlaugsson chaired the meeting.

17 June – Icelandic National day

This year our National Day was celebrated on 14 June at the Danish Church in London. Approximately 400 Icelanders, young and old, attended the festivities.

