

Mrs Valgerdur Sverrisdóttir,  
Minister of Industry and Commerce  
ICELAND

**Towards a Hydrogen Economy  
Ministerial Statement**

**International Partnership for the Hydrogen Economy  
Ministerial Meeting**

**Washington, D.C., November 18-21, 2003**

Honorable US Secretary of Energy Spencer Abraham, Ministers, Ambassadors, Ladies and Gentlemen:

It is both an honor and a pleasure for me to be here today. I am grateful for having this opportunity to address you at this inaugural session of the International Partnership for the Hydrogen Economy.

In today's world, we have to seek new ways to successfully deal with new challenges and – not least in a small nation like Iceland - the key to success lies in international cooperation, in participation in the global economy, and not in isolation. This is especially true when we are dealing with complex and urgent challenges, like those we face in the area of hydrogen, that require international co-operation and public-private partnership. For this reason, this initiative taken by the US Government to launch the International Partnership for the Hydrogen Economy - is highly welcomed and valued by the Icelandic Government.

The benefits of the IPHE process can be manifold. First of all, it will place the hydrogen issue high on the political agenda – both internationally and domestically. Building on a partnership, which includes businesses, the research society and other stakeholders are essential for success. Our task in leading the way down the road towards the hydrogen economy is not an easy one. Fundamental and applied research has to be carried out, and standards and regulations have to be set, in order to make successful international co-operation possible. This is only to mention a few of the tasks that have to be tackled. At this meeting we will focus on harmonizing our national policies, which is an important step towards the hydrogen economy.

Iceland supports the terms of reference of the IPHE, its goals, functions and organizational structure, and we wish to participate actively in this co-operation as far as our limited resources allow us. This forum will also be the base for further consultation and co-operation between members and stakeholders. We believe that the private sector will play a vital role on the road towards the hydrogen economy and therefore private-public partnership is essential within the forum of IPHE.

As part of the IPHE process, Iceland would like to see a wide range of hydrogen-related issues addressed. Hydrogen powered vehicles are the most promising, and most likely to be in the media spotlight, but we should also have a look at other aspects of hydrogen utilization, including application to ocean vessels - in our particular case especially to fishing vessels.

The challenges and tasks we are facing are global in nature and call for concerted action from governments and companies. The more successfully we co-operate, the sooner we will see the benefits. The IPHE should not compete with other international policies or programs on hydrogen. It should instead be seen as supporting other activities by highlighting hydrogen issues worldwide.

Iceland is the only western country, which produces all its electricity from renewable natural resources – in a totally carbon-free way. In fact, seventy-two percent of the total primary energy used in the country comes from renewable energy resources, which is most likely the highest ratio in the world. This success is the result of a national consensus on harnessing our abundant renewable energy resources in harmony with the environment. Focusing now on hydrogen to proceed even further towards a renewable carbon-free energy supply - is just one part of this long-term policy.

As early as 1998 the Government of Iceland made a clear statement of its intention to progress towards a sustainable hydrogen economy. This commitment is also to be found in the statement given by the current Government when it took office earlier this year. The Government's plan has 5 aspects:

- ✓ Policy formulation,
- ✓ creating a favorable framework for business,
- ✓ international co-operation,
- ✓ ongoing research,
- ✓ education and training.

This policy is a coherent part of our long-term policies on renewable energy and protection of the climate.

Our vision is to have renewable energy, in the form of hydrogen, replace the fossil fuels used in our transport sector and to power our fishing fleet. If this vision is to be realized, hydrogen has to become technically and economically viable, so that we can enjoy the environmental and economic benefits it can offer. For Iceland hydrogen, as an energy carrier, is an especially promising option, as the country has abundant renewable energy resources to produce hydrogen.

In April this year, the first hydrogen refueling station was opened in Iceland. It is unique in the sense that it both produces and dispenses hydrogen - at a conventional gasoline station. The event was an important step towards a sustainable hydrogen economy in Iceland. Opening the station was part of an international co-operation project between the Icelandic group EcoEnergy and its foreign partners, DaimlerChrysler, Shell, Norsk Hydro and the European Union. Three hydrogen buses are now in operation in Reykjavik as a part of this project. This is a pioneer project in Europe, and has now triggered similar EU initiatives in several other cities and countries of Europe, highlighting clearly how important international co-operation is.

A major element of our hydrogen policy is to propose Iceland as an international platform for hydrogen research and testing. The filling station and the hydrogen busses in the city of Reykjavik are an example of this type. While Iceland alone is not capable of making major advances in this area, in co-operation with others further steps can be taken. Our contribution would be to offer the country as a suitable base for hydrogen demonstration projects and a technical testing ground. We believe Iceland is particularly suited for this as it is a developed and homogeneous society, which is very adaptable to new challenges, not least in the field of technology. Technical, sociological, economic and infrastructure testing on different elements of the hydrogen future can be carried out in real scale in a favorable and controllable framework in Iceland.

Ladies and gentlemen,

We are here today paving the road for the future towards the hydrogen economy. There will be many challenges on our way - but we must use our vision, strength and co-operation.

Developing and putting hydrogen technology into practice is only one of many opportunities in our dynamic and changing world today. I hope we all will be able to take advantage of those opportunities that the IPHE will bring us.

It has been both enjoyable and informative to be here with you today. May I close by thanking the US Government once again for launching this process on hydrogen - it is a very promising step forwards.

Thank you.