

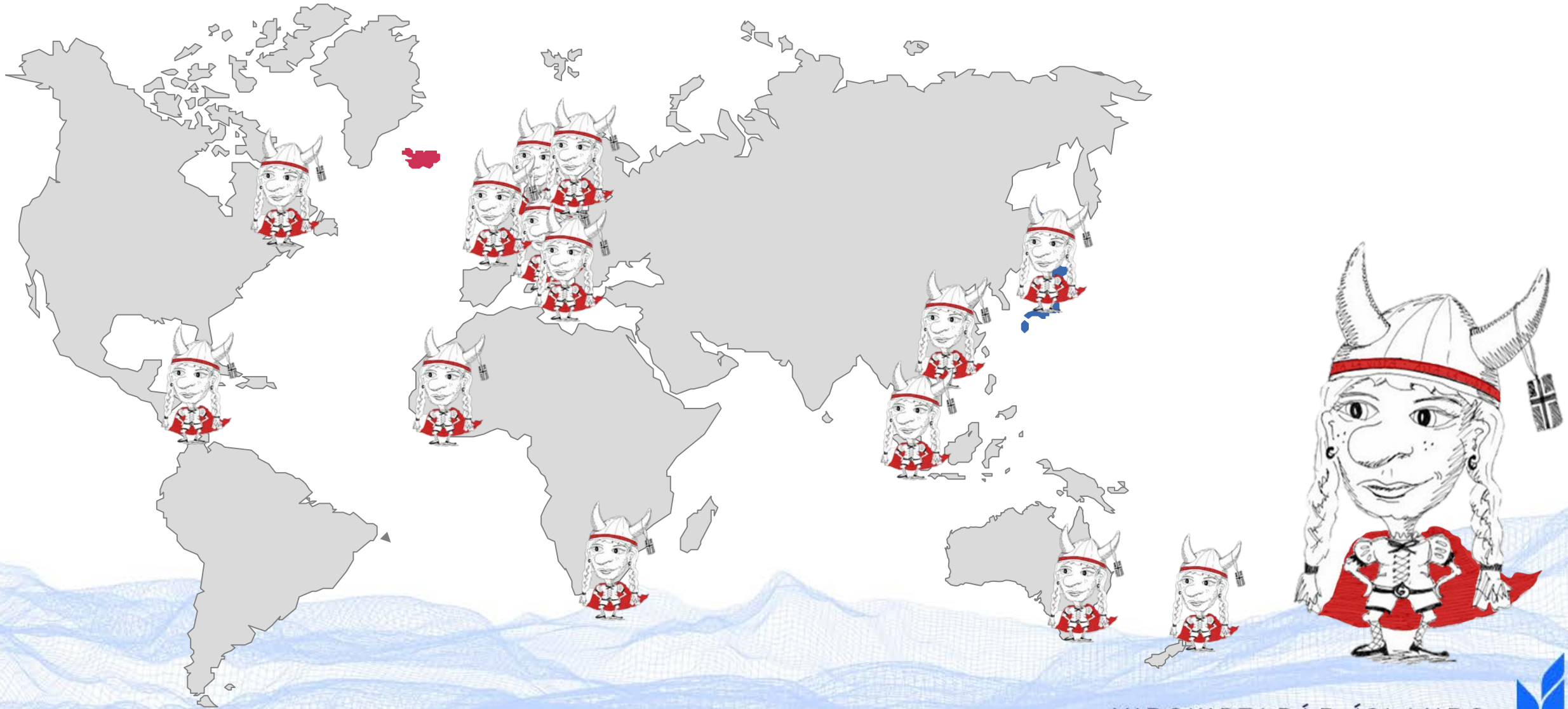


Diplomatic Dynamite

Trade and Networks in an Age of Disruption

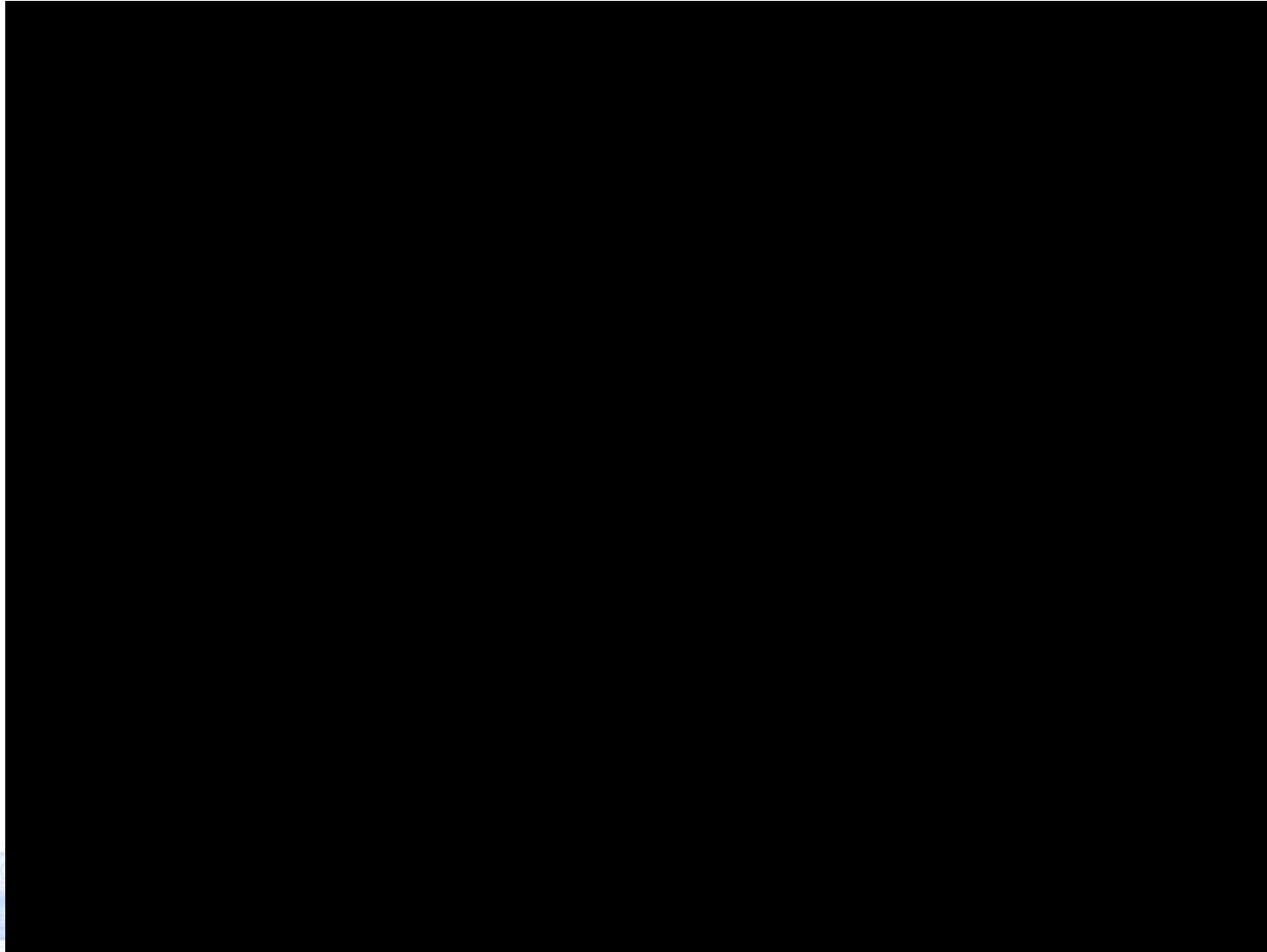
Ásta Sigríður Fjeldsted
Managing Director
Iceland Chamber of Commerce

“Ambassadors of Iceland”





Communication during the days of Iceland's first embassy...



Communication today



Anyone, anywhere

Living in an age of disruption



**Accelerating
technological change**



**Challenges of an
aging world**



**Greater global
connections**



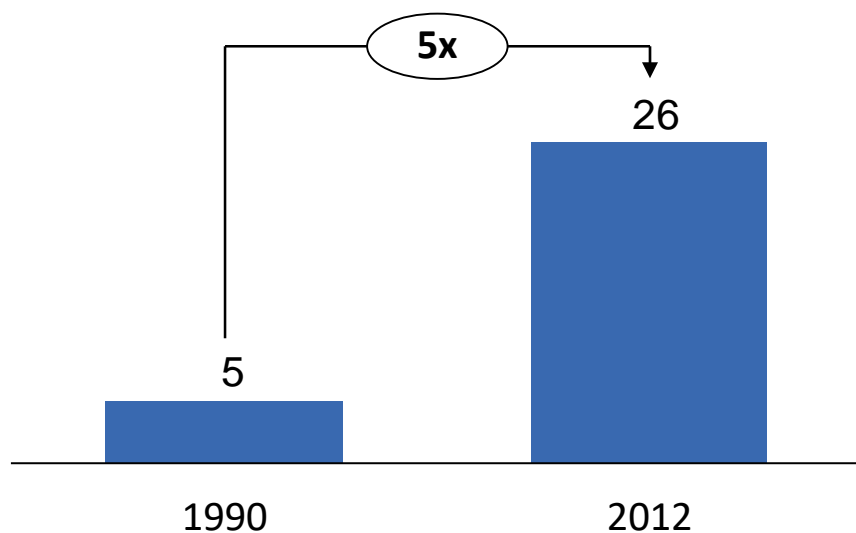
**Age of
urbanization**



Highly connected countries perform better financially

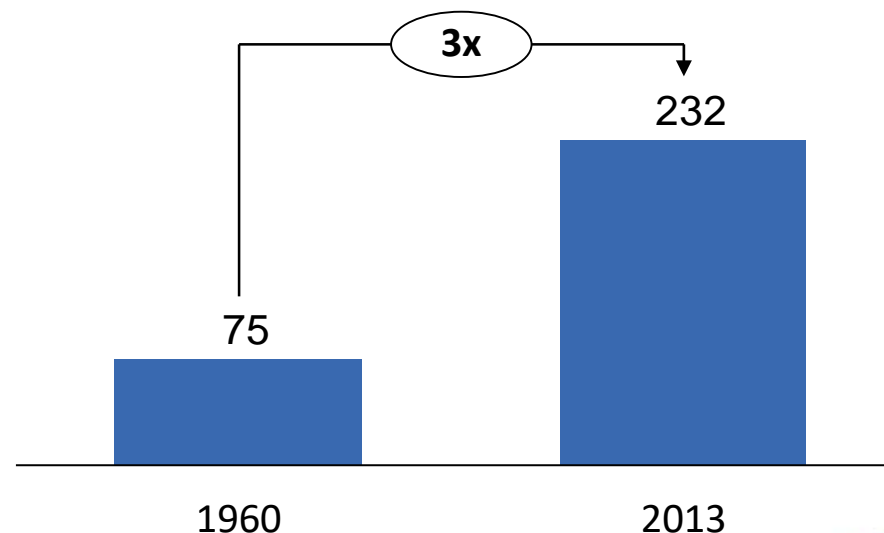
Trade and finance increased five fold
from 1990 to 2012

Goods, services and financial flows, \$ trillion



International migration of people as tripled
from 1960 to 2013

International migration, millions of people



Highly connected countries can see **40%** more growth than the least connected



The growth of the urban consumer class

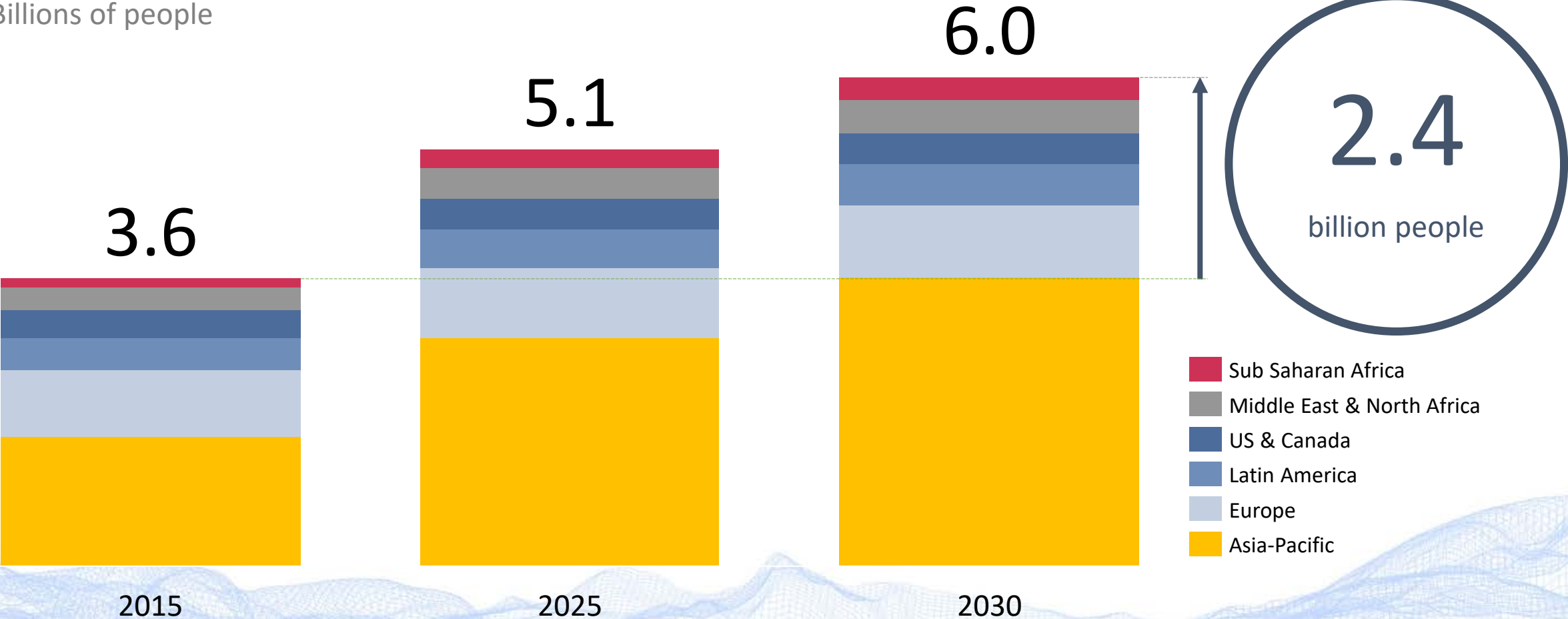
An aerial night view of a city skyline, likely Chicago, with numerous skyscrapers illuminated. The city is set against a backdrop of a large body of water and a cloudy sky. A semi-transparent text box is overlaid on the center of the image.

City populations are growing by **65 million** every year – that is the size of **7 new Chicago** cities every year

There will be 2.4 billion new middle class consumers by 2030 – mainly in Asia and Africa

Global middle class¹

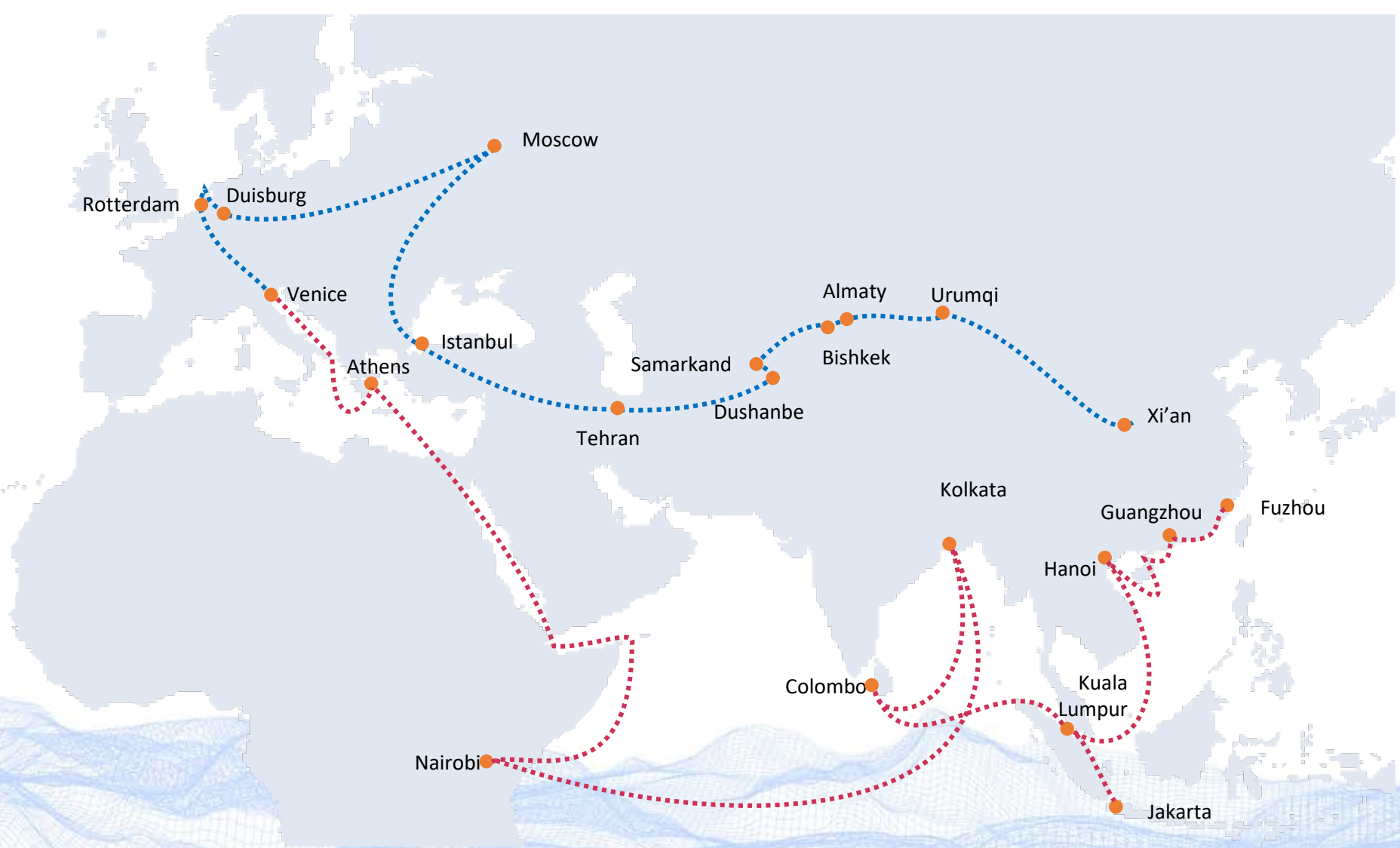
Billions of people



¹ Annual disposable income \$3,600 and over
SOURCE: United Nations World Population Prospects; McKinsey Global Institute Cityscope



China's Belt Road Initiative will be 12 times bigger than the Marshall Plan



..... Silk Road Economic Belt
..... Maritime Silk Road Initiative

65+
countries committed

\$1.4
trillion total investment
(12x the Marshall Plan)

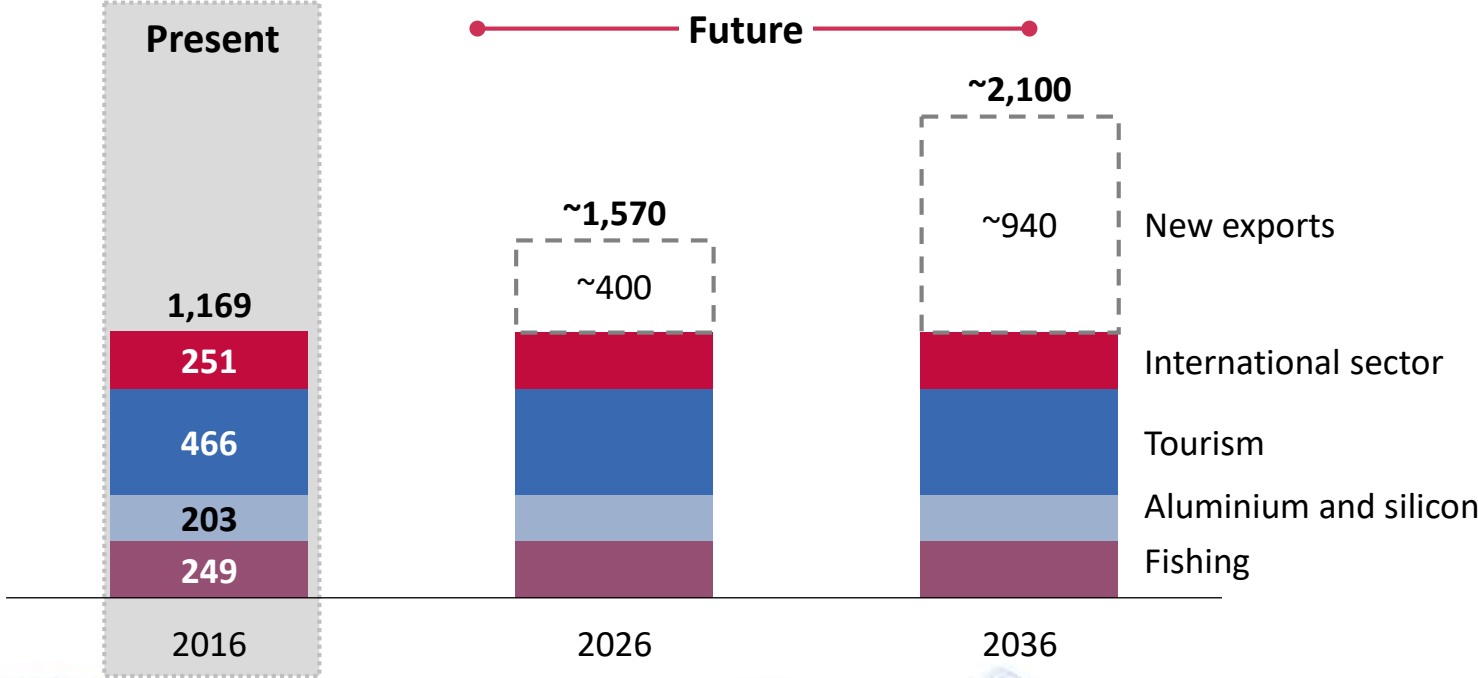
\$250
billion in projects
underway



Exports need to increase by approx. 1.000 billion ISK in the next 20 years to support a sustainable GDP per capita growth of 3.0% p.a.

Iceland's exports

Total exports, ISK billions (2016 prices)¹



1 billion ISK
increase in export
every week is
needed!

¹ As agriculture is heavily subsidised and only a small fraction of total exports, it is dropped from this analysis
Source: Central Bank of Iceland; Statistics Iceland; McKinsey & Company; Iceland Chamber of Commerce



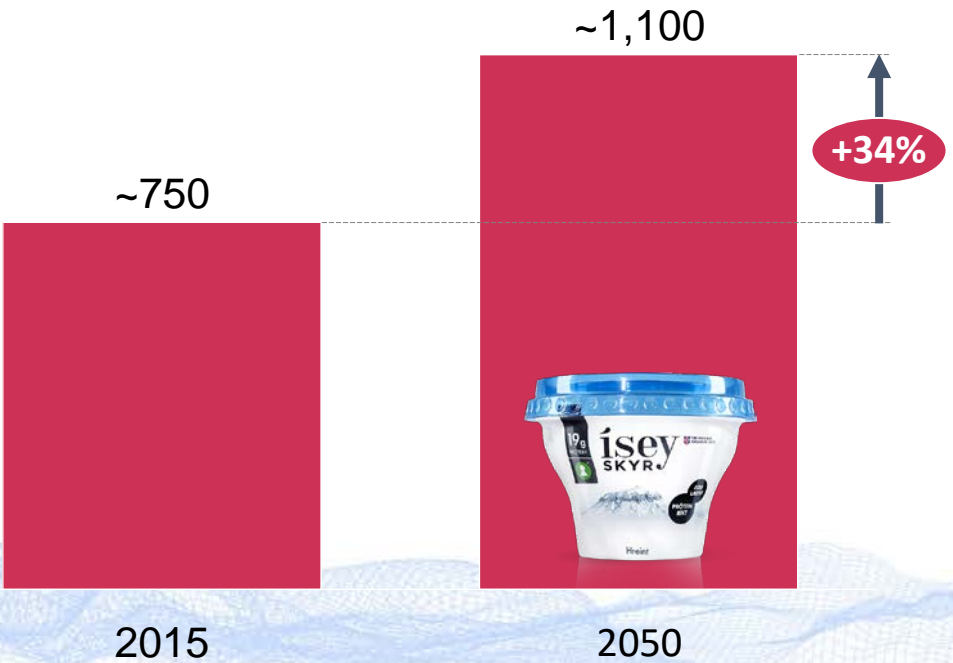
Globally, middle class consumers in emerging markets will want to consume like those in the developed world

As incomes grow, caloric intake, especially from milk and meat, will rise – Agriculture will be a huge opportunity

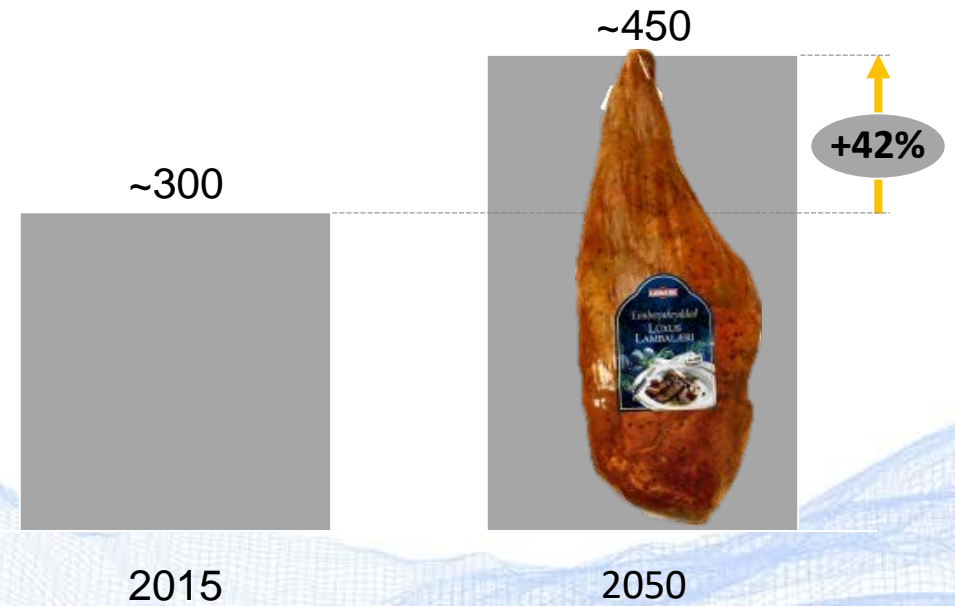
Worldwide production by 2050

Millions of tons

Milk



Meat

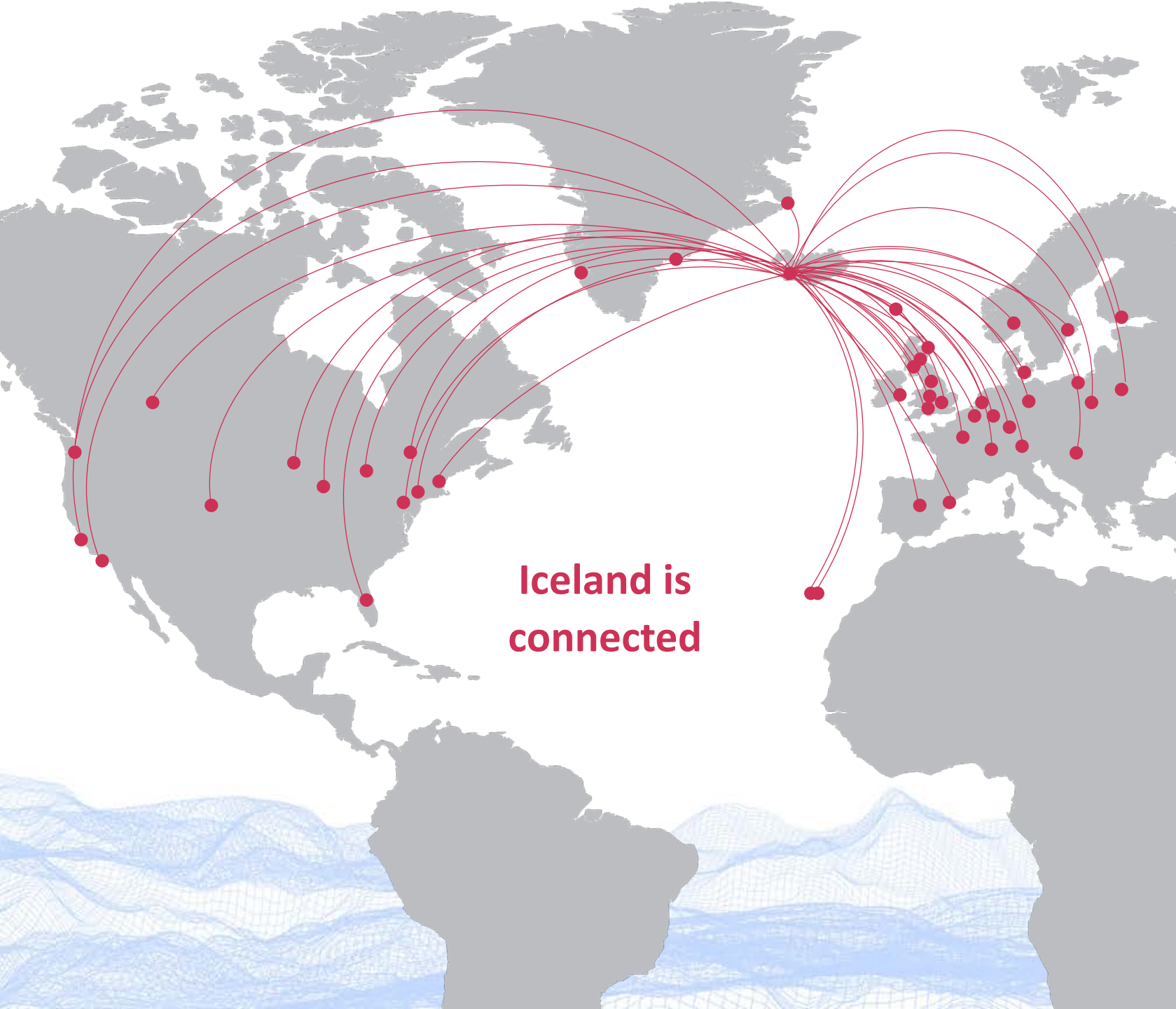


SOURCE: Food and Agriculture Organization of the United Nations

Growth in population and the rise of the middle class will place significant strain on global resources

By 2025, water demand will exceed supply by

56%



Iceland is
connected

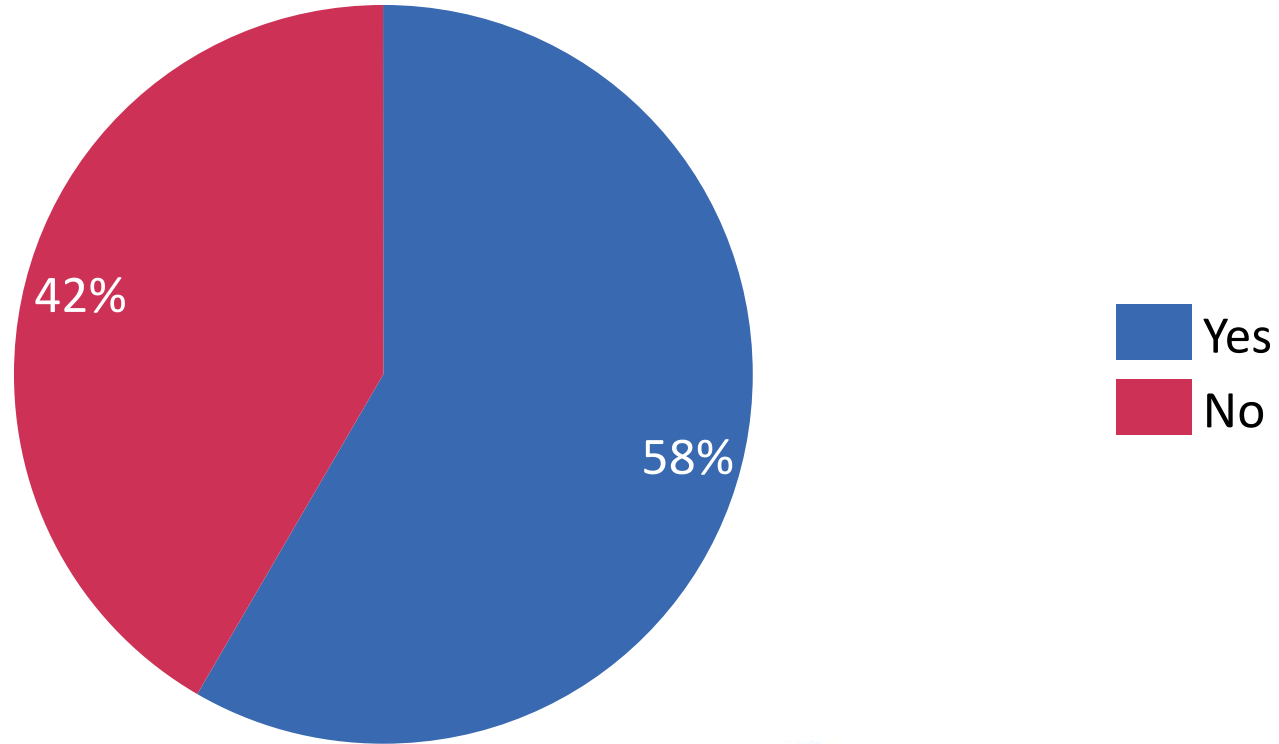
- **26 airlines** flying to and from Iceland
- Approx. **2.2 million foreign visitors** last year
- Icelanders went for **619.000 trips** abroad last year
- Nearly **46.000** Icelanders **registered abroad**



13 bilateral chamber of the Iceland Chamber of Commerce with 135 active board members spread across the world



Have you or your company made use of the services provided by the ministry of foreign affairs or its embassies?



What **business services** do you think are the **most important** to get support from the Ministry of Foreign Affairs and our embassies abroad on?

Description

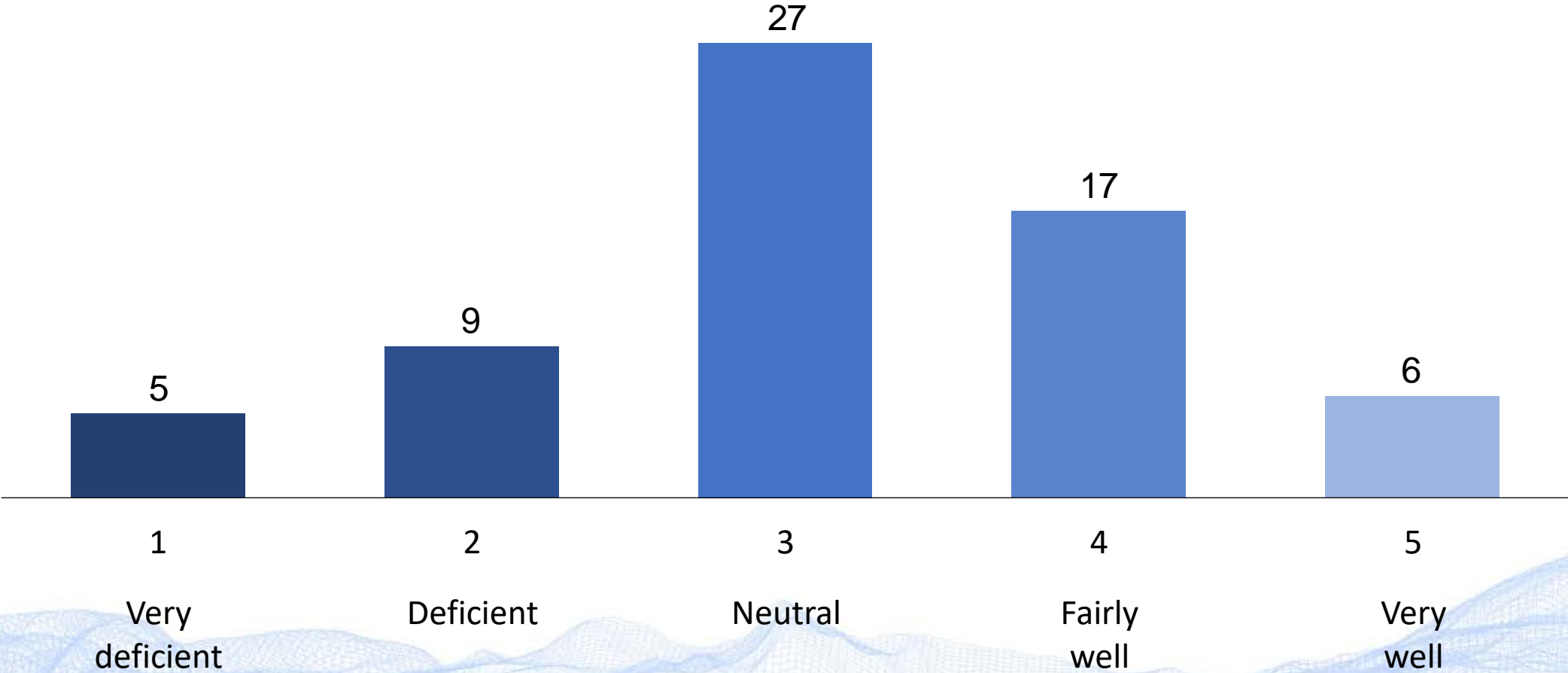
- 1 Assistance from office of trade and economic affairs and embassies at the first stage of export
- 2 Support companies participating in international organizations, conferences or meetings
- 3 Inform and protect Icelandic companies' interest and rights in trading countries
- 4 Support from embassies when hosting meetings by lending facilities and providing market information
- 5 Support trade shows abroad
- 6 Provide market intelligence by country
- 7 Support on Iceland's interactions with international trade organizations



What kind of service have you utilized from the Foreign Ministry or the embassies? % of answers



How well do you think the foreign ministry accommodates the needs of the business community? Number of answers



What should be kept in mind when looking into the role of the foreign service in support of Icelandic business life for the future? A few examples

„Að viðskiptafulltrúar séu í meiri og beinni tengingu við viðskiptalífið... og hægt sé að leita til þeirra í sendiráðin.“

“Öflugt fólk”

„Sparið skattgreiðendum þann pening sem fer í þessa þjónustu Utanríkisráðuneytisins.“

„Það vantar meira frumkvæði frá sendiráðum, þau gætu miðlað upplýsingum og eða uppástungum til Íslands um tækifæri á sínu markaðssvæðum.“

„Mikilvægt að aðstoða þá sem eru með nýjungar við að kynna sínar vörur“

“Þekkja regluverk Evrópusambandsins og reyna að hafa áhrif þar á. Gæta íhaldssemi í innleiðingu reglna sem eiga ekki/illa við hér á landi.“

„Halda áfram á sömu braut þetta er sífellt að batna.“



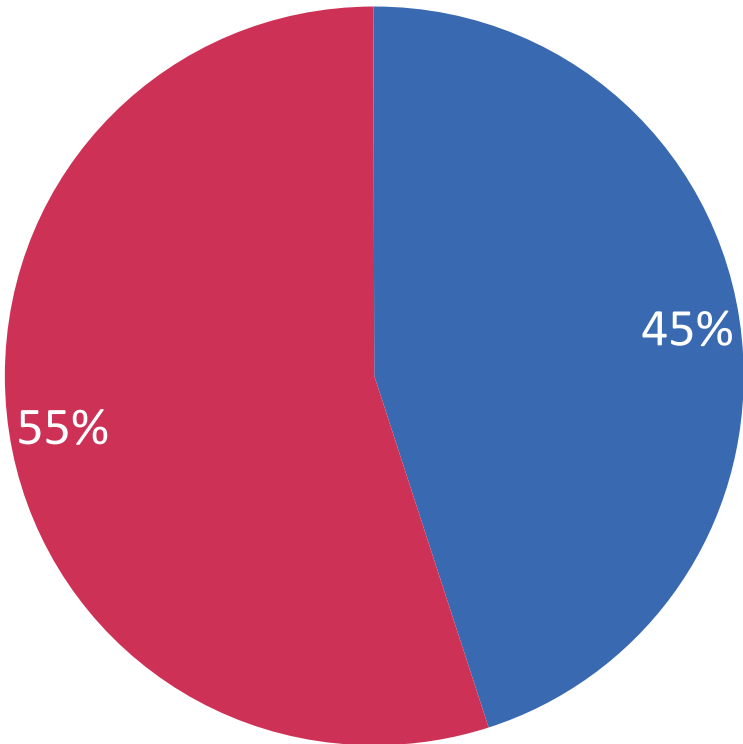
What is your idea of an ambassador?



- Male? **71% men**
- In his 40s/50s? **58 years on average**
- Lives in a villa
- Meets a lot of important people?
- Ehhh..... Dunno?



Gender and average age of employees in the Ministry of Foreign Affairs



Men Women

Average age: 52 years



Would you like to follow a day in the life of an ambassador?



Yes of course!



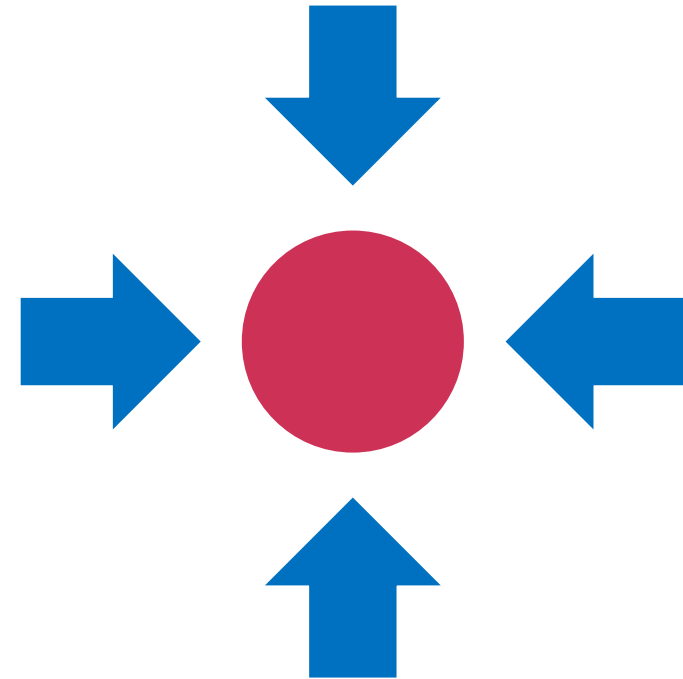
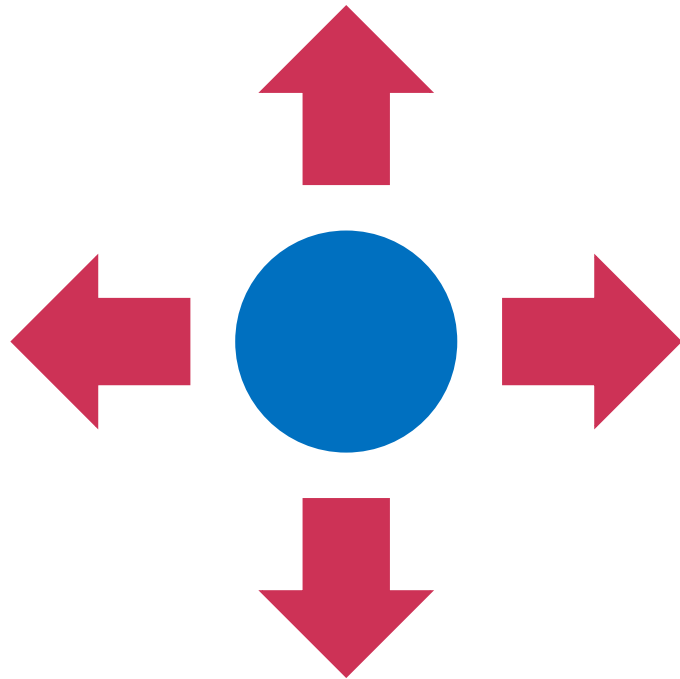
Find us on social media!



Inside out

to

Outside in



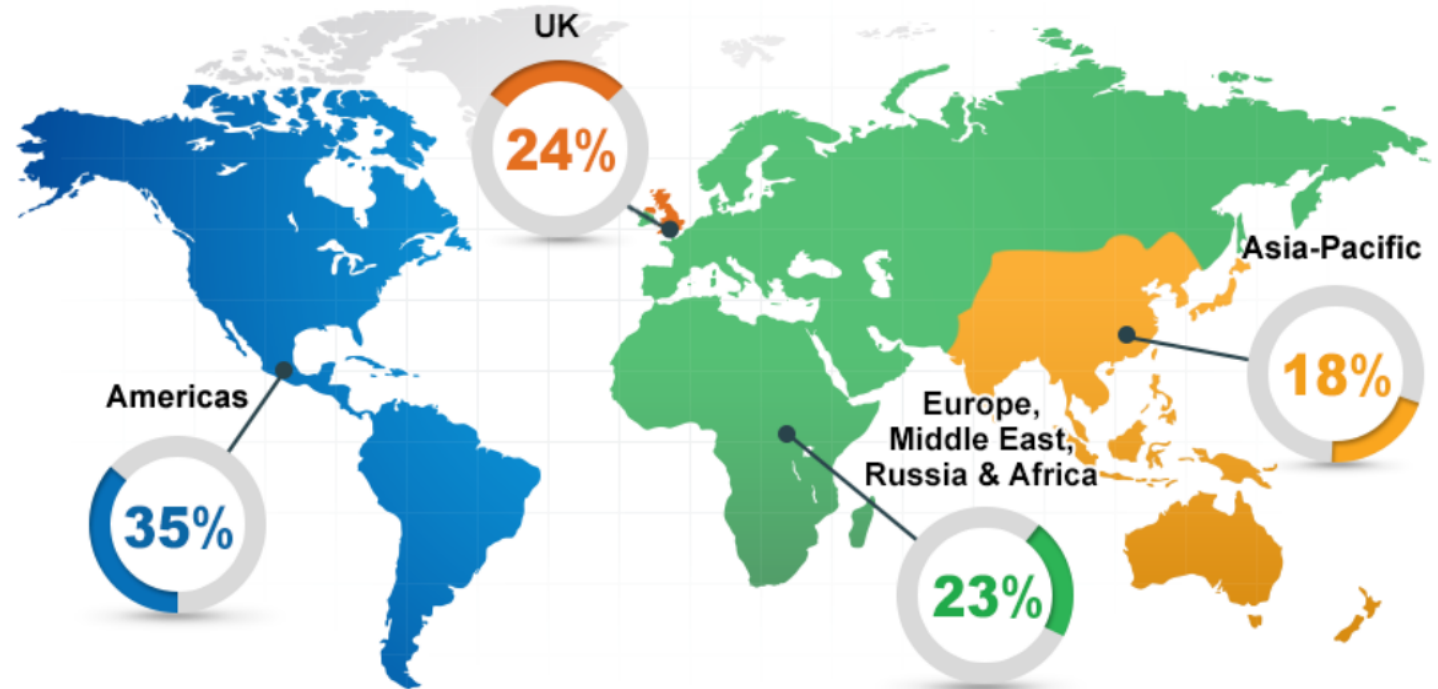
I think the Scottish might be on to something...

Who are they?

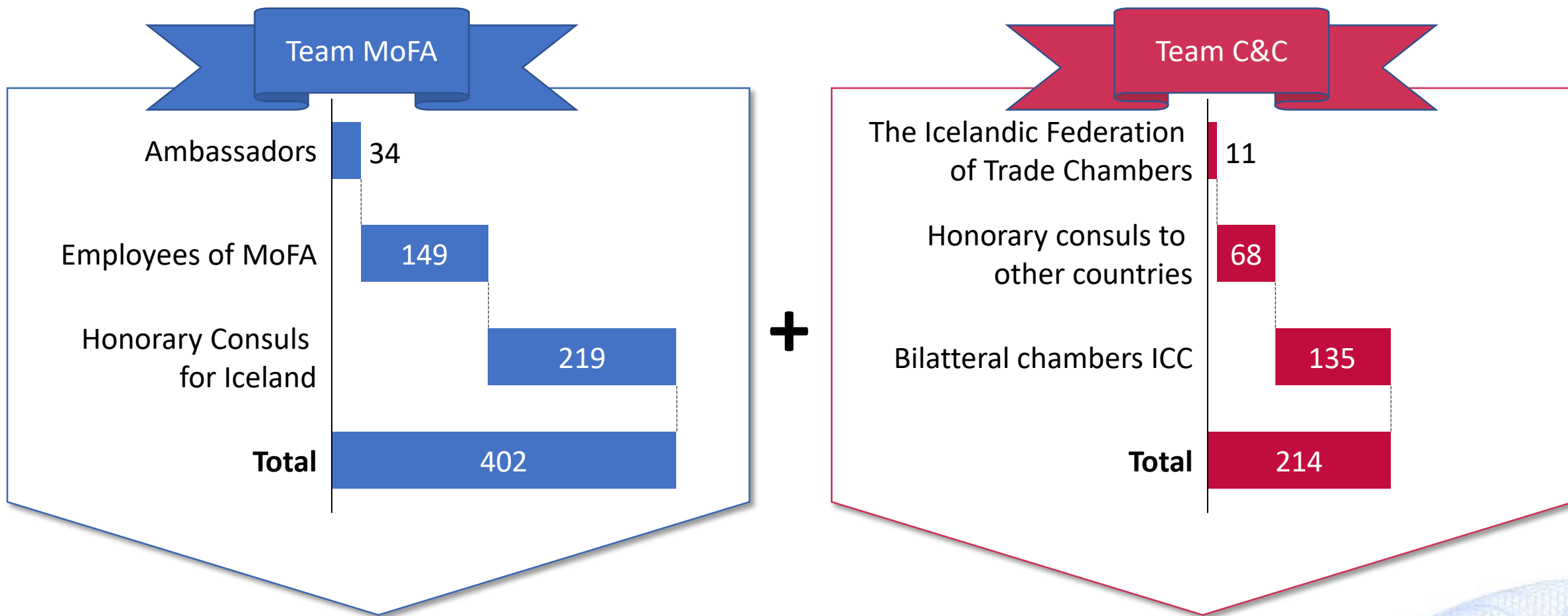
GlobalScots are experienced professionals who have built their reputations in the highest echelons of the international marketplace and they have a real desire to give something back by helping Scottish companies to develop and grow. Since 2001, they have contributed significantly to Scotland's economic growth.

Why do they do it?

The network of business leaders has one thing in common - their connection to Scotland and desire to see Scottish businesses succeed. All members are passionate about ensuring Scotland's continued commercial success, which is why they give freely of their time and expertise for the benefit of Scotland's future prosperity.



Why not connect the „army“ of foreign affairs agents – 616 in total!



Tactical, powerful and capable

Diplomatic

+

Dynamite

- Diplomatic is *pertaining to international relations* recorded from 1787
- In the general sense of using *tactic* and *sensitivity* in dealing with others

- Dynamite comes from the Greek word *dunamis* which means *power*
- Dunamis is related to the Greek verb *dunasthai* *to be able*





Thank you