

**Resolution of the Industrial Symposium
5 March 2009**

P R I O R I T I E S

***Lower interest rates
Resurrect the banking system
Lift currency restrictions
Negotiate with overseas claim holders
Increase export revenues
Revitalise the property market
Apply for EU membership and adopt the Euro***

There has been incredible turmoil in the economy over the past months. The economy is struggling under soaring interest rates, inflation, exchange rate changes, currency restrictions and a wheezing banking system. The same applies to a large number of homes. Moreover, unemployment has not been as high for a long time.

The wrangling and lack of direction of politicians and the authorities responsible for the management and solving of key aspects that must be resolved is cause for severe concern. Vital time has been squandered and it is high time that politicians, parliament and the Government pull together instead of engaging in traditional pointless carping that leads nowhere.

Interest rates must be lowered immediately. This is an absolute priority. Thereafter, agreements must be reached with overseas claim owners in order to lift the currency restrictions. It is vital to ensure that Icelandic companies have access to banks that can provide normal banking services, not to mention access to overseas credit and bank guarantees for transactions. This will not be possible except by completing ownership negotiations with overseas entities, one or more, which have claims on the banks.

Young people need roofs over their heads. Conditions on the property market make it almost impossible to buy. Maximum loans provided by the Housing Financing Fund must be increased and loan terms amended to enable the construction and sale of smaller apartments. This is an important part of revitalising the construction industry.

By many indicators it seems apparent that the Icelandic economy cannot stand on its own and base itself on its own currency if Icelanders intend to be a leading nation as regards prosperity and high living standards. To achieve this goal, it is vital that the immediate problems are solved and that policies for the future are formulated. An important and indispensable aspect of this is a fundamental change in monetary policies and management of the economy. The only realistic solution is to join the EU and adopt the Euro. The Government must make up its mind in this respect.

Despite the setbacks and difficulties we are undergoing at present, we must not forget that there are plenty of opportunities all around us. We have natural resources, human resources and ideas that we need to combine with ingenuity and prudence to increase export income while at the same time creating lasting stability. If we achieve this, we will prosper.