



I&I

Issues and Images
ICELAND



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PHOTO: MONSIEUR ABDO/PONELL

MUSIC:

Emiliana Torrini on a Roll

Icelandic singer-songwriter Emiliana Torrini is currently on tour in Europe, promoting her new album *Me and Armini*, which was released in September. The album has garnered positive reviews both in Iceland and abroad, and was notably granted four stars out of five in British music magazine *Q*.

Torrini's new music has also reached the ears of Hollywood, as "Jungle Drum" from *Me and Armini* features in the latest series of hit hospital drama *Grey's Anatomy*, while "Today Has Been Okay" from *Fisherman's Woman* will set the mood for the comeback series of *Beverly Hills, 90210*.

While working on the album, Torrini rekindled her collaboration with producer Dan Carey. The duo had previously produced songs like "Slow" for Kylie Minogue and "Gollum's Song" as part of the multi-platinum soundtrack to Peter Jackson's *The Lord of the Rings*. □

SUCCESS:

Iceland Takes Home Gold from Culinary Olympics

The Icelandic national culinary team received two gold and two silver medals at the 2008 Culinary Olympics in Erfurt, Germany in late October. The Icelandic team has never before been so successful in the Culinary Olympics.

The Icelandic team, which is comprised of ten chefs and 22 assistants, only used Icelandic ingredients in their courses and took nearly one ton of food to Erfurt.

The first gold medal was granted for the team's preparation of a three-course dinner for 110 people (which took five hours to prepare): Icelandic salt fish with tomatoes, asparagus and artichokes, reindeer in Madeira sauce with cauliflower, and chocolate and mandarins with rosemary for dessert.

The remaining gold and silver medals were granted for a cold buffet.

The Culinary Olympics are held in the same years as the conventional Olympics. □



PHOTO: GUÐJÓN STEINSSON

2008 (C) Guðjón Steinsson

SPORTS

“Our Girls” Qualify for the European Championship

The Icelandic women’s football team wrote a new chapter in Iceland’s sporting history on October 30 when they beat Ireland 3-0 and thereby qualified for the UEFA European Championship—the first Icelandic football team in category A ever to secure a seat in the 12-team finals in a major tournament. Almost 5,000 people came out to watch the game.

Dóra María Lárusdóttir was Iceland’s best player. She scored the opening goal in the 23rd minute. “Goal queen” Margrét Lára Vidarsdóttir scored the next goal, 15 minutes into the second half of the game, after a skilled pass from Lárusdóttir. It was Vidarsdóttir’s 12th goal in the qualifying round of the European Championship. The third and last goal was also scored by Lárusdóttir, 69 minutes into the game.

The 2009 UEFA European Women’s Championship in football takes place in Finland from August 23 to September 10. □



PHOTO: MARGRÉT LÁRUSDÓTTIR



DESIGN:

From Iceland with Love

“Love” was the theme of the 23rd annual Tokyo Designers Week, at which *100% design tokyo*, held from October 30 to November 3, was the main draw. It is one of the most respected design shows in the world and consisted of three vast exhibition tents. Eleven Icelandic companies and designers participated in this year’s event. The show originated in London in 1995 and moved to Tokyo in 2005. It features interior design, furniture, kitchen and bathroom appliances, and more. The aim of the organizers is to bring new and progressive designs to the forefront. The Trade Council of Iceland arranged Iceland’s participation in this year’s show. □

Iceland, the Inexpensive Alternative?

Tourists are flocking to Iceland due to its weak currency.



Iceland—cheap? Most people who have visited the country would shake their heads at the claim. A glass of beer used to be so expensive that it deterred even the most serious drinker. The famous Big Mac index, which compares the price of the hamburgers in different countries, always had Iceland at the top. But suddenly all that has changed. The krona has devalued by nearly 50 percent over the course of this year and tourists are flocking to the country. Downtown Reykjavik is crowded with foreign visitors laden with shopping bags. Of course Icelandic products, from the classical woolen sweater to all sorts of artisan creations, are high on anyone's list, but storeowners say that the prices of

many more products are making the foreign shoppers happy.

A NIGHT ON THE TOWN

It is never cheap to eat at luxury restaurants. A common price for lunch in downtown Reykjavik is about ISK 1,500, which was nearly EUR 20 a year ago. Now the price is only EUR 10 and tourists are delighted. As one restaurant owner said: "Local people are packing their lunches now, while tourists are filling the tables." Dinner at the finest restaurants in Iceland might cost only EUR 40 to 60 for a three-course meal prepared by the finest chefs in the country, who moreover are

among the best in the world (see p. 5).

Hotels are also happy about the status of their bookings. You can get a superior room for EUR 135 to 150, or even as low as EUR 100, at most fine hotels. Smaller rooms may go for even less than that.

Fridrik Pálsson, owner of Hótel Rangá, a four-star country hotel in the south of Iceland, says: "I think tourists that appreciate quality have found prices reasonable in Iceland in the past. Some things that people are accustomed to being cheap have been expensive in our country. Now we can offer quality in food and accommodation that most tourists find irresistible. People can come to Iceland for the adventure of a life-



time without having to part with a lifetime of savings.”

TIME TO INVEST?

Real estate prices have gone up in recent years but the market is now cooling down. That means if you are in the market for an apartment or summer house in Iceland, this is the time to buy. Many Icelanders who live abroad are now taking the opportunity to invest in a condominium for when they visit or when they return for good. A three- to four-bedroom apartment is now selling for about EUR 200,000. That is half the price of last year in euros and many

who are observing the country from abroad think this may be a unique opportunity. “We hope Iceland will not be immersed in the crisis for too long, but the price is right for me now, and I am helping the country by bringing in money,” says Ásta, an Icelandic woman who has lived in the United States for many years. “I have always wanted to have a home in my own country, and now I can afford it.”

Realtors say that there is also interest in farms and summer houses from abroad. Many foreign investors realize that there are unique opportunities to buy land in Iceland, a piece of unspoiled nature and landscape that you can only dream of buying in other

parts of the world, if you can find it at all.

Not many investors have been interested in stocks. This may be understandable given the current economic turmoil. In the words of one banker: “We have had some vultures who think they can get good companies for free, so to speak. This is not realistic, but prices in foreign currency for good companies are highly competitive at the moment. Stock prices have fallen and the krona is weak. This does not mean all stocks are good investments, but there are certainly companies that strong foreign investors should take a close look at, at this time. In many instances this may be a once in a lifetime opportunity.” □



Of Aliens, Trolls and the Most Elusive of Glaciers

Recalling a memorable roundtrip in Snæfellsjökull National Park, minus a glimpse of the mysterious Snæfellsjökull glacier.

In 1964, Jules Verne wrote *A Journey to the Center of the Earth*. In his novel, three people disappeared through the glacial volcano of Snæfellsjökull, the crown jewel of western Iceland's Snæfellsjökull National Park, and thereby discovered a secret passageway to the Earth's interior.

Verne is not the only one to believe that Snæfellsjökull is a point of special powers. Alien experts claim the glacier attracts UFOs and in 1994 a special committee of the Iceland Alien Society climbed the glacier to welcome extraterrestrial beings that were scheduled to land but, unfortunately, never arrived.

In clear weather, Snæfellsjökull can be seen from Reykjavík. Like a mysterious white planet it emerges from the waves, blurry because of the mist. It is easy to imagine how it must have acted like a magnet on settler Bárður Snæfellsás when he arrived from Norway in the 9th century AD.

For months I'd been planning a weekend trip with my friends to Snæfellsnes peninsula, including a roundtrip of Snæfellsjökull National Park and a glacial tour. Standing on top of the mysterious glacier would be a dream come true. However, late summer conditions were too dangerous for such tours, I was told.

At least I would get to see it up close.

The steering wheel rattled as the road changed from asphalt to gravel. Fródárheidi mountain pass greeted us with fog and rain. On the northern side of the peninsula we drove through the village of Ólafsvík, nestled by the sea. The smell of saltwater and fish intestines hung in the

air, reminding us of the region's main industry.

We drove past the cluster of houses that is Rif and entered the hamlet of Hellissandur—our base camp for the weekend. We looked towards the mountains and knew that the glacier was there, hiding behind low-lying clouds.

After Hellissandur the landscape changed suddenly; moss-covered lava fields stretched as far as the eye could see. A sign by the road confirmed that we had now entered the National Park. To the right, a narrow road wound through the lava and down to the shore. Skardsvík was our first stop. The unusual sight of a white-sand beach (most beaches in Iceland are black because volcanic ash tints the sand) gave us the illusion that we were in a tropical place. Had it not been for the nip in the air, we would have been tempted to go for a swim.

Back on the road the ancient volcanic crater of Saxhóll rose rusty-red from the otherwise flat landscape. The hill is easy to climb and soon enough we were staring into the crater's hollow tomb. Had it not been for the weather, this would have been the perfect spot to feel awestruck by the pristine white of Snæfellsjökull. I begin to wonder whether it really existed, then closed my eyes and felt its presence behind the curtain of clouds.

Other wonders awaited.

Strange lava formations adorned the path that led to the black rocky beach of Djúpálónssandur. Gatklettur, a rock with a hole in it, begged attention. Through the hole, we could see Djúpálón, the lagoon after which the beach is named. Fishermen used to fetch water there.



Strangely, the water is fresh near the top, but otherwise salty, so they had to be careful not to plunge their buckets in too deep. Fishermen also used to compete in strength by lifting stones of different weights. The stones are still there, tempting visitors to Djúpalónssandur to prove that they are just as strong as the brave Icelandic fishermen of the past.

It was completely calm and the otherworldly lava landscape with green mossy spots was mirrored in the lagoon. We walked across the beach. The rusty remains of a ship lay scattered in the sand. We took the one-kilometer path to Dritvík, a bay where most of the fishermen were based. After bringing their catch ashore, they had to walk that distance to fetch water from Djúpalón lagoon. The heather along the rocky path was black with tasty crowberries—a perfect snack for the walk.

The view of Dritvík was breathtaking. The bay is almost closed off by rocks, the water a striking blue. The abandoned fisherman’s hut almost blends in with the environment. This is where Bárður Snaefellsás and his fellow settlers came ashore. Then they held a sacrificial ceremony inside a small cave by the bay, which has since been known as Tröllakirkja, or “Troll’s Church.”

Upon returning to Djúpalónssandur we got a better view of the beach and the picturesque pillar of rock offshore. A few rays of sunlight carved their way through the clouds. Along with the calming sounds of the waves and the beautiful view, they created an atmosphere of absolute wellbeing. Still no sight of the glacier, though.

Impressed as we were by the pillar of rock off Djúpalónssandur, it was nothing compared to the majestic sight waiting for us at the next stop:

Lóndrangar. The two rocky pillars, the higher of which is 75 meters, rose out of the water like giant trolls that have turned to stone. They towered above a nearby lighthouse, the only three peaks in a flat, mossy lava-landscape.

Breathing in the history of the region, we paused to observe the ancient Viking farm of Laugarbrekka where Bárður Snaefellsás built his home. Later he lost his mind and wandered into the mountains, appearing whenever someone in need called for his help. The settler, who by reputation was half-troll, is now the guardian spirit of Snaefellsnes.

Later, Guðrídur Thorbjarnardóttir—the most widely-traveled woman of the Middle Ages—would be born at Laugarbrekka. Thorbjarnardóttir was on the crew of the longship of Leifur “the Lucky” Eiríksson, who discovered America in 1000 AD, and she became the first woman of European heritage to bear a child in the New World. The discoverers didn’t stay long in America and Thorbjarnardóttir returned to Iceland to become a nun. She later traveled all the way to Rome to meet the Pope. At Laugarbrekka there is a sculpture by one of Iceland’s most accomplished artists, Ásmundur Sveinsson, of Thorbjarnardóttir and her son Snorri. Before leaving, we paid our respects to this enterprising woman.

As we exited Snaefellsjökull National Park, its crown jewel remained hidden behind the clouds. There was much more to see and experience in the region, but it was time to go home. Back in Reykjavík the white planet of a glacier emerged from the waves in the distance, taunting me, as elusive as a rainbow. “I’ll conquer you next time,” I vowed. □

Eygló Svala Arnardóttir





Leader of the Opposition

Steingrímur J. Sigfússon has been a member of Althingi for 25 years.
His time in power may be approaching.

In the current economic crisis, the political landscape in Iceland may be changing for good. Left-wing leader Steingrímur J. Sigfússon has indicated that he is willing to cooperate so that the majority government has time to make some of the legislative changes that are needed for the country to deal with the grave economic situation at hand. He has even stated that the Left-Green Party, which has always been against Iceland sacrificing any economic freedoms, would consider replacing the Icelandic krona with its Norwegian counterpart. Yet in spite of having shown big gains in the opinion polls, Steingrímur feels that elections should not be held until the current cloud lifts a bit, probably not until next spring.

STRONG LEFTIST ROOTS

Steingrímur J. Sigfússon was only 27 years old when he was first elected to Althingi, Iceland's parliament, in 1983. At the time he was a well-known sports announcer for the Icelandic National Broadcasting Service. He comes from northeast Iceland, one of the most remote parts of the country, at least in the view of the 70 percent of the population that lives in Reykjavik.

At the time, Steingrímur was a member of the People's Alliance, the party in Icelandic politics that was furthest to the left. It was opposed to Iceland being part of NATO, opposed to the US base in Keflavik, opposed to joining the European Economic Area, opposed to foreign investment in Iceland... in short, opposed to most of the big issues that the "mainstream" parties have supported.

From his first day in Althingi it was clear that Steingrímur was one of the best orators in the house. Not only does he hold forceful speeches but they are also lengthy and frequent. In most years he has been the member of Althingi that has talked the longest.

However, for all his talk he has not been very successful in getting a cabinet seat. In his 25 years as member of Althingi he has only been part of the government for a little more than two and a half years, as Minister of Agriculture and Communications in a left-wing coalition government from 1988 to 1991. Since then he has been a part of the opposition.

NEW PARTY, SIMILAR VIEWS

In the late 1990s there was talk of merging the parties to the left, particularly the Social Democrats and the People's Alliance. In the end Steingrímur decided not to join the new Social Democratic Alliance but rather to form his own Left-Green Party from scratch. The Left-Greens adopted many of the policies of the far left but also added a strong stance on protecting the environment. This has caused the party to oppose the hydroelectric power plant at Kárahnjúkar and the aluminum smelter in Reydarfjörður. In 1999, in the first general elections after the formation of the new party, it earned about 10 percent of the votes and six of 63 seats in Althingi. In the next elections support declined a bit and it lost a seat. Before the 2007 elections the party was very strong in opinion polls and appeared set to receive over 20 percent of the votes. In the final weeks it seemed to lose support to the Social Democrats, however, and ended up with 14 percent of the votes, and nine seats. That was not enough to sweep it into power.

A coalition government between the right-wing Independence Party and the Social Democratic Alliance was formed. The government has a solid majority of 43 seats out of 63, making it the strongest for years. It looked like four more years in the desert for the Left-Greens. However, recent events have changed that picture dramatically. The economic crisis means that many things have to be completely rethought.

A NEW POWERHOUSE?

As soon as it became clear that the country was facing unprecedented difficulties, Steingrímur asked for a meeting with Prime Minister Geir H. Haarde. At that meeting he expressed his willingness to participate in a grand coalition government with all the political parties. The Prime Minister was not willing to make such a drastic move but has kept in contact with leaders of the opposition parties to keep them informed of developments. However, this does not mean that the Left-Green Party now supports the government. It was strongly against applying for aid from the International Monetary Fund when the government did so in October.

Steingrímur says he has good relations with Norwegian politicians and Norway has, in fact, been Iceland's strongest supporter in recent weeks. (It should be pointed out that the Prime Minister's father was Norwegian and many other prominent Icelandic politicians have strong ties to Norway). Many people feel that the need for Iceland to be part of a larger monetary alliance has become clear in recent days. Most people want to apply for membership in the European Monetary Union and join the Euro-zone. Others point out that this is a drawn-out process and that it might take more than ten years until the country is accepted.

The Left-Greens have now declared that they support the idea of Iceland joining Norway in a monetary union. In spite of the fact that this would mean loss of economic independence, they feel it would be more acceptable than joining the European Union. This is a remarkable turn of events and shows how the political landscape has changed in Iceland. Support for the Left-Green Party has soared. A recent Gallup poll revealed that they have the support of 26 percent of voters. Such an outcome could mean that the party might finally be in a position to take power in a coalition government. □



Kristleifur Daðason, Friðrik Ásmundsson and Herwig Lejsek of Eff2 receive the Golden Egg award for innovators in the spring of 2008.

New Technology Assists Police in Fighting Child Pornography

Eff2 Technologies has developed a service which can visually remember 100,000 hours of video.

Basic research conducted at universities is important in itself. Often it leads to breakthrough inventions that can be used in business, but usually the development takes years. An incubator firm, Klak, has been nursing small companies with great ideas for years and has now joined forces with Reykjavik University. One of the exciting companies they have bred is EFF2 Technologies, which may be one of the best things that has happened to law enforcement officials.

Founded by its past students, EFF2 has studied and designed an extremely efficient way of finding video material. Their product, Videntifier Forensic, assists police in detecting illegal pornography on seized storage devices such as hard disks, memory sticks and DVDs.

Sadly this ruthless money-making industry is a growing problem in today's world and there is no doubt that serious action is needed to tackle the problem.

When someone is suspected of downloading or distributing illegal videos such as child pornography on the web, police obtains a warrant to seize all computers and external storage devices. More often than not these devices contain a huge amount of data. All those storage devices must currently be evaluated by police specialists who must look at all image and video data. As one can imagine, this is a demanding and tedious task that takes up much of the investigators' time. Usually several individuals will work on a single case for more than a month. Consequently little time is

left to work on the actual investigation, after the recognition stage.

As a solution to this problem, EFF2 Technologies has developed Videntifier Forensic. Not only does Videntifier Forensic save time and money but it can also reduce investigators' psychological stress factors significantly. When less time is used up in recognizing the content, more resources can be directed into actual investigation such as tracking the origin and potential distribution channels. It is clear that police authorities in many countries are facing the same enormous challenge and Videntifier Forensic can be of great value both during the recognition stage and as an aid in tracking or discovering potential distribution channels. □



Videy – Monument of Times Past

Board the ferry to Videy and travel back in time to explore the history and natural wonders of this gem of an island, located only five minutes from Reykjavík.

The cold autumn wind ruffles the waves while the rain pounds the surface of the ocean. On the deck passengers huddle close together, watching the island draw near. Ahead lies Videy, so close—only a few minutes away from Iceland’s capital—yet so far away, as most of the passengers have never been there before.

They have come to see Yoko Ono’s Imagine Peace Tower, which put the island on the world map one year ago. Little do they know that the ferry is sailing through a time warp, carrying them back in time more than one thousand years.

Videy was inhabited shortly after the Settlement in 874 AD but didn’t earn a place in Iceland’s history until a monastery was established there in 1225. That monastery became powerful and was at one point the second-wealthiest monastery in Iceland, or until it was plundered by the Danish king in 1539. That event marked the end of the Videy monastery, and by 1550, Iceland was no longer catholic.

The Icelandic flag flutters in the wind outside the stout and significant Videyjarstofa, now a café, restaurant, gallery and museum. Built in 1755 as the residence of the first Sheriff of

Iceland, Skúli Magnússon—also considered the founding father of Reykjavík—Videyjarstofa is one of the oldest preserved houses in Iceland and the country’s first stone building. Magnússon now rests underneath the altar of the adjacent Videyarkirkja church, built 20 years before his death in 1794.

Inside a glass cupboard is Videyjarstofa’s invaluable Bible collection. The first Icelandic Bible, *Gudbrandsbiblíá*, printed at the Hólar bishopric in 1584, is on display, as are the subsequent nine original editions of the Bible in Icelandic. The sixth, *Videyjarbiblíá*, was printed on the island in 1841, bearing witness to the former local printery.

Videy has served various functions throughout the ages. Before Magnússon’s time the island was a refuge for leprosy patients. In 1901, Eggert Briem and Katrín Pétursdóttir built a cowshed for 48 cows on Videy, which was the most technically-advanced cowshed in Iceland at the time. They sold 200,000 liters of milk to Reykjavík every year.

Long considered one of the best farmlands in Iceland, this gem of an island is incredibly rich in bird and plant life. Even cumin grows wild along the walking paths on Videy—one of

Magnússon’s experimental projects. He also tried growing tobacco, with poor results.

With almost three kilometers separating the island’s eastern and western tip, it suddenly seems larger than at first glance. Braving the wind and rain outside the comfort of Videyjarstofa, most visitors head west for the Peace Tower. The once long and lush grass, now yellow and withered, billows like the ocean’s waves.

In the opposite direction, on the island’s eastern tip, lies a ghost village. Counting 138 inhabitants in its heyday, the village thrived on fish processing. When local fishing company *Kárafélagid* went bankrupt following the Great Depression in 1931, villagers moved away one by one, even taking with them the timber from their houses.

Currently uninhabited, Videy is a monument of times past. Far away, yet so close. Passengers huddle close together on the ferry’s deck, catching one last glimpse of the white concrete Videyjarstofa and the fluttering red, white and blue flag. Soon, night will fall, Yoko’s tower of light shedding a futuristic glow on this historic isle. □

Eygló Svala Arnardóttir



Of Mice and Music

Maximus Musicus teaches young children about classical music and the orchestra.

A mouse visiting the orchestra is not a new idea. Walt Disney had Mickey Mouse come up to famous conductor Leopold Stokowski in 1940 in the classic animated film *Fantasia*. Well, what worked then may well work again, and now Icelandic musicians have come up with the ultimate musical mouse: Maximus Musicus.

Maximus Musicus Visits the Orchestra is an introduction to the world of music for young children, in the form of an illustrated book with an accompanying CD, as well as a wonderful concert program initially performed to great acclaim by the Iceland Symphony Orchestra in March 2008. The story and the music open up the world of music for children as we follow the tale of the mouse, Maximus Musicus. By chance he finds himself in a concert hall and experiences many strange and funny things as the orchestra rehearses and gives a concert. He enjoys himself so much that he decides to stay in the concert hall to see what happens next.

The accompanying CD contains a narration of the story with all the sounds and music that go with it, the musicians warming up, tuning, rehearsing and finally playing the pieces. At the end of the CD, the works are performed in their entirety by the ISO, led by its chief conductor, Rumon Gamba. The author of the story is the principal flautist of the Iceland

Symphony Orchestra, Hallfríður Ólafsdóttir, and the illustrator is also a member of the orchestra, Þórarinn Már Baldursson, who plays the viola.

The book and CD topped the Icelandic best-seller lists for weeks and their success can perhaps be measured by the fact that, six months later, children still want to listen to the story and CD every day.

SYMPHONIC ENTERTAINMENT

The ISO performed the Maximus concert to coincide with the publication of the book and a spokesman claims that this is by far the most effective program for children that the orchestra has performed to date. A full house of 4-6 year olds listened enthralled for the whole duration of each concert, as the story was told with illustrations projected onto a wall and the musicians acting out their parts. Its huge success called for a repeat performance two months later, and another has been scheduled for May 2009.

The pieces performed in the story of Maximus Musicus were carefully chosen to suit the young audience. The narration describes the pieces as they go along, both the instruments that are playing and the mood of the music. The program includes Ravel's *Boléro*, Aaron Copland's *Fanfare* for

the *Common Man* and the beginning of Beethoven's *Fifth Symphony*. The encore in the story is one of the most popular Icelandic songs, *Á Sprengisandi* by Sigvaldi Kaldalóns, a galloping tour de force arranged colorfully by a former musician and conductor of the ISO, Páll Pampichler Pálsson.

The title composition, *Maxi's Song*, was composed by the author, Hallfríður Ólafsdóttir. It is very popular with young children, who thoroughly enjoy singing the lilting melody at home, just as they did at the concert along with the orchestra.

World-renowned conductor and pianist Vladimir Ashkenazy is patron of the project and has been instrumental in bringing it about. In his words: "Maximus Musicus is one of those rare books that effortlessly manages to attract children into the unique and fascinating world of the Symphony Orchestra, thereby bringing them to the world's greatest music—a wonderful achievement!"

And the children have also given their verdict. Siggí, aged 4 and a former Spiderman-wannabe, says: "When I grow up I want to be a Fiddleman!" □

www.maximusmusicus.com

www.sinfonia.is/Maxi



Maximus Musicus with world-renowned conductor and pianist Vladimir Ashkenazy.



Being Prepared

Ellisif Tinna Vídisdóttir is the director of the new Iceland Defense Agency.

In James Bond movies, the character M is the ultimate spymaster. And to keep this long-running series modern, in recent Bond films M has been a woman. The director of the newly established Icelandic Defense Agency is also a woman, but unlike M she has a full name, Ellisif Tinna Vídisdóttir. And whereas M is a fictional character, Ellisif Tinna is very real.

When the United States announced that it would be pulling out of the NATO base in Keflavik after more than half a century, Iceland was left completely without defenses. The country has never had an army and military maneuvers are alien to most Icelandic citizens. However, unknown military aircraft have been known to fly through Icelandic airspace, and people still want to know who

is coming to visit. So how does a country without an army defend itself?

The Icelandic Defense Agency was established in the spring of 2008 and handles all sorts of communications and supervision that were previously part of the NATO base functions. One of its main tasks is to operate the radar defense system that can detect “shielded” military planes. Iceland has no army and does not plan to establish one. However, the nation has participated in military rehearsals in Iceland where militaries from various NATO countries have engaged in maneuvers with Icelandic civil forces.

Ellisif Tinna is a lawyer and previously worked as both deputy commissioner for the Sudurnes Police District and deputy police commissioner at Keflavik Airport. Consequently she knows

her current work environment at Keflavik airport well. She was in charge of preparation for the reorganization of the Radar Agency due to a transfer of its duties and personnel to the Defense Agency.

But is Iceland under threat? Ellisif Tinna says that, before 2001, a terrorist threat from airplanes was thought to be minimal. “Defenses today rely on techniques, training, knowledge and information. We always have to be on the alert, even against an unknown threat.”

Has security been redefined, now that Iceland has a Defense Agency?

“Not necessarily, but by establishing a Defense Agency the state takes responsibility for its own security and outer defenses for the first time. Our contribution to the NATO cooperation is important. Every nation needs defenses.” □



Sympathy for the Underdog

“We want to keep this house alive.”

Halldór Laxness was one of Iceland’s most revered and respected authors. He was awarded the Nobel Prize for Literature in 1955 and was prolific in his writing, producing 62 books over 68 years. His characters typify the Icelandic psyche. He was well known for his left-leaning political views, and what was described by late translator and poet Bernard Scudder as his “sympathy for the underdog.”

Laxness’s work was undeniably influenced by the Icelandic countryside where he was raised. His home is nestled in the pastoral Mosfellsdalur valley, where he spent the majority of his adult life, and is now a museum and cultural center.

Gljúfrasteinn, as the white, two-story home is called, is still furnished as it was when Laxness lived there with his wife, Audur Sveinsdóttir

Laxness, and two daughters. Comfortable furniture from the 1970s fills the sitting room, books in many languages line the walls, and art from celebrated Icelandic painters like Jóhannes Kjarval, Nina Tryggvadóttir and Svavar Guðnason adorn the walls.

A grand piano sits in the corner of the living room and weekly recitals are given here during summertime. This summer’s series runs on Sunday afternoons from the beginning of June to the end of August and features Icelandic artists such as jazz vocalist Kristjana Stefánsdóttir and cellist Gunnar Kvaran performing in an intimate setting. Visitors to Gljúfrasteinn are given a 25-minute audio tour, available in five languages, upon entry. The audio tour features interviews with Laxness himself, who died in 1998.

The countryside surrounding Gljúfrasteinn is as appealing as the home itself. “We encourage people to take a walk around the property, as Laxness himself used to do,” says Guðný Dóra Gestsdóttir, museum director. The nearby Kaldakvísl river is particularly pleasant for a stroll.

Gljúfrasteinn has been open as a museum since 2004 and the concert series has been presented since 2006. In addition to the summer series, in what has become somewhat of a holiday tradition, readings are held by well-known authors in the weeks leading up to Christmas.

“We want to keep this house alive,” says Gestsdóttir.

Which is exactly how Halldór Laxness would have wanted it. gljufrasteinn.is □



The Swimming Baker

With his 50th birthday approaching, baker Benedikt Hjartarson, a keen amateur athlete, decided to swim across the English Channel. On July 16 he made his second attempt and at 51 became the first Icelander to make it.

Issues & Images: Why swim in July; is that the best time to swim across the English Channel?

Benedikt Hjartarson: Not really. Those who have set time records for this distance usually swim in late August or early September. But my birthday is July 9 and I usually do something crazy when I have big anniversaries.

I&I: Were you an experienced sea swimmer?

BH: Not really. Last year I swam from Reykjavik to Hafnarfjörður. It took me more than six hours. To qualify to swim across the channel you have to finish a six-hour long swim in a sea that is colder than 16 degrees Celsius.

I&I: You are the first Icelander to finish this. Were the conditions favorable?

BH: I got sunshine and then a little bit of

rain. When you start swimming you don't think about that. Your mind is totally fixed on the goal. I had tried this once before in 2007, at which time I swam 40 kilometers. This time around I swam 61 kilometers in a sea that was 18 degrees Celsius. The actual distance is only 32 kilometers but you have to swim longer than that because of the currents. The best swim about 40 kilometers.

I&I: It must be rather difficult to stay in the water swimming for more than 16 hours?

BH: Before my attempt I said I would swim it in 13 or 14 hours. If it took me longer than 16 hours it would not really be swimming but floating.

I&I: Did you ever think about giving up?

BH: Oh yes. There were several occasions I would have liked the captain to call out to me, "You are wasted. Come aboard." But it did

not happen. The captain on the boat, Andy King, was hard as a rock. "Benni," he said, "you are going to make it all the way. I'm the one who decides whether you come aboard or not and if you try it I will beat you with this boat hook."

I&I: Is swimming in the cold sea as good for the health as claimed by some sea swimmers?

BH: I am totally convinced that it has multiple benefits for one's health. I have rather coarse skin. When I started I unconsciously stroked my arms because they were suddenly so soft. It also improves your breathing. In my work as a baker, I work constantly with powdery materials like flour which stifle the respiratory system. Since I started training, I have been free from all ailments. If I feel that I am getting sick I just go into the sea and swim a little and feel much better. □

Bjarni Brynjólfsson



Fast Track to Fun

For many Icelanders, the Keflavík highway has a sort of Route 66 feel.

“This landscape really looks like the moon,” is a common remark made by first-time visitors to Iceland who travel the road between Keflavík airport and Reykjavík.

The so-called “Keflavík highway” holds a special place in the hearts of most Icelanders. For years it has served as the road between Reykjavík and the rest of the world.

In the past, the town of Keflavík had a magical air. The soldiers at the NATO base had their own radio station and thus opened a cultural window onto the world of rock and roll. Keflavík was not a big town but it was home to many of the most popular bands in the 1960s. People from Reykjavík flocked to Keflavík to dance to the beats of Hljómar and other rock groups. The Keflavík highway was the road to coolness.

When the Keflavík highway was paved in

the mid-1960s it became the first Icelandic road outside the capital that was not a gravel road. It also had the dubious distinction of being the only toll highway in Iceland. Still, young people regarded it with special fondness. Unfortunately, the temptation was always to drive too fast and the road’s history is marred by accidents. It is among the most frequently-travelled roads in Iceland and two-way traffic meant that it was not well suited for speeding (not that speeding can be recommended on any road).

For years, residents in both Keflavík and Reykjavík campaigned to have the road turned into a two-lane highway with separate lanes. A few years back the government decided to initiate such a project, which would be completed in phases. This fall the road was finally opened with two

lanes stretching nearly the entire distance between Hafnarfjörður (a town south of Reykjavík) and Keflavík. Consequently traffic flows much more smoothly than before and the road is much safer to travel. The speed limit is still only 90 km/h, but that will get you into town quickly and safely.

Keflavík is no longer home to the coolest rock stars in Iceland, but many Icelanders travel the Keflavík highway at least once a year and are delighted with this vast improvement. Of course, the road also leads to the Blue Lagoon, a popular spa resort visited by most tourists who come to Iceland.

After travelers have enjoyed adventures in Iceland for a few days or more, many look back when they take the Keflavík highway to the international airport and say: “It didn’t really look like the moon all that much.” □

A Diary of Business and Politics

September 29 An agreement was reached between the Icelandic government and the owners of Glitnir bank, following consultations with the Central Bank and the Financial Supervisory Authority, for the state treasury to contribute EUR 600 million (USD 876 million) to Glitnir's capital stock. The Icelandic state would thereby become a majority owner in Glitnir, pending the agreement of the bank's shareholders.

October 6 Iceland's parliament, Althingi, passed emergency legislation enabling the government to intervene extensively in Iceland's financial system—the most radical economic measure in the country's history.

October 7 The Icelandic Financial Supervisory Authority took over two of Iceland's three largest banks, Landsbanki and Glitnir, on grounds of the emergency legislation passed by Iceland's parliament, Althingi, a day earlier.

October 7 Book publisher Forlagid celebrated its first anniversary with an expected profit of nearly ISK 120 million (USD 940,000, EUR 690,000) for 2008. Forlagid is one of the few companies in Iceland that is completely debt-free.

October 8 British Chancellor of the Exchequer Alistair Darling and Prime Minister Gordon Brown announced at a press conference that they would sue Icelandic authorities if necessary to ensure that British customers were able to reclaim their deposits from Icesave, a savings bank located in Britain and owned by Landsbanki bank.

October 8 It was revealed that more tourists visited Iceland in August this year over the same month in 2007, judging by a two percent increase in the number of accommodation nights in the country, from 186,100 in August 2007 to 189,300 in August 2008.

October 8 Directors of Iceland's largest bank Kaupthing decided to hand over control of the bank to the Icelandic Financial Supervisory Authority in the wake of a decision by British authorities to invoke terrorist legislation to freeze the bank's assets.

October 9 Iceland's Prime Minister Geir H. Haarde criticized British authorities at a press conference, saying that the Icelandic government was upset and shocked that Britain had invoked anti-terrorism legislation to freeze Landsbanki's assets in the UK. Haarde characterized the use of the anti-terrorism laws as "a hostile measure."

October 9 Conceptual artist Yoko Ono presented both the Icelandic nation and Indian scientist Dr. Vandana Shiva with the LennonOno Peace Award at the relighting of the Imagine Peace Tower on Videy island, just off Reykjavik, on the occasion of John Lennon's birthday.

October 9 Icelandic authorities in charge of fisheries announced their decision to brand Icelandic seafood products made from fish caught within Iceland's fishing zone especially, confirming their origin and certifying that they derive from responsible fisheries.

October 14 It was reported that small communities in rural Iceland had not been affected by the economic crisis, and also that they had not been included in the economic upswing prior to the crisis. Many of those communities have plenty of jobs available, including Langanesbyggd municipality in northeast Iceland.

October 15 Iceland's Prime Minister Geir H. Haarde said in Althingi that the government had recruited a British law firm to look into Iceland's legal position and prepare a lawsuit against British authorities over the damage inflicted on the Icelandic nation by the British government's statements about the country.

October 15 Icelandic authorities filed a formal complaint with NATO over Britain's invocation of anti-terrorism legislation in an effort to freeze the assets of Icelandic banks in the UK.

October 15 The Financial Supervisory Authority formally announced the establishment of a new Glitnir bank. The new bank took over Glitnir's domestic assets to secure regular banking operations and the safety of deposits in Iceland. Birna Einarsdóttir became the new CEO of the bank. Earlier in the week a new Landsbanki, Nýi Landsbanki Íslands, was established, with Elin Sigfúsdóttir as its CEO.

October 15 It was reported that the Central Bank of Iceland had decided to take advantage of loans from Norway and Denmark in the amount of EUR 400 million (USD 546 million) on the basis of currency swap agreements reached between the Nordic countries in May this year.

October 17 Iceland lost its bid for a seat on the United Nations Security Council in 2009 and 2010. Instead, Austria and Turkey were elected to the council at the UN General Assembly in New York.

October 20 Iceland Drilling, a subsidiary of Iceland's Jarðboranir in the UK, signed an agreement with energy companies Sogeo and GeoTerceira in the mid-Atlantic Azores islands, for experimental drilling in geothermal areas on the islands.

October 20 Nýja Kaupthing, the new Kaupthing bank, was established with ISK 75 billion (USD 630 million, EUR 500 million) in equity provided by the Icelandic state treasury. Kaupthing's international operations were separated from Nýja Kaupthing's operations. CEO of Nýja Kaupthing is Finnur Sveinbjörnsson.

October 21 Icelandic fashion designer Steinunn Sigurdardóttir was awarded the Swedish Söderberg Prize for 2008, receiving SEK 1 million (USD 137,000, EUR 101,000). The Söderberg Prize is one of the world's major design awards.

October 22 The central committee of the Confederation of Labor (ASÍ) agreed to submit a momentous proposal to ASÍ's general meeting for Iceland to apply for membership to the European Union and to adopt the euro as its currency.

October 24 Iceland reached an agreement with the International Monetary Fund (IMF) on a comprehensive economic stabilization program including a USD 2 billion (EUR 1.6 billion) loan from the fund. Iceland would be able to borrow USD 830 million (EUR 662 million) immediately after the IMF board approved the program.

October 27 Icelandic orthopedics/prosthetics manufacturer Össur posted its results for the third quarter of 2008 with net profits of USD 13.7 million (EUR 10.7 million) compared to USD 2.2 million (EUR 1.7 million) over the previous year. Sales were up by six percent, or USD 87.3 million, for Q3.

October 28 Chairman of the Central Bank Board of Directors David Oddsson announced at a press conference that the bank had decided to raise the policy rate for Iceland to 18 percent, after having lowered it to 12 percent a short time previously, due to terms set by the International Monetary Fund (IMF).

October 29 Faroese authorities announced that they were willing to grant Iceland a DKK 300 million (USD 53 million, EUR 40 million) loan to cope with the economic crisis. The Faroe Islands, which have a population of less than 50,000, represent an autonomous province under Danish rule and are one of Iceland's closest neighbors.

October 29 Icelandic company Marorka, a producer of energy management systems, was elected the winner of the 2008 Nordic Council's Nature and Environmental Prize.

November 3 Norway's Minister for Foreign Affairs Jonas Gahr Støre arrived in Iceland and announced a five-year loan of EUR 500 million (USD 641 million) to the Icelandic state.

November 3 Iceland's Minister for Foreign Affairs Ingibjörg Sólrún Gísladóttir and her Norwegian counterpart Jonas Gahr Støre signed an agreement on exploitation rights for fossil fuel resources in an area dubbed the "Dragon Zone," located between Iceland and Jan Mayen and which belongs to both countries.

November 7 Polish authorities will participate in the International Monetary Fund's (IMF) economic stabilization program for Iceland, which at press time had yet to be passed by the IMF board, by granting Iceland a USD 200 million (EUR 155 million) loan.

November 11 Prime Minister Geir H. Haarde said that British and Dutch authorities were not willing to settle disputes over Landsbanki's Icesave accounts in an arbitration court. □

Eygló Svala Arnardóttir

Iceland's Future Lies in Innovation

While some Icelandic companies may be hanging their heads in despair, casual game developer Gogogic is more fired up than ever.

"I'm an incurable optimist," Jónas Björgvin Antonsson is quick to comment when we meet for a chat on a rainy afternoon. He is the CEO of casual game developer Gogogic, a promising Icelandic seed company. "Startup is the best way to describe it," he adds about this genre of innovative businesses.

With a broad smile, Jónas Björgvin goes on to explain that his company is free of long-term debt, has a solid foundation, and that he sees many business opportunities despite the current economic crisis. "Icelandic inventiveness has not collapsed. The situation is serious, of course, but my team here is determined to fight on."

Gogogic's very name bears witness to this policy: having "Go" in a company's name is said to have a positive impact on customers, let alone "Gogo." And Gogogic is not the only Icelandic starter to be on the go. Business magazine *Frjáls verslun* recently published a list of 100 Icelandic seed companies to watch, of which Gogogic was one.

"We have to focus on many different companies, spread the risk," Jónas Björgvin says, citing the example of Finland's economic success. Roughly 15 years ago, during an economic depression, Finnish authorities decided to focus attention on innovation and education—giving rise to companies like Nokia.

A button on Gogogic's website, gogogic.com, reads, "We are hiring," a gleaming ray of hope in light of the recent wave of layoffs in Iceland.

Jónas Björgvin believes that the bright minds that have now lost their jobs at the banks are prime candidates to be employed in Iceland's many startups and will help rebuild the country's economy.

The company's mission is to design casual massively multiplayer online games (MMOG), aimed at people who don't have time to play as intensively as those hooked on MMOGs like *EVE Online* and *World of Warcraft*. Two large projects are currently in the pipelines, one of which is based on a Viking motif.

These games allow people to build some sort of a persistent profile, for example a character, an avatar or a building that exists within a larger virtual reality. Other gamers are also a part of that world and can interact with each other without necessarily playing at the same time. Gamers do not have to invest many hours of every day to play casual MMOGs; they can make achievements after only ten or 15 minutes.

Gogogic is also working on smaller projects. An experimental gaming project for the Facebook online community has already been launched—called "Stack'em", it features a farmer stacking sheep—and another Gogogic Facebook game is coming soon. The game developer has also been involved in advertising, designing interactive advertising banners that have entertainment value for the consumer. A successful example is "Iceland Socks" for Iceland Express.

Another major focus is on designing games that can be played on mobile phones. Gogogic's game developers are currently working on game designs suitable for Apple's iPhone. If successful, those games will be available via AppStore.

Gogogic is keen to cooperate with other Icelandic startups. They have, for example, been working with the people behind hit children's television series *LazyTown*, a previous seed company that is now a huge success. Jónas Björgvin says it is important for such companies to stick together and support each other so that they can grow, deliver profits and prove beneficial for the entire Icelandic economy.

But they also need support from the authorities. In Jónas Björgvin's opinion, until now the business environment for innovative companies has not been supportive enough. However, Icelandic authorities have begun paying more attention to seed companies like Gogogic. "The attitude is changing," Jónas Björgvin says.

President Ólafur Ragnar Grímsson and Minister of Business Affairs Björgvin G. Sigurdsson are among those who have visited Gogogic recently to familiarize themselves with the company's operations. "I want to see less talk and more action," Jónas Björgvin says impatiently. "But I believe action will now be taken that will prove fruitful for startups, Icelandic innovation and the nation as a whole." □

Eygló Svala Arnardóttir



PHOTO: GEIR OLAFSSON

An Ambitious Organist

Jón Stefánsson has captured the attention of the world by building up numerous excellent choirs.

Icelandic artists have always been very ambitious, sometimes undertaking projects that seem next to impossible. Where else would a church organist and conductor decide to establish eight choirs and maintain them simultaneously? Jón Stefánsson took over as organist in Langholtskirkja church in 1964 when he was only 18 years old. The church was situated in one of the new suburbs of Reykjavík at the time and young children filled the streets after school since in those pre-television times there was not much to do at home. It proved to be a fertile ground for choirs.

The young conductor soon attracted attention from the community for his ambitious choice of works. Bach became a favorite and the choir has performed all of the master's great works. The choir and its conductor soon attracted international attention and they have travelled far and wide. The choir has toured many coun-

tries, including all the Nordic countries, Austria, Germany, Italy, Canada and the United States. In Israel the choir performed Messiah by Händel in 1989. Bach's great mass in b minor received critical acclaim when the choir held a concert in the Barbican church in South England with the famous English Chamber Orchestra.

BREEDING GROUND FOR SINGERS

Many of the best-known Icelandic opera singers were "discovered" by Jón Stefánsson. The best example is his wife, Ólöf Kolbrún Hardardóttir, who was a leading singer with the Icelandic Opera for years. She started in a choir at a very young age and still performs as a soloist on special occasions. Many Icelandic opera singers who are now performing internationally first sung to audiences in one of the Langholtskirkja church choirs.

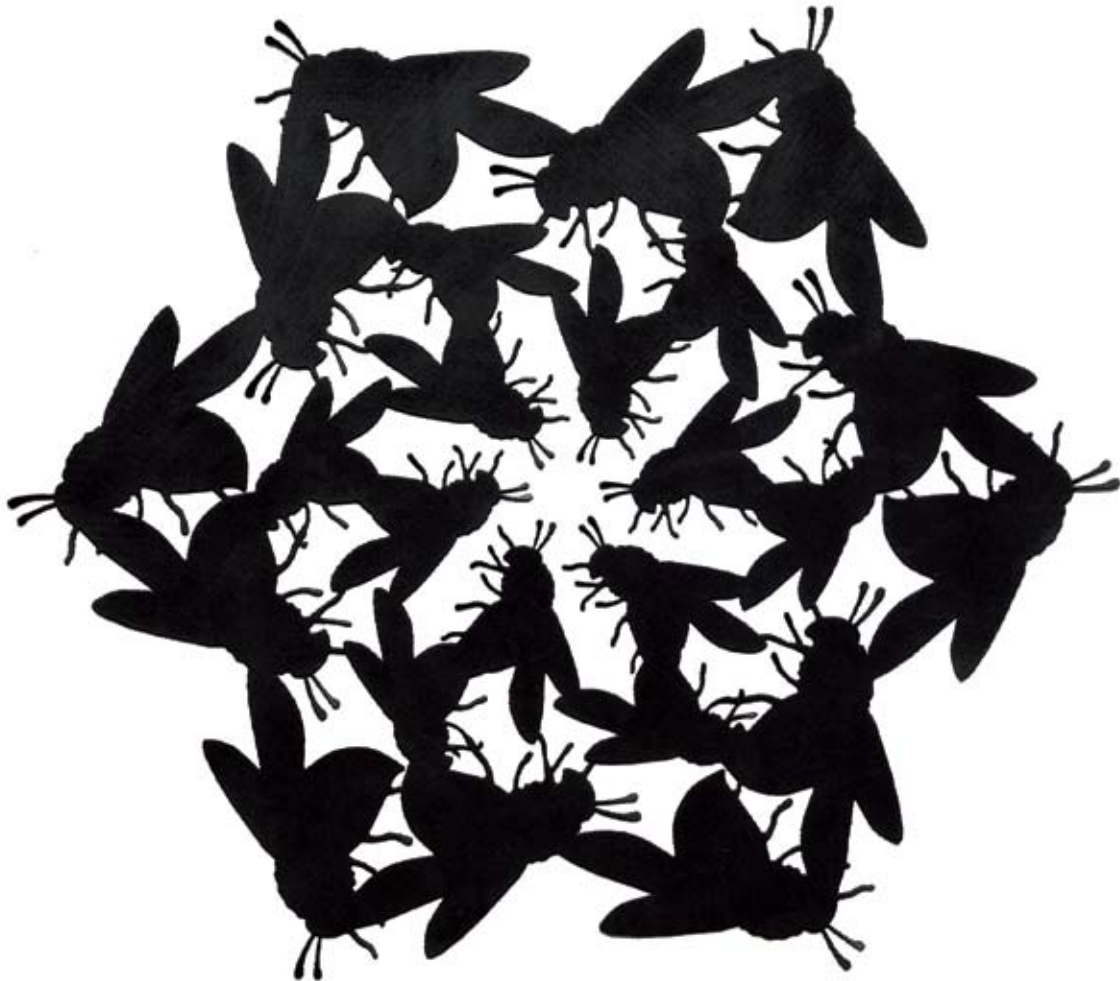
Among the choirs that Jón Stefánsson has established in recent years is *Graduale Nobile*, a choir consisting of 24 women aged 17 to 24. It won two gold medals at the vocal festival in Tampere, Finland in 2003 and was nominated for the Brightest Hope award at the Icelandic Music Awards in 2008.

Jón does not fit the stereotype of a classical musician. He is a nature lover and often spends many weeks in summer hunting birds and collecting eggs at Vigur island near Ísafjörður. He is also known as one of Iceland's foremost gastronomes, especially when it comes to classical Icelandic food. Something one would never guess by looking at his lean frame.

Jón Stefánsson is a prime example of an Icelandic artist, juggling many balls at the same time, performing the greatest choir works of all time and at the same time leading an active life in his spare time, wherever he finds that time. □

ICELANDIC DESIGN

Three pieces from designer Tinna Gunnarsdóttir.



SAMURAI

This project is dedicated to all the crochet tablecloths created by innumerable women around the world. Instead of using the old handicrafts I use computer controlled machinery. Instead of using cotton I use rubber. Instead of using floral inspiration I use bugs.



NAME: SAMURAI. FUNCTION: TABLE CLOTHS. MATERIAL: PIERCED RUBBER. SIZE: 25-45 CM IN DIAMETER. YEAR: 2005. tinnagunnarsdottir.is



· TRADE COUNCIL OF ICELAND ·
www.icetrade.is

· INVEST IN ICELAND AGENCY ·
www.invest.is

· MINISTRY FOR FOREIGN AFFAIRS ·
www.mfa.is