

In its efforts to diversify the Faroe Islands' import sources, the Ministry of Foreign Affairs sees the United Kingdom as a key partner—with good prospects of strengthening economic, cultural, and political ties.

POLITICAL STRATEGISTS agree that for most nations it is of vital importance to retain diversified trade relations so as to avoid too heavy reliance on any single country. With the demographic and geographic realities surrounding small island communities, however, this is easier said than done.

“For decades, we’ve been discussing the need to complement fishing as our only source of export revenue,” said Jørgen Niclasen, Minister of Foreign Affairs. “And you may say that we’ve seen some progress, particularly if aquaculture is counted as a non-fishing sector; but even without that you may say that we’re seeing a trend toward diversification.”

“But what’s been lacking in the debate,” Mr. Niclasen added, “is the other side of the trade balance—which is imports. Diversification of import sources is of vital interest for the Faroes because we’ve been too narrowly focused on one country and I think it’s time we take steps to find other import markets. There



is a wealth of supply out there and we might be able to save money by trading with more countries. It is also a question of spreading the risks associated with imports and trade in general.”

The Faroes has relied on Denmark for most of its imports. This is also where most Faroese expatriates live, where most Faroese get their higher education, and where virtually all Faroese have to travel through whenever they go abroad.

“Things are changing, though,” said Áki Johansen, Representative of the Faroes to the United Kingdom. “We now have three sea links between the Faroes and the UK and Faroese businesses are becoming more aware of the opportunities available to them outside of Denmark. Meanwhile, we have had a growing number of Faroese students studying in the UK, while contacts at the political level have become more frequent as well.”

Since the freight service between Scotland and the Faroes was taken over by a reefer ship in 2008 to cater to the needs of fish exporters, the amount of goods imported from the UK has been increasing.

“When it comes to fresh fruits and vegetables, for example, the Scotland route is perfect; this is the closest mainland to the Faroes and the distance is very short. For other types of goods, traders can choose between the Scotland route and the other connections between the Faroes and England and Continental Europe.”

AIR LINKS: Mr. Johansen said that Faroese businesses are becoming much more independent and proactive in their approach to international trade.

“Whereas only a few years ago there was a serious language barrier, that’s generally not an issue any more. Com-

munication has become so much easier as most people speak English now. Then there’s all the technology which not only makes communication cheaper and more convenient, but also enables so many things that were not possible a few years ago.”

The UK has long been a major export market for the Faroes and remains the largest today.

As for imports, the UK is Faroes’ third largest trading partner.

“Denmark offers quite a broad range of products for importers,” Mr. Johansen said. “But the range of products available from the UK is even broader and much deeper, while the prices are often lower. Also, you avoid the problem of exclusive dealers, which is common in smaller markets—you’ll have more to choose from at better prices while at the same time not having to buy large quantities.”

Loading a freighter in Tórshavn; Faroese participants at a UK trade show (bottom left); Atlantic Airways airplane (below).

Of course, there are other import markets than the UK, where choice is even greater and prices even lower. The US is one such example, not to mention China. As for those looking for good choice combined with top quality, Germany is no doubt a good candidate. And the list goes on.

“Today, the whole planet is the market, especially when it comes to goods that don’t require fast transport,” Mr. Johansen said.

Connections between the Nordic countries and the British Isles have deep historical roots and are still celebrated in some parts of the UK.

In September 2009, the biannual North Atlantic Islands Summit saw representatives from Faroe, Shetland, Orkney, and the Outer Hebrides discuss issues of common interest, including air and ferry services and fixed links, renewable energy, the current economic climate, experience with the EU, and broadband internet.

Said Mr. Johansen: “I hope we’ll soon see better air connections between the Faroes and the UK.”



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