

An Excerpt from the Editorial of the Weekly Courier February 23rd 2014

Relative to the same quarter of the previous year, GDP rose by 0.3% in the euro area (EA17) and by 0.4% in the EU28 during the fourth quarter in 2013.

Country	Q4 GDP
Iceland(*)	2,7%
Norway	1,3%
Latvia	3,6%
Lithuania	3,3%
Estonia	-0,2%
Germany	1,4%
Poland	2,2%
UK	2,8%
Euro area (EA17)	0,3%
EU28	0,4%

(*) Arev estimate

In the countries where Arev has interest the growth was brisker. Latvia was on the top of the list with 3.6% growth followed by Lithuania and the UK. The countries on the EU periphery are doing much worse. Arev estimates the growth in Iceland at 2.7% in the last quarter. This statistic has yet to be released as Iceland is not fully participating in the pan-European data gathering system.

The Weekly Courier is happy to note that most of our partners are based in economies where there is strong growth and that prospects are good.

Iceland will not join the EU.

The Icelandic government has decided to halt the application process to the EU. The government worries that the natural imbalances in the Icelandic resource based economy is ill suited to a stable currency.

The educated classes, the affluent, the business groups with non-Icelandic interests and the unions think this is misguided while the countryside where the resource industries, i.e. fisheries and alumina, are based cheered the decision.

The Weekly Courier is of the opinion that it will be hard to develop society beyond its current standing without being part of a bigger group. Resource based countries such as Iceland are subject to booms and bust while knowledge based countries are inherently more stable. In Iceland we have the perfect opportunity to base society on resources and knowledge and to grow and flourish.

Arev

Icelandic resources are handed out to companies based on concessions that are inadequately priced and the worry is that it will not move beyond this system while being isolated from its biggest trading partners.

There is ample evidence that shows that Icelandic institutions have traditionally been weak and operate to a certain extent at the pleasure of political will. With less foreign oversight this problem will become more pronounced.

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