



Recommendations from the Oil Conference at Christiansborg 21 February 2014

The Oil Conference on 21 February at Christiansborg discussed challenges and opportunities in a potential Faroese oil industry. Representatives from the political sphere, the industry and a labour union gave their input to how a Faroese oil industry should be organised. Recommendations from the conference can be found below.

The Economy Fund

- The Economy Fund should be revised.
- Necessary to have a wide-ranging and qualified debate with broad political support.
- Necessary to ensure a safe and transparent framework for the oil industry. Credibility is a prerequisite in an industry where a long period of time may pass from the first explorations until return on the investments appear.
- A broad agreement should be among the Faroese on how the oil industry should be organised and therefore the 3rd Oil Advisory Commission should be founded.
- The greatest effect will be through public organs. It is therefore of importance that the political administration has a clear plan on how the profits from the oil should be dealt with.
- We should demand all resource fees to be put in the Economy Fund and only spend the interests thereof. The interests should be spent on research. Research in e.g. regional development and other energy industries.
- The Economy Fund should be rooted in a new constitution or the current Home Rule to ensure that great changes cannot be made to the Fund. Thus any changes would need to be approved by two consecutive parliaments. This approach ensures that the Economy Fund cannot be emptied by a random political majority.
- The profits from an Economy Fund should have a broad scope and be used to balance potential disparity in wages between those who work in the oil industry and those who continue to work in other industries.



The Labour Market

- There should be a clear division between the government administration and the industry. The industry should do the value-adding whilst the government should administrate it.
- It is important that we are prepared and have the framework in place before an oil industry becomes a reality. This way we will have organised labour that will respect agreements in the Faroese labour market.
- We should retain diversity and eagerness to work. An oil industry in the Faroe Islands can increase the level of welfare rooted in solidarity.
- The Faroe Islands should develop its own skills which will ensure Faroese participation in oil activities.
- We should further build on sound Faroese skills in the maritime field. Moreover, we should further develop our skill-set in strategic management.
- It is important to have as many Faroese in the industry as possible. Furthermore, it is important to ensure that activities relating to drilling will proceed through Faroese territory.
- We need qualified people in geology, law, economy and business to negotiate with the industry. When though requirements of safety and transparency need to be met, it demands qualified people in the government administration. The oil industry has more energy and resources for such negotiations and it is therefore necessary to have a capable government administration to withstand it.

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