



# Southland of Opportunities

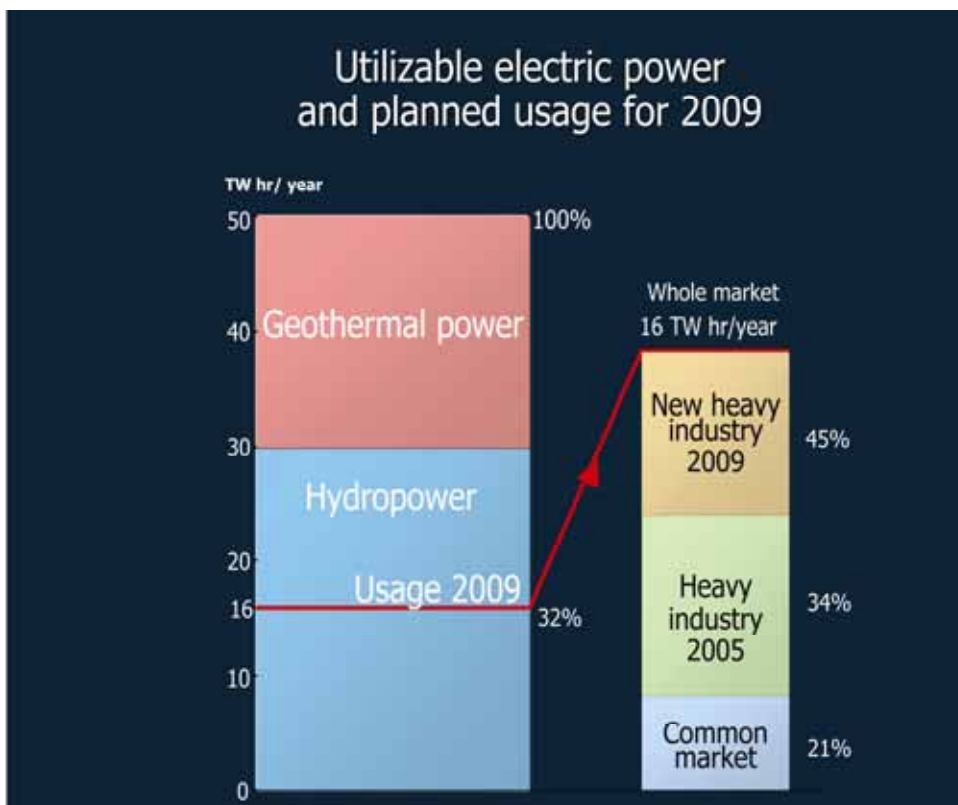
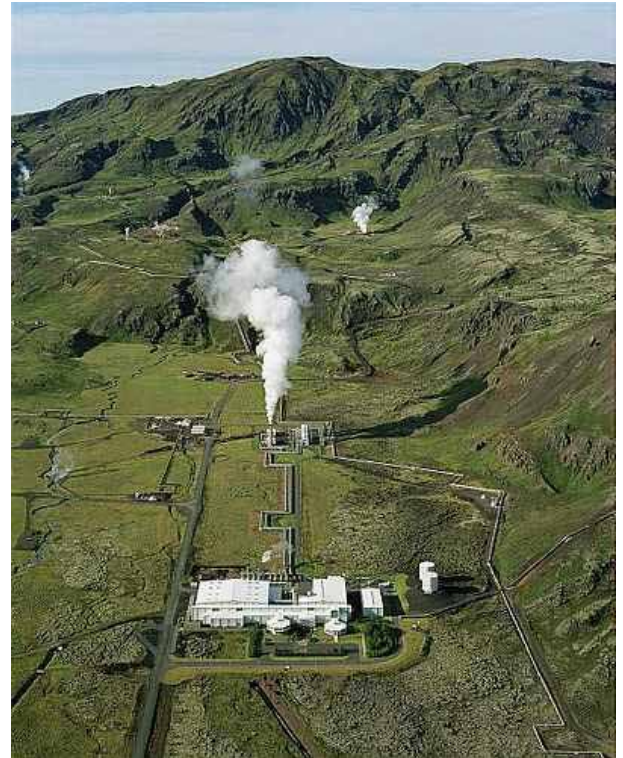


Opportunities abound in the South Iceland. Þorlákshöfn is the prevalent choice in the region as a seaport capable of taking large ships. Land is abundant in the immediate vicinity. Energy delivery is economical and considerable options exist for expanded production. Infrastructure is good within the region and the harbour is well situated for all shipping needs. The Southland is ....

**A The New Option  
for Heavy Industry**

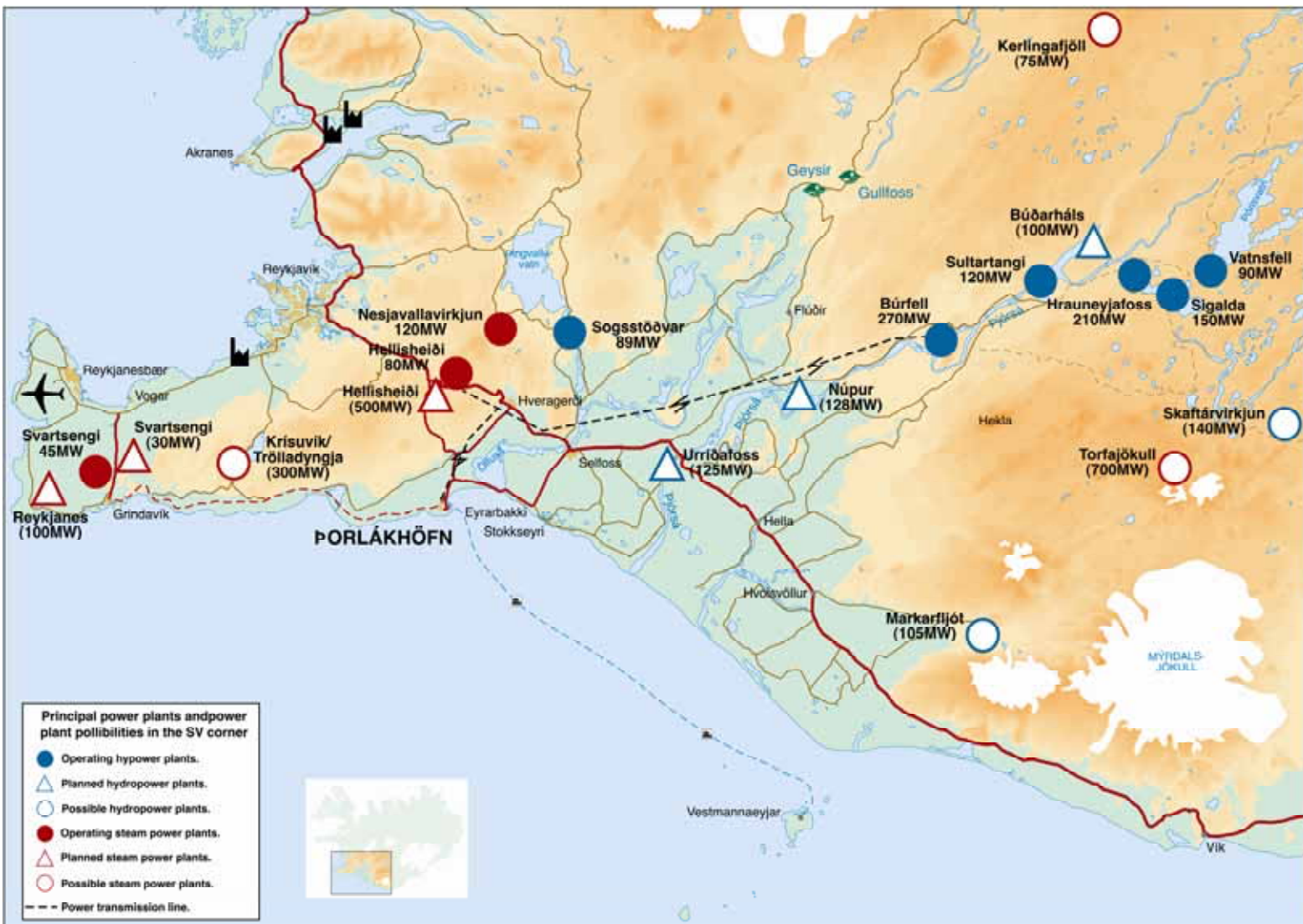
# Power is Here

The South Iceland comprises the largest portion of energy production in the country. There is abundant potential for increased development with the two leading energy suppliers taking steps to increase production in the region. Already, Reykjavík Energy ([or.is](http://or.is)) has begun construction of the largest steam power plant in the country within the Hellisheiði highlands that will produce 120 MW of electricity and 400 MWth of hot water.



Research has indicated that in Iceland it is possible to harness steam and water power to produce about 50 TW hours.

Currently, the total usage of electricity in the country is 8.5 TW hours, which will in the next years increase to 14-16 TW hours with the expansion of heavy industry in the Southwest corner and the construction of a new aluminum plant in the East.



## Principal power plants and harnessing potential in the SW

Operating plants		Planned plants		Possible plant options	
Búrfell	270MW	Urriðafoss	125MW	Markarfljót	105MW
Sultartangi	120MW	Núpur	128MW	Skaftárvirkjun	140MW
Hraunaejafoss	210MW	Búðarháls	100MW	Kerlingarfjöll	75MW
Sigalda	150MW	Hellisheiði	500MW	Torfajökull	700MW
Vatnsfell	90MW	Reykjanes	100MW	Krisuvíkursvæði	300MW
Sogsstöðvar	89MW	Svartsengi	30MW		
Nesjavallavirkjun	120MW				
Svartsengi	45MW				



The above map shows the South and Southwest of Iceland and its close neighbourhood. The region is home to over 240 thousand people or about 80% of the population. The Keflavík international airport is in Reykjanesbær and Reykjavík is the centre of administration.



# Clean Source of Energy

It is the basic aim of Icelanders to make sensible use of natural resources in harmony with nature. The Icelandic government has planned how the protection of the fragile environment may be combined with the production of some of the cleanest sources of energy available, hydropower and geothermal steam. The harnessing of rivers, for example, has provided the opportunity to harvest energy from a renewable resource abundant in Iceland – water.

In a modern society requiring modern comforts that demand ever increasing amounts of energy, it is of vital importance to be able to depend on clean renewable energy. There is also an increasingly urgent demand that the environment be protected so that future generations have the same access to the ecosystem that we live in today. Unlike other sources of energy such as oil, gas, coal, and nuclear power, that consume natural resources and create waste products and pollution, Icelandic nature offers environmentally sound and renewable power utilization.



**In many Western nations and other growing industrialized countries the production of energy involves carbon dioxide emissions to the tune of about 3-6 tons annually per person.**

**In Iceland this figure is measured in kilograms.**

# Proximity to nature

Ever since the earliest settlement of their country, Icelanders have been learning to co-exist with the elements. Damage caused by natural disasters is, however, infrequent, despite close proximity to the overwhelming forces of nature.

Heavy earthquakes that shook the South of Iceland in June 2000 provide a case in point. While there was some material damage to assets, the quakes were far from qualifying as natural disasters. There were no casualties and industrial activity in the area was at no point halted.

Local safety measures and surveillance are world-class. Scientific knowledge of dangers presented by earthquakes, volcanic eruptions and weather conditions is used to create and constantly revise contingency plans.

The civil defence system is also highly sophisticated. General training and a high level of education contribute to public awareness and knowledge of correct responses during crises.

The level of security requirements pertaining to construction in Iceland is also very high. More than 95% of all structures in Iceland are made of reinforced concrete. Cement is largely



produced locally, and building materials, such as gravel and sand, are plentiful. The development of building technology to fit the environment is supported, for example, by the Building Research Institute, which is affiliated with the University of Iceland.

Over the decades, Icelanders have developed a specialised knowledge of power plant construction, thus gaining expertise that has become an important export item to other European nations which have less experience in this field. This knowledge is comprised of various research and scientific work undertaken in Iceland, partly in cooperation with NORDVULK.

# Þorlákshöfn

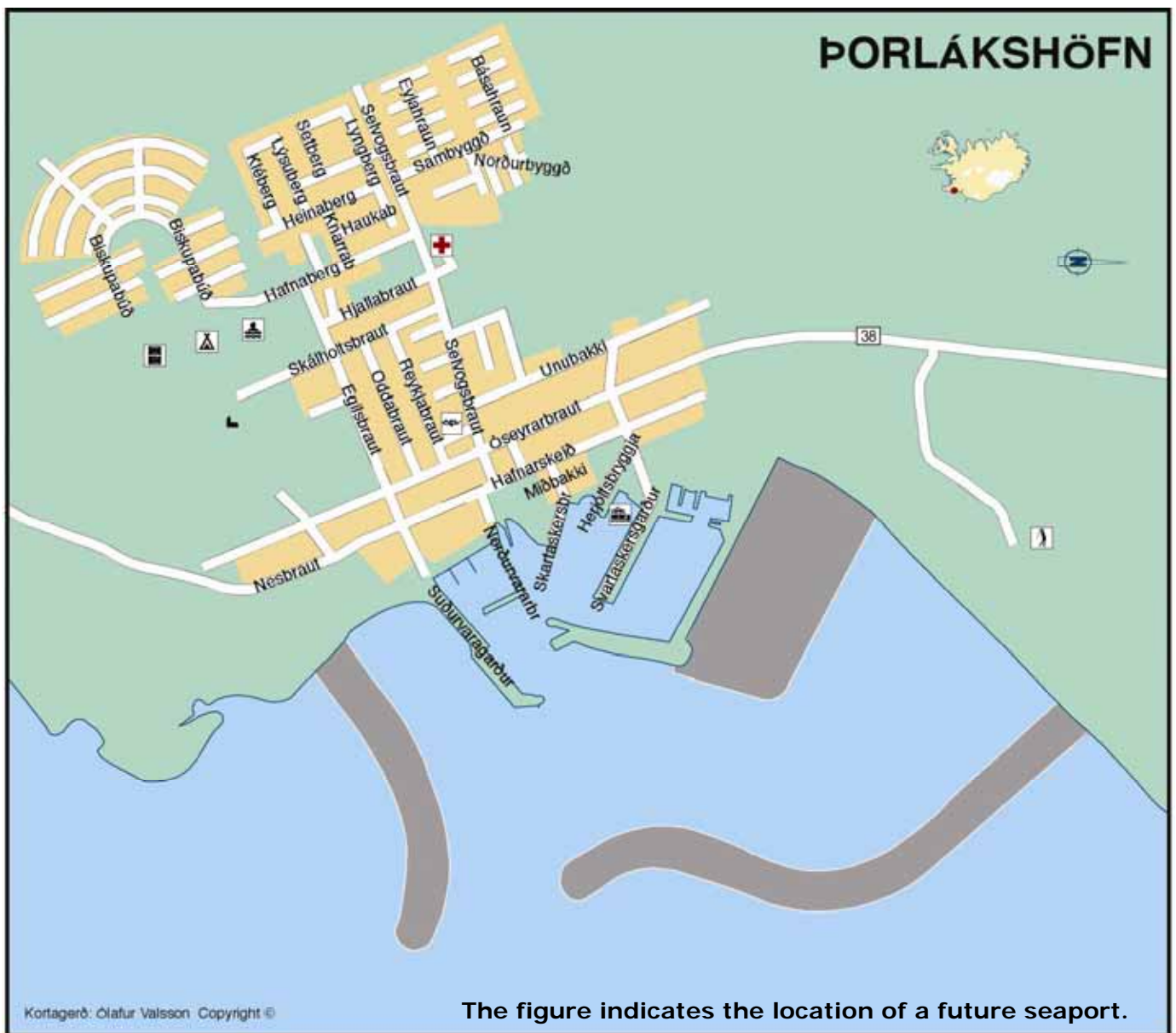
– South Iceland seaport



The port at Þorlákshöfn has recently been enlarged and improved, yet plans are already being made for additional enlargement. The current dimensions of the port allow vessels up to 130 m long with a payload capacity of 7500 in tons to manoeuvre easily. Quays with a depth of 5 m are 1100 m in total length and large sections have a depth of 8 m. Research indicates the feasibility of a seaport for large vessels with an estimated construction cost of three to five billion ISK. Þorlákshöfn has traditionally been a fishing town and its busy harbour has been a key factor in developing the district for the last decades. An enlarged seaport, easy access to energy, local workforce and services contribute to making Þorlákshöfn an exciting opportunity for heavy industry.

The South Iceland lowlands are home to progressive and growing communities, featuring all the services and amenities that form the basis of modern life. There is a clinic and elementary school in Þorlákshöfn and a general hospital and secondary school in Selfoss. The area also boasts an extensive continuing education programme for many trades and professions. The drive between Þorlákshöfn and Reykjavík takes 45 minutes.





## Convenient area of operations

With abundant space available for construction, the vicinity of Þorlákshöfn is ideally suited for heavy industry and production, fulfilling all the major requirements of investors.

- Communications are excellent.
- Power plants are close by and energy transmission prices are low.
- Ready access to an educated workforce, including specialists, trained professionals, craftsmen and labourers.
- Short distances to major populated areas, such as Reykjavík (51 km) and Selfoss (28 km).
- Local authorities and inhabitants support industrial development.
- Vast supplies of hot water for industry are available in the Þorlákshöfn district where the largest geothermal steam plant in Iceland is currently under construction.
- Cold water is also readily available from nearby waterholes. Export of drinking water is an increasing industry.
- Proximity to the capital, the country's largest market.
- A domestic airport is only a 35 min drive away, while the drive to an international airport takes 50 min.
- Housing prices are favourable.

# Opportunities in South Iceland

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