

# Fljótsdalshérað

INFRASTRUCTURE REPORT 2018





## Introduction

The following analysis is the product of a contract made between the municipality Fljótshádalshérað, Hitaveita Egilsstaða og Fella (HEF) and Austurbrú ses., signed on the 17th May 2017.

The analysis covers an introduction to the region, the municipality's plan for land use, energy, environment, transport and transportation, labor market, population development and services.

It is our aim that the report presents information that benefits both current and future inhabitants, as well as businesses and service providers in search for the right location for future development.

We who have participated in the work believe that the project has been successful and that its product gives a clear and concise overview of what Fljótshádalshérað has to offer, both today and in the future. It is our assessment that the infrastructures of this vast municipality are strong and that it is a good place for both habitation and for developing businesses. In Fljótshádalshérað we welcome everyone and are ready to assist those who seek further information about the municipality, want to discuss opportunities to start new businesses or are interested in living in our lovely municipality.

We also realize that a report like this one has to be a continuously evolving document if it is to meet the goals set for the project. Therefore, there will be focus on reviewing the data that the presented analysis is based on regularly.

We want to thank the employees of Austurbrú, Fljótshádalshérað and Hitaveita Egilsstaða og Fella that participated in the work for their contribution.

*Björn Ingimarsson  
Mayor of Fljótshádalshérað*

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### ABOUT

Fljótshádalshérað Infrastructure report 2018 is the product of an analysis performed by Austurbrú ses on behalf of Fljótshádalshérað.

### PROJECT MANAGER

Jón Steinar Garðarsson Mýrdal

### AUTHORS

Jón Steinar Garðarsson Mýrdal  
Tinna Halldórsdóttir  
Guðrún Á. Jónsdóttir  
Jón Knútur Ásmundsson

### TRANSLATION & PROOFREADING

Sigríður Lára Sigurjónsdóttir  
Sigrún Víglundsdóttir

### LAYOUT & DESIGN

Daniel Byström

### COVER

Vatnsskarð  
Photo by Rhombie Sandoval

### PUBLISHER

Fljótshádalshérað municipality  
[www.fljotsdalsherad.is](http://www.fljotsdalsherad.is)  
[fljotsdalsherad@fljotsdalsherad.is](mailto:fljotsdalsherad@fljotsdalsherad.is)  
(+354) 4700 700

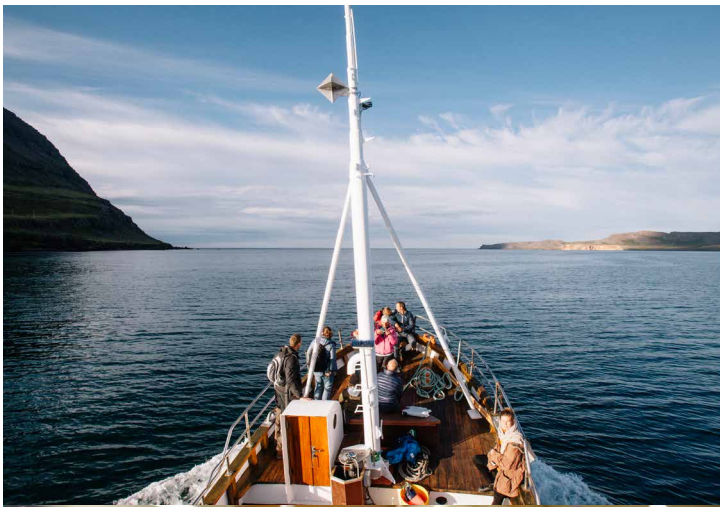
Egilsstaðir 2018

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AUSTURLAND



# Austurland

AUSTURLAND IS THE EASTERNMOST REGION IN ICELAND, often referred to as the East-fjords or East-Iceland. It consists of picturesque fjords, grown inland valleys and highlands spread over 15,792 km<sup>2</sup>. With a population of 10.300 inhabitants Austurland is largely a rural area with an agglomeration of towns centrally positioned in the region. Despite being sparsely populated Austurland is home to a lively economy with strong companies, creative communities and good infrastructure.

In recent years Austurland has become a vibrant destination for tourists looking for wild nature, authentic experiences and creative power.

Austurland has a strong tradition for food production, it is home to Iceland's largest factory and power plant which have resulted in technically skilled workforce.

This infrastructure report focuses on the municipality Fljótsháðhérað, which covers most of Austurland's inlands and highlands. It is supposed to give an overview of services, infrastructure, natural and human resources in the municipality and highlight some of the fields where those resources can lead to successful investment and innovation.



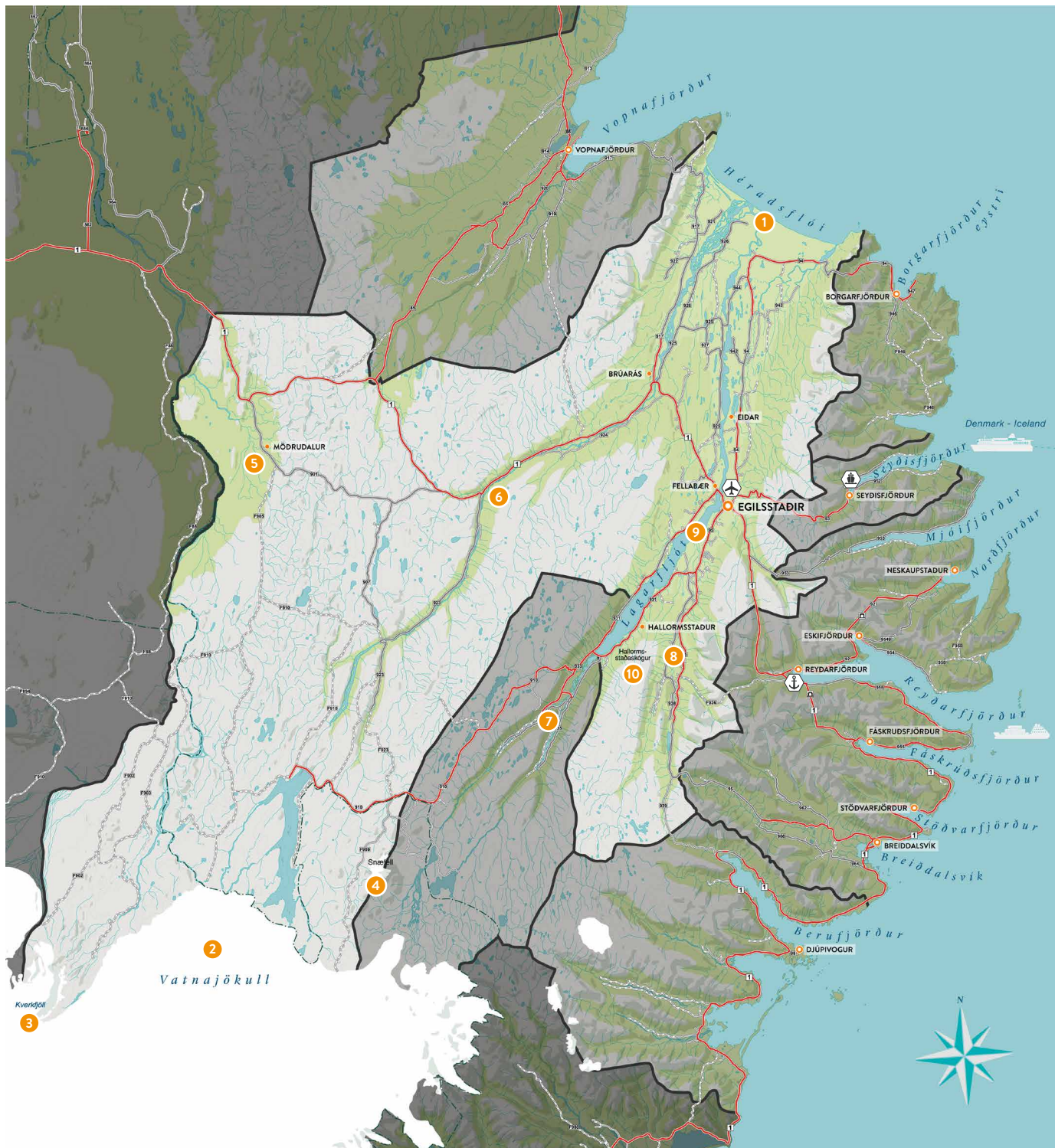


# Fljótsdalshérað

FLJÓTSDALSHÉRAÐ IS THE LARGEST municipality in Iceland by area (8,884 km<sup>2</sup>) with a population of 3,500 (2017). The municipality was formed in 2004 by a merger of three municipalities. It covers a large part of central Austurland and reaches from the black beaches of Héraðsflói bay [1] in the north to Vatnajökull glacier [2] and Kverkfjöll volcano [3] in the south.

The landscape of the municipality is diverse. Mt. Snæfell (1833 m) [4], Iceland's highest peak outside the big glaciers, reigns over Vatnajökull National Park and the highlands. Strange sub-glacial deserted landscapes dominate Möðrudalur [5]. The long, smooth-sided valleys of Hérað, Jökuldalur [6], Fljótsdalur [7] and Skriðdalur [8] are known for being fertile farmlands with pleasant weather, reinforced by the district's growing forests. The glacial river Lagarfljót [9] forms a 35 km long lake out from Fljótsdalur and on its shores stands Iceland's largest forest, Hallormsstaðaskógur [10].

MOST OF FLJÓTSDALSHÉRAÐ'S inhabitants live in the towns Egilsstaðir and Fellabær, standing on opposite sides of the main bridge across Lagarfljót river. Other inhabitants are spread around the municipality's countryside and the smaller service centers in Hallormsstaður, Eiðar and Brúarás.



- 1 HÉRAÐSFLÓI BAY
- 2 VATNAJÖKULL GLACIER
- 3 KVERKFJÖLL VOLCANO
- 4 MT. SNÆFELL
- 5 MÖÐRUDALUR
- 6 JÖKULDALUR
- 7 FLJÓTSDALUR
- 8 SKRIÐDALUR
- 9 LAGARFLJÓT
- 10 HALLORMSSTAÐASKÓGUR





Egilsstaðir & Fellabær

## Egilsstaðir

Egilsstaðir is today Austurland's main service and trade center. Founded in 1947 Egilsstaðir is one of Iceland's youngest towns and one of a few towns in Iceland that are landlocked. A well-known local anecdote states that when the farmer Jón Bergsson was asked why he decided to buy the Egilsstaðir farm at the end of the 19th century he answered, "here there will be crossroads". This was well before the first roads in the area were ever built but Jón built a guesthouse at the farm and later he participated in forming Kaupfélag Héraðsbúa (The Fljótshérað farmers' cooperative) which was a key step in putting Egilsstaðir on the map as a center for tourism and trade.

When Egilsstaðir was formally recognised by law as a town in 1947, its inhabitants were 110. The population in Egilsstaðir has grown steadily

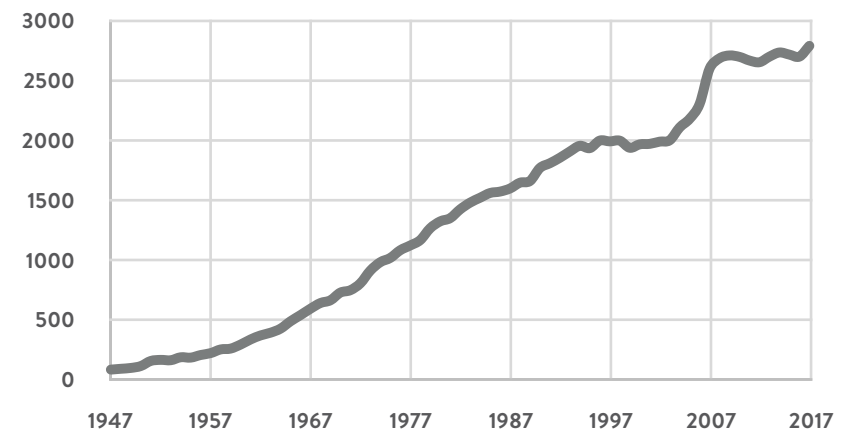
ever since and in the early 1970's Fellabær was formed at the opposite side of the Lagarfljót river. Today the population of the urban centers by the lake is getting close to 3000. When traveling to, from or inside Austurland the route more often than not brings the traveller through Egilsstaðir, due to the town's central location in the area.

Egilsstaðir is well connected for transport by land, sea and air. Egilsstaðir International Airport has good flight and approach conditions and favorable weather conditions which gives high reliability of scheduled flights. Within about 30 km driving distance from Egilsstaðir lie both, Seyðisfjörður with weekly ferry service to Europe through the Faroe Islands, and Fjarðabyggð with the second busiest port in Iceland and regular service by cargo ships.



Egilsstaðir Guesthouse

POPULATION EGILSSTAÐIR AND FELLABÆR





# Construction





# Master Plan

FLJÓTSDALSHÉRAÐ MASTER PLAN 2008-2028<sup>1</sup> was approved by the town council in June 2009.

It states the vision for the future of the municipality which has been summarized as follows. “It should always be seen as a special and desirable life quality to live in Fljótsdalshérað, to enjoy its beautiful nature and safe environment and to participate in building a model society for current and future generations”.

The plan is based on the values of progress and respect and four pillars, knowledge, service, welfare and nature.



## Knowledge

- Fljótsdalshérað should grow as a knowledge-based economy.
- Fljótsdalshérað's schools should be constantly evolving and ambitious, with a focus on moral, book and working knowledge.
- Fljótsdalshérað should be among leading knowledge-based regions in Iceland.



## Service

- Fljótsdalshérað should provide good environment for businesses and good service for inhabitants.
- Service provided by the municipality should be of the highest standard and seen as a positive model by other service providers.
- Fljótsdalshérað aims at being the main business and service hub in Austurland and among the strongest urban hubs in Iceland.



## Welfare

- Fljótsdalshérað is a society focused around quality of life and welfare.
- Fljótsdalshérað is a society where individuals should be aware of their responsibilities towards themselves, their neighbors and the environment.
- Fljótsdalshérað is constantly seeking new ways for active consultation with inhabitants and institutes on the development of the society.



## Environment

- Fljótsdalshérað seeks to be a role model by showing respect to the environment and future generations.
- The municipality should conserve the regions diversity in nature, flora and fauna.

1. All planning documents for Icelandic municipalities can be accessed through the planning mapbase at [www.map.is/skipulag](http://www.map.is/skipulag)

*“It should always be seen as a special and desirable life quality to live in Fljótsdalshérað, to enjoy its beautiful nature and safe environment and to participate in building a model society for current and future generations”.*









## Industrial zones

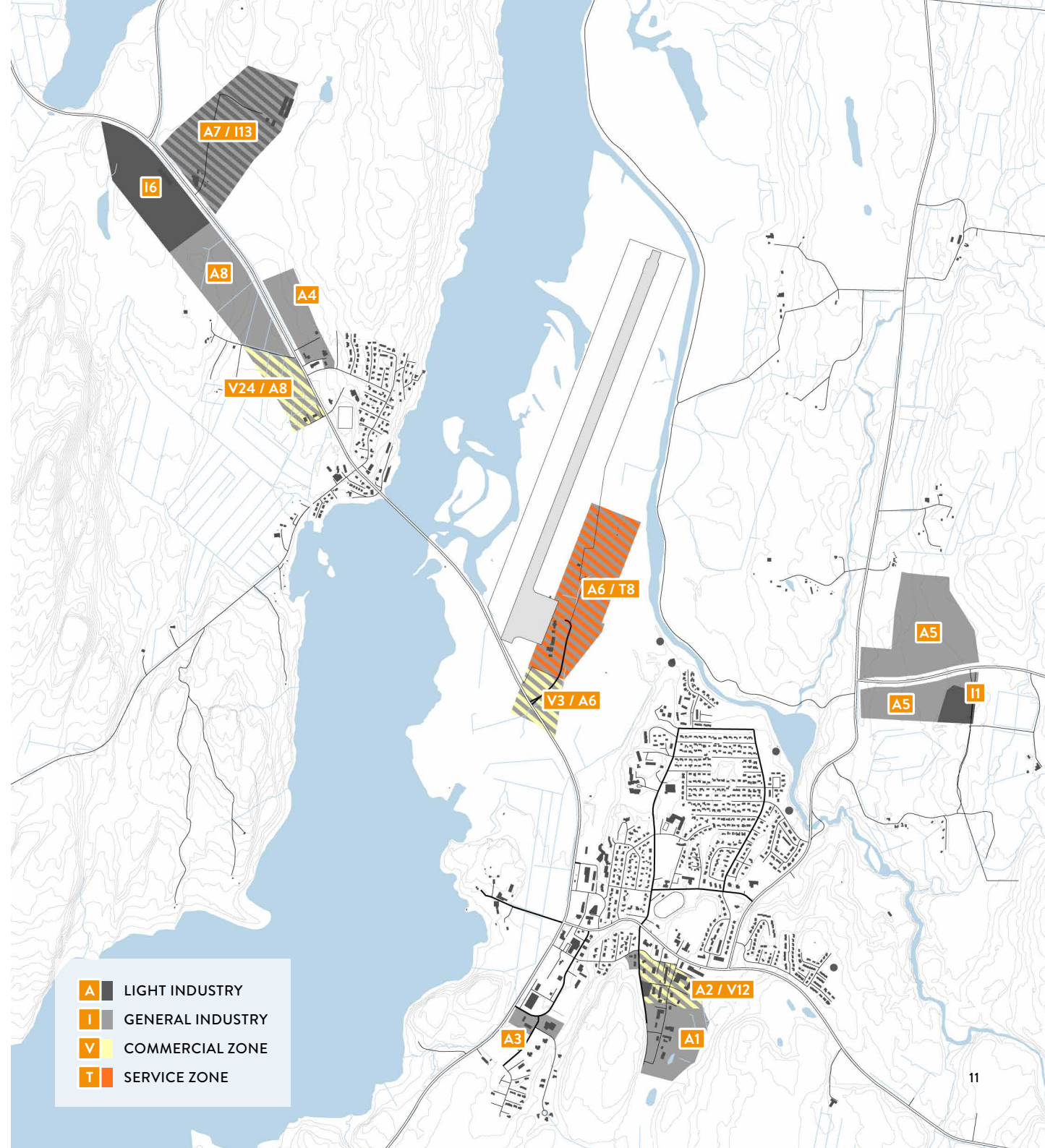
There are several zones planned for light (A) and general (I) industries in and around Egilsstaðir and Fellabær. For all planned zones it is required that industrial lots and their surroundings are organized and well maintained. All planned zones by the urban area have access to hot and cold water and three phase electricity.

The area north of Fellabær is seen as the main area for constructing new industry related facilities (zones A4, A7, A8, I6 and I13). A site plan has been approved for part of zone I6, with 6 lots. A concrete panel factory is operating on one of those 6 lots today.

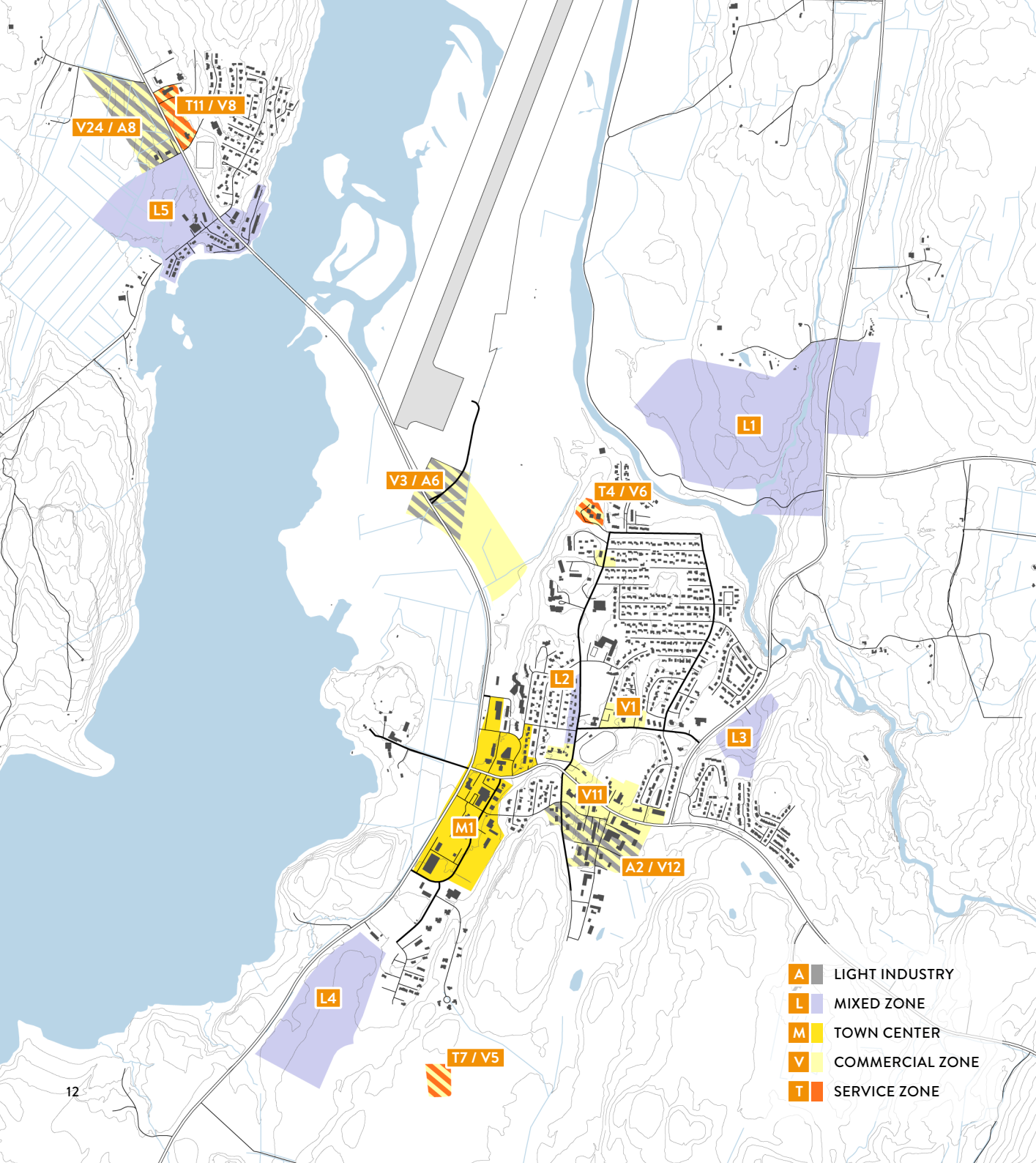
Zone A7/I13 is close to the municipality's geothermal wells at Urriðavatn lake and therefore a good site for industries that rely heavily on hot water, such as greenhouses that occupy a part of the zone today.

The zone marked A5 north east of Egilsstaðir covers an area on both sides of the road to Seyðisfjörður, it is positioned next the Eyvindará electric substation in zone I1. Zone A5 is a good site for industries with substantial power consumption, such as data centers or similar. The zones in the southern part of Egilsstaðir, A1 and A2 are mostly occupied by garages, freight companies and a manufacturer of interior fittings. Zone A3 is occupied by a dairy plant. Zone A6 by Egilsstaðir airport is suitable for airport related industries.

There are industrial activities in multiple places in the rural regions of the municipality. For inquiries on the possibility of building up industry related activity outside the planned industry zones, landowners should be contacted as well as the municipalities representatives, which will gladly counsel investors on the procedure of gaining appropriate licenses for construction and operation.







## Commercial zones

Egilsstaðir town center has the highest concentration of shops, restaurants and service providers in Austurland. People from all around Austurland come to Egilsstaðir to shop and seek different kinds of services and most people visiting Austurland stop in Egilsstaðir on their way to or from the region. This means that the customer base in Egilsstaðir greatly exceeds the inhabitants of Fljótshálsa.

Egilsstaðir town center (zone M1) is planned as a mixed-use zone with shops, offices and apartments. The plan opens the possibility for increased density of buildings in the town center, it includes a pedestrian only pathway and maintains good accessibility modes of transportation.

In zones V11 and V12 there is operation of various businesses, such as a brewery, shops, garages and petrol stations. Zones V1, V4 and the mixed-use zone L2 hold a hotel, guest houses, restaurants, beauty salons and club houses. Zone V3 is planned as space for commercial activity related to the airport, such as car-rentals or other tourist services. In Fellabær there is a planned region for commercial services in zones V8 and V24 and there are smaller zones in Egilsstaðir planned around commercial operations that are already in place.

There are several zones planned for mixed-use at the edges of Egilsstaðir and Fellabær (L1, L3, L4 and L5). These areas are mainly seen as residential areas with commercial activities that serve the surrounding residential area.



## Residential areas

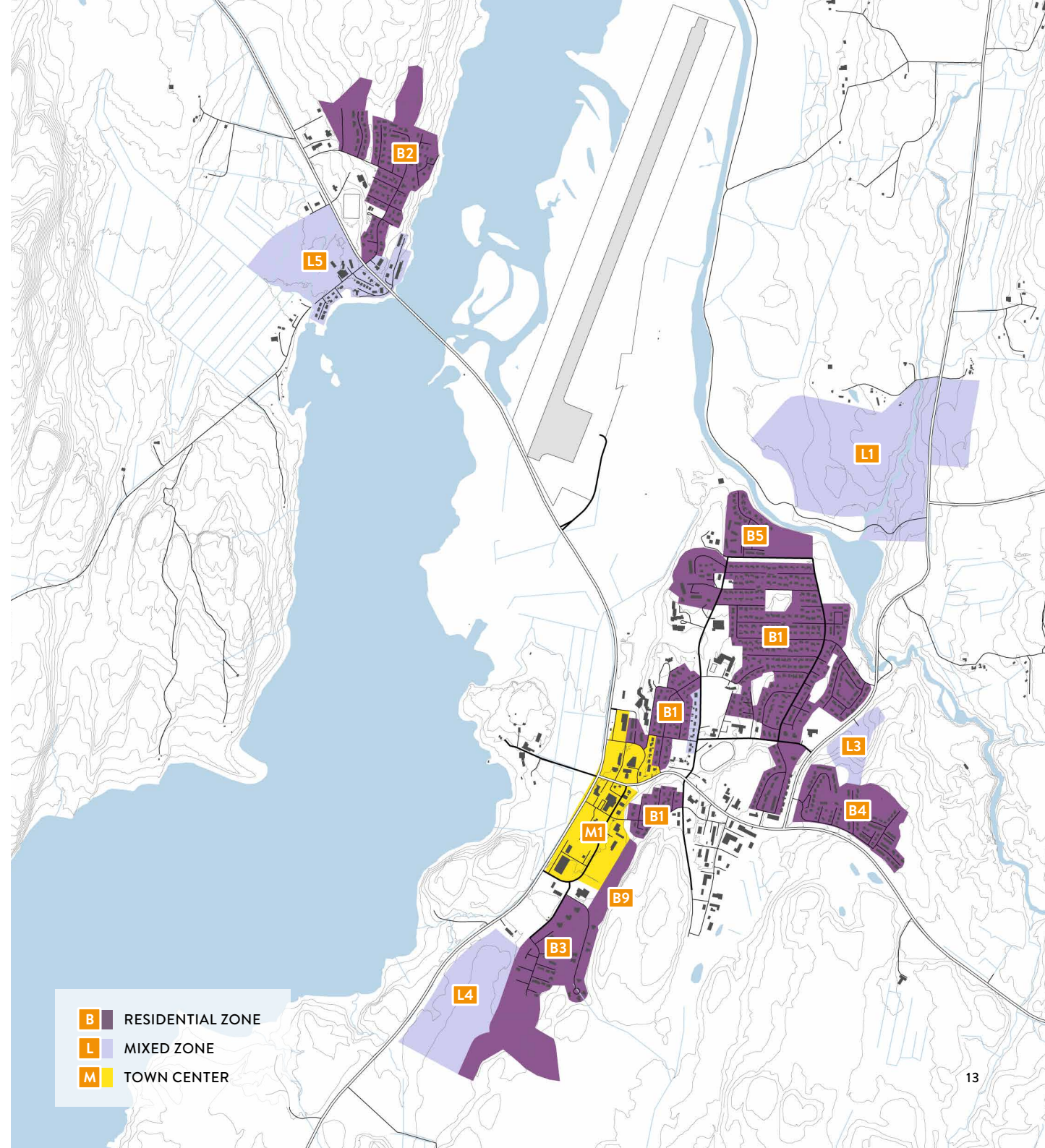
Residential housing in Fljótsháðsþéð comes in all shapes and sizes. Egilsstaðir provides a family friendly environment with schools, sport facilities, shops, restaurants and other services within a walking distance. Hallormsstaður is one of few places in Iceland with a village in the center of a forest, Möðrudalur is the highest laying inhabited place in Iceland at 469 m above sea level and the Fljótsháðsþéð's countryside provides a variety of options.

In Egilsstaðir apartments and houses of different sizes are actively blended together in the neighborhoods to secure a healthy mixture of inhabitants with different needs. The master plan aims at a good access for all modes of transportation in the residential areas, especially for those who choose to walk and bike. Although the residential areas should mainly be occupied by residential housing, some commercial operations that are defined as normal services towards the residents are allowed.

In Fljótsháðsþéð's master plan the older parts of Egilsstaðir and Fellabær are marked as zones B1 and B2. These areas are not planned to change significantly, although new buildings and changes to current buildings are allowed if they fit well with their surroundings. Zones B3 and B9 south from Egilsstaðir center, zone B5 in the northern part of Egilsstaðir and zone B4 which is positioned next to Selskógur forest are newer neighborhoods that still have room for new buildings.

Further expansion of Egilsstaðir from the areas that have currently been planned as residential zones is expected to take place mainly towards the north into the mixed-use zone marked as L1. The mixed-use zones marked as L3 and L4 also give room for further expansion of Egilsstaðir. In Fellabær there is a mixed-use zone marked as L5 that is open for new residential houses.

There are planned residential zones in Hallormsstaður (B6), at Eiðar (B7) and several places in the rural area that have free lots for construction.





# Egilsstaðir center

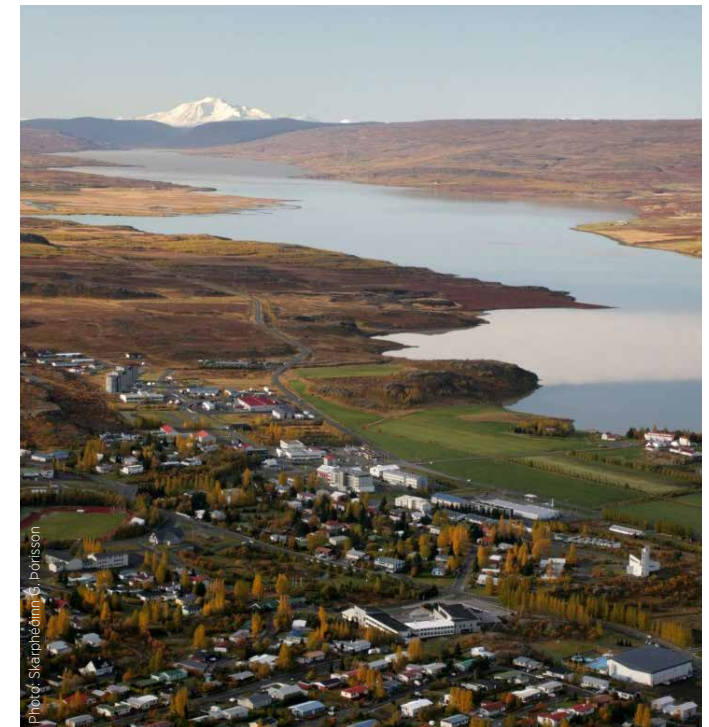
EGILSSTAÐIR CENTER IS THE SERVICE CENTER OF AUSTURLAND, at the busiest crossroads of the region. Today the center holds shops, banks, restaurants, hotels, offices, petrol stations, a camp site, information centers and a range of other services. A new site plan for the center was approved in 2018. The site plan opens many opportunities in the center for development, with close to 20,000 m<sup>2</sup> of new constructions planned. The goal of the new plan is to give Egilsstaðir's center room to grow in such a way that it can continue to serve as Austurland's main service hub. It is to be a focal point and a major part in

strengthening Egilsstaðir's identity. The proximity to unspoiled nature was taken into consideration during construction of the plan. In the plan it is emphasized that architecture of new constructions should be of high quality, traffic safety should be of the highest standard and the center should provide a pleasant environment for all its visitors.

Pedestrians are given much more space in the new plan, with a foot path running through the center from north to south. Good access is also secured for those who arrive to the center by cars or busses. Most

of the new buildings planned should have 2 or 3 floors, while few should have 1 or up to 4 floors. While most of the new constructions are planned for commercial use, there is also room for apartments in the town center.

The new plan aims for a lively town center, with a mixture of commercial and residential spaces. Open squares and green areas away from motor traffic opens the possibility of serving refreshments outdoors in the pleasant summer weather in Egilsstaðir.





# Environmental impact assessment

In Iceland, all larger constructions need to go through an environmental impact assessment (EIA). It is the developer's responsibility that the EIA is performed correctly, and he carries the cost of making the assessment. All larger engineering firms in Iceland and some other consultant companies provide the service of performing a EIA.

Constructions are sorted into three categories, A, B and C. The category determines which authority rules on whether the construction needs to undergo an EIA.

Category A - likely significant environmental impact e.g.

- geothermal plants > 50 MW<sub>thermal</sub>,
- construction affects > 50,000 m<sup>2</sup>,
- > 150,000 m<sup>3</sup> of materials.

Category A construction should always undergo EIA

Category B - below Cat A limits, might cause considerable impact e.g.

- planting of new forest > 200 ha,
- hydropower plant > 200 kW.

Category B construction should be reported to the National Planning Agency

Category C - below Cat B limits, general constructions should be reported to the municipality where the construction takes place. However, constructions that take place:

- on ocean floor more than 115 m from shore,
- on specific safety or control zones, should be reported to the National Planning Agency.

Source: <http://www.skipulag.is/umhverfismat-framkvaemda/framkvaemdir-hadar-mati>



## Access to construction materials

Access to construction materials in Fljótshálsa is good. There is a home improvement chain operating in Egilsstaðir and Reyðarfjörður, as well as there are several smaller specialized hardware stores.

Fljótshálsa's master plan lists over 100 sites that have been approved for mining construction materials such as sand, gravel or similar. Access to current and opening of new mining sites need approval from landowners and the municipality.

Timber production from the forests in Fljótshálsa is operated in Hallormsstaður and Fljótshálsa and in Fellabær there is a facility to prefabricate concrete panels for constructions.

There are several companies that operate transport service by trucks to and from Egilsstaðir that with arrive/depart five times a week. Lighter goods can be transported by air from Reykjavík with three flights per day. Mjóeyri harbor in Reyðarfjörður (40 km from Egilsstaðir) is served by containerships that sail both along the coast of Iceland and directly to and from Europe. In Seyðisfjörður harbor (25 km from Egilsstaðir) there is a weekly arrival of a ferry from Denmark through the Faroe Islands, goods can be transported on the ferry by trucks.



# Utilities





# Power production

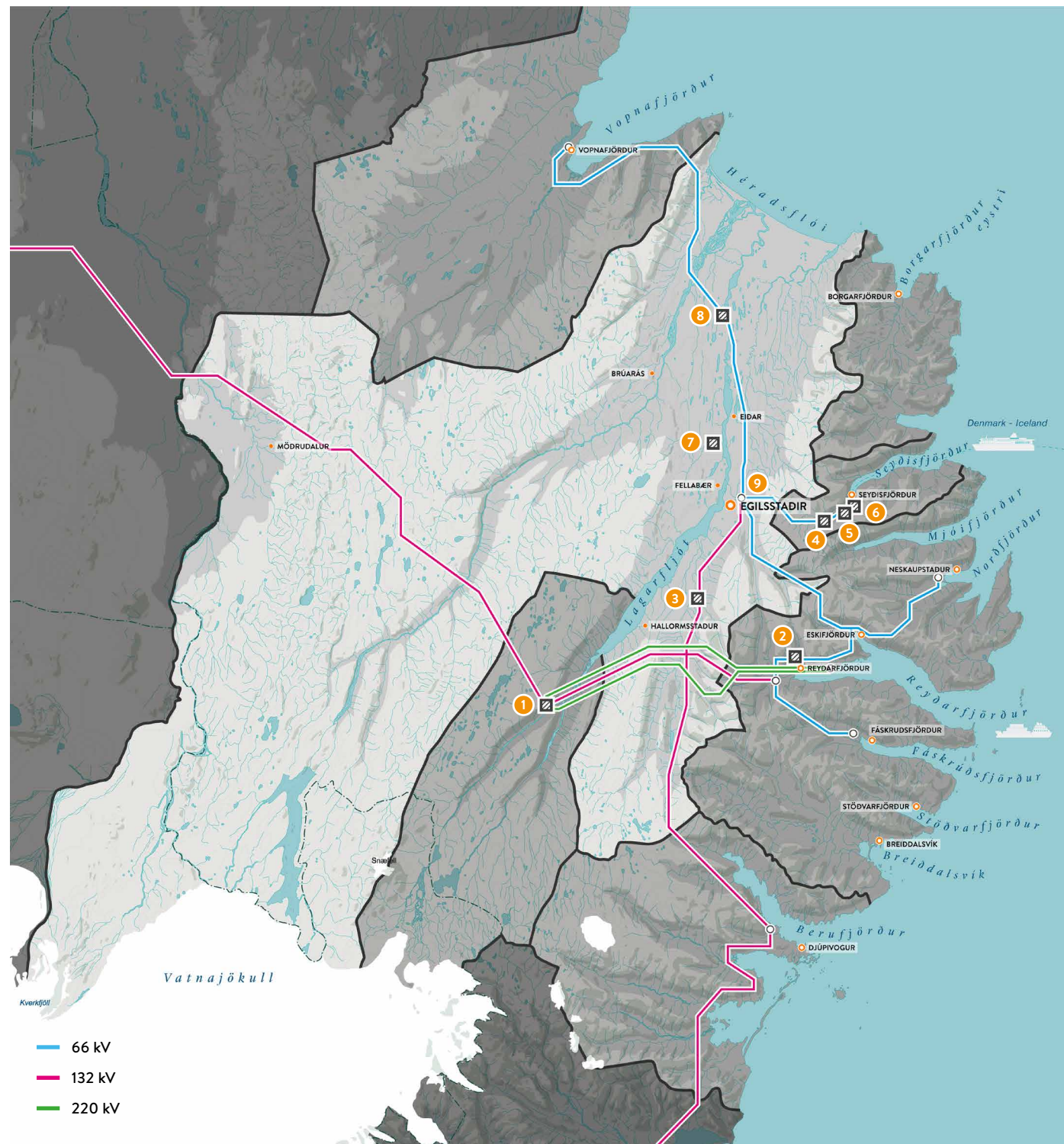
Fljótshálsdalur and the surrounding region has a hydropower production capacity of approximately 730 MW. The largest part of that capacity comes from Iceland's largest power station, Fljótshálsstöð (690 MW), positioned 45 km away from Egilsstaðir in Fljótshálsdalur. Among other power stations are Lagarfoss (27.2 MW) in Lagarfljót north from Egilsstaðir, Bjólfs- and Gúlsvirkjun (9.8 MW) in Seyðisfjörður and Grímsárvirkjun (2.8 MW) south from Egilsstaðir.

Electricity production with wind is still on a small scale in Iceland since hydro and geothermal power production has been more economically feasible. With significant reduction in cost of wind power in recent years this is changing fast and interest in building wind farms is growing. There are several places in Fljótshálsdalur that have favorable conditions for wind that are currently being examined by a couple of interest groups. The Icelandic meteorological office operates a wind atlas that can be used as a first step in finding potential sites for electricity production with wind.<sup>1</sup>

New hydro and geothermal power production facilities larger than 10 MW need to go through an evaluation process called the master plan for nature protection and energy utilization. In the master plan, proposed power production regions are sorted into three categories, for utilization, on hold and to be reserved. Currently there are no proposed projects in Austurland in the master plan, but several project ideas exist that will come into consideration for the master plan.

Smaller power stations (< 10 MW) can be approved for construction without going through the master plan process.

- FLJÓTSDALSTÖÐ 690 MW ①
- BÚÐARÁRVIRKJUN 0,24 MW ②
- GRÍMSÁRVIRKJUN 2,8 MW ③
- GÚLSVIRKJUN 3,4 MW ④
- BJÓLFSVIRKJUN 6,4 MW ⑤
- FJARDARSELVIRKJUN 0,16 MW ⑥
- RANGÁRVIRKJUN 0,15 MW ⑦
- LAGARFOSSVIRKJUN 27,2 MW ⑧
- EYVINDARÁ SUBSTATION ⑨



1. vindatlas.vedur.is





## Power distribution

The national transmission service operator (TSO) in Iceland is Landsnet. Austurland is connected to the national power grid through a circular connection running north and south through 132 kV transmission lines. Landsnet plans to start construction of a new 220 kV transmission line running from Fljótsdalur power station north to the power stations in Krafla and Þeistareykir in 2018, to be finished in 2020.

Two 220 kV transmission lines run from Fljótsdalur station to Alcoa Fjarðaál aluminium smelter in Reyðarfjörður, which consumes most of the power produced by the station. 66 kV lines transmit power to Vopnafjörður, Seyðisfjörður and Eskifjörður from the Eyvindará substation positioned next to Egilsstaðir. Eyvindará is one of two substations in Fljótsdalshérað, the other being Hryggstekkur in Skriðdalur.

The local power distribution system operator (DSO) in Austurland is RARIK. The local distribution system is operated partly through 3-phase ground cables and partly through 1-phase

overhead lines. RARIK will continue to gradually replace the overhead lines with ground cables until all homes and businesses have access to 3-phase electricity.



## District heating

Hitaveita Egilsstaða og Fella (HEF) distributes hot water in Egilsstaðir, Fellabær and to the vacation home village in Einarssstaðir south of Egilsstaðir. HEF extracts the water from three geothermal boreholes positioned at Urriðavatn lake north of Fellabær. The current maximum capacity is 182 l/s of water at 76 °C. The distribution system can be expanded further away from Egilsstaðir if the demand at the end is high enough to keep minimum flow through the system.

The geothermal water extracted by Urriðavatn lake is unique in the sense that it is the only geothermal water in Iceland that has been certified for direct consumption<sup>1</sup>, making it ideal for use for example in food production.

## Cold water

HEF operates cold water distribution system in and around Egilsstaðir and Fellabær, in Hallormsstaður and Eiðar. New water reservoirs for Egilsstaðir and Fellabær were put to use in 2009, they are positioned by Kaldakvísl in Eyvindarárdalur. HEF operates 3 boreholes by Kaldakvísl with a total capacity of 65 l/s of water at 4 °C. The cold water is of high quality and certified fit for consumption without any pretreatment.<sup>2</sup>

## Waste disposal

A three-bin waste collection system is operated for homes in Fljótsdalshérað. In the urban areas each home gets three bins to sort their waste. One bin is for general waste that goes to landfill, the second bin is for recyclable waste and the third bin is for organic waste that is composted. Homes in the rural areas get two bins, one for general waste and a second one for recyclable waste, finally they get a compost container for the organic waste.

A waste reception facility is operated in Egilsstaðir. It accepts all waste from homes. Hazardous waste and garden waste which is not to be put in the home bins are to be delivered there.

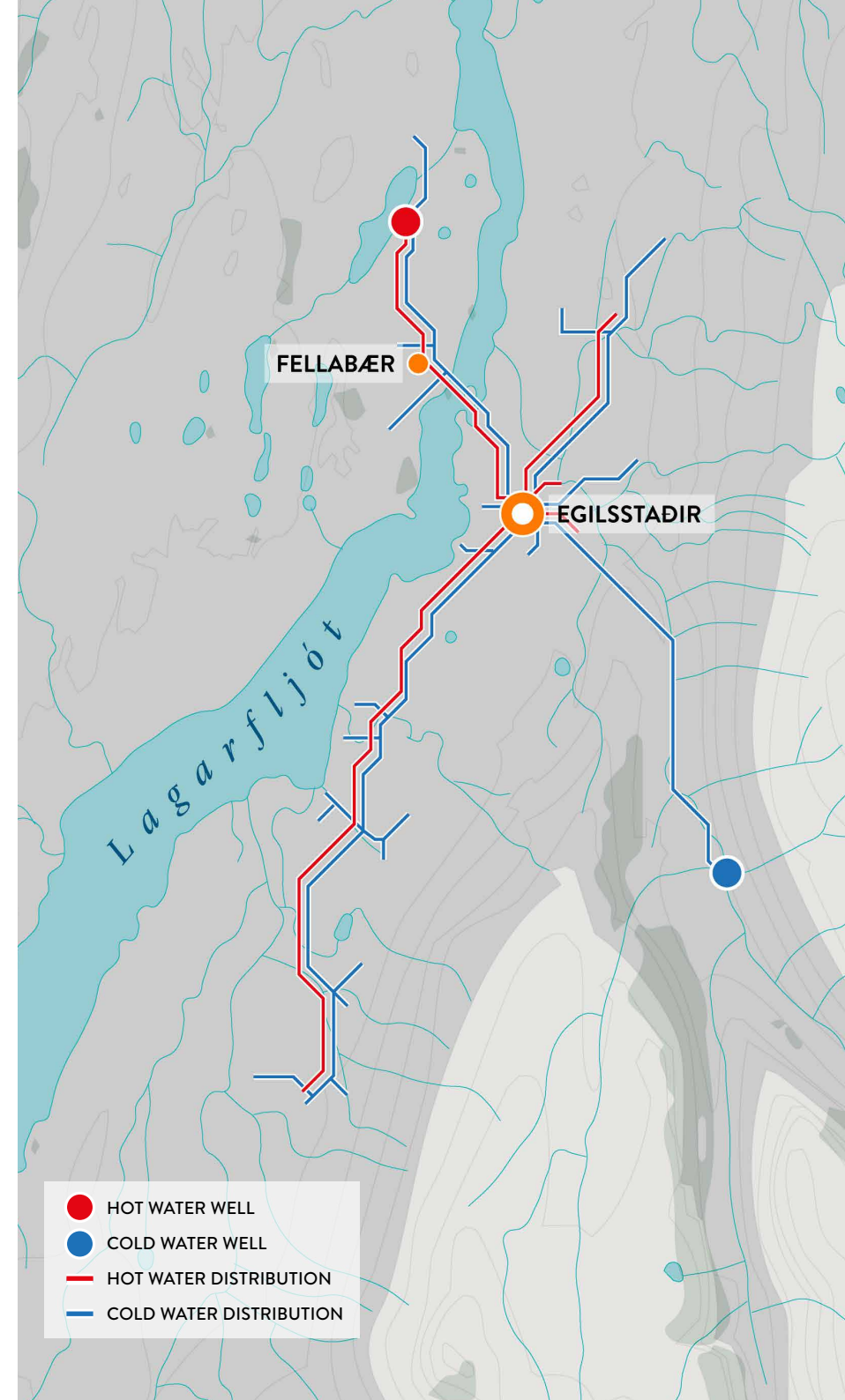
Companies that need waste collection can contact any of the companies providing such service in the municipality, such as Íslenska Gámafélagið, Dagsverk and Gámaþjónusta Austurlands - Sjónarás. It is the municipality's goal that in the future companies adapt to waste sorting system that is in place for inhabitants.

## Sewage treatment

Fljótsdalshérað runs sewage systems in Egilsstaðir, Fellabær, Eiðar, Hallormsstaður and Brúarás. Three sewage treatment plants are operated in Egilsstaðir and one in Fellabær, sewage systems that are not connected to the treatment plants are connected to septic tanks.

1. [http://hef.is/images/Skjol\\_HEF/Heildartekt%20hitaveituvatn\\_2013.pdf](http://hef.is/images/Skjol_HEF/Heildartekt%20hitaveituvatn_2013.pdf)

2. [http://hef.is/images/Skjol\\_HEF/Efnasamsetningar/Heildarefnagr\\_2014\\_Kaldskvsl.pdf](http://hef.is/images/Skjol_HEF/Efnasamsetningar/Heildarefnagr_2014_Kaldskvsl.pdf)



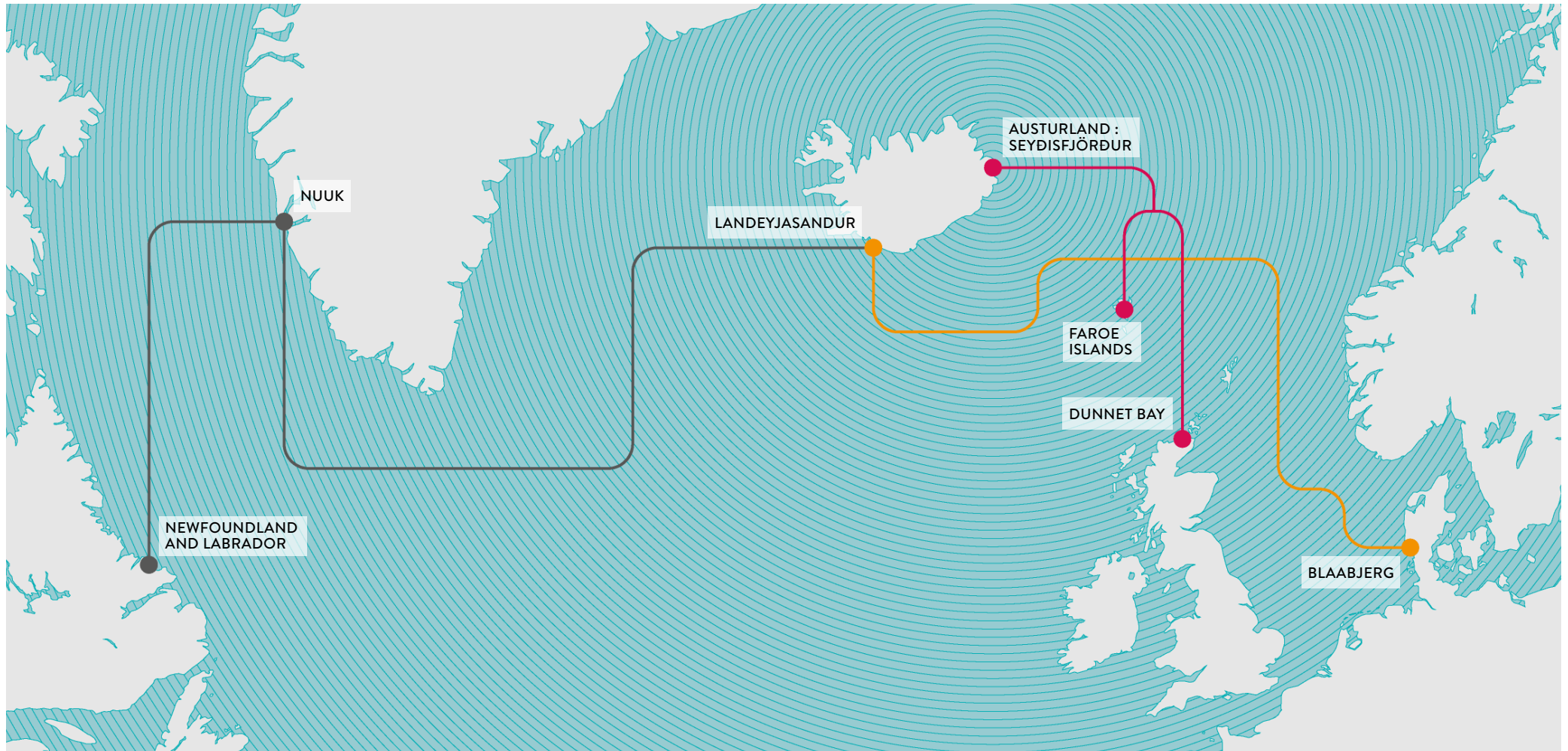


## Internet access

In 2017 Iceland ranked number 1 on the ICT Development index, which is an index published by the United Nations International Telecommunication Union that is based on 11 ICT indicators, grouped in three clusters: access, use and skills. According to the index over 98% of Icelanders are active internet users, 97% of homes have internet access and there are 104 mobile broadband subscription per 100 inhabitants.

Fljótsháð is well positioned in terms of access to high speed internet cables. There are fiber cables running around Iceland and the country is connected to the surrounding world through 3 undersea cables (Farice, Danice and Cantat-3). One of the undersea cables comes ashore in Seyðisfjörður only 25 km away from Egilsstaðir. Optical fiber connections are accessible in Egilsstaðir and many places in

the rural area of Fljótsháð. In areas not yet connected with optical fibers, high-speed internet access can be gained through microwave transmission service operated by Ráfé. The Icelandic government is currently running an initiative on making 100 Mbps connections accessible to 99.9% of Icelandic homes before the end of the year 2020.









# Environment

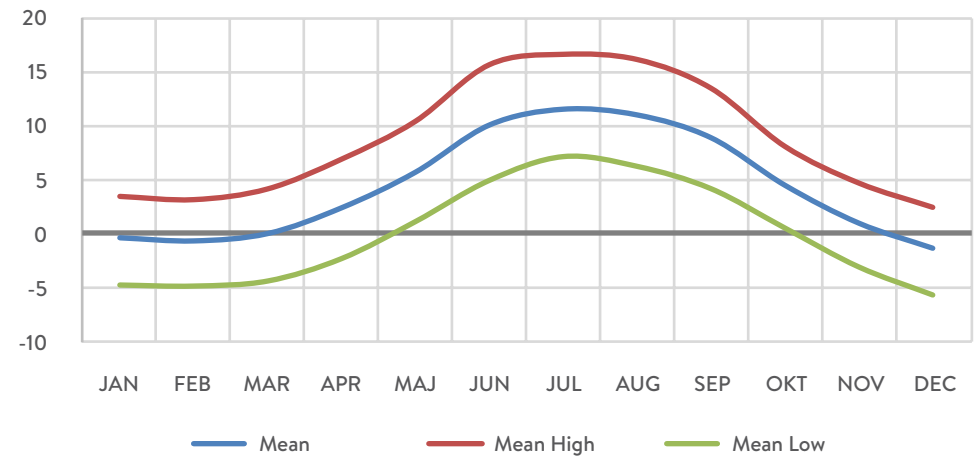


## *Climate*

The climate in Fljótsdalshérað varies significantly between regions, as is to be expected with a municipality covering such a large area. The municipality can be roughly divided into five different regions by climate. In the lowlands around Egilsstaðir and the valleys Fljótsdalur and Jökuldalur the weather is pleasant and since this region is far inland, it has somewhat of a continental climate with warmer summers and colder winters compared to regions closer to the sea. Jökuldalur is somewhat colder than Egilsstaðir as it lies at a higher altitude. Skriðdalur also has a similar continental features to its climate, but with higher precipitation than the first region. This is especially the case when the wind is blowing from the south east and east. The third region is the outer parts of Fljótsdalshérað north from Egilsstaðir towards the sea. This region has more of an island climate, compared to Egilsstaðir, and higher precipitation. The highlands can be divided into two regions, in the western part precipitation is low, while in the eastern part of the highlands precipitation is much higher.

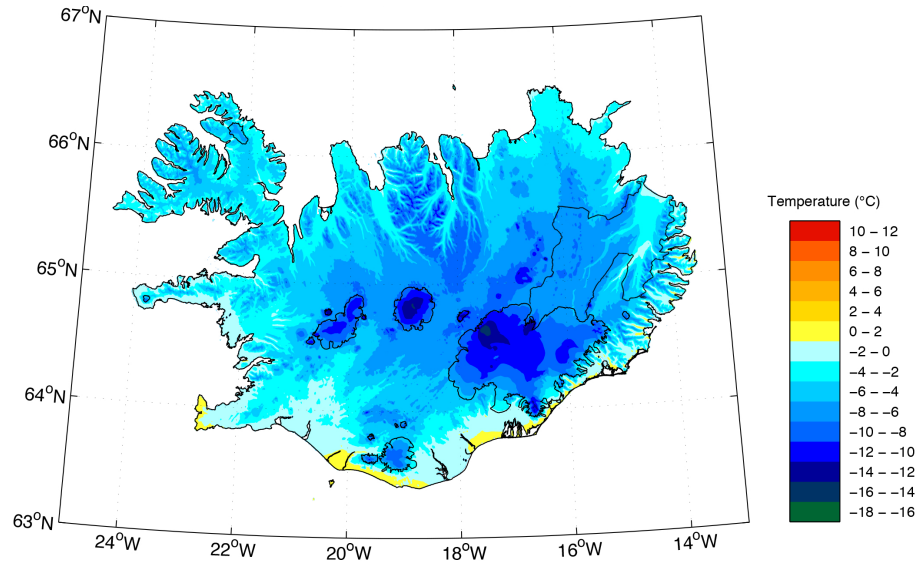
Dominant wind directions and intensity are highly affected by the local surroundings, predominantly by mountains but also forests and buildings. The Icelandic Met Office runs an interactive wind atlas ([en.vindatlas.vedur.is](http://en.vindatlas.vedur.is)) that can be used to get a good overview of the distribution of windspeeds and directions all around Iceland. In Egilsstaðir the dominating wind directions are from the north and the south.

Egilsstaðir Airport 2006-2016  
Monthly Mean Temperature [°C]

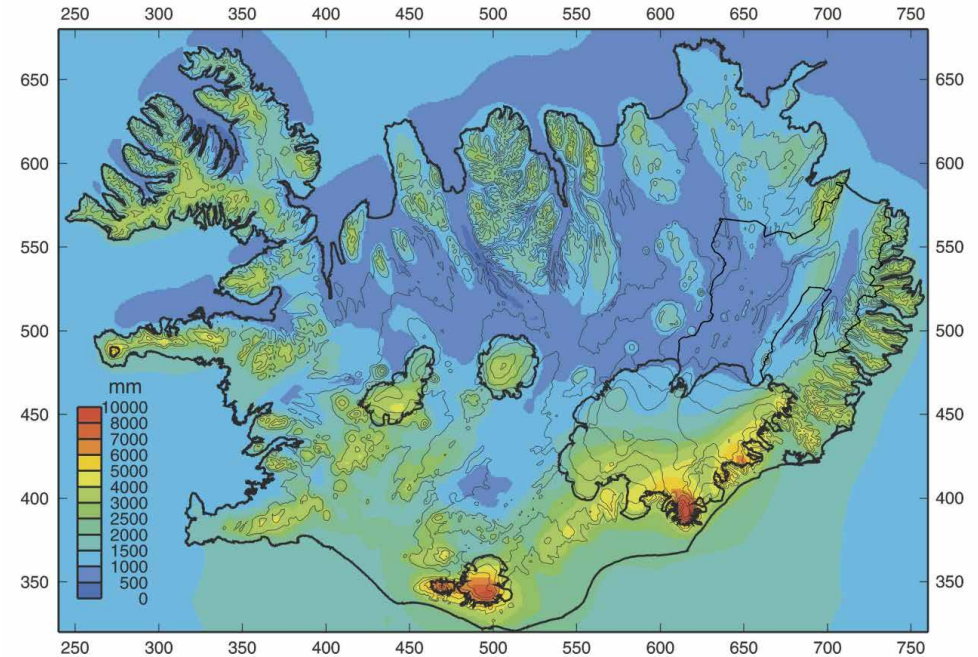




Mean January Temperature (1961 - 1990)

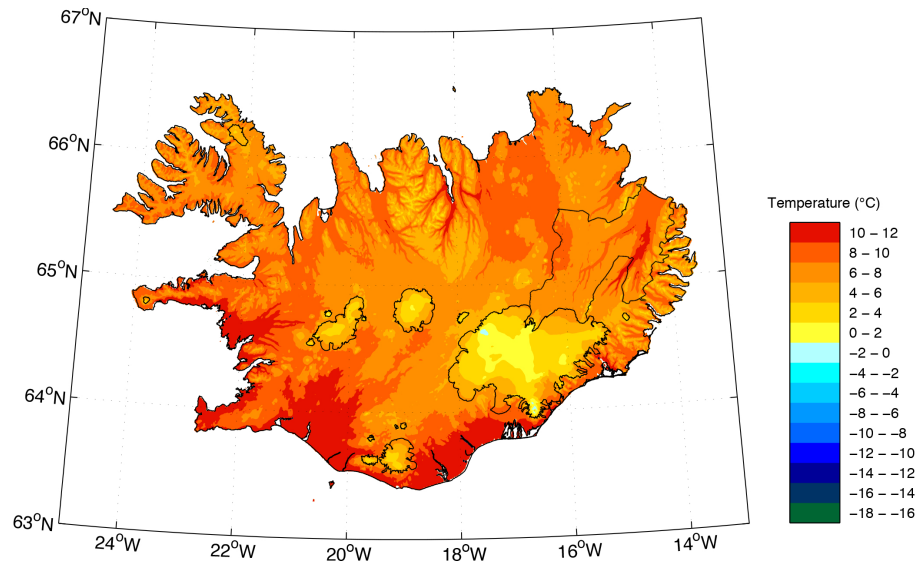


Average annual precipitation 1971-2000



Adapted from: Crochet et al., *Am. Met. Soc.*, vol. 8, 2007

Mean July Temperature (1961 - 1990)



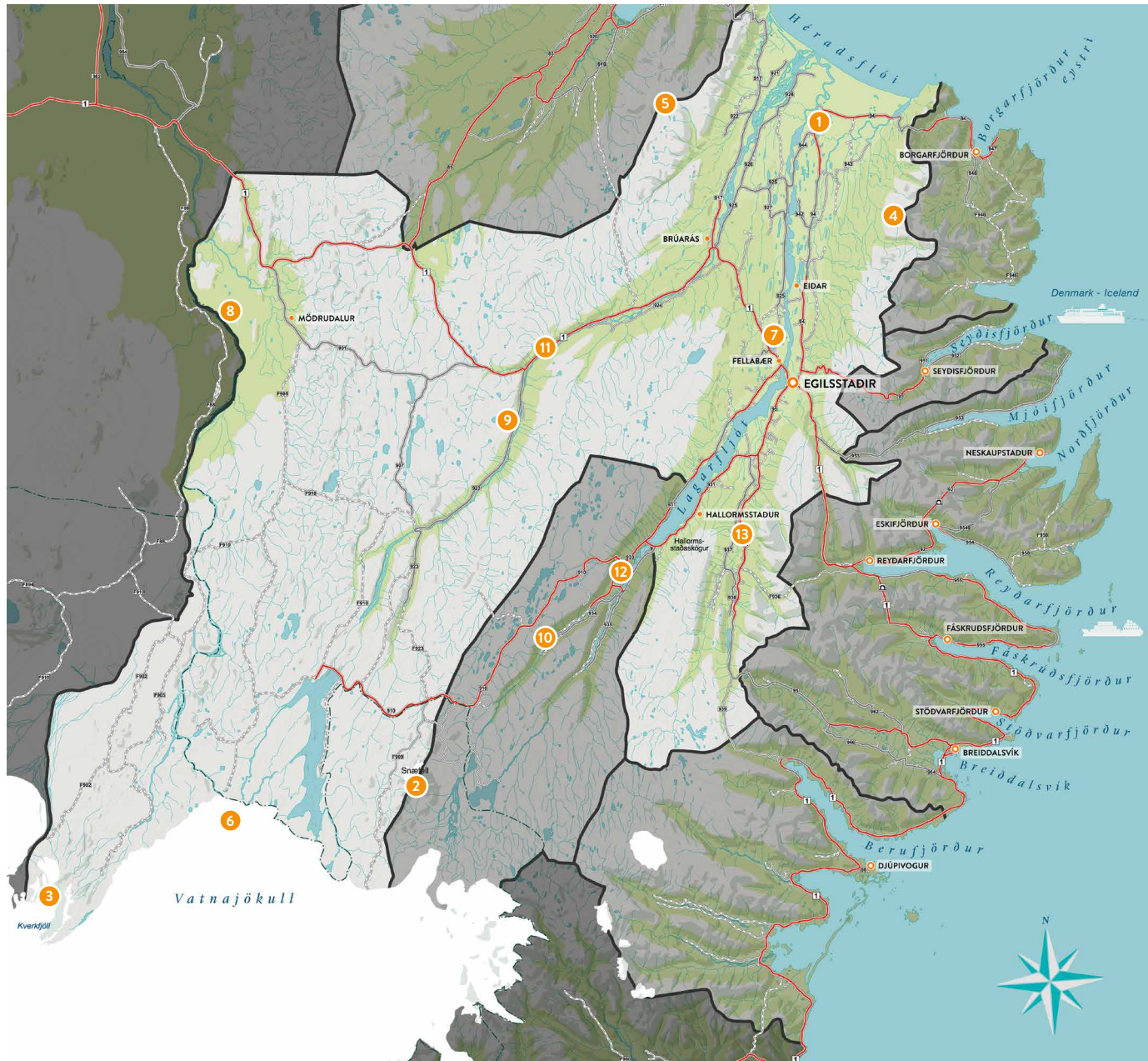
Adapted from: Björnsson, H., et al. (2007) *Met. Zeits.* Vol. 16, No. 1, 045-056

## Natural hazards

Fljótsháð lies outside of Iceland's volcanic belt and therefore there are no active volcanoes in the inhabited parts of the municipality and risks from earthquakes are minimal. Pack ice which drifts from the shores of Greenland towards the north-western part of Iceland does not make it to the shores of Austurland. There is no risk of avalanches falling on the towns and villages in Fljótsháð, however avalanches sometimes fall on roads in Austurland closing them temporarily.



# Geography & landscape



WIDE EXPANSE AND OPEN LANDSCAPES are distinctive features of Fljótshádalur, especially in Úthérað [1]. Still the area is enclosed by mountainous regions on three sides. In the south rises Mt. Snæfell (1.833 m) [2] and in the southwest Mt. Kverkfjöll (1.936 m) [3] with Vatnajökull glacier in the background. In the east there is the Austfjarðafjöll [4] mountain ridge with many majestic peaks, in the west there are the highlands with rows of mountains and between Vopnafjörður and Fljótshádalur there is a mountain range where Smjörfjöll [5] rise the highest.

The bedrock of Austurland is mostly composed of mafic igneous rock. The older rock sediments are typically basalt with reddish layers of volcanic ash in between, the younger rocks are more variable with sediments from river silt and glacial rock. Austfjarðafjöll and Smjörfjöll are tertiary formations that were formed before the ice age and the oldest rock minerals are estimated to be about 13-14 million years old. In these regions there are ancient central volcanoes where colorful rhyolite can be found. The sediments become younger when moving towards west and here the ice age icecap has affected the formation of the landscapes to a greater extent. In the highlands north of Brúarjökull [6] and Dyngjujökull glaciers there are mountain ridges and mountain

- 1 ÚTHÉRAÐ
- 2 MT. SNÆFELL
- 3 MT. KVERKFJÖLL
- 4 AUSTFJARÐAFJÖLL
- 5 SMJÖRFJÖLL
- 6 BRÚARJÖKULL
- 7 URRIDAVATN
- 8 JÖKULSÁ Á FJÖLLUM
- 9 JÖKULSÁ Á DAL (JÖKLA)
- 10 JÖKULSÁ Í FLJÓTSDAL
- 11 JÖKULDALUR
- 12 FLJÓTSDALUR
- 13 SKRIDDALUR



ranges composed of mafic and intermediate palagonite and pillow lava and lava and sediments that were formed during eruptions in the latter half of the ice age. Snæfell and Kverkfjöll are central volcanoes and their main eruption products are basalt, but rhyolite and andesite can also be found. Geothermal areas can mainly be found in the younger parts of the region, such as by Kverkfjöll. Geothermal heat has though been found for example by Urriðavatn [7], where it is extracted for district heating.

FROM VATNAJÖKULL'S GLACIER TONGUES run the rivers, Jökulsá á Fjöllum [8] from Dyngjujökull and Kreppa and Kverká from Brúarjökull, towards the north. Towards Héraðsfloí in the east run the rivers, Jökulsá á Dal (Jökla) [9] from Brúarjökull and Jökulsá í Fljótsdal [10] from Eyjabakkajökull. These are among the largest rivers in Iceland and have played a large role in shaping the land. The shore of Héraðsfloí bay is about 25 km long sandy beach without any harbor and it has been formed by the sediment of the glacial rivers. Up from the bay lie lowland countryside areas, together known as Úthérað, that are separated by the glacial rivers. Inland from the lowland are the three main valleys of Fljótsdalshérað, Jökuldalur [11], Fljótsdalur [12] and Skriðdalur [13] with their side valleys. In the valleys there is fertile farmland, and Fljótsdalur and Skriðdalur especially are known for their dense vegetation. The landscape comes in many variations, but the molding powers of glaciers and glacier rivers are evident. Vast and grassy highlands can be found between Jökuldalur and Fljótsdalur, in Snæfellsöræfi and Jökuldalsheiði. In these regions there are wetlands and lakes and the sources of rivers and streams that flow towards the main glacial waterways in the lowlands, often in picturesque waterfalls.

The area north of Brúarjökull and all the way west to Jökulsá á Fjöllum is a wilderness with sparse vegetation, but patches of undergrowth can be found in hollows such as Möðrudalskvos, Fagridalur, Arnardalur and Þorláksmýrar. The impact of human habitation is mostly to be seen in low lying and fertile regions of Fljótsdalshérað where agriculture and constructions put their mark on their surroundings.



Photo: Gunnar Gunnarsson



# Biota

THE LOWLANDS IN FLJÓTSDALSHÉRAÐ are mostly rich in vegetation and it's growth is also substantial towards the coast and in the valleys. In the areas up from Héraðsflói bay there are vast and unusually well grown wetlands, among other very wet marshy grounds that have not been drained. Such undrained marshy grounds are rare in Iceland. Peatlands are common in valleys and on mountain sides and in many places natural birch woods can be found, especially in the eastern region of Fljótshérað. The national forest Hallormsstaðaskógur is the best-known forest in region and the largest continuous forest in the country. A large part of the forest has been reserved from grazing for approximately 100 years. In Hallormsstaður there is an arboretum with a range of trees that have been imported to Iceland from around the world. A forest has been planted on several thousand hectares of land in various places in Fljótshérað. The planted trees are mostly larch, but pine, spruce and poplar have also been planted to a smaller extent. The growing forests are now stretching out over ridges and hills and are a distinct feature of the vegetation in many regions of Fljótshérað. In many places the forest floor has a rich undergrowth and berries and mushrooms are common. Hayfields surround the farms and grain farming is practiced in the most suitable regions.

HEATHLANDS AND HIGHLANDS cover large regions in Fljótshérað. The heathlands are often well grown with large wetlands and peatlands. In highland regions, far inland, the vegetation is often discontinuous and large areas are mostly deserted especially in the western parts. The vegetation stretches up to a higher altitude as we move further inland, or up to 800 m. However, High-Nordic

plants are commonly found above this latitude, or up to 1600 m at Mt. Snæfell. In Fljótshérað you can find plant species that are common in Austurland, but are rare in other parts of Iceland, such as the Harebell.

Reindeers are iconic for the fauna of Austurland and have roamed wild in the region, since they were imported to Iceland in the late 18th century. The reindeers can mostly be found in the region from the highlands west of Vopnafjörður in the north towards Jökulsárlón in the south. In the summer a large part of the reindeer stock grazes on the well grown parts of the highlands around Mt. Snæfell, but during the winter they move out towards heathlands and valleys and even into human settlements during hard winters. Harbor seals are common in Héraðsflói and they give birth to seal pups in various places along the bay and in the regions where the rivers Jökulsá and Lagarfljót meet the sea. The arctic fox is widespread, and minks and field mice can be found in lowlands. Copse snails are common and black slugs can be found in specific areas of Úthérað. River trout, sea trout and salmon, along with stickleback and other smaller animals can be found in rivers and lakes. Pink-footed goose can be found in large numbers in the highlands in the regions around Mt. Snæfell. Swans are also common in the highlands especially on mountain lakes. The outermost part of Úthérað is an important bird region, especially because of the numbers of arctic skuas, great skuas and graylag goose. By rivers and lakes in Fljótshérað many species of ducks can be found, moorland birds are common in regions with dry land and in Hallormsstaðaskógur and other forests many forest seeking birds can be found.

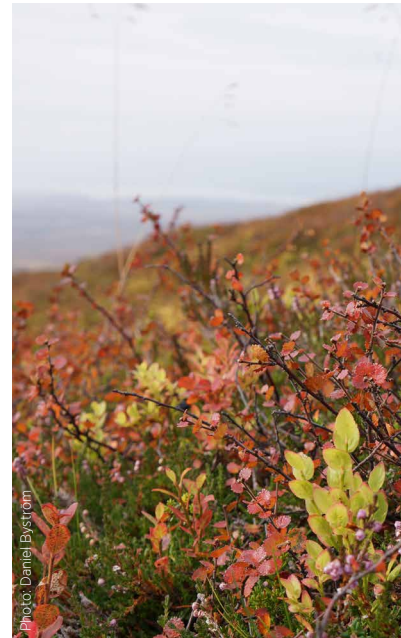


Photo: Daniel Bystrom

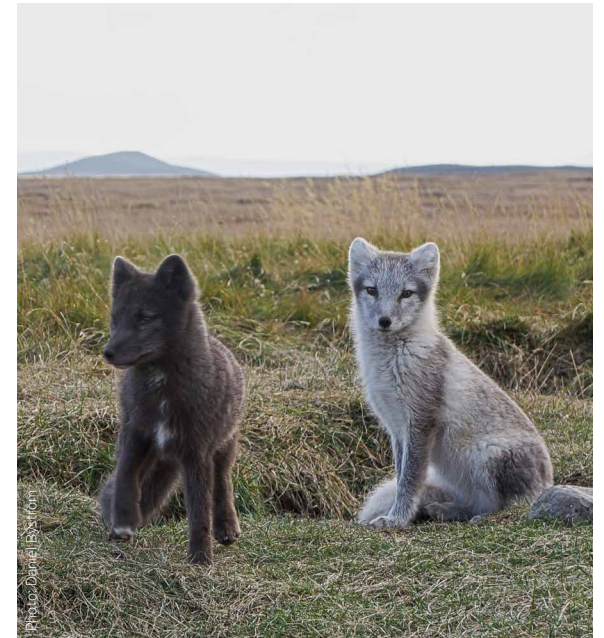


Photo: Daniel Bystrom



Photo: Skarphreinn G. Þorjónsson







# Transport





# Aviation

Egilsstaðir International Airport is one of four airports in Iceland which fulfill requirements for international flights. The airport serves as an alternate airport for Keflavik Airport and is open 24 hours a day and can safely serve commercial jets. The airport is up to high standards with Aerodrome Flight Information Service (AFIS).

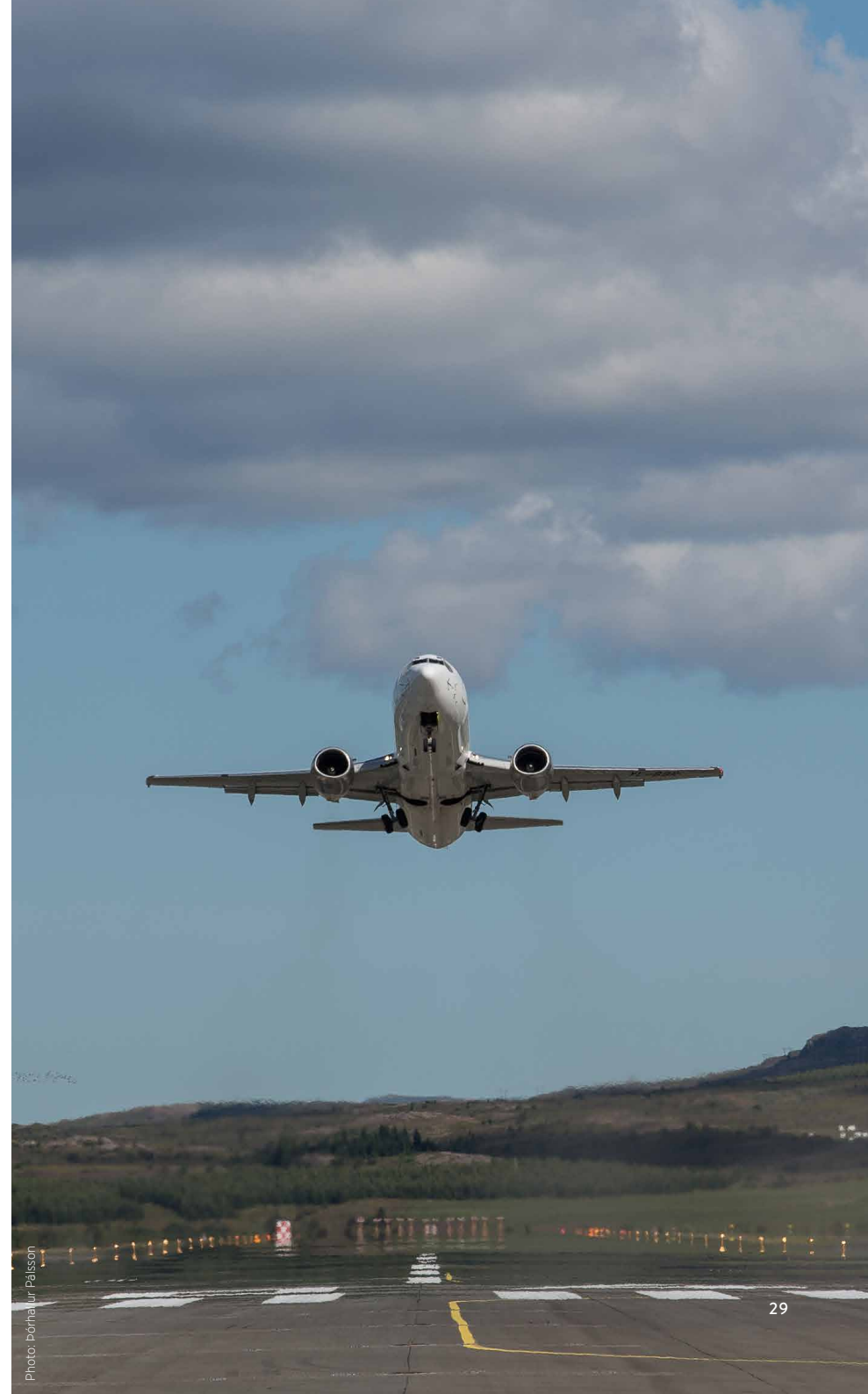
The fire and rescue service at the airport is in accordance with ICAO category 5 and can be raised to category 7 on request. Icelandic airports need excellent winter service due to the country's high latitude, Egilsstaðir International Airport is very well equipped for snow removal and is open all year round.

The airport is located only 2 km from Egilsstaðir's center, on the banks of Lagarfljót lake. There are good flight and approach conditions. Weather conditions are favorable for aviation and reliability of scheduled flights is therefore good, or close to 99%.

There are three scheduled flights daily between Egilsstaðir and Reykjavík all year around, with a flying time around 45 minutes. The airport also regularly serves international charter and private flights. It is a declared goal of the Icelandic government that Egilsstaðir airport will have scheduled international flights in the near future.

Keflavík International Airport is Iceland's main international flight hub, positioned 50 km outside of Reykjavík. In 2017 there were 24 airlines operating regular scheduled flights to over 80 destinations in Europe and North America.

Further technical information about Icelandic airports can be found on [www.isavia.is](http://www.isavia.is)





# FAR FROM ORDINARY. CLOSE TO NATURE.

This map shows some distances from Egilsstaðir, the largest town of Austurland to popular destinations along the ring road.





# Shipping

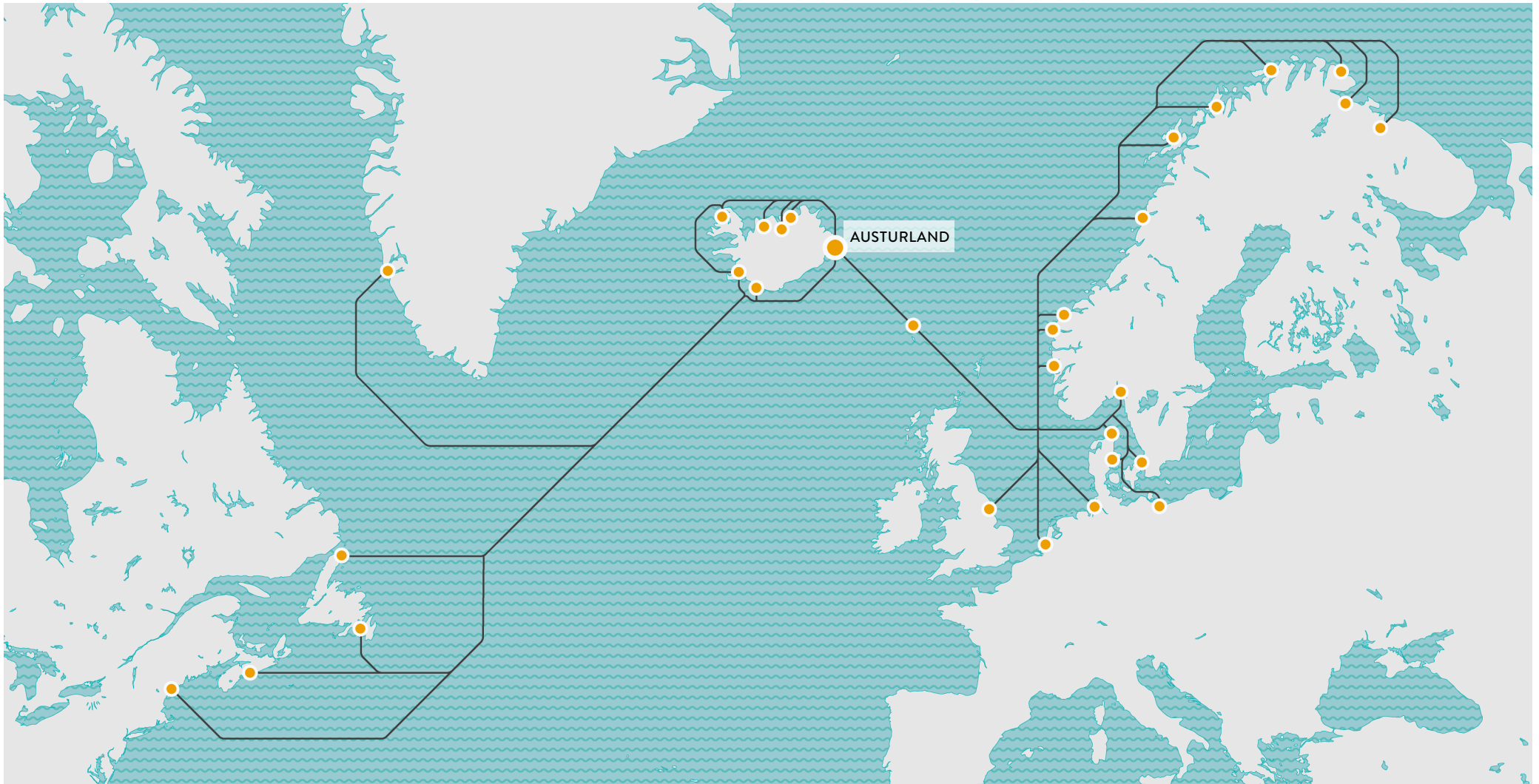
As Egilsstaðir is landlocked it does not have its own harbour, it is however in a short driving distance from many of Iceland's busiest ports. Mjóeyri harbour in Reyðarfjörður (40 km drive from Egilsstaðir) is among Iceland's largest commercial ports with around 1.5 million tonnes of goods going through the harbour each year. The harbour is served by three shipping companies that each have a weekly arrival of container ships

to Reyðarfjörður. From Reyðarfjörður the ships sail both directly to Europe and to various harbours around Iceland.

The ferry Norröna sails weekly between Seyðisfjörður (25 km from Egilsstaðir), Tórshavn in the Faroe Islands and Hirtshals in Denmark. The ferry transports people, cars and goods by trucks. Seyðisfjörður, along with many other fjords in

Austurland are also a busy destinations for cruise ships throughout the summer.

Most of the coastal towns in Austurland have large fishing harbours, such as Neskaupstaður, Vopnafjörður, Eskifjörður and Fáskrúðsfjörður. Salmon farming is also a growing industry in the fjords with increasing harbour activity.





## Transport by road

Egilsstaðir is centrally positioned in Austurland by Iceland's highway number 1, most commonly referred to as the ring-road. This means that most trips to and from Austurland pass through Egilsstaðir. Several trucks transport goods to and from Egilsstaðir every weekday, both from designated freight companies, the postal service and supermarkets. About 90% of Austurland's population lives within an hour's drive from Egilsstaðir and the remaining 10% within 1.5 hours.

Recent tunnels, from Reyðarfjörður to Fáskrúðsfjörður and from Eskifjörður to Norðfjörður have reduced travel times and improved access between the towns in central Austurland.

The driving time to Reykjavík is approximately the same whether the north or south route is chosen, about 8 hours. Akureyri is 3 hours away from Egilsstaðir and some of Iceland's most popular tourist attractions are within a few hours' drive, Vatnajökull National Park (1 hour), Mývatn (2 hours), Höfn (2,5 hours), Húsavík (3 hours) and Jökulsárlón (3,5 hours).

## Public transport

A public town bus is operated in Egilsstaðir and Fellabær, free of charge and runs between 7 am and 8 pm every weekday. School buses are operated to drive children living in the rural regions of the municipality to and from school. Timetable and bus stops can be found on: <https://www.fljotsdalsherad.is/>

A bus network is operated across Austurland under the name SvAust. The buses serve the region north from Borgarfjörður south to Höfn. Timetable and bus stops can be found on: <http://www.svaust.is>

Strætó BS operates the network for public buses across Iceland. Route 56 drives between Egilsstaðir and Akureyri. There are four bus stops on this route in Fljótshálsa, at the campsite in Egilsstaðir, in Fellabær, at Skjöldólfstaðir in Jökuldalur and by the intersection towards Vopnafjörður. Timetables and further information can be found at: <http://www.straeto.is>

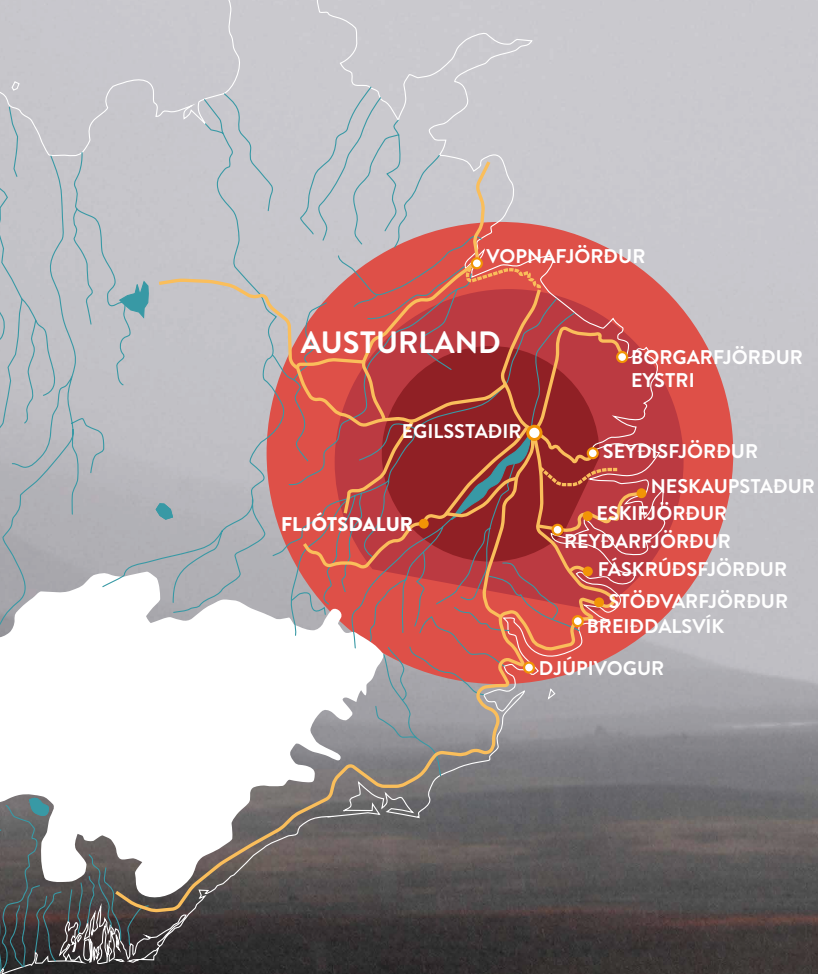








# Labor market



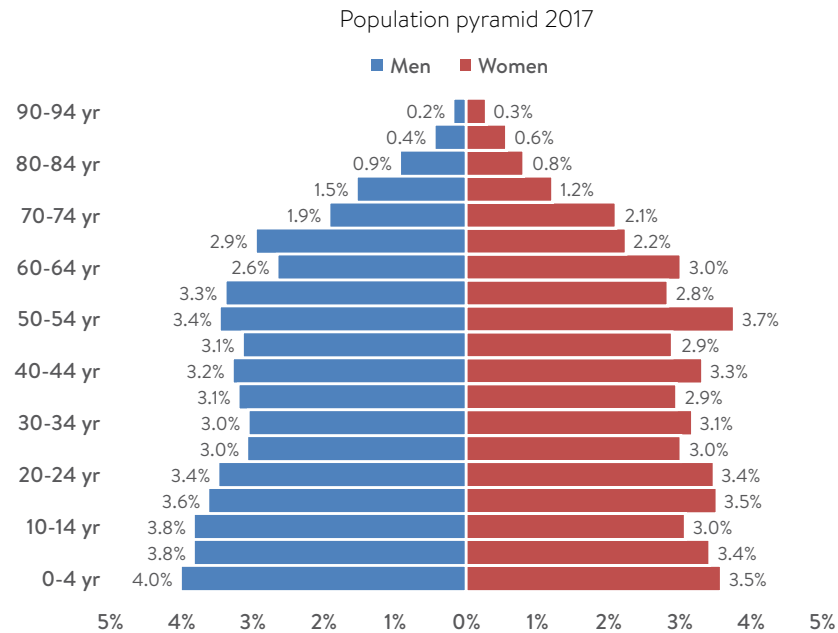
- Population within 30 min distance from EGILSSTAÐIR : — **5 400 persons**  
EGILSSTAÐIR, FLJÓTSDALUR, SEYÐISFJÖRDUR, REYDARFJÖRDUR, JÖKULDALUR
- Population within 60 min distance from EGILSSTAÐIR : — **9 000 persons**  
BORGARFJÖRDUR EYSTRÍ, ESKIFJÖRDUR, NESKAUPSTAÐUR, FÁSKRÚDSFJÖRDUR, STÖDVARFJÖRDUR
- Population within 90 min distance from EGILSSTAÐIR : — **10 300 persons**  
VOPNAFJÖRDUR, BREIDDALSVÍK, DJÚPIVOGUR





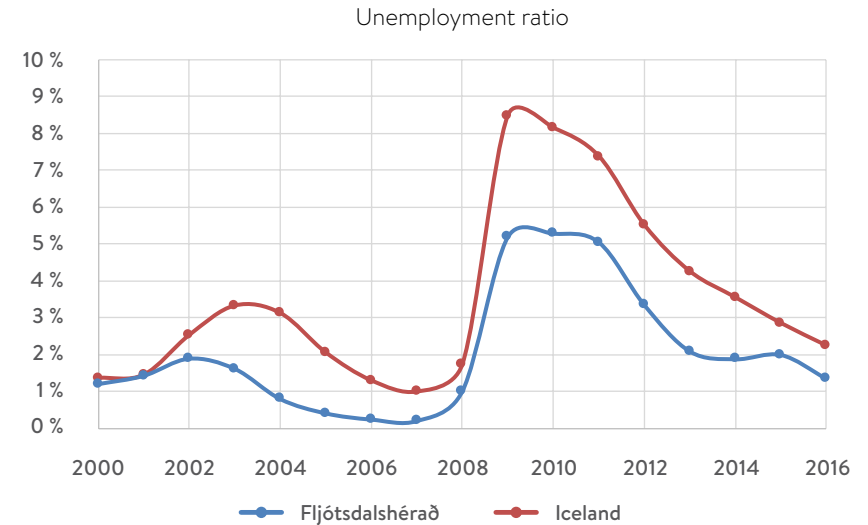
# Workforce

The population of Fljótsháð is around 3500. There are however 5400 persons living within 30 minutes driving distance from Egilsstaðir, 9000 persons within 60 minutes and 10300 within 90 minutes. Today a large portion of the workforce in central Austurland commutes between towns for work and many workplaces serve the whole of Austurland, which also means that their employees travel between different regions of Austurland on a daily basis. In a survey conducted for the Icelandic Road and Coastal Administration in 2016<sup>1</sup> 58% of responders said they would be willing to commute 30 minutes or longer for the right work opportunity.

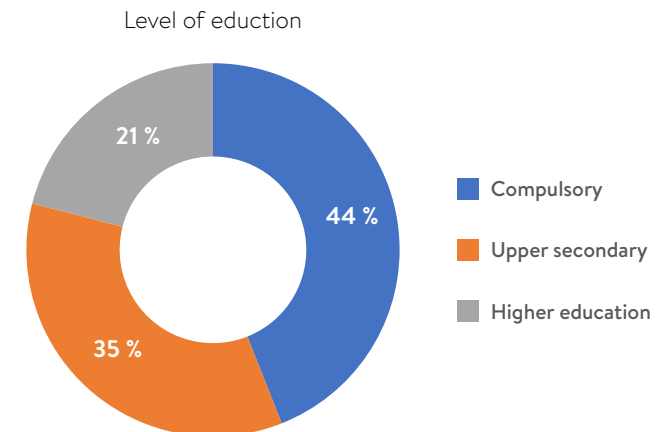


The municipality has a healthy age and gender distribution, with around 51% of the inhabitants being men and 49% women. A population pyramid shows that at around the age of 20 years part of the inhabitants move away from the municipality, most of them to seek higher education. The pyramid also indicates that many of them return or that new inhabitants move to the municipality after finishing their education.

Historically unemployment numbers are low in Iceland and the numbers tend to be even lower for Austurland. Following the financial crisis in 2008 there was a spike in unemployment in Iceland, the spike was smaller in Austurland and in recent years unemployment has dropped back to its historical average.



In 2013, 21% of inhabitants in Fljótsháð, 16 years and older, had finished a university degree. 35% had finished a degree in a secondary school, either a matriculation degree, a technical education or similar.



1. "Vinnusóknarmynstur og vinnusóknarsvæði Austurland", Viaplan, 2016, <http://www.vegagerdin.is/upplýsingar-og-utgafa/>



# Services

In Fljótshálsdálshérað a range of services are offered both by the public and private sectors, with Egilsstaðir acting as Austurlands main service hub. In the following text the main service sectors will be outlined.

## *Fljótshálsdálshérað municipality*

Municipalities in Iceland are required to offer certain services. They are responsible for operating many of the key factors of welfare services, such as kindergartens, elementary schools, sport facilities and social services, as well as a range of utility services.

The services operated by Fljótshálsdálshérað are in line with the leading municipalities in Iceland. Fljótshálsdálshérað is especially known for good services for disabled people. Parts of the welfare services operated by Fljótshálsdálshérað also serve five neighboring municipalities and Fljótshálsdálshérað operates several institutions jointly with other municipalities, such as the Héraðsskjalasafn archives and the East Iceland Heritage Museum.

## *Healthcare*

The Healthcare Institute for Austurland (HSA) manages healthcare services in all of Austurland. HSA provides uniform and comprehensive healthcare, hospital and nursing services. HSA has around 340 employees working at 11 facilities. Austurland's regional hospital is in Neskaupstaður, but all larger towns such as Egilsstaðir have health clinics that offer general healthcare. HSA also operates a nursing home and a rehabilitation center in Egilsstaðir.



Egilsstaðir elementary school

Photo: Skarphéðinn G. Þórisson

## *Education*

Fljótshálsdálshérað operates three kindergartens: *Tjarnarskógur* is in Egilsstaðir and is operated in two locations, *Hádegishöfði* is in Fellabær and in *Brúarás* there is a kindergarten operating in the school building. Similarly, there are three elementary schools in Fljótshálsdálshérað, *Egilsstaðaskóli*, *Fellaskóli* and *Brúarásskóli*. The schools vary in size, having 350 students, 100 students and 50 students respectively. The municipality also operates a music school at each of the elementary schools.

*Menntaskólinn á Egilsstöðum (ME)* is a nationally well-respected gymnasium that has operated since 1979. The school has both dormitories and a canteen for students living outside of Egilsstaðir. ME graduates students with matriculate exams that are required to access university education in Iceland. Students and employees at ME agree that the school is of a good size that offers communications at a personal level.

*Handverks- og hústjórnaðaskólinn á Hallormsstað* is a small and a homely school, with dormitories and canteen for 20-24 students. It offers studies in textiles and food design. Both lines of study put emphasis on creativity and design thinking, with cultural heritage and modern technology going hand in hand. The school is positioned in the center of Hallormsstaður forest in inspiring and quiet surroundings.

*Austurbrú* offers a range of adult education courses and personal services, such as competence assessment and student counselling. *Austurbrú* also serves university students and at the main office in Egilsstaðir there are reading rooms and group work spaces. There are also facilities for students to follow their distance learning courses and to take exams.

*University of Iceland's Institute of Research Centers* operates an office in Egilsstaðir.



- 1 TOWN CENTER
- 2 CAMPING SITE
- 3 TOWN HALL
- 4 DISTRICT COURT / POLICE / MAGISTRATE
- 5 SWIMMING POOL / SPORTS HALL
- 6 MENNTASKÓLINN Á EGILSSTÖÐUM (GYMNASIUM)
- 7 EGILSSTAÐIR ELEMENTARY SCHOOL
- 8 VILHJÁLMSVÖLLUR ATHLETICS ARENA
- 9 KINDERGARTEN
- 10 KINDERGARTEN
- 11 BVA AUTO GARAGE
- 12 EGILSSTAÐIR INTERNATIONAL AIRPORT
- 13 FELLAVÖLLUR, FOOTBALL STADIUM
- 14 FELLASKÓLI, ELEMENTARY SCHOOL
- 15 VATNAJÖKULL NATIONAL PARK OFFICE / HEF OFFICE
- 16 FIREDEPARTMENT
- 17 HEALTH CLINIC
- 18 NURSING HOME
- 19 SERVICE AND RESEARCH INSTITUTES / AUSTURBRÚ  
/ UNIVERSITY OF ICELAND

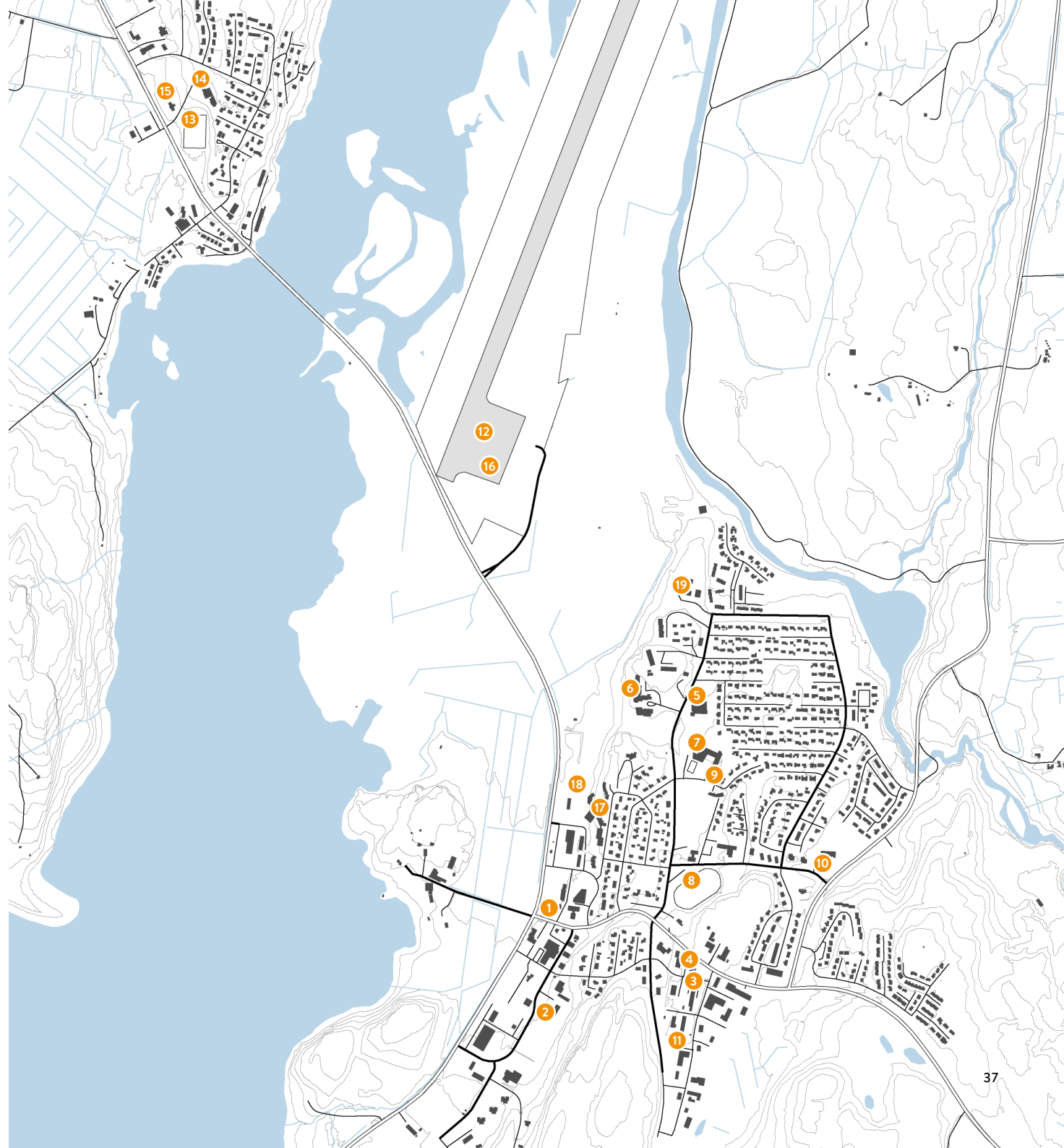






Photo: stafdalur.is

## Sports and recreation

In Fljótshálsa there is a range of high quality sports facilities, such as a geothermally heated swimming pool that is open year-round, sports halls in Egilsstaðir, Fellabær and Brúarás.

Vilhjálmsvöllur in Egilsstaðir is a multi-purpose athletics stadium with a football field and a heated 6 lane running track. In Fellabær there is a heated football field with an artificial turf. There are three smaller football fields with artificial turf in the municipality. There are good facilities for horseback riding both outdoors, as well as an indoor riding hall at Íðavellir. In Fellabær there is a 9-hole golf course that is operated by Fljótshálsa's golf club. Fljótshálsa and Seyðisfjörður operate a skiing area in Stafdalur that offers good skiing opportunities for skiers at all levels. In Þuríðarstaðir there is an outdoor shooting range. In Egilsstaðir there is a fitness center operated by the municipality and a privately-operated CrossFit center. A new gymnastic hall is to be constructed in Egilsstaðir and is expected to be operational in 2020. Conditions for hiking, running and biking are outstanding in Fljótshálsa's beautiful environment. People of all ages should be able to participate in organized sports activities to their liking all year around.

There are frequent cultural events in the municipality, such as concerts, art shows, festivals and theater performances, aimed both at children and adults. Fljótshálsa's culture center is operated in an old slaughterhouse in Egilsstaðir. It has the role of strengthening the arts and cultural activities in the municipality. The center has a special focus on performance arts, but also hosts exhibitions, workshops and artists in residency. There are several other venues in Fljótshálsa, both publicly and privately run that host various cultural events throughout the year.

Separate community centers are operated for the elderly and for people with disability and youth centers are operated for teenagers and young adults.



Photo: Rhombie Sandoval



Photo: Gunnar Gunnarsson

## Civil protection

Austurland is a single police district with a head office in Eskifjörður. Police stations in Egilsstaðir, Fáskrúðsfjörður, Neskaupstaður, Djúpvogur and Vopnafjörður. The district magistrate has a head office in Seyðisfjörður and branches in Egilsstaðir, Eskifjörður and Vopnafjörður and the district court is positioned in Egilsstaðir. Fljótshálsa operates a fire department together with five other municipalities, the fire department is positioned at Egilsstaðir airport. A local crisis co-ordination center is operated in Egilsstaðir that serve the region from Fljótshálsa, north to Vopnafjörður and the Icelandic Association for Search and Rescue (ICE-SAR) operates a nationwide network of SAR units that are among first responders in case of civil hazards.

## Public institutions

The Icelandic forest service has its main office in Egilsstaðir. It is a government run agency that leads research, development, consultation and knowledge distribution within forestry in Iceland. The forest service also manages Iceland's national forests, such as Hallormsstaðaskógur in Fljótshálsa.

Vatnajökull National Park covers 14.141 km<sup>2</sup> and is among Europe's largest nature reserves. The management for the eastern region of the park is positioned in Fljótshálsa. The park operates Snæfellsstofa visitor centre in Fljótshálsa, an office in Fellabær, and several manned outposts in the highlands north of Vatnajökull in the summertime.

East Iceland Nature Research Center is a cornerstone institution for the study and conservation of nature and the environment in Austurland. It operates two offices, one in Neskaupstaður and the second one in Egilsstaðir.

Austurbrú is a cross disciplinary service institution for Austurland. It advocates in the interest of inhabitants, communities, institutions and companies in Austurland. It provides a coordinated and interdisciplinary services related to economy, education and culture. The institution represents the development of the economy, society, administration, college and continuous education, research, knowledge and culture in Austurland. Austurbrú has a main office in Egilsstaðir and 5 other offices spread around Austurland.

Many other government run institutions have branches in Fljótshálsa for example, the Icelandic national broadcasting service (RÚV), information centers, the directorate of labor, Iceland state electricity (RARÍK), National power company of Iceland, directorate of internal revenue, East Iceland's Heritage Museum, Environmental Agency of Iceland, East Iceland's Public Health Authority and the Icelandic Food and Veterinary Authority.



## *Privately run service industry*

During the construction of the Alcoa Fjarðaál aluminium smelter in Reyðarfjörður and the Fljótsdalur power station, many companies in Egilsstaðir were reorganized in such a way that they could serve large industries. This has led to a very competent service industry in the region where support to most operations can be provided.

Most of Iceland's largest insurance companies, audit offices and banks operate branches in Egilsstaðir, the same applies to companies providing engineering consultation. Similarly, employees have access to strong trade unions that can guide them on their rights. Contractors are also used to working on projects of all sizes and there are garages that can serve most types of cars and machines.

There are also local production companies operating in Fljótshálsa, such as an interior fittings manufacturer, a sawmill, various food production companies, graphic design and software design companies and a publishing house to name a few.



Photo: Bára Garðarek-Silvinska



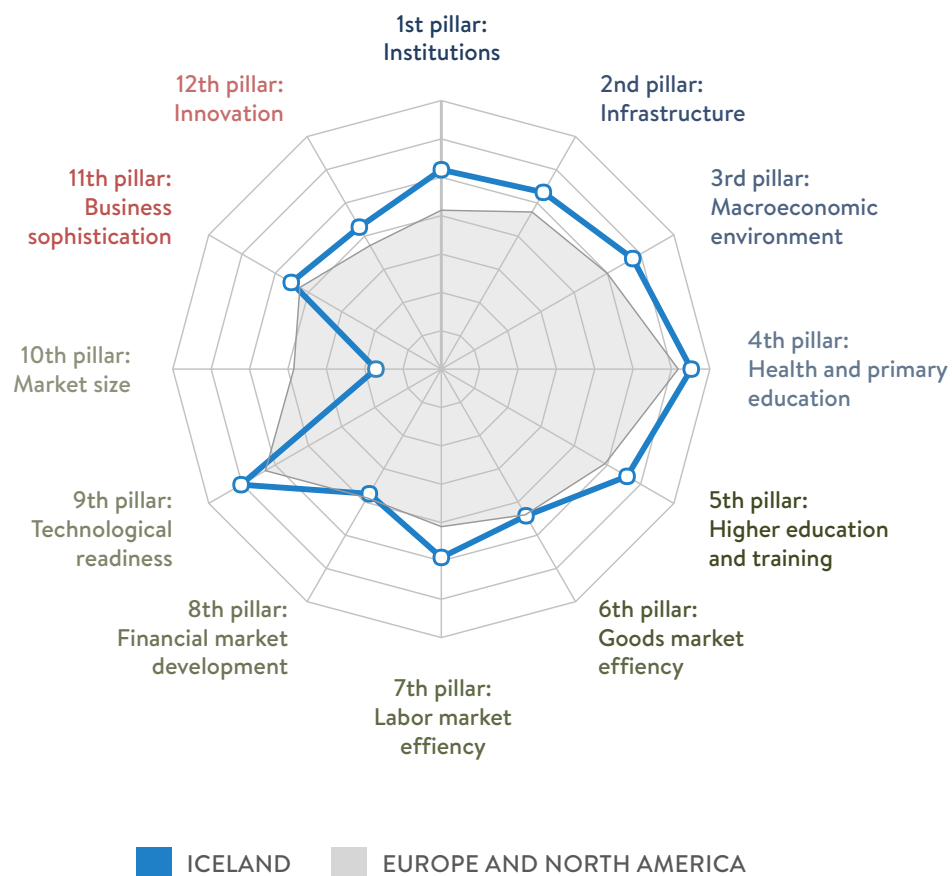
# Competitiveness





## Iceland's competitiveness

Iceland is positioned number 28 out of 137 economies on the World Economic Forums 2017-2018 Global Competitive Index. It scores high in pillars such as Institutions, Infrastructure, Health and Primary education, Higher education, Labor market efficiency, Technological readiness and Innovation. The only pillar where Iceland is ranked well below the Europe and North America average is Market size, which is to be expected considering Iceland's sparse population.



## Fljótshádalshérað's competitiveness

Fljótshádalshérað has excellent institutions and infrastructure. Healthcare and education are of a high standard. Service providers and contractors are used to working together with companies of all sizes on big and small projects.

In 2013 Fljótshádalshérað and the neighbouring municipality Fjarðabyggð were jointly evaluated as a potential service site for oil exploration in the Arctic Ocean, against six other regions in Iceland. Out of the seven regions Fljótshádalshérað and Fjarðabyggð scored the highest with 92 points out of 100. The regions scoring second and third highest points in the evaluation got 83 and 57 points respectively. The factors evaluated were harbors, airports, roads, industrial lots, society, services and natural hazards.



# Opportunities in Fljótsdalshérað





# Food production

**THERE ARE WIDESPREAD OPPORTUNITIES FOR FOOD PRODUCTION** in Fljótisdals-hérað. Large variety of food is produced in the municipality today, among other meat from sheep and cattle farming and hunting of reindeer, geese and ptarmigan.

Dairy farming is practiced widely and in Egilsstaðir there is a dairy plant that produces cheeses and herb butter.

Individual farms are also increasingly developing their own food products that are ready for sale. Good example of this is the farm in Vallanes where organic vegetables and a variety of grains and seeds are grown and fully processed to be sold in stores all around Iceland.

At Urriðavatn lake hot water is extracted for district heating in and around Egilsstaðir and Fellabær and for greenhouses. The warm water from Urriðavatn is unique in the sense that it is the only geothermal source in Iceland where the water is certified for consumption.

The greenhouses near Urriðavatn lake are among the most technologically advanced in Europe, which is why the company Nordic Wasabi picked the location for growing their Wasabi plants. Cultivation of the plant is difficult even in ideal conditions and it is only grown in a handful of locations outside of Southeast Asia.



Vallanes farm

Photo: Rhombic Sandvals



Sheep farming

Photo: Jón Steinar C. Mýrdal



Nordic Wasabi at Urriðavatn

Photo: Jón Steinar C. Mýrdal

## SUPPORTING INFRASTRUCTURE

- Greenhouses
- Strong distribution system for hot and cold water
- Well connected to the national power grid
- Broadband internet
- Good transportation by road, air and sea

## ENVIRONMENTAL FACTORS

- Large open areas
- Warm summers
- Fresh air and water

## RESOURCES

- Warm water fit for consumption
- Ample cold water
- Locally produced meat from sheep, cattle and game
- Dairy
- Fish from neighboring municipalities, wild and farmed
- Wild herbs, berries and mushrooms

## EXPERIENCE

- Farming
- Growing in greenhouses
- Serving large industries
- Hunting and angling
- Food processing
- Marketing
- Product development



# Service industries



Hús Handanna Icelandic Art & Design shop

Photo: María Hjalmarsson

EGILSSTAÐIR IS TODAY AUSTURLAND'S MAIN SERVICE HUB, with a customer base greatly exceeding the population of Fljótshálsa. It is centrally positioned in Austurland by the regions busiest crossroads. This means that most people traveling to and from Austurland come to Egilsstaðir during their trip.

In 2018 a new site plan was accepted for Egilsstaðir's center opening up many opportunities for development and new service industries. The plan allows for up to 20,000 m<sup>2</sup> of new constructions in the center, most of which are set around a new pedestrian street that runs through the center.

There is also room for service industries that need more space in several sites in Egilsstaðir, as well as in the rural regions of Fljótshálsa.

All zones that are planned for services are in close proximity to national highways, giving good access for vehicles of all sizes.

Today the Egilsstaðir town center holds a range of shops, restaurants, banks, insurance companies, engineering and architecture firms, contractors, garages and more.



Egilsstaðir town center

Photo: Þorvaldur Þorsson

## SUPPORTING INFRASTRUCTURE

- A central town plan that gives room for growth
- Centrally positioned by the ring-road
- Good transportation services, by road, sea and air
- High quality utilities
- Banks, insurance companies and office services
- Active service hub

## ENVIRONMENTAL FACTORS

- Large open areas
- Warm summers
- Fresh air and water

## RESOURCES

- Customer base from all of Austurland
- Lively and growing tourism
- Strong companies that increasingly need a variety of services

## EXPERIENCE

- Servicing small and large industries
- Banking and financial services
- Consulting
- Construction



# Tourism

AUSTURLAND IS A VIBRANT WHOLE YEAR DESTINATION and anyone – regardless of their motivations for travel – ought to find something to his or her liking whether it is outdoor adventures, festivals or fresh local food.

Egilsstaðir with its central position in the region is a perfect hub for those who want to experience Austurland. Egilsstaðir International Airport gives a unique opportunity of bringing travelers directly to the less crowded pearls of Iceland.

Austurland is also the gateway to Iceland for those who arrive by the ferry Norröna to Seyðisfjörður and many of the cruise ships that visit Iceland every year.

Austurland is home to Vatnajökull national park, picturesque fjords, the iconic lake Lagarfljót and it's world famous lake monster. Austurland is also rich in culture, with ambitious museums, a large variety of festivals and exciting culinary experiences. Austurland is a great venue for sports such as biking, horseback riding, kayaking, skiing, hiking, swimming and many more.

## SUPPORTING INFRASTRUCTURE

- International airport
- Iceland's only international ferry harbor
- Large number of hotels and guesthouses
- Number of car rentals
- National park center
- Variety of restaurants and shops

## ENVIRONMENTAL FACTORS

- Unique nature
- Warm summers
- Wilderness
- Forests
- Lakes
- Fjords
- Glaciers

## RESOURCES

- Growing tourism
- Local food production
- Renewable electricity

## EXPERIENCE

- Hotel and restaurant operation
- Festival planning
- Tour guiding
- Financial services
- Destination planning





# Industries

TODAY VARIOUS COMPANIES OPERATE IN EGILSSTAÐIR, that manufacture products ranging from interior fittings to concrete panels, gunstocks, tree plants, software and more.

Egilsstaðir provides an excellent environment for industries with highly competent services, good transport channels and world class utilities. There are many local resources that could be utilized for new industries. Examples are wood from the forests in Fljótsháðar, aluminium from the aluminium smelter in Reyðarfjörður, leather from agriculture, hunting and fishing, cold and hot water both fit for direct consumption.

There are large areas planned for industrial activities in Egilsstaðir and Fellabær and many opportunities around the municipality.

The workforce is highly skilled, both when it comes to production, construction and industrial services.

Fljótsháðar and Fjarðabyggð were chosen as the most suitable site in Iceland to service oil exploration in the Arctic sea because of the high standard of the airport, industrial harbors, service industry, low natural risks and high standard of living.



Forestry

Photo: Jón Steinar G. Mýrdal



Kárahnjúkar dam



Warm water reservoir

Photo: Jón Steinar G. Mýrdal

## SUPPORTING INFRASTRUCTURE

- International airport
- Iceland's only international ferry harbor
- Strong distribution system for hot and cold water
- Well connected to the national power grid
- Region has powerful internet connection to rest of Iceland and abroad
- Good transportation by road, air and sea

## ENVIRONMENTAL FACTORS

- Mild climate
- Large land areas
- Rich in cold and hot water

## RESOURCES

- Skilled workforce
- Timber and other wood products
- Aluminium
- Leather

## EXPERIENCE

- Manufacturing from timber and metals
- Software development
- Production of tree plants
- Construction
- Consulting
- Financial services







FAR FROM ORDINARY.



FLJÓTSDALSHÉRAÐ



AUSTURLAND

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