

EU-Iceland relations

SUMMARY

Iceland, a small island in the North Atlantic Ocean, is home to 393 000 inhabitants. Driven by tourism, fishing, and aluminium smelting, its economy is robust. The gross domestic product (GDP) per capita is the 5th highest globally.

After applying for European Union (EU) membership in 2009, Iceland suspended its well-advanced accession process in 2015. However, the country's relations with the EU have remained positive. It maintains close economic, political and sectoral ties, largely shaped by the European Economic Area (EEA) Agreement. This agreement, in force since 1994, brings all EU Member States, alongside Iceland, Norway and Liechtenstein, into the single market. It also enables free movement of people, services, goods and capital in the EEA. It covers competition and State aid regulations, horizontal policies such as consumer protection, energy, environment and social policy, as well as flanking policies including research, education, public health and entrepreneurship.

The EU and Iceland are aligned on key foreign policy issues and hold regular dialogues. Cooperating under North Atlantic Treaty Organization (NATO) auspices and beyond, they are equally close partners on security and defence. Moreover, Iceland participates in key aspects of EU cooperation concerning justice and home affairs, primarily through the Schengen Agreement.

Currently, the debate on joining the EU has revived in Iceland. Following the latest Icelandic parliamentary elections in November 2024, the new coalition government agreed to hold a national referendum on whether to open EU accession talks by 2027. The European Parliament is closely involved in nurturing EU-Iceland relations. It sends a delegation to the EEA Joint Parliamentary Committee and holds an annual bilateral interparliamentary meeting with Iceland.



IN THIS BRIEFING

- Iceland: Economic, political and social overview
- EU-Iceland cooperation under the European Economic Area Agreement and beyond
- EU-Iceland relations: Challenges and opportunities
- European Parliament's position and involvement

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Iceland: Economic, political and social overview

The Republic of Iceland is a small island located near the Arctic circle in the North Atlantic Ocean which gained its independence from Denmark in 1944. It is home to a prosperous society of [393 000 inhabitants](#) and thrives off tourism, fishing, and aluminium smelting. Iceland has become [one](#) of the wealthiest and most egalitarian economies, thanks to sound fiscal and regulatory frameworks, a skilled workforce, and a culture of innovation. In 2025, its GDP per capita, in current prices, amounted to US\$98 150 (around €84 000), the [5th highest globally](#).¹ Iceland has the highest score globally (0.972 in 2023) in the [latest UNDP Human Development Index \(HDI\)](#). The HDI is based on life expectancy, education, and per capita income indicators.

The country is a parliamentary republic. Its tripartite government is led by Prime Minister Kristrún Frostadóttir (the leader of the Social Democratic Alliance), who resumed office in December 2024. This pro-European coalition, formed after the early general election in November 2024, includes the centre-left [Social Democratic Alliance](#), the centre/centre-right [Liberal Reform Party](#), and the centre/centre-left [People's Party](#). One of the government's policy priorities is to strengthen transport infrastructure and social welfare through tax rises, including through raised fishing fees. The coalition wants to simplify public administration, diversify the economy to prevent over-reliance on tourism, and allocate 1.5 % of GDP to defence by 2034.

Since 1970, Iceland has been a member of the European Free Trade Association (EFTA) and became part of the European Economic Area (see below) in 1994. Although Iceland does not have a standing army, it is a founding member of NATO. The country is also a member of the Council of Europe, the Organization for Security and Co-operation in Europe (OSCE), the Organisation for Economic Co-operation and Development (OECD) and the Asian Infrastructure Investment Bank, among others.

EU-Iceland cooperation under European Economic Area Agreement and beyond

Iceland and the EU have maintained close economic, political and sectoral ties, primarily through the [European Economic Area \(EEA\) Agreement](#) and other bilateral agreements. The EEA Agreement, signed in 1992 and in force since 1994, brings together the 27 EU Member States and the three [EEA EFTA states](#) – Iceland, [Norway](#) and Liechtenstein – in the single market. The agreement covers the four freedoms, notably, the free movement of [goods](#), [services](#), [people](#) and [capital](#), as well as outlining competition and State aid laws. The agreement also encompasses the [horizontal policies](#) – consumer protection, company law, energy, environment, social policy and statistics. In addition, it provides for cooperation in several flanking policies such as research and technological development, education, training and youth, employment, tourism, culture, public health, civil protection, enterprise, entrepreneurship, and small and medium-sized enterprises. As part of this single market, Iceland contributes financially towards social and economic cohesion in the EU. Its financial contribution is channelled through the [EEA Financial Mechanism](#), also known as the [EEA Grants](#).²

Although the EEA Agreement contains provisions on agriculture and fish trade, it does not incorporate the EU's common agricultural and fisheries policies. Iceland also does not participate in the EU customs union, common trade policy, common foreign and security policy, direct and indirect taxation, or the economic and monetary union. Although Iceland is a part of the Schengen area and

there is close cooperation on justice and home affairs, the EEA Agreement itself does not outline any rules on justice and home affairs.

Iceland participates in several EU programmes, notably Horizon Europe, Digital Europe, the LIFE programme, Erasmus+, the European Solidarity Corps, the EU programme for Employment and Social Innovation, the Single Market programme, the Union Civil Protection Mechanism, the European Space programme, Creative Europe, EU4Health, and InvestEU. Iceland also participates in two EU regional programmes – [Interreg ESPON](#) and [Interreg Northern Periphery and Arctic](#).

Common rules in the European Economic Area

The EEA Agreement requires Iceland to adopt relevant EU legislation. Although Iceland does not formally participate in the EU's decision-making, it can still [influence](#) legislation until it is adopted. Iceland participates in the Commission's committees, working groups and expert groups, and submits comments on relevant upcoming legislation.

The EU acts with EEA relevance are incorporated into the EEA Agreement through the decisions of the [EEA Joint Committee](#), an EEA body composed of the ambassadors of the EEA EFTA states and representatives of the European Commission. Subsequently, an EU act becomes EEA law once the national procedures are completed, and the EEA Joint Committee decision is in force. [Council Conclusions](#) adopted in June 2024 commend Iceland for its efforts to increase emphasis on the good functioning of the EEA and reduce the area's transport deficits in recent years.

Economic relations

Through the EEA Agreement, which provides for a **high degree of economic integration, common competition rules, rules for State aid and government procurement**, Iceland participates in the EU's single market on an equal footing with EU Member States. As part of the EEA, **Iceland fully applies the whole *EU acquis communautaire* relevant to the free movement of goods, people, services and capital**, along with that pertinent to flanking policies. The common legislation facilitates cross-border trade in goods and services. It also ensures common European labour and capital markets.

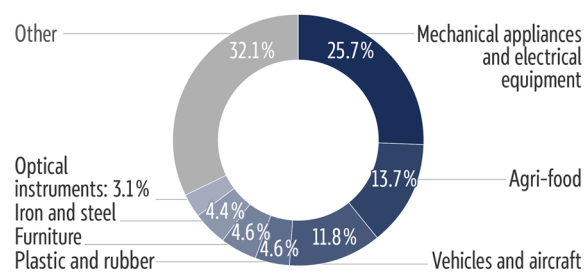
Iceland remains outside the EU customs union; therefore, it retains the ability to conclude its own [trade deals](#) with non-EU countries. As an EFTA member, it can conclude bilateral free trade [agreements within the EFTA framework](#), i.e. between Iceland, Norway, Switzerland and Liechtenstein on one side and the respective third country on the other. Overall, EFTA has signed 33 free trade agreements with 44 countries and territories outside the EU.

Trade and investment

The EU and Iceland have developed strong [trade links](#) (see Figures 1-4). In 2024, **Iceland was the EU's 53rd largest trade partner in goods**, accounting for 0.2 % of the extra-EU trade that year. In 2024, the EU goods imports from Iceland amounted to over €4.1 billion. **Aluminium contributed to over half of those imports**, making [Iceland](#) the **EU's fourth biggest supplier of aluminium and related articles**. The same year, EU exports to Iceland reached almost €4.5 billion. Almost 40 % of this was machinery and transport equipment. Overall, in 2024, EU-Iceland trade was balanced, with the EU having a trade surplus of €0.38 billion. On the other hand, the **EU is Iceland's biggest trading partner**, representing over 52 % of Iceland's total trade in goods in 2024. The EU received 62.5 % of the country's total exports and accounted for over 45 % of Iceland's total imports.

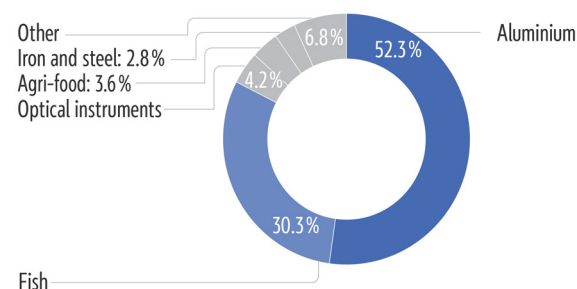
In 2023, the EU exported [services](#) to Iceland worth over €2.01 billion. The imported services from Iceland amounted to €2.084 billion the same year, resulting in a slightly **negative EU trade balance in services of -€73.6 million**. Regarding foreign direct investment (FDI), in 2023, the EU inward stocks amounted to €5.1 billion and outward stocks were slightly higher, at €5.4 billion. That year, **EU FDI stocks in Iceland were €0.3 billion higher** than Iceland's FDI stocks in the EU.

Figure 1 – Share (%) of EU exports to Iceland by product category in 2024



Source: EPRS graph, based on Eurostat Comext data.

Figure 2 – Share (%) of EU imports from Iceland by product category in 2024



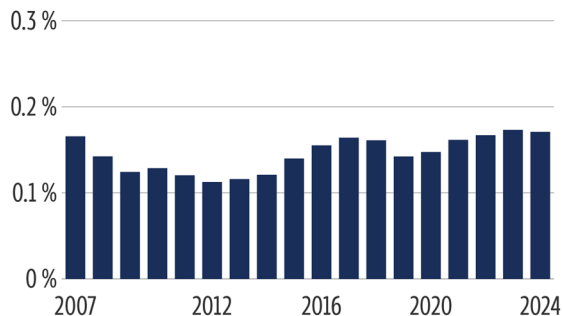
Source: EPRS, based on Eurostat Comext data.

Figure 3 – EU-Iceland trade in goods and services (2007-2024)



Source: EPRS, based on Eurostat Comext data.

Figure 4 – Iceland's share in total EU trade in goods (2007-2024)



Source: EPRS, based on Eurostat Comext data.

Cooperation on fisheries and ocean affairs

Since the conclusion of the [1993 Agreement on fisheries and the marine environment](#) between the European Economic Community (EEC) and Iceland, the partners have fostered close, **long-standing relations regarding fisheries and ocean affairs**. In July 2025, the EU and Iceland [signed](#) the [memorandum of understanding](#) (MoU) on enhancing cooperation on fisheries and ocean affairs. The non-binding MoU underlines the partners' intention to work together on (i) sustainable fisheries; (ii) research and scientific cooperation; (iii) close cooperation in international fora on issues of mutual interest regarding fisheries and ocean affairs; (iv) a sustainable blue economy; (v) Arctic matters, including through the Arctic Council and its working groups; (vi) marine biodiversity; (vii) maritime monitoring, control and surveillance; (viii) promotion of sustainable aquaculture development; (ix) energy transition within the fisheries and aquaculture sector; and (x) stakeholder engagement to support economic, sustainable and responsible long-term marine and fisheries policies that promote

profitable, sustainable fishing industries. The MoU provides for high-level dialogue through meetings where the EU's and Iceland's representatives assess the overall progress of their cooperation and discuss matters covered under the MoU. These meetings should take place at least once a year.

Although EU-Iceland cooperation on fisheries and ocean affairs is mostly positive, there are several challenges; for example, the EU is firmly opposed to commercial whaling, while Iceland remains one of only three countries globally to still allow **whale hunting**.³ In late 2024, new permits approved the hunting of up to 209 fin whales and 217 minke whales each year in Icelandic waters until 2029. This decision was widely criticised, particularly by youth and environmental groups both in Iceland and beyond, including in the EU. The **EU fishing quota** used to be another point of contention in relations. However, experts expect the MoU to create positive momentum for further cooperation.

Fisheries relations: Trade aspects

The general provisions on tariff liberalisation for fisheries and aquaculture products are set out in [Protocol 9](#) of the EEA Agreement. A bilateral fish trade protocol contains further tariff preferences. Between 2025 and 2028, this [additional protocol](#) to the [agreement between the EEC and Iceland](#) enables annual duty-free tariff quotas for certain fish and fishery product imports into the EU. In return, Iceland contributes financially to the EU through the EEA Financial Mechanism.

Cooperation on energy and climate

The EU-Iceland cooperation on climate and energy takes place primarily in the framework of the EEA Agreement. Through this agreement, the **EU has extended large parts of its climate acquis to Iceland**. Iceland participates in the emissions trading system ([EU ETS](#)), which includes emissions from the large industry and aviation sectors in Iceland. Iceland is also involved in the [Effort Sharing Regulation](#), which sets binding targets for non-ETS emissions from individual countries. In addition, Iceland applies the Regulation on land use, land use change, and forestry ([LULUCF](#)).

The EU and Iceland also cooperate on climate and environment issues through their **participation in research projects**. For instance, under Horizon 2020, Icelandic partners participated in a [project](#) to demonstrate and validate new concepts of geothermal energy within the energy system. The aim was to bring innovative geothermal energy solutions closer to commercial deployment. Moreover, under Horizon Europe, the EU and Iceland currently take part in a [project](#) to develop innovative energy storage that will contribute to a future climate-neutral Europe.

Political cooperation

The EU and Iceland maintain close political relations. Their political cooperation and political dialogue primarily take place within the framework of the EEA Agreement. The [EEA Council](#) meets twice a year at ministerial level to provide impetus for the EEA Agreement,⁴ alongside the Joint Committee, Joint Parliamentary Committee, and Consultative Committee. Iceland and the EU also deepen their political relations bilaterally.

Foreign policy dialogues and cooperation

The EU and Iceland are often in agreement on the main foreign policy issues. Iceland often aligns itself with the EU's common foreign and security policy (CFSP) declarations and restrictive

measures. In harmony with the [declaration](#) on political dialogue attached to the [final act](#) of the EEA Agreement, the EU and Iceland hold **foreign policy dialogues** organised by the EEAS. These are:

- Regular, informal EEA political dialogues at ministerial level, in the form of a working lunch in the margins of the EEA Council. The political dialogues are co-chaired by the Vice President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy (HR/VP). However, in most cases, the HR/VP delegates this to the Council of the EU's rotating presidency.
- Regular, informal EEA political dialogues at senior officials' and working level organised by the EEAS jointly with the respective mission of one of the EEA EFTA states in Brussels on thematic or geographic topics of common interest regarding foreign and security policy. These political dialogues cover: (i) the Western Balkans; (ii) Eastern Europe and Central Asia; (iii) international organisations in Europe (Council of Europe and OSCE); (iv) Africa; (v) Middle East and North Africa.

In [May 2025](#), Iceland, Norway, Liechtenstein and the EU signed a [joint statement](#) on **strengthening the EEA's foreign and security policy cooperation**. The partners committed to continued political dialogue at ministerial, senior officials' and working levels. They also agreed to strengthen coordination between EU Special Representatives and Special Envoys alongside their EFTA EEA counterparts. The statement also reinforces a combined effort towards peace, security and defence, and advancing human rights, gender balance and equality. The signatories agreed to bolster collaboration with third countries and fora, and to envisage possible complementary cooperation frameworks for foreign policy, security and defence.

In addition, the EU and Iceland hold **bilateral consultations on security and defence** (see below) **and on China**. There are annual consultations between the Secretary-General of the EEAS, and the Permanent Secretary of the Ministry of Foreign Affairs for Iceland. As a member of the **Arctic Council**, the leading [intergovernmental forum](#) promoting cooperation in this region, Iceland provides continued support for the EU to be granted observer status in the Council and for EU participation in relevant fora. The EU and Iceland also work together in the Barents Euro-Arctic Council, the [body](#) for intergovernmental cooperation in the Barents region.

Cooperation on security and defence

Iceland and the EU cooperate on security and defence, primarily under NATO but also beyond this organisation. In 2007, the EU and Iceland signed an agreement on security procedures for the classified information exchanges. Moreover, they cooperate through the EU's Agency for the Space Programme (EUSPA), which is closely related to security and defence. Currently, Iceland participates in EUSPA's European Geostationary Navigation Overlay Service ([EGNOS](#)), the [Galileo components](#), and the space weather events and near-Earth objects elements of the [Space Situational Awareness component](#) of the Union Space Programme. In addition, there is ongoing work to facilitate **Iceland's participation in the EU's Governmental Satellite Communication initiative (GOVSATCOM) and in the Union Secure Connectivity programme**. The latter [sets](#) goals for how it will deploy an EU satellite constellation named [IRIS²](#) (infrastructure for resilience, interconnectivity and security by satellite). Iceland's inclusion in these will allow the partners to access each other's government services. All of this is set to strengthen cooperation on cyber resilience, surveillance and secure communications, and enable them to better protect critical infrastructures and improve

crisis management. This is [expected](#) to enhance EU strategic posture which is an objective of the [European Union Space Strategy for Security and Defence](#).

Since 2023, the EU and Iceland have held a **regular dialogue on security and defence**. In July 2025, during her visit to Iceland, Commission President Ursula von der Leyen announced the [launch](#) of talks **on the EU-Iceland security and defence partnership agreement**. Iceland and the EU were expected to sign it in late November 2025. However, the signature was delayed due to a [trade dispute](#), as there are no exemptions for EEA countries in the EU's recent [country-specific limits on ferroalloy imports](#) (which are used in steel and oil production).

Once signed, this agreement would **complement, rather than replace, Iceland's existing alliances**. It would be independent of Iceland's NATO membership and its bilateral defence pact with the US (see the box above).

The new partnership is expected to allow partners to cooperate more closely on issues such as **hybrid threats, cybersecurity and cyber defence, infrastructure resilience, civil protection and crisis response, as well as Arctic and maritime security**. Some [experts](#) believe that this partnership could also potentially pave the way for Iceland's involvement in EU civilian missions or peacekeeping operations. Analysts note that under this partnership, Iceland could provide value through its [strategic location](#) and specialised experience. Overall, [experts](#) underline that this partnership would strengthen European security and defence policy by expanding the EU's cooperative security zone to encompass the whole of Northern Europe. The partnership would fill a gap in the [existing network of defence and security partnerships](#) in this region and beyond.

Cooperation related to Russia's war on Ukraine

Iceland fully [supports](#) and implements the EU sanctions regime following Russia's military aggression against Ukraine.⁵ Since Russia's full-scale invasion of Ukraine in early 2022, Iceland has also adopted a similar policy to the EU regarding Ukrainian refugees. In addition, similarly to – and often in coordination with – the EU, Iceland has provided **political, financial, humanitarian and diplomatic support to Ukraine**. According to the KIEL Institute's [Ukraine support tracker](#), Iceland's total allocations to Ukraine between February 2022 and August 2025 amount to €70 million (€10 million in financial allocations; €10 million in humanitarian allocations and €40 million in military allocations). Together with the EU Member States and other participants in the [EU Civil Protection Mechanism](#), Iceland has provided material assistance to Ukraine, ranging from medical supplies and shelter items, to vehicles and energy equipment.

Iceland's defence policy

Since its declaration of independence in 1944, Iceland has refrained from setting up an army. The country's security and defence are based on NATO membership, where Iceland was a founding member since 1949, and a bilateral defence agreement with the United States concluded in 1951.

Besides participation in NATO and its bilateral agreement with the US, which together constitute the key pillars of the country's [security and defence](#), Iceland also cooperates with neighbouring states via security and defence dialogues, as well as through situational awareness and search and rescue cooperation. Since 2007, Iceland has concluded cooperation agreements with Canada, Denmark, Norway and the United Kingdom, among others. In 2009, Iceland joined the other four Nordic countries – Denmark, Finland, Norway and Sweden – in [establishing](#) the Nordic Defence Cooperation ([NORDEF](#)) aimed at improving security policy dialogue and military collaboration in the region.

In May 2024, the Prime Minister of Iceland and the President of Ukraine signed a bilateral [agreement](#) on security cooperation and long-term support. [Experts](#) argue that Iceland's financial support, while comparatively smaller due to the country's size, is distinctive logistically and through its focus on gender in defence and reconstruction efforts. For instance, Iceland provided financing specifically for the needs of female soldiers in Ukraine (e.g. uniforms, bulletproof vests, medical supplies, hygiene supplies).

Cooperation on justice and home affairs

Although the EEA Agreement does not cover justice and home affairs, Iceland participates in key aspects of EU cooperation in this field, primarily through the Schengen Agreement. As a **Schengen associated country since 2001**,⁶ Iceland fully applies the common Schengen rules. These include legislation on police cooperation, information exchange, legal cooperation on criminal cases, visas, and checks on people at external borders. It participates in **Frontex**, the European Border and Coast Guard Agency, which coordinates the management of common external borders.

Iceland-EU cooperation in these affairs extends beyond the Schengen Agreement. Even though Iceland is not formally associated with the EU's migration and asylum policy, it maintains a dialogue with the EU on

migration, asylum and refugee issues. It takes part in the Dublin cooperation, which [establishes](#) mechanisms for determining which state is responsible for examining an asylum application. Since 2023, it also fully [participates](#) in the work of the **EU Agency for Asylum**, which was set up to improve the implementation of the Common European Asylum System.

In addition, for over two decades, the EU and Iceland have been deepening **police, law enforcement, and judicial cooperation**. Since 2001, under the [operational agreement](#), Iceland has cooperated with **Europol**, the EU Agency for Law Enforcement Cooperation. Iceland also signed the Prüm [agreement](#) on enhanced police cooperation, in order to combat terrorism and international crime. Iceland and the EU exchange information between law enforcement and prosecution services under the [agreement](#) on **mutual legal assistance in criminal matters**. Since [2019](#), the country also [cooperates](#) under the [agreement](#) on the surrender procedure, based on the principles of the European Arrest Warrant. Moreover, under the [2005 cooperation agreement](#), it also works with **Eurojust**, a network set up to encourage and coordinate the investigation and prosecution of serious cross-border crime. Finally, Iceland is an [associated country](#) with the EU Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (**eu-LISA**).

Iceland's involvement in decision-making on the Schengen acquis

When developing new legislation pertaining to the Schengen *acquis*, the Commission is required to consult Icelandic experts on an equal footing with experts from EU Member States. At the Council of the EU, Iceland contributes to the development of the Schengen *acquis*, with the right to speak but not to vote. To deal with the topics pertinent to the Schengen *acquis*, designated 'mixed committee' meetings of the EU's [Justice and Home Affairs Council](#) allow for Iceland (as well as Norway, Liechtenstein and Switzerland) to participate together with the EU Member States. Moreover, if the EU draft measures do not pertain to the Schengen *acquis* directly but could nevertheless affect the cooperation with Iceland, the mixed committee must be informed of such measures.

Cooperation on science, culture and beyond

The EEA Agreement provides for the cooperation in research and development, education and culture. An amendment to [Protocol 31](#) of the EEA Agreement allows for Iceland's [association](#) with the EU's research and innovation programmes, including Horizon 2020 and **Horizon Europe**. Joint EU-Iceland research and innovation efforts, among others, focus on addressing environmental problems in the Arctic, developing hydrogen and carbon capture technologies, and boosting data-driven innovation. In addition, Iceland is also associated to **EU4Health**, the [programme](#) to improve health in the EU.

From 1992, Iceland participated in various EU education, youth and sport programmes that preceded Erasmus+. Currently, Iceland participates in **Erasmus+**, allowing its learners, staff and young people to benefit from the programme's activities in education, training, youth and sport. In 2023, Iceland engaged in 97 mobility projects and 30 cooperation projects. That year, 6 892 Erasmus+ participants travelled to Iceland and 2 907 from Iceland travelled abroad. Iceland and the EU also cooperate on cultural and cultural public diplomacy activities. Iceland takes part in **Creative Europe**, the EU's [programme](#) supporting cultural and creative sectors.

EU-Iceland relations: Challenges and opportunities

The EEA Agreement, which is the key pillar of the partners' cooperation, is widely supported in Iceland, including by all political parties in Iceland's Parliament. However, when it comes to potential EU membership, historically Icelandic society and the country's political elites have been much more divided.

Iceland's European integration: A historical snapshot

Iceland has been evaluating and recalibrating its European integration approach for decades. From the **early 1960s**, the country's government raised the question of [possibly applying](#) for membership of the European Economic Community (EEC). However, when the President of France at the time, Charles de Gaulle, vetoed the parallel United Kingdom (UK) bid to join the EEC, internal discussions on Iceland's potential membership halted.

Over the following few years, the country did not look at another avenue for economic or trade cooperation. Then, in an attempt to accelerate the diversification of its economy, **Iceland joined EFTA in 1970 and concluded a Free Trade Agreement with the EEC in 1972**. In 1993, Iceland's Parliament ratified the country's participation in the EEA Agreement, which entered into force in 1994. Whereas the EEA Agreement was generally positively received in Iceland, support for the country's EU accession did not gather equally positive attention until the late 2000s. It was only in the aftermath of the 2008 financial crisis, which hit the country severely, that **Iceland applied for EU membership, in July 2009**. The aim of stabilising the country's economy and securing monetary stability through the adoption of the euro was among the rationales for this application. Despite being eager to join the EU and expecting a swift conclusion of accession negotiations, Iceland held several [reservations](#) concerning its interests in areas such as fisheries, agriculture, public services, and a number of regional, environmental and natural resource policies.

The EU-Iceland accession [negotiations](#) began in July 2010, and continued until December 2012. **This process reached an advanced stage: out of the 35 negotiation chapters, 27 were opened, and 11 of these were provisionally closed**. Iceland's concerns, especially regarding agriculture and

fisheries, were reflected in these talks. In fact, the chapter on agriculture was never opened, and the one on fisheries reached a halt before the screening report could be concluded and negotiations initiated. The [Icesave dispute](#) with the Netherlands and the UK also dimmed the prospects for a smooth and rapid [accession process](#). The disagreement, which was over reimbursements to these countries following the collapse of Iceland's Icesave bank, was eventually resolved in favour of Iceland by the EFTA Court in late January 2013.

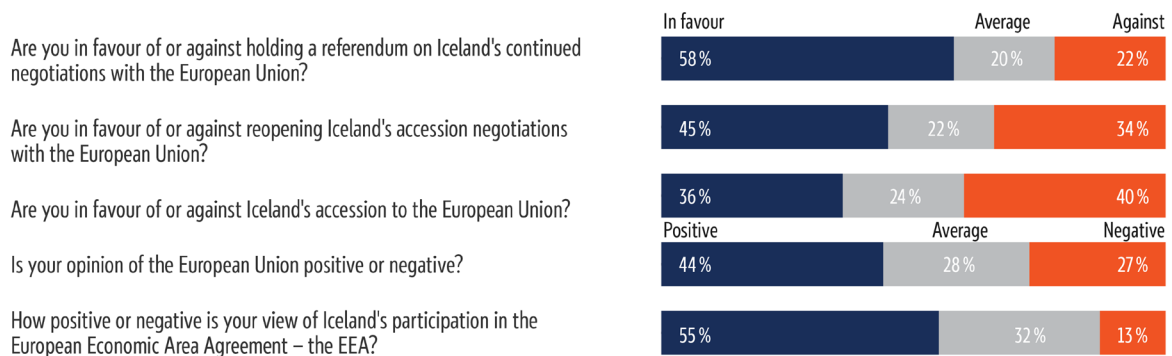
Following parliamentary elections in April 2013, the new Icelandic government decided to **put accession negotiations on hold; not to be resumed unless approved by a referendum**. In response, in its [Conclusions of 17 December 2013](#), the Council of the EU indicated that the EU was ready to resume the negotiation process, should Iceland ever decide it would like to do so. However, in March 2015, in a [letter to the presidency of the Council](#) and to the Commission, the Foreign Affairs Minister of Iceland confirmed that the country had no intention of resuming accession talks and stated that **Iceland should not be regarded as a candidate country for EU membership**. That said, Iceland emphasised the importance of continued close relations with the EU based on the EEA Agreement. A similar position was upheld by Iceland's next coalition government that was elected in September 2021. It reiterated that Iceland was not seeking EU membership. Instead, it underlined its focus on implementing and developing the EEA Agreement in a manner that would support **Iceland's interests and sovereignty**. Therefore, the topic of EU integration was sidelined until late 2024.

Iceland's European integration: Renewed interest

Following over a decade of Icelandic politics without EU integration as a key topic, it seems that the situation is changing again. The latest parliamentary elections in November 2024 (which did not put the spotlight on EU membership) were successful for two parties in favour of EU accession, namely the centre-left Social Democratic Alliance and the centre-right Liberal Reform Party. The new coalition government, consisting of these two pro-accession parties and the People's Party, which opposes EU membership, agreed that a **national referendum on whether to re-open EU accession talks will be held no later than 2027**. The formulation of this question is important, as the referendum is set to be not on whether the country should join the EU, but merely on the reopening of the EU accession process. If the referendum results are positive, Iceland may (but is not obliged to) resume its EU accession negotiations, given that **Iceland's application has never been officially withdrawn; just suspended**.

According to recent [opinion polls](#), a **majority of Icelandic citizens support holding the referendum on launching EU accession talks**. However, other opinion polls that are worded differently are less promising. Notably, fewer people support launching accession talks and even fewer state that they would be in favour of Iceland's actual accession to the EU (see Figure 5 below). Some polls, such as the [one](#) organised by Gallup in April 2025, found that 43 % of respondents were for EU membership while 39 % opposed it. Others (e.g. the [Maskína poll](#) conducted in the same month) saw more people against EU membership than in favour. As before, fishing and agricultural interest groups, which worry about the impact of Iceland's possible accession to the EU, are the staunchest opponents to Iceland's EU accession. **Concerns regarding sovereignty also remain**. At the same time, others view EU membership positively due to the perceived benefits of, for example, adopting the euro and Iceland's substantially stronger involvement in EU decision-making.

Figure 5 – Icelanders' perception of European integration



Note: This survey was conducted by Maskína for the Ministry for Foreign Affairs in Iceland. An internet survey was sent via email to a nationally representative panel group consisting of Icelanders aged 18 years and older randomly selected from the Icelandic national registry. Total number of respondents was 981 and results were weighted by gender, age, residence and education in accordance with official demographic statistics in order to reflect the population of Iceland as accurately as possible.

Source: EPRS, based on the Maskína poll conducted in April 2025.

European Parliament's position and involvement

The European Parliament is closely involved in developing EU-Iceland relations. It contributes to the democratic oversight of the EEA Agreement's implementation and fosters bilateral interparliamentary relations with Iceland. Specifically, the **European Parliament sends a delegation to the EEA Joint Parliamentary Committee** ([EEA JPC](#)).

It monitors and scrutinises decisions adopted there and contributes to improving understanding between the EU and the three EEA EFTA countries. The Parliament's delegation for relations with Switzerland, Norway, Iceland, the EEA and the North (DEEA) also holds an **annual bilateral interparliamentary meeting with Iceland**. Moreover, both the European Parliament and the Icelandic Parliament send their delegations to the conference of Parliamentarians of the Arctic Region, the Northern Dimension Parliamentary Forum and to the EU-Nordic Council interparliamentary meetings. These platforms facilitate regional cooperation and dialogue on economic, cross-border and foreign policy matters.

The Parliament is also involved in files pertinent to cooperation with Iceland. For instance, in April 2025, Parliament gave its consent to the [agreement](#) on the EEA Financial Mechanism. Currently, it is examining, with a view to giving its consent to, the EU-Iceland [agreement](#) on the transfer of passenger name record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crimes.

In parallel, the Parliament expresses its views and concerns, including through debates, exchanges of views and resolutions. In January 2025, the Parliament invited the Commission to deliver a statement to the plenary and held a [debate](#) on intensifying international action to protect whales, following Iceland's decision to extend commercial whaling until 2029. During this debate, Members of the Parliament expressed their concern over the decision's impact on marine ecosystems and the conservation of biodiversity. Members also noted that whale watching is a form of ecotourism that can protect tradition, ecosystems and the economy.

On 26 November 2025, the Parliament adopted its [recommendation](#) for the Council, the Commission and for the HR/VP on the EU's diplomatic strategy and geopolitical cooperation in the

Arctic. The recommendation, prepared by the Parliament's Committee on Foreign Affairs (AFET), calls on the EU to '**engage proactively with the Icelandic Government to promote the benefits of potential EU membership and enhance preparedness for a renewed accession process** should Iceland formally reactivate its application'. The recommendation also calls for immediately boosting cooperation on common interests and offering **EU assistance to Iceland in the fight against hybrid threats and foreign interference**.

ENDNOTES

- ¹ However, Iceland occupies the 17th highest position in the IMF ranking based on GDP per capita, in current prices, adjusted for purchasing power parity (international dollars per capita).
- ² The [EEA Grants](#) are funded jointly by Iceland, Liechtenstein and Norway according to agreed indicators, including their size and GDP, and they are allocated to 15 EU Member States. The estimated maximum amount of Iceland's contribution for 2021-2028 is approximately €97 million.
- ³ The other two countries are Norway and Japan.
- ⁴ The EEA EFTA States are represented in the EEA Council by their ministers of foreign or European affairs. The EU is represented by the presidency of the Council of the EU and representatives of the EEAS and the Commission.
- ⁵ EU sanctions are adopted into Icelandic law with regulations implemented on the basis of Act no. 68/2023 on the Implementation of International Sanctions and Asset Freeze, following a domestic review.
- ⁶ Iceland signed the Schengen Agreement in 1996 and has implemented it since 2001.

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