

Iceland's krona too small for volatile world

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- [Iceland to adopt the Canadian dollar?](#)

Bloomberg said that Iceland is hinting its currency may be too small to survive in the volatile world left behind by the global financial crisis.

“We’ve said that Iceland can live with the krona, but then we have to do this and that,” central bank Governor Mar Gudmundsson told the newswire. “And it may well be the case that we don’t like all the things we have to do. Then we have to consider other options. Another option is to join a large currency union.”

His comments came less than five months after Finance Minister Katrin Juliusdottir said the krona probably will never be restored to a free floating regime.

Last year media sources said that Iceland, hard hit by the financial crisis, may drop its Icelandic Krona and instead adopt the Canadian dollar. A group of prominent Icelandic business leaders approached Canadian ambassador to Iceland Alan Bones last year about the idea.