



The first Competitiveness BEAC ministerial, in Umeå 18-19 May 2010 Time to unlock the potential of the Barents Region

Working session 19 May 9.00 – 12.45

The Barents Region plays a vital role for the economic development of our countries. Still, the region – with its forests, energy, minerals as well as beautiful landscapes – has a potential to play an even greater role. It is time to unlock the potential of the Barents Region.

The Swedish chairmanship of the Barents Euro-Arctic Council 2009-2011 highlights the importance of developing the economic potential of the region in a sustainable way – by promoting an “Eco-efficient Economy” in the North. The goal is to create a common understanding on how the transition to an Eco-efficient Economy can strengthen the competitiveness, increase our prosperity and create new jobs. Small- and medium-sized enterprises play an important role in creating the innovative solutions that are needed and thereby generate growth and jobs. By working together, local, regional and national actors can increase the region’s attractiveness and facilitate for people to live, work and educate themselves in the region.

The aim of the First Barents Meeting for Competitiveness Ministers is to discuss and agree on a common basis for cooperation as well as concrete steps for unlocking the potential of the region.

Ms Maud Olofsson, Deputy Prime Minister and Minister for Enterprise and Energy, will open the first part of the working session (in the morning of 19 May) and thereafter participating ministers are invited to make short (max 5 minutes) introductory remarks on how the Barents region can strengthen its competitiveness and contribute to a more Eco-efficient Economy in a global context.

After this short introduction two themes will be more deeply discussed, firstly the region’s potential in natural resources and raw materials and secondly the promising development of renewable energy and energy efficiency in the region. The aim of the discussions is to call upon national and regional actors to identify and implement actions in these areas. Ministers and members of the Barents Regional Council are invited to actively participate and share experiences in the discussions.

Two background reports will be distributed in advance of the meeting. The first report highlights the supply of raw materials, transportation needs and economic potential in the region. Ms Chris Heister, Governor of Västerbotten County, Sweden, will reflect on the report in order to initiate the discussions on this theme. The same report will also be used as input at the upcoming Meeting of Baltic Sea transport ministers, 16-17 June in Haparanda.

The second report focuses on the potential of renewable energy and energy efficiency in the region. Ms Marie Arwidsson, Managing Director at the Swedish Forest Industries Federation, is invited to reflect on the report in order to initiate the discussions on this theme.

Some additional background for the two themes of the meeting is found below to give further guidance to the discussions.

Theme 1 – Raw material resources in the Barents Region

Supply of raw materials is becoming an increasingly important strategic growth factor worldwide. The developments in the global manufacturing industry means that the competition for raw materials is intensifying. The Barents Region is an important producer of natural resources and an important supplier of raw materials and know-how above all in the field of forestry products, minerals and metals. Ores and minerals and the vast boreal forests of the region are vital resources for the future development of the region.

Access to raw materials could be more limited in the future and therefore more information on the geology and minerals deposits are essential. Increased recycling and reuse of resources will be necessary in order to extend the lifetime of raw materials. Sustainable forest management can contribute to a secure raw material supply to existing forest industries and to emerging sectors of improved processing, bioenergy and biotechnology. Research, refinement and developments both in the exploitation of natural resources and in process technology are therefore becoming crucial to the competitiveness of the region. Support to research and continued technological development in our region gives us new opportunities to map and use resources in an effective and sustainable way.

A favorable climate for innovation and entrepreneurship is also crucial. Production in the forestry and the mineral industries generates jobs and production also in other areas of trade and industry. To fulfill the potential of the region a long term approach is of central importance. Examples of other key aspects could be:

- Cooperation in strategic areas such as; high-level education, research and innovation; human resources and skills development.
- Cooperation between various land use interests incl. environmental consideration and nature conservation.
- Development of geological information within the fields of metals and minerals:

Question for discussion: Considering the three above mentioned points what needs to be done if we are to strengthen today's raw material industry and make more efficient and sustainable use of the resources of the Barents region?

Theme 2 - Renewable energy and energy efficiency

The Barents region, with its specific climatic, industrial and demographic conditions, offers specific energy related opportunities, as well as challenges. Throughout the region an efficient use of energy is the first and essential component to industrial competitiveness and citizens' living standard. There is a considerable potential for increased energy efficiency with opportunities for strengthened competitiveness throughout the Barents Region.

Furthermore, the Barents Region also holds a considerable potential for the development of decentralised renewable energy, notably bioenergy, wind and energy recovery from industrial processes, waste and by-products. Creating policy and market conditions which stimulate investments and entrepreneurship in these sectors are of strategic importance to economic development and job-creation, not only in energy but in all sectors.

Energy efficiency, renewable energy and economic development are given priority in national policies throughout the Barents Region. Furthermore, all our countries are engaged in multilateral cooperation on various platforms to stimulate economic growth and achieve our various national and international energy objectives.

There are several key elements which offer opportunities with regard to renewable energy and energy efficiency:

- Several multilateral organisations have energy related activities of relevance to the Barents countries. In addition to BEAC and national activities the Nordic Council of Ministers, the Baltic Sea Energy Cooperation as well as the EU also are involved with information exchange, development and promotion of new technologies, etc.
- Strengthening the cross-border industrial contacts in the field of energy efficiency will support industrial competitiveness in all energy-consuming sectors. Furthermore, it offers great opportunities for entrepreneurship, particularly among the small and medium size enterprises.
- Regional and local authorities play a key role in the development of both local industrial conditions and citizens' energy consumption. Strengthened cooperation at regional and local level could pave the way for industrial development and increased trade in the areas of both renewable energy and energy efficiency.

Question for discussion: How can we realise the region's potential and strengthen the competitiveness with regard to renewable energy and energy efficiency?

Adoption of declaration

Before moving on to lunch a meeting declaration is to be adopted by the ministers. The BEAC Working Group on Economic Cooperation has, in collaboration with the BEAC Joint Working Group on Energy, produced a draft meeting declaration text.