



The Barents and future visions for one growing region in four different countries.

Open Days NSPA Seminar 9.10.12

Matti Pennanen, Mayor of Oulu

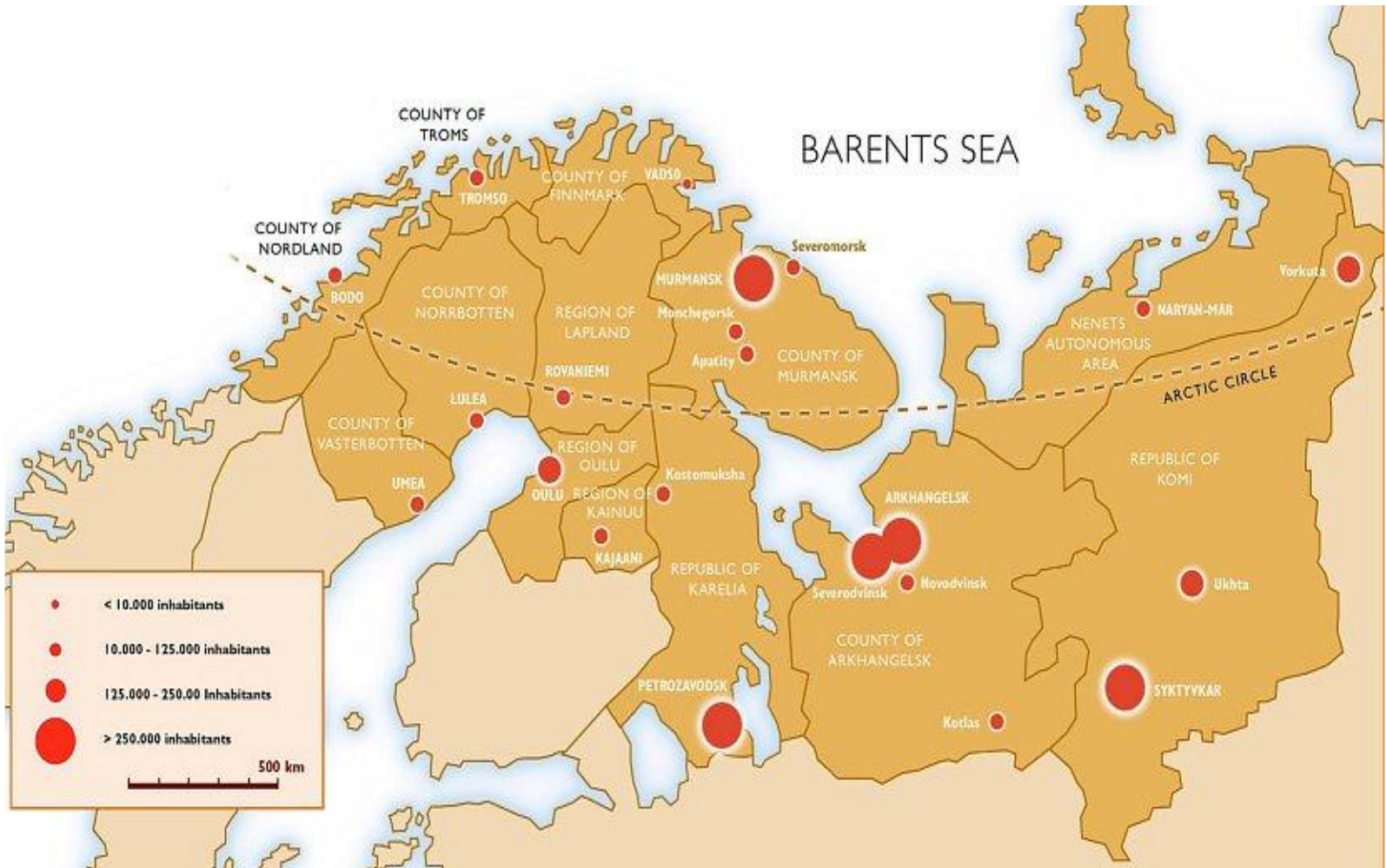


Oulu

- The Capital of Northern Scandinavia with almost 250 000 people
- The City of Youth and Spirit – average age 34,5 years
- The City of Education and Research – 25 000 university students
- From being a town known for tar and salmon, Oulu has evolved into a growing modern centre of competence.
- Offers flexibility and options aimed to facilitate everyday life.
- Is a vibrant combination of rural and urban nature and a rich city culture.

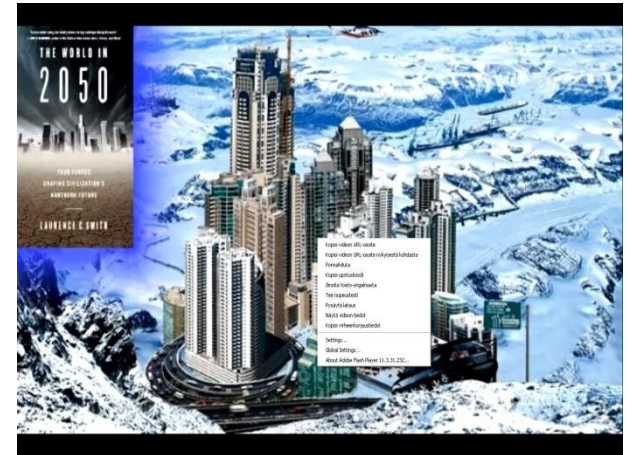


Oulu is closely linked to the Barents area- total population 5,2 million people – Oulu region 250 000



A building block for the Barents vision :The Change

There are four major factors that will change the world dramatically by the year 2050: climate change (and melting process), growth of the population, globalisation and a shifting global geography of economy, natural resources.



The world will move to the north

(Lawrence C Smith, The NewNorth - The World in 2050)

A state of play:

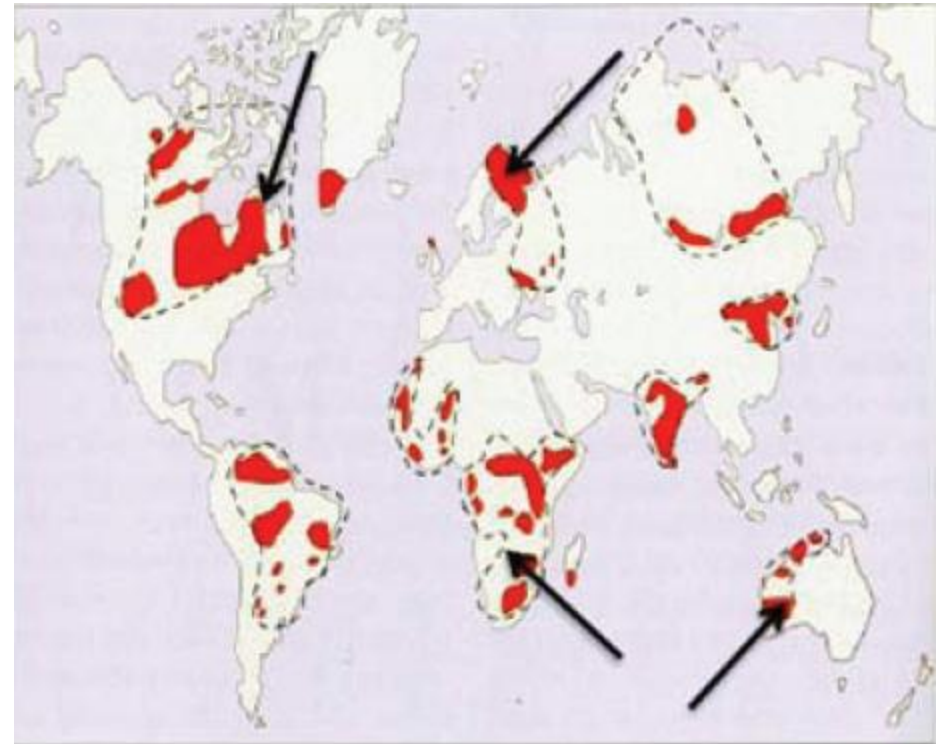
- The demand for natural resources and energy (eg. LNG) is growing globally.
- Western Europe is depending on the energy importing from other countries.
- New natural resource areas have been found in the European High North
- The European High North is seen as the future center for economic growth in Europe.
- The question is how the Barents region together with Europe will utilize it ?



OULU

The economic potential
of the Barents Region

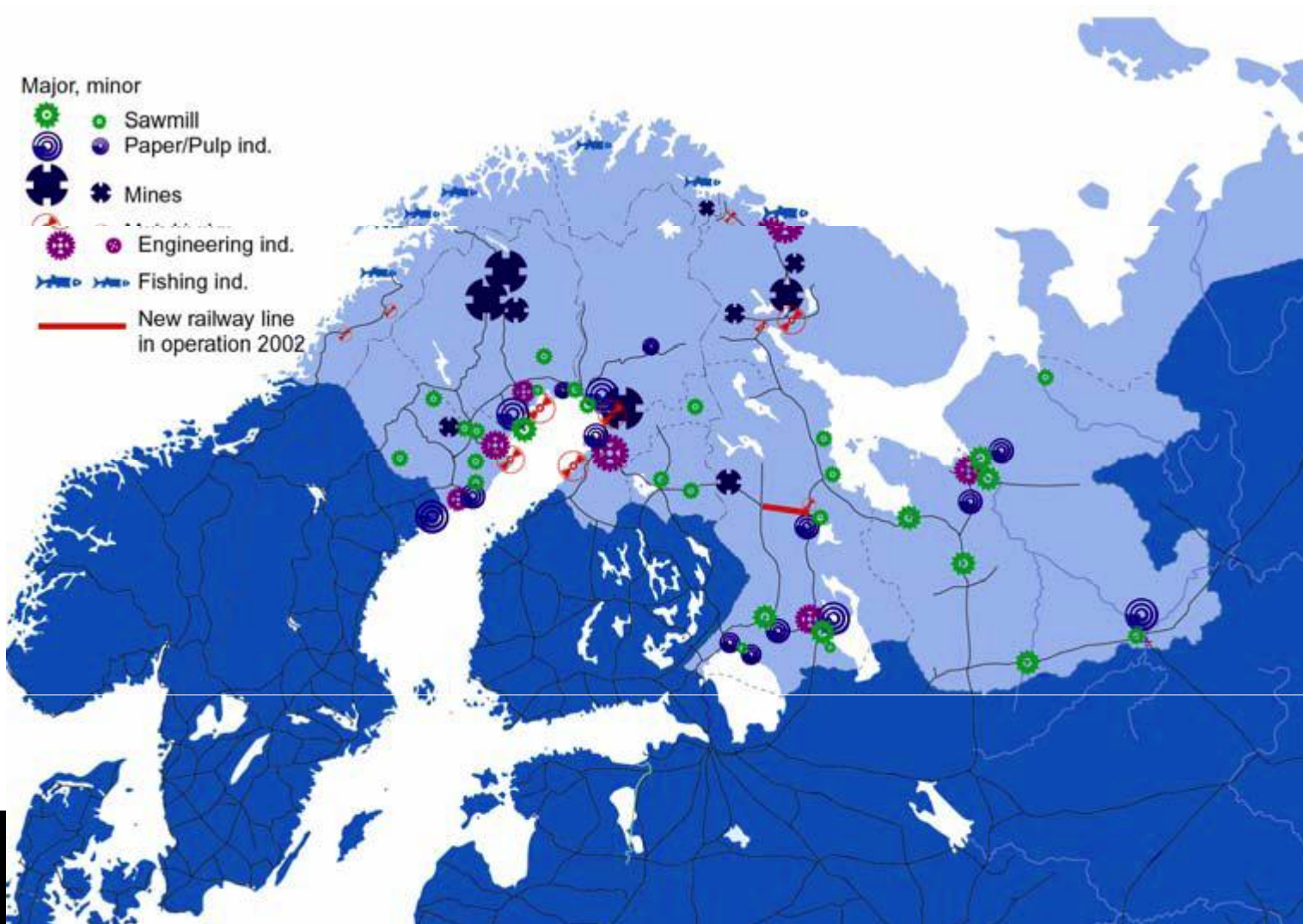
The most promising ore region of the EU- 88 % of the EU's total output of iron ore is produced in the Barents region



The new Oil and Gas province - EU needs extra gas 300 mrd m3 by the year 2030



Industrial potential concentrated on the Bothnian Arc



INVESTMENTS SHORT LIST - MOST CONVINCING (AAA) INVESTMENTS IN EUROPEAN HIGH NORTH





Key developments in
terms of releasing the
economic potential:
TEN-E and TEN-T

EU on energy and energy infrastructure:



Energy 2020: A Strategy for competitive, sustainable and secure energy (2011)

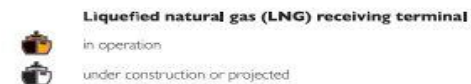
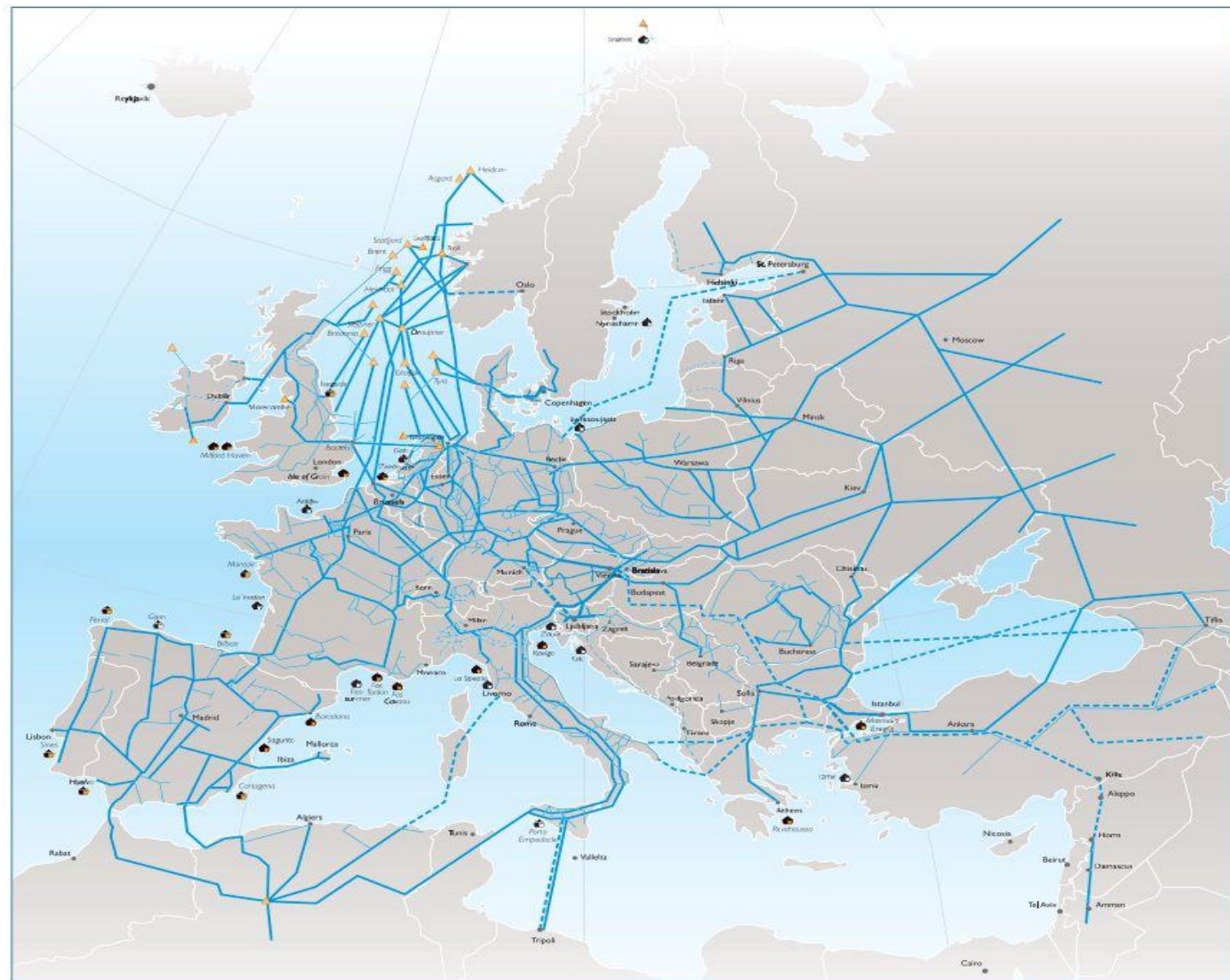
"Europe's energy sector is on the threshold of and unprecedented period of change. Secure energy supplies and affordable prices are crucial for our growth, job creation and quality of life" ,

Günther H. Oettinger, Commissioner for Energy

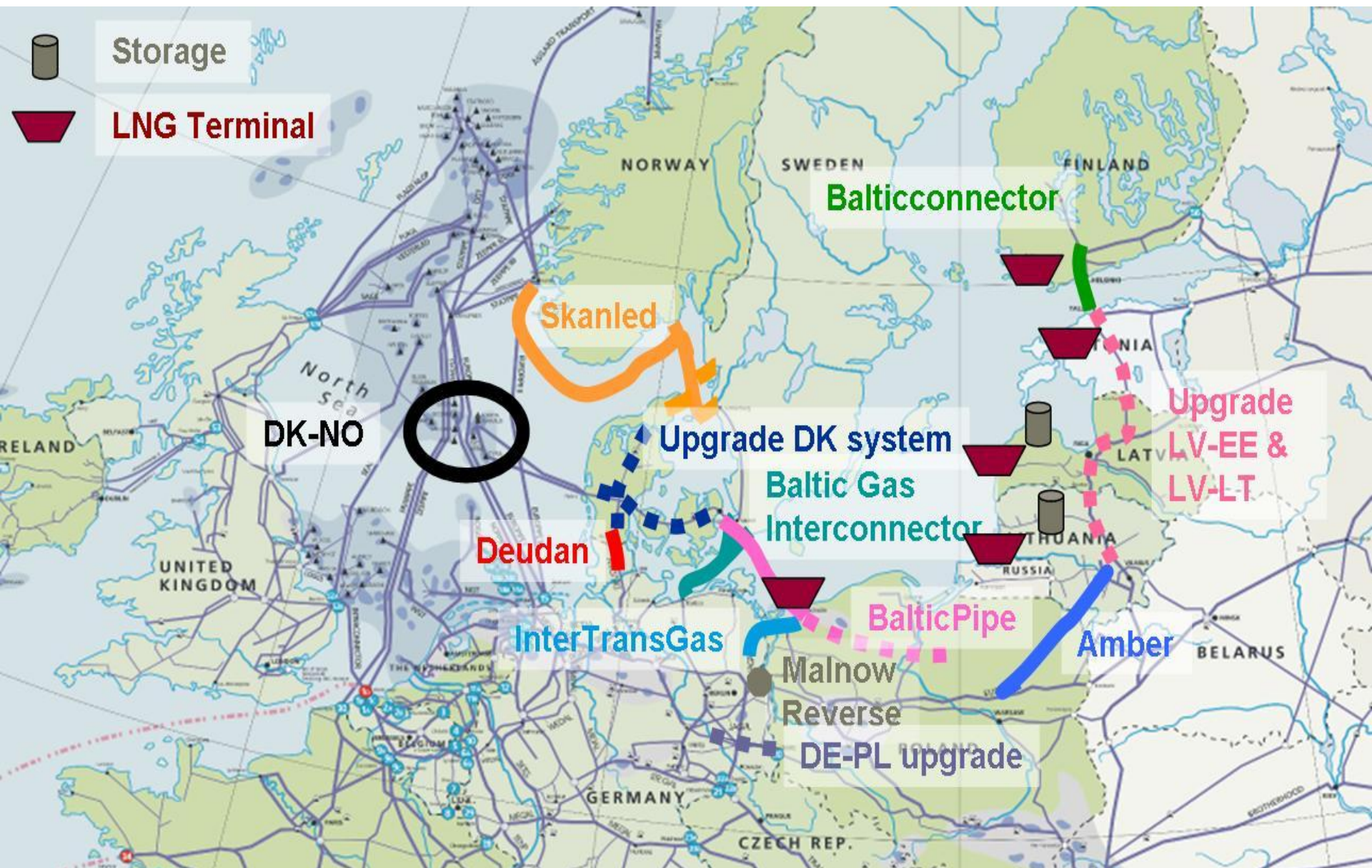
Energy Infrastructure: Priorities for 2020 and beyond – a blueprint for an integrated european energy network (2011)

*"Our strategy builds on eight priority corridors for the period up to 2020 and on a new co-operative planning method to **select projects within each corridor which are the most important and urgent to implement from a European perspective,...**" Günther H. Oettinger, Commissioner for Energy*

European gas pipeline network and LNG terminals- nothing up in the European High North



BEMIP – Baltic Energy Market Interconnection Plan



Connecting the NSR with the TEN-E?

A gas pipeline from Norway via the Bothnian Arc to Germany

Charting undertaken as a joint project between Germany, Norway, Sweden and Finland

- welfare for the regions
- securing jobs
- limiting CO₂ emissions

*City of Oulu
Chamber of Commerce
North Energy ASA*



29 PARTNERS IN 5 COUNTRIES

- 12 regional authorities
- 5 cities
- 2 national authorities
- 6 ports
- 2 associations
- 2 universities

Budget: 4,8 million €



The NSR will have an impact on the Barents logistics but the time window remains open.

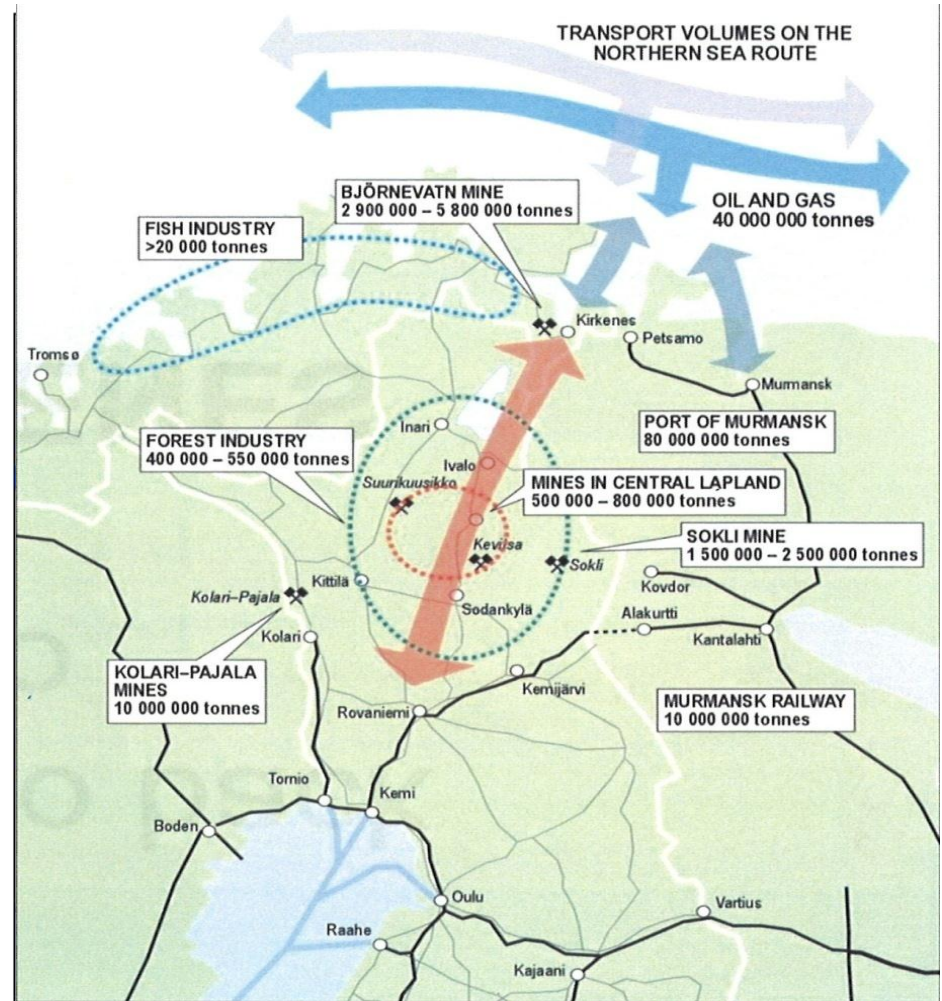
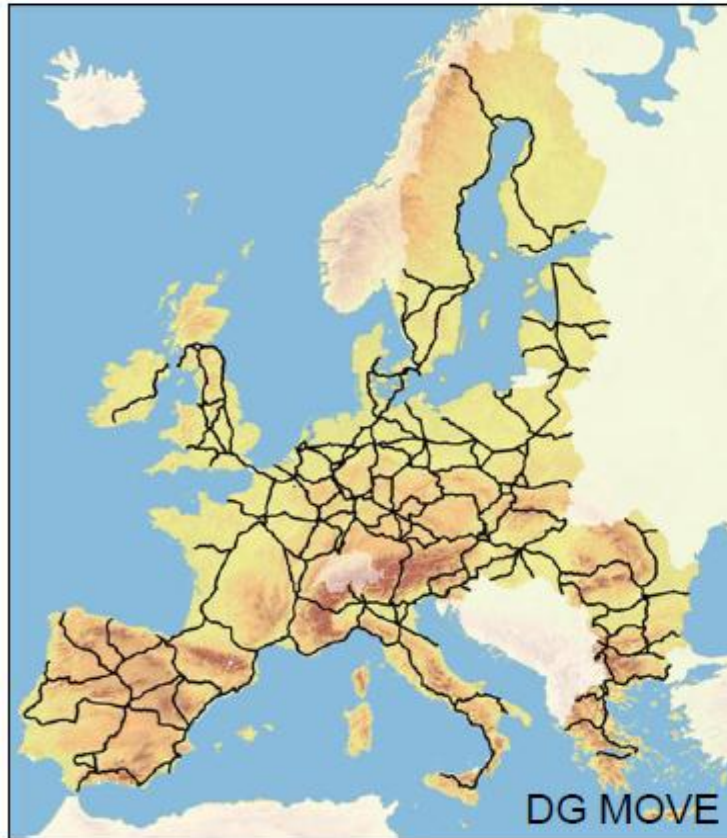
- **The Northern Sea Route, officially stretches from the Pechora Sea in the west to the Bering straight in the east.**



Source: Storvik Consult

ARCTIC GATEWAY

Connecting the NSR with TEN-T?



But there are many challenges, like...

- **Labour**, education and their willingness to stay / move to the European High North – no skilled people –no vision
- **Ice and the harsh climate, a sparse population** and a sustainable co-living of industries, tourism and a vulnerable arctic nature is a real challenge for the European High North
- **EU legislation** for the environment – the new IMO ECA regulation for reduction of the sulphur emissions, entering into force 2015, which will increase considerably sea traffic costs in the Baltic Sea
- Economic and overall **development of the Russia**

From a vision to a reality in the European High North – what do we need?

1. European High North needs **more attention**
2. The European High North needs to **work together for a common High North Strategy** and understanding between Norway, Sweden, Finland, Russia and the EU (incl. mining sector, gas and oil, services, tourism, environment, labour and mobility).
3. Better **logistics and energy networks** in relation of TEN-T/E
4. Sufficient **financial resources** to work cross-border



Go north, young man and woman. Thank you.