

Arctic Economic Council: Pan-Arctic Business and the Way Forward

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The world is changing fast



Population
growth



Urbanization



Increase in
wealth



Digitization
and
automation
growing



4th industrial
revolution

Arctic connects 90% of world economy

20% of natural resources

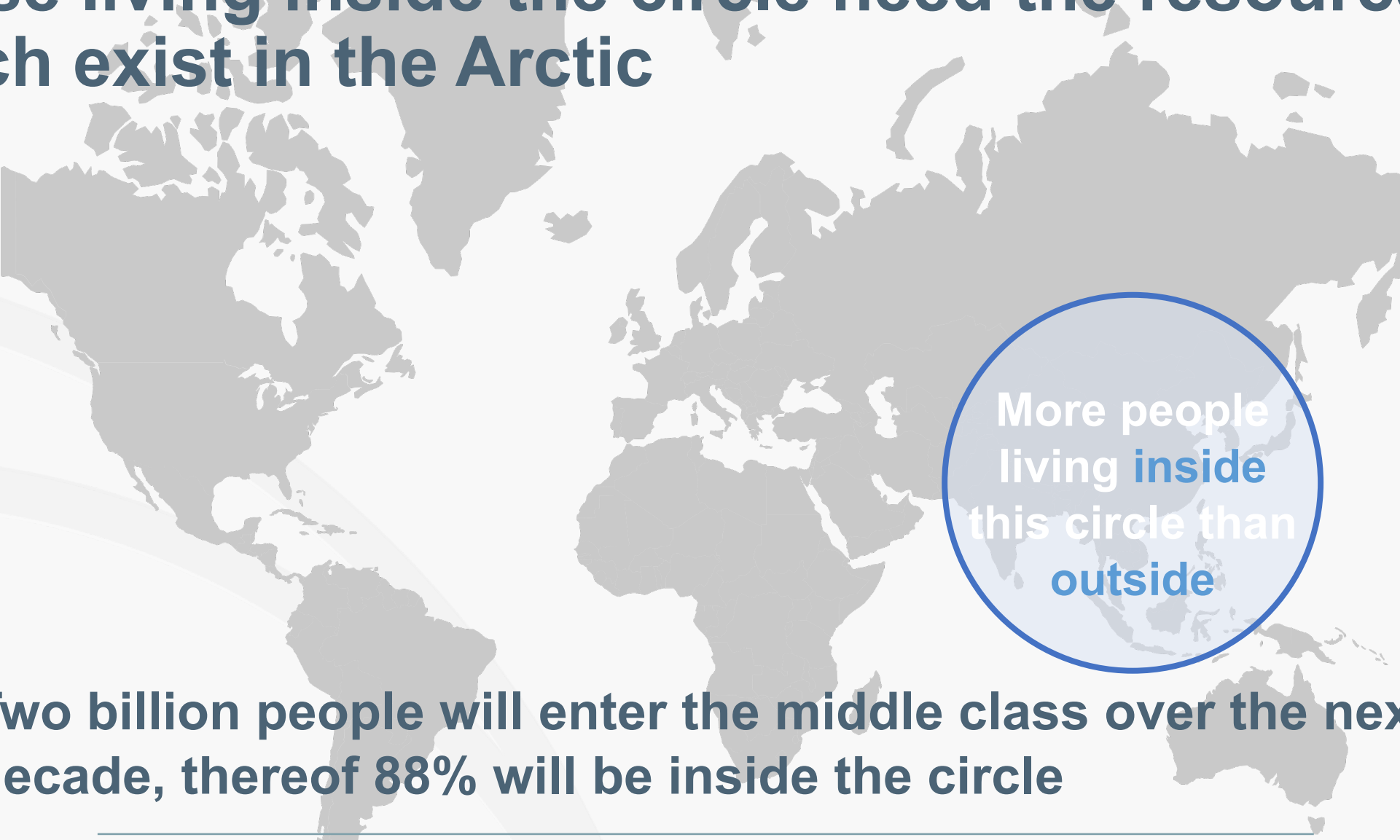
15% of land

0,05% of population

Expected economic growth
above the global average



Those living inside the circle need the resources which exist in the Arctic



More people living inside this circle than outside

Two billion people will enter the middle class over the next decade, thereof 88% will be inside the circle



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Macron Asks Shippers to Shun Arctic Route to Protect Environment

HOME » BUSINESS

CMA CGM Shipping Company Backs Away From Russia's Northern Sea Route



CMA CGM and COSCO Container Ships at Yangtzekeanaal, Netherlands. (Source: Kees Torn on Flickr.com under CC BY-SA 2.0)

SUSTAINABILITY

Nike and Ocean Conservancy Announce New Arctic Shipping Pledge

October 23, 2019

GALLERY SHARE



Simultaneously: Different Global Perception

Increased Interest: Europe



«The Arctic has changed, however, European positions and assessments of how we are to be involved in the Arctic have not. I am trying to argue that the **European Union should be ready to take the lead in the Arctic, because if we don't, others will.**»

- Ambassador Jari Vilen, Senior Advisor in Arctic policy matters in the European Political Strategy Centre (EPSC)

Recommendations for the EU

“**EU should mainstream its Arctic objectives into all areas of external action** and systematically take into account the Arctic in its external relations with Arctic and non-Arctic states, as well as in international negotiations where applicable.”

“In addition, [EU] should also support the **Arctic Economic Council** to obtain first-hand access to input from the Arctic business community in the formulation of various Arctic-related policies and legislation.”

“The EU should further encourage full respect by the private sector of the **Arctic Investment Protocol**, developed by the World Economic Forum but transferred to the Arctic Economic Council in 2018.”

Walking on Thin Ice: A Balanced Arctic Strategy for the EU EPSC Strategic Notes, Issue 31, July 2019.

Outside Impact:

Need for Freedom of Trade in the Arctic

Global trade: from global to local effects

Arctic: small home markets – benefits from openness

→ Need to link the Arctic value chains to the global value chains

→ From Arctic-to-Arctic to Arctic-to-global thinking

The Arctic Economic Council: Our Purpose

To facilitate Arctic business-to-business activities and
responsible economic development

The Arctic Economic Council (AEC)

AEC overarching themes:

1. Fostering strong market connections within the Arctic as a vital part of international value chains
2. Encouraging public-private partnerships for infrastructure investments
3. Promoting stable and predictable regulatory frameworks
4. Facilitating knowledge and data exchange between industry and academia
5. Embracing traditional indigenous knowledge, stewardship and small businesses



AEC Governance Committee in St. Petersburg 2017.
Photo: Sovcomflot.

AEC: Five Years Since Iqaluit



Establish and run int'l business organization with representation from all Arctic countries, indigenous businesses, and global businesses

- Total 42 members
 - 12 Arctic & Permafrost Partners

Strategic plans:

- 1st Strategic Plan 2016-2019;
- 2nd Strategic plan 2019-2021

Six WGs based on businesses' needs:

- Maritime Transportation
- Resource Development
- Connectivity
- Energy
- Investments & Infrastructure
- Blue Economy

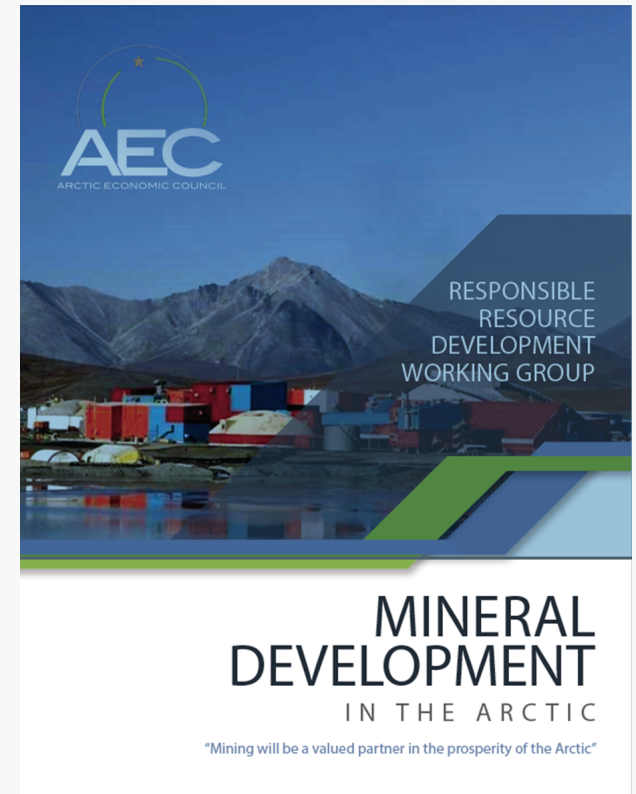
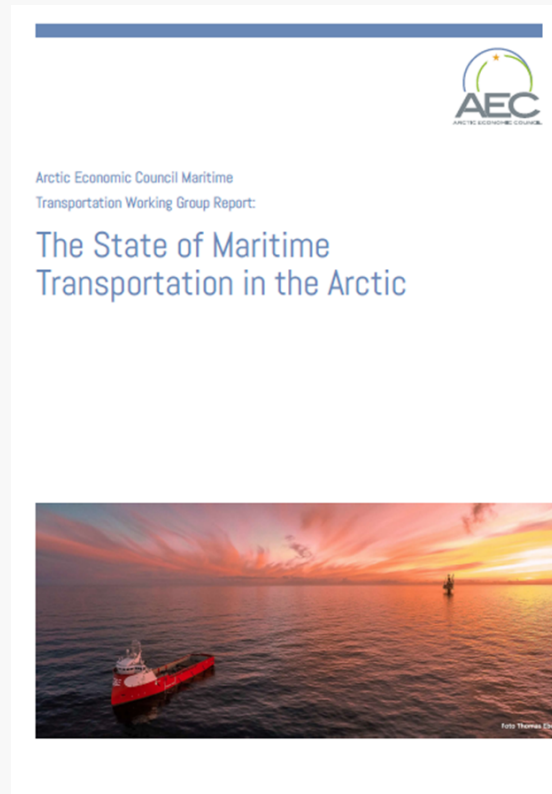
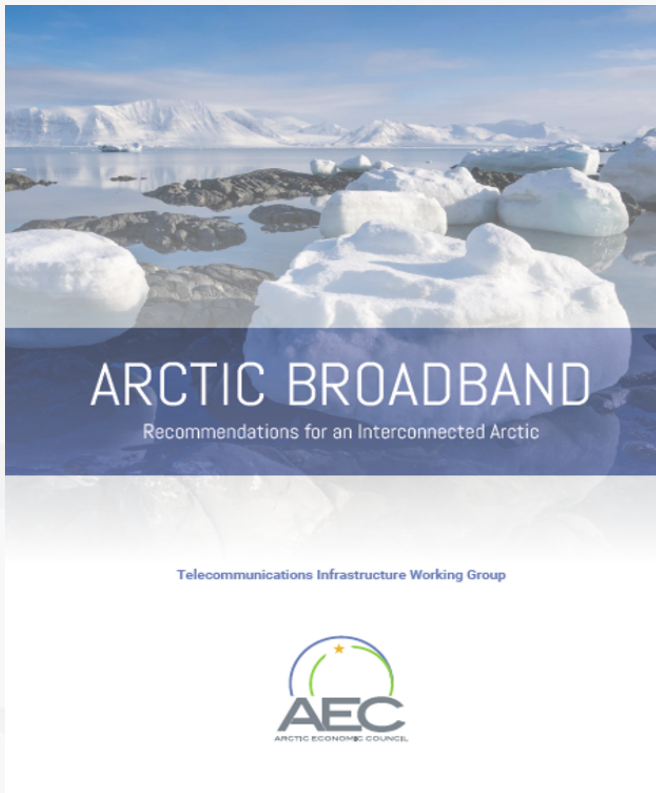
Making the Arctic & Arctic business known through active outreach:

~200 outreach events globally



Two Memoranda of Understanding:

Arctic Council (2019)
University of the Arctic (2018)

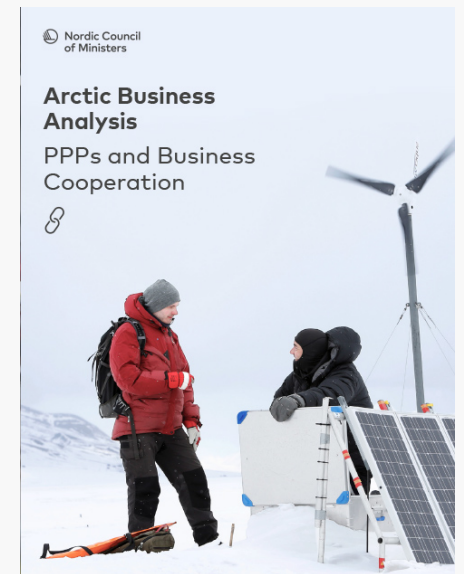
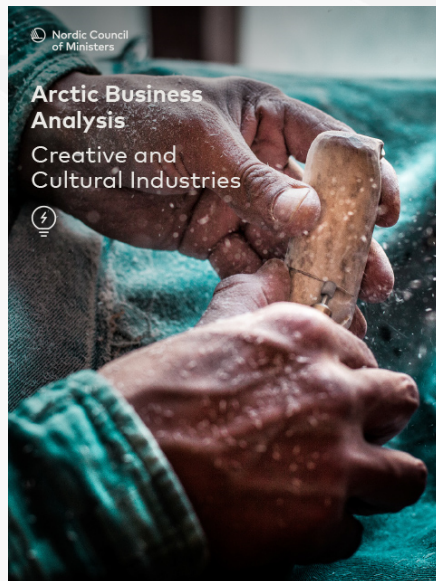


Providing new knowledge and business perspective: AEC Working Group Reports

Qualifying new knowledge on state of business in the Arctic

AEC has served as expert partner in the making of

- Arctic Business Analysis (2018)
- Analysis on Business Financing in the Arctic (2018)



Arctic Investment Protocol

- 1 Build resilient societies through economic development
- 2 Respect and include local communities and indigenous peoples
- 3 Pursue measures to protect the environment of the Arctic
- 4 Practice responsible and transparent business methods
- 5 Consult and integrate science and traditional ecological knowledge
- 6 Strengthen pan-Arctic collaboration and sharing of best practices



Conclusions

- Growing need for an active voice for Arctic business community
- Provide new knowledge and business perspective
- Qualify new knowledge on state of business in the Arctic
- Facilitating investments: Arctic Investment Protocol

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