

Kirkenes February, 2019.

## **Summary from the Railroad Stakeholders Seminar in Kirkenes: How do we progress and continue the work?**

The climate changes in the Arctic are severe, making the region highly interesting for a wide specter of the global community. Obviously, the Arctic countries (Finland, Norway, Sweden, Denmark (Greenland), Iceland, Russia, US. and Canada) have a historical and ongoing interest in the region. During the past ten years Asian stakeholders like China, India, Japan, Malaysia, Singapore and South-Korea have increased their interest in joining the Arctic table. The new Chinese Arctic Policy, which emphasizes the importance of the new shorter trade routes (one third shorter to Rotterdam from China and longer ice-free seasons) and cross-border collaboration, propelled the Arctic into a global hotspot and an important part of their “Belt and Road Initiative”. Notably, the EU has also debated the Arctic with increasing interest for some time, and this interest is now becoming part of the EU’s strategic plans given the rapid developments happening in the Arctic over the past ten years. The latest party to show their Arctic interest is Kazakhstan. Kazakhstan, a central Asian country, wants to use the Arctic to establish new trade routes by utilizing the Ob \_Irtysh river systems to the Arctic port of Sabetta in collaboration with Russia. In sum, the Arctic continuously attracts new stakeholders who want to develop one of the world’s last frontiers for growth and value creation through collaboration and innovation.

Infrastructure and logistics is the necessary catalyst to achieve this goal. The Northern Sea Route is the main East – West artery in the North but it will only become effective if connected to the inland activities, people and resources via North – South connections such as rivers and railways. The Arctic inhabitants and actors need to grasp the broad holistic perspective to understand how to spear head such developments and benefit from the ongoing changes. Efficient and new transportation routes are vital in this strategic positioning. At the same time the opening of the Northern Sea Route and the Arctic Railway will facilitate and open up a whole new global trade route affecting many more than those who live in the Arctic. The Russian activity in the Northern Sea Route, especially through the development of massive oil and LNG-projects, are visible proofs of these emerging trends. The increased activity along the Northern Sea Route calls for hubs at both ends. By connecting the Far East with the EU, through the port of Kirkenes, the Arctic Railway opens a new global and European logistics North-South axis, enabling European countries to participate in the development of the Arctic resources and opportunities. The scenarios for potential cargo along the route/railway needs to be looked at with a very long term perspective, as it might take 15 year before the railway will be completed.

The ongoing industrial growth in the Arctic is massive, and all scenarios show that this growth will continue with the increased international interest. Today’s activities span from natural resource development (oil, gas, minerals, metals, fisheries and forest products) to more traditional indigenous ones but also includes satellite data reception facilities and large volume air cargo handling. In the future, the Arctic will see a large growth in areas such as agriculture, alternative energy sources, water supply and new types of fish farming products. It is likely that the Arctic will take an important

role in providing the world with food and resources which will create demand for large scale efficient and low emission transportation solutions to the relevant markets. These activities will raise the demand for people-to-people connectivity while the rapid growth in the tourism industry calls for sustainable and zero-emission logistics solutions for the transportation of people. Against this background the Arctic Railroad will be an important tool to facilitate sustainable growth in several domains. In addition to industrial development securing employment for more people Arctic growth has the potential can to improve the quality of life in the Arctic as we know it today. The Arctic Railway will enable growth in logistics, housing markets, education, research, technology development and will have other positive long tail effects that will be generated through interaction and collaboration between the involved parties leading to new valuable insights.

The ongoing debate about the Arctic Rail affects those who live on local level in Northern Finland and Norway, but the debate must also be tailored to the national level to ensure that our governments maintain their interest in the project and the development of necessary infrastructure in the region. The Arctic Railway is truly a project that connects both international, national, regional and local interests. It is large, tangible and with great potential, making it relevant for cross-border multinational collaboration. As such it is highly important that the Arctic Railway is introduced into the national transport plans and High North strategies of both Norway and Finland. Consequently due to the positive catalytic effect this emerging transport corridor will have on most activities in the region and beyond, the Arctic Rail should also where relevant be incorporated into all other strategies in the Arctic Region. A precondition for its future development is that the Arctic Rail project is incorporated in the national transport plans of Finland and Norway. It is of particular importance that all affected stakeholders including the Sami people are involved in the planning process from the beginning so that the most beneficial location of the infrastructure is agreed as early as possible ( i.e grid, broadband cable, railway, road etc.). In parallel the inclusion of the Arctic Rail project into EU's transport plans (TEN-T funding) and Arctic strategies must be pursued as the Arctic Corridor combined with the FINEST tunnel project between Helsinki and Tallinn are naturally developed together with the EU, the main beneficiary.

**The stakeholders' meeting discussed future steps which will be worked out in detail. They will include:**

The establishment of a Norwegian /Finnish joint task force with a dedicated project leader and ToR.