

GOVERNOR HANNELE POKKA

TUESDAY, 28 MARCH 2006, 11.30 A.M., ROVANIEMI

5<sup>th</sup> BARENTS INDUSTRIAL PARTNERSHIP MEETING

I am very happy to see the economy meeting for the Barents region is convened in Rovaniemi, a town that has Murmansk as its friendship town, and is right now experiencing a new, intensive stage in development.

For foreign tourists, Lapland normally means clean nature, reindeer and Santa Claus. The development of Lapland with respect to tourism has been very good. Last year, approximately two million customers visited the Lappish tourist resorts. Of these, around one in three was foreign. When you add to this figure the numbers of private cabins, the number of visitors rises to three or three and a half million. The number of Lapps, permanently resident Finns and Sámi living here account for a little over 185,000.

Nevertheless, Lapland has a lot more to offer than tourism. When inspecting by turnover, the economy for the entire Lapland has been experiencing outstanding expansion. The favourable trends for Lapland are mainly due to good development in our large industries of forestry and metal. Construction has also been rather industrious in the region.

Over the past few years, Lapland has even become the most important area for ore exploration in the whole of the European Union. It is foreign mining companies that are on the case. It also appears very possible that new mines are going to be opened. In the next few weeks, in Kittilä in Central Lapland, a gold mine will be inaugurated.

The development over the past few years indicates that Finnish companies, large or small, can succeed in Russia. Finnish companies have planned and realised investments, not only in the neighbouring regions such as Saint Petersburg and Karelia, but also stretching out as far as the easternmost edge of Siberia. During this year, Russia has become Finland's most important trade partner. In light of all this development, it is actually rather strange that the Murmansk region is a sort of white region. You don't see many Finnish companies there. The important border project in respect to Barents partnership, the opening of the Salla Border Crossing Point, was already three years ago.

The rail connection from Finland's Salla to the Murmansk track has been on the table for a number of years. It has already been over ten years since the Barents traffic and communication ministers commissioned a feasibility study for the construction of the track. The report was issued, and it indicated that the track would be feasible. A couple of years ago, another study was performed that reached the same outcome. Construction is well worthwhile. Something needs to be done about this matter.

At the moment the large financing projects in the Barents region are focused on the Arctic Ocean. Both Norway and Russia have large ongoing projects for utilising oil and gas deposits. These projects are very large scale. National and international large corporations are involved. During the implementation stage of the project – as we have already witnessed – they can also employ a number of smaller companies as sub-contractors. Small companies with expertise and professionalism, but not necessarily much international experience, may be found from Lapland as well as from the other Barents member regions.

We have already had Barents co-operation between nations and our neighbours in its current form for over ten years. We know each other and each other's conditions extremely well.

Economic co-operation should be our most important form of partnership in the Barents co-operation. Large projects, that have started, or are about to be initiated here in the North, will, without doubt, have an impact on the development in our regions. The regions and their companies want to be involved in the realisation of these projects.

At the same time I like to wish you warmly welcome, I hope the seminar beginning today boosts economic co-operation in the Barents region.