



2nd Barents Industrial Partnership Meeting Petrozavodsk, 5 October 2004

Chairman's conclusion

This meeting was a follow-up of the 1st Barents Industrial Partnership meeting held in Stockholm on 21 January 2004 and was co-hosted by the Government of the Republic of Karelia, and the chairmanships of the Barents Euro-Arctic Council (Norway) and the Barents Regional Council (Västerbotten).

The 2nd Barents Industrial Partnership meeting covered three main themes: The role of the public sector in the process of industrial development; Industrial partnership in the forestry industry; and Joint exploration for the development of mining and metallurgical industry.

Representatives of the central authorities of Russia, Sweden, Norway and Finland and regional administrations in the Barents region, research institutions, industrial actors in the forestry and mining sectors, and other stakeholders took part.

The meeting confirmed the need for enhanced interaction between industry, regional and central authorities, and with education and research institutions in the Barents region. The Barents Industrial Partnerships aim at increased effort in crossborder industrial cooperation within three priority sectors (forest industry, mining/metallurgy, offshore petroleum supplies/services), and with regard to heavy transport in the east-west direction and mobilisation of international financing. The dynamic interest in the Barents Industrial Partnership process now needs to be cemented through joint and coordinated action between relevant stakeholders, with the active support of the authorities at all levels.

Barents Industrial Partnerships will be an important contributor to the aim of increasing value added production in the Region, efficient use of its natural resources and the creation of new employment opportunities.

Several of the interventions pointed to Russia's future membership of the World Trade Organisation as a key element. Similarly, the possible ratification by Russia of the Kyoto protocol has sent a strong signal of positive action.

In the area of capital mobilisation, the effective cooperation and involvement of Russia's own banks and financial institutions were underlined. Proposals were voiced concerning the establishment of new venture funds for the Region and on the need for expert contacts concerning business development in a crossborder context.

A special meeting session was dedicated to the forest industry. Industry participants emphasised the crucial importance of the attitude of the authorities in relation to their

investment activities, which frequently had a very long-term perspective, 30-50 years. Company cases were presented. Beyond the obvious desire for favourable, stable and transparent operating conditions, there is a range of everyday issues of serious concern to an investor, such as prolific and complicated registration and certification procedures, frequent inspections by a many different agencies, and fines in response to often minor errors. The desire to have only one “window” of contact between the investor and the authorities was underlined. Furthermore, a proposal for a pilot project on a concept for an international forest industry cluster in the Region was tabled. Emphasis was also given to the issue of certification of forests, wood companies and processors etc. and the need for a homogenous system of certification was explained.

The meeting emphasised bioenergy as an issue. The Barents region contains very large bioenergy resources which can come to extensive industrial use, in the form of export of biofuel or in power and heat generation in the Region. This would have positive environmental and climate effects, as well as a clear employment benefit.

Similarly, a special meeting session on the mining/metallurgy industry was held. Here, emphasis was put on geological conditions for new minerals prospecting and mining operations. A number of on-going cooperation and development activities in the Region were presented as cases. A proposal was presented to establish a joint expert group to evaluate and validate existing geological data, to clarify laws and regulations, and operating conditions, and on information exchange. The representatives of the Republics of Komi and Karelia, in particular, invited investors to a deepened cooperation in order to identify and later exploit new minerals deposits in their regions.

Industrial partnership meetings should as before promote the SME and service sectors of the economy, encourage political and administrative decisions in favour of new investment and infrastructure in general, and the elimination of existing barriers to trade and investment. An important task is to promote information about the industrial possibilities in the Region and mobilise the support of industry, authorities and society at large in targeted action, within the framework of sustainable development.

The next Barents Industrial Partnership meeting will be held in Norway in the beginning of 2005.