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CLIMATE CHANGE, EU, PECHENGA AND KARELIA

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Climate change increases tardiness in EU and Finland

The climate change rises the world temperature. However the EU, and especially Finland, seem to remain the only future payers of the change. The climate change and melting of the Arctic Ocean bring also a substantial economic potential for EU countries.

The real vision of the Northern Dimension is lacking from the EU. Finland still believes in propaganda which is over 60 years old and which stems from the Soviet Union state of mind, and is unwilling to negotiate of the return of Pechenga and Karelia.

The effects of the climate change for Europe and Finland's ability to remain competitive are reviewed in this summary, mainly in the light of expected changes in the Arctic Ocean. In addition to remain competitive, there are also the questions of delivery security as far as logistics are concerned as well as economic dependency.

Hopefully this matter is not overlooked unilaterally as a mere environmental issue as was made with the supervision of the Nord Stream gas pipe. This is one of the key questions for Europe.

The icecap of the Arctic Ocean is shrinking fast



The climate change and both the threats and possibilities it brings are especially great for the Arctic Ocean. The NASA ICESat measurements stemming from recent years have suggested that the ice in the winter has not been able to compensate the area of ice lost during the summer. For this reason the Arctic Ocean is on summer times even more open speeding the melting process.

During the years 2004 – 2008 the multiyear icecap shrank about 1.5 million km², which equals about the size of the territory of Alaska. In 2003 about 62 % of the ice of the Arctic Ocean was multiyear ice and 38 % was yearly, seasonal ice. Already in 2008 about 68 % of the ice volume was seasonal ice and only

32 % was multiyear ice (according the NASA's ICESat measurements). We can speak of dramatic changes.

The Arctic Ocean is open water sea by the summer of 2020?

The total area of the Arctic Ocean is about 14 million km². Norwegian researchers have about 5,000 measurement points in different sides of their activity area e.g. in the feet of drilling rigs. With these points they can measure the temperatures of the sea water, current flows and other additional data from the state of the sea. This helps to forecast coming changes.

According to reports there is no more any thick multiyear ice on the northern coast of the Russian territory, but only 40 cm thin early ice. Such ice does not prevent transportation of ice strengthened ships. According to the Norwegian researchers the melted water stores nine times more solar heat than ice, so the melting will accelerate. It looks as if 15 – 25 % of the total area of the Arctic Ocean is old floe, which means that the Arctic Ocean may be completely melt by 2020, at least during the summer.

The deep warming of the sea waters started around 1950 and it has quickly gained ground to north of Svalbard. In the Novaja Zemlja surroundings the area does not turn into ice during winter times. The warming of deep waters in the Arctic Ocean is proceeding. During winter times the ice is as thick as it was in the Baltic Sea around 1960-70.

The ability of seas to bind CO₂ diminishes

The Norwegian weather scientist, professor **Truls Johannessen's** report tells that the ability of the seas to tie carbon dioxide discharges (CO₂) has already reached its upper limit and will diminish. This means the temperatures rise faster in the northern zones than earlier. Even after five years the ice strengthened containerships can possibly run on the Arctic Ocean also on winter times.

In addition to temperature snow and ice are of great significance as they contain about 75 % of world's fresh water, although glaciers cover only about 10 % of globe's surface area (IPCC 2007 Ch. 4). The melting rivers which have their origin in the mountains glaciers are important sources of fresh water for about 1/6 of the world's population (IPCC 2008).

The changes in climate will result in water shortage in the world. This provides Finland excellent possibilities to supply water, as there are very significant fresh water sources, e.g. in Salpausselkä eskers.

There is dispute of the importance of the CO₂ and the climate change, but melting of the Arctic Ocean is reality.

Asia rises, Russia is rich with supplies, EU is the one which pays

Other global changes happen at the same time with the climate change. Asia's significance as a producer and financier is growing strongly. It has been estimated that the dollar could collapse if wanted by the Asian countries, which would mean collapse of America's economy – and, subsequently, to the collapse of biggest market and borrowers of the eastern countries.

Russia is by its raw supplies the richest country in the world. To exploit its huge richness is possible only by means of a co-operation with the western technology. This requires change in Russia's administration to start building trust. Russian economy is in a weak position, which should fasten the need to build solid basis for the trust.

Europe is remaining in payer's role in this climate change, if it is not able to quickly benefit its technological and negotiation ability know-how in a novel way. The climate change will result to strong logistic changes. Melting of the Arctic Ocean makes it possible that after even some five years the Arctic Ocean passage can be used to export goods from e.g. China to Europe and to America's eastern coast.

EU is about to become dependent on Russia

There is a danger that this development leaves EU vulnerable to actions of two non-EU countries, Russia and Norway. These two countries, in spite of beautiful speeches of the Northern Dimension, alone or together, deploy extremely large programs in the Arctic Ocean. They construct e.g. massive container harbors in Alta and Kirkenes, and a 600 km long railroad connection from Alta to Kirkenes and from there further to Murmansk. The goal of the project is to capture a big part of the container traffic in EU territory.

When this plan is realized, EU will depend mainly on Russia's railroad connection via Murmansk to St. Petersburg and from there to Moscow, Estonia, Latvia, as far its transportation to east is concerned. EU will thus be dependent on Russia and Norway and possibly on some foreign investors. Norwegian businessmen do not just now own anything important in Finland and Sweden, so their interest in these countries is scarce compared to their interest in Russia.

EU is outlined to be the most outstanding payer of the Russian and Norwegian investments, as if it was forced, when the current progress continues, to use services of Russian and Norwegian companies, being not able to participate the production of services.

Pechenga will be the nodal point of Arctic Ocean logistics



The shortest and fastest route of container freights to St. Petersburg, Central Europe, Sweden and Finland is running via Pechenga. Pechenga is a good place to unload the containership and address containers to means of transport for different European countries.

The straightest and most effective connection is generated when a new railroad is built from Pechenga to Kolari (Finland), from where there is a railroad to Oulu (Finland). And from Oulu there is a double railroad to the south. The continuation transportations can effectively be taken care by Finnish harbors or by trains.

The new sea way of the Arctic Ocean is very important, as it shortens the trip of a containership e.g. from China to Pechenga about by 10 days. This means 200,000 – 300,000 Euro savings for every voyage. In a year the savings for every ship are really big. A shorter voyage trip has its consequence also for the climate change and decrease of CO₂ concentration.

Containers by train from Pechenga to Europe

The importance of Pechenga is highlighted by that fact that the containers shall in European harbors be loaded to trains or trucks and transported further to the final destinations. It's more economical to load the containers in trains in Pechenga and deliver them to the destinations in Europe by trains. Because the containers from every harbor shall be transported further, the length of the ship voyage is the most important cost factor.

The distances of the ship voyages further from Pechenga can be visualized by following rough figures: to Hamburg 2,500 km, Rotterdam 2,700 km, Stockholm 3,600 km, Helsinki 3,700 km, Vaasa 4,100 and Oulu 4,500 km. The ship must also return which means the voyage will be double. To compare: crossing of the Atlantic Ocean is 4,000 – 5,000 km.

The ship shall thus use for the additional two-way voyage 5 – 9 days, which means roughly cost of 100,000 – 180,000 Euro. The additional train cost e.g. from Pechenga to Poland is small compared to the cost from Amsterdam to Poland. Every additional transportation day means also additional CO₂ burden.

Huge real estate investments born by the Arctic Ocean

It's not only question of container transportation because of the climate change. It is followed by a change in logistics and Russia's possibility to better benefit of energy raw supplies which means huge amount of large real estate investments on the coast of the Arctic Ocean.

In addition to thoroughfares and urban structures new oil and gas deposits will be taken in use. The equipment deliveries for these projects will mainly be transported via the Arctic Ocean.

Containerships will be ice reinforced, crabbing increases

The climate change will change the ship structures. It opens for the Finnish shipping companies and dockyards a new, very large market potential, when oil tankers and container ships are built suitable for stronger ice classes. In 1960-70 Finland developed expertise in this kind of technology, now it has a very good experience and is in a position to benefit from it.

A significant area of the Arctic Ocean is less than 200 m deep, which makes this region an excellent niche to e.g. king crab. Crabbing may because of the climate become a bigger business than fishing and downhill skiing. The market for the king crab is global.

Finland and EU missing the opportunity

American, Chinese, Korean, Russian and investors from many different countries have been very active to investigate in building and exploring the financial possibilities in the Arctic Ocean. The local people tell that they have not seen Finnish businessmen investigating the possibilities.

According to Norwegian people e.g. US citizen have taken it for granted that at least the EU will urge first Finland and then Russia for the return of Pechenga to Finland.

It has been said that Russian people regard Finnish fairly simple, because they have not exercised their justified rights to claim Russia to return Pechenga, even though there have been several opportunities to do so.

Iceland forms an interesting detail in this climate development context. Its location is very interesting for Asian and Russian investors. Iceland is also a central node between Asia and America.

(Finnish) Pechenga and Karelia are in key position

With the climate change two important nodal points will be born in the context of the Northern Dimension: Pechenga and Karelia. From EU's viewpoint the most effective and secure route from Asia to Europe runs via such Pechenga which should again be a part of Finland. Such solution practically is the only possibility by which EU could exploit the logistics advantages of the Arctic Ocean, building, fishing, crabbing and minerals in the Barents Sea district.

When Pechenga is again a part of Finland and the railroad to Kolari has been completed, there are good railroad connections to Sweden, Denmark, Germany, Poland and other parts of Europe. In this case several EU countries should have excellent possibilities and interests to participate in the Arctic Ocean investments. The investment projects are so enormous that no single country has possibilities to realize them alone.

Return of Pechenga increases the growth of Lapland

As a consequence of the Second World War, the Soviet Union forced Finland to cede 45,000 km² of her area: Pechenga, eastern parts of Salla and Kuusamo, Ladoga Karelia, Karelian Isthmus and some open islands in the Gulf of Finland. This compulsory assignment is still an open human right issue against the international agreements.

The biggest loser in this situation is Russia, because the trust toward it can never be built positively, until the Finnish territories have been returned.

If Finland and EU will not start negotiations to return especially Pechenga and Karelia, they will lose their possibilities of the Arctic Ocean. EU will become the de facto payer of particularly Russia's but also Norway's investments without chance of gaining anything at all from these investments.

The return of Pechenga is for the total territory of Lapland and the Sami society a very strong economic stimulation, which will increase positive growth in Norwegian, Swedish, Finnish and Russian Lapland. Without the return, Lapland will decay even from its currently weak state.

Return of Karelia increases the growth of Finland

The ceded Karelia was in 1930 the Finnish gateway to Russia. Russia has been able to benefit of the ceded territory only partly. When the Karelian territory will be returned to Finland, the existing Russian installations and companies are located in a safe EU country. The legislation and law enforcement in Finland for foreign companies is explicit and unbiased to any which direction.

The returned Karelia will become, like Pechenga, a centre of logistics, trade and industry which will serve both St. Petersburg and Leningrad oblast as well as Finland and the rest of EU. Karelia and Pechenga will be the economic engines for Finland, and they will help Finland to survive in the light of new global challenges.

The territory of current Finnish eastern border will get back its natural economic axis and the economic activity will increase strongly. As a part of Russia, and without the return the former Finnish eastern border, this district will slowly fade.

The return increases the growth of northwestern Russia

The return of the ceded territories means a strong economic stimulation for the Leningrad oblast and for the (Russian) Republic of Karelia. The border will become lesser of a burden. The co-operation will increase. The economic activity will grow up. Everyone will benefit.

The total district of the Northern Dimension gets a new kind of stimulation for its activities. A new time for growth and welfare starts. It radiates not only to Russia and Finland but also to Sweden, Norway and Baltic countries. A true European Northern Dimension will become a reality.

A true Northern Dimension is needed

The policy of the Northern Dimension was started in 1999 as a co-operation project between the EU countries, Norway, Island and the Russian Federation. The goal of the Northern Dimension was to find a mutual discussion forum and dialogue increasing tangible stability, welfare, economic co-operation, competitiveness and sustainable development.

For a winning project it's of penultimate importance that the district creates a common, positive atmosphere and devoted spirit in which everyone can benefit from the unification.

The Northern Dimension, in which a good balance and new "northern spirit" predominates, can constitute a very strong contribution to serve the entire Europe, as well as increase stability and welfare of the given regions.

Return of Finnish territories increases win-win solutions

It's vitally important that the chances caused by the global climate change be reacted upon efficiently. The best way to react is to use such co-operation, in which no state or district will be overlooked.

Any nation advocating only her own interests will lead to decay of the given regions, perhaps even to conflicts which can only be very expensive for each party. A true win-win situation is in the long run the best possible alternative.

The challenges made by the nature can effectively be responded only by a co-operation of different countries. For this reason the activity of the Northern Dimension has now a good possibility to show its right to exist. The key issue is simple: the return of Pechenga and Karelia to Finland.

Additional information: www.prokarelia.net