



The Arctic

What's in it for business?

Intergroup Climate Change, Biodiversity and Sustainable Development

13 April 2011

The Arctic

- The Arctic Ocean, and all or parts of Canada, Russia, Greenland, the United States, Norway, Sweden, Finland, and Iceland
- Sizable natural resources (oil, gas, minerals, fresh water, fish and forest)
- Significance in preserving biodiversity



The Arctic in numbers

- 13% of the undiscovered oil in the world (90 billion barrels of oil)
- 30% of the world's undiscovered natural gas (44 billion barrels of natural gas liquids)
- Platinum, barites, apatite concentrate, nickel, cobalt, tin, rare earth elements and copper



What's in it for industry?

- Access to raw materials at fair conditions more problematic:
 - Increase in raw materials prices due to demand
 - Distortions of raw materials market
- Rare earth elements, China's export quota
- Larger number of raw materials affected: 1250 export restrictions, including by China and Russia



Is the EU response adequate?

- Communication on "The European Union and the Arctic region" (2008)
- Reference to 2008 EU Raw Materials Initiative, but focus on hydrocarbons and fisheries
- Access to non-energy raw materials for European industry should be made priority



The way forward

- EU raw materials diplomacy
- Multi- and bilateral rules on raw materials
- G20 initiatives for free raw materials trade
- EU projects with industry to diversify raw materials supply – start with critical raw materials

