

Politically independent news and analysis of strategic developments in the Arctic

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Meeting the need for news and analysis as Arctic opens for business

Welcome to the inaugural edition of **Arctic Focus**, which will initially be published every quarter. Its purpose is to provide news and expert analysis on the rapidly changing Arctic region that will have a major impact on businesses with an interest there. Our expert author, Tim Reilly, provides a uniquely well-informed view of Arctic developments and is a co-founder of a UK/Norwegian Arctic risk management and research consultancy that works with firms in the energy, mining, associated infrastructure and shipping sectors.

This quarter **Arctic Focus** is split into two sections. Our purpose in section one (page 3) is to provide businesses already present in the Arctic or considering a presence there with an analysis of the latest opportunities, developments and issues. Alongside news, we analyse the potential effects of US/EU sanctions on Russia's Arctic energy industry. Perhaps unsurprisingly, we think that China

may well benefit most from any deterioration in Western-Russian relations in the European Arctic.

We suspect that the impact on inter-regionalism in northern Nordic countries and in Russia will be vital in Western-Russian discussions about further sanctions. We also take a look at aspects of offshore security and Russian legislation in

the Arctic in the light of recent Russo-Western developments. Finally, we look at China's investments and plans for co-operation with Iceland and Greenland as indicative of the impact of the **Arctic Council's** (AC's) new Asian observer members in the region.

In the second section of **Arctic Focus** (page 9), we present a *tour d'horizon* of the Arctic to established and interested businesses that are only at the new business development stage of Arctic activity. We recognise that a number of businesses are just beginning to develop an interest in the Arctic, and our recent **Arctic Focus** survey clearly identified your key requirement - first and foremost - for Arctic knowledge.

We have therefore included in this latter, knowledge-based section, an 'Arctic Policy Development Factors and Issues' schematic, to act as both an informal *aide memoire* and a business development check-list for new players in the Polar North.

The schematic covers many of the key Arctic areas for business planning purposes, such as: the geopolitics of the Arctic; globalisation; science and technology development; environmental protection and sustainable management; legislation and indigenous people's rights; sovereignty and governance matters, and strategic and security planning. The schematic is intended to be used for reference while reading **Arctic Focus**. >>>

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In this section we also explain how, and why, the Arctic Council's role is changing in reaction to climatic, societal and business challenges and opportunities. We cover in detail the newly launched **Arctic Economic Council (AEC)** and the progression of the Polar Code ratification process, which highlights many of the themes explored in the workings of the AC, and its usefulness to AEC members.

Largely for these reasons, the first issue of **Arctic Focus** will concentrate on the European Arctic, where much of AC and future AEC activity will be focused. Beyond this, however, the European Arctic is also overwhelmingly the critical area as it is the geographical location of the following:

- > the Northern Sea Route (NSR - Russia/Norway)- 90% of the booked gas in the entire Arctic is located in Russian Arctic waters;
- > many extractive and rare earth minerals in Greenland;
- > many countries undergoing significant economic/political change and development (Iceland and Greenland);
- > test bed of new legislation (the Polar Code) applied to the operation of the NSR;
- > recipient of substantial capital investment especially in oil and gas E&P operations (Norway and Finland for hydrocarbon and associated shipbuilding industries respectively);
- > the permanent Secretariat of the AC at Tromsø in Norway;
- > East-West relations' current focus, and home to strategic US and Russian nuclear assets.

Organisations like the **International Maritime Organisation**, international NGOs,



ULMER: ARCTIC'S RISING GEOPOLITICAL SIGNIFICANCE

Lloyds of London and the technical/IT and communication sectors also emphasise the importance of the European Arctic within their own commercial and operational portfolios.

For these reasons and established traditional strategic and geopolitical concerns as well - including the proximity to the Baltic states, the Cold War 'Iceland-UK gap', etc - it is not only the Arctic countries that have an overwhelming interest in the European Arctic, as opposed to the North American sector, but also the international investor community. In addition there are Chinese, Indian, Singaporean, Japanese and South Korean governments and private sector investors, along with the EU's growing interest and economic participation (applying for AC observer status membership).

Arctic Focus will therefore closely monitor and usually emphasise developments in the European Arctic first, where the biggest challenges and opportunities presently lie, and where Asian and Western commerce invests, operates and meets.

However from 2015 onwards, when the US takes over the chair of the AC, we expect to see significant changes in the region, with research, indigenous peoples, navigation, communications, logistics and infrastructure issues being the main focus of the US chairmanship. We will cover these developments closely in future editions of **Arctic Focus**.

The **US Arctic Research Commission's (USARC's)** new publication *Why the Arctic Matters* has been produced "to correct the misperception that the Arctic is remote and disconnected from the rest of the world". USARC chair **Fran Ulmer** continued, "The global geopolitical significance of the Arctic region continues to rise and, within that broader context, the US is now preparing for May 2015, when we begin our two-year chairmanship of the Arctic Council, the primary intergovernmental forum to discuss Arctic issues.

"The roles of scientific research and traditional knowledge as means to understand the Arctic are becoming increasingly important, and they contribute to our nation's efforts to pursue responsible stewardship of the Arctic. Equally important is the need to effectively communicate research results to stakeholders and decision makers to enable informed decisions."

We hope that you find your introductory issue of Menas Associates' **Arctic Focus** informative, current and useful in your planned or existing Arctic endeavours!

Arctic change in 2014: business steps in

The formation this year by the **Arctic Council** (AC) of an independent **Arctic Economic Council** (AEC), to serve both as a commercial framework for investment in the region and an intermediary between business on the ground and the management of the AC, makes this the right time for **Menas Associates** to add the Polar North to its global publication stable.

There has never been a greater requirement for regular analysis of the commercial environment and the opportunities arising, due to the sheer scale, complexity and growing importance of the Arctic as the latest globalising region of the world.

The admittance of new members of the AC as 'observers', including non-Arctic states such as China, signals additional Asian commercial, financial and infrastructure investment in the Arctic, especially in the European sector. Asia has not currently imposed sanctions on Russia, which is something that will be carefully noted by the Arctic desk at the Russian Ministry of Foreign Affairs.

The biggest beneficiary of any further sanction moves by the West in the Russian/European Arctic could be Asia in general, and China in particular. This may be in the shape of a geographically confined regional alliance between Russia and China that would be broadly based on shared commercial

opportunities, joint infrastructure projects and Chinese soft loans.

Conversely, the Arctic needs to be seen not only as a collection of states with national aspirations, but also as a series of national regional centres with overlapping international aspirations. This is where business is actually conducted and political differences sublimated to societal and commercial needs in the Arctic.

The best example of such regional cooperation is the **Barents Regional Council**, consisting of 13 regional centres in Finland, Sweden, Norway and Russia. Discussing current sanctions against Russia in the Arctic region and their wider regional effects in neighbouring countries, Norway's former foreign minister **Jonas Gahr Støre** says that "Norway will gain in having a stable and predictable relationship to Russia and should be the driving force in keeping up the political track in the West's dialogue with the superpower".

As if to reinforce that Norway's Barents region is still very much doing business as usual, 47 international companies have applied for acreage in predefined areas (APA) of the Norwegian Shelf this year. Licences include six new blocks in the Norwegian Sea and three blocks in the Barents Sea. The awards will be announced in 2015.



STØRE: NORWAY A DRIVING FORCE IN DIALOGUE WITH RUSSIA

For business, regional cooperation is vital to the wider development in, and globalisation of, the Arctic. **Arctic Focus** will watch with interest as regional cooperative administrations, such as the Barents Regional Council, express their views about Russian sanctions to their respective Arctic governments.

The US takes over the chairmanship of the AC in 2015, when we expect to see the roll-out of the AEC. Our aim is to prepare businesses for this opportunity, with the creation of an informative, educative and analytical publication that will become part of your business development tool-box.

The increasing value of the Arctic

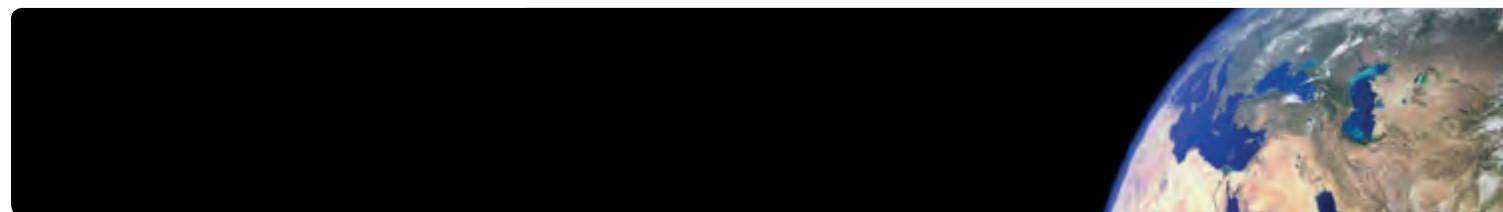
As a result of the climatic changes occurring in the Arctic, the increasing commercial viability of key resources, including hydrocarbons, minerals and rare earths, alongside the potential of a new global east-west trade route across the Pole - the Northern Sea Route (NSR) - have served to increase the overall economic value of the Arctic. This applies not only to littoral states, but also to countries as far away as China and India. The potential globalisation of the Arctic is no longer doubted; what is required now is international cooperation, burden-sharing and sustained investment.

Recent commercial initiatives attempting to capture and exploit this value include the creation of a production database of all the main industrial sectors in the Barents Region, including both the Nordic and northwest Russian areas. Data includes information on iron ore, nickel, apatite, diamonds, coal, copper, silver and gold.

"Mining and metallurgy are driving forces in the Barents regional economies, and we want to take the pulse of the industry," says the Norwegian Barents Secretariat's project data manager, **Liza Vassilieva**.

News, analysis and knowledge

There is a growing requirement to provide >>>



timely news and expert analysis of events, opportunities and changes in the Arctic landscape that impact businesses planning to operate or already operating in the Polar North. Coverage of the interests of non-Arctic players such as China, Singapore, Japan and the EU is also increasingly essential for investors and operators in the region.

In addition, familiarity with the strategic aspects of the Arctic - including its international relations, security and potential globalisation and the development of the NSR - will undoubtedly also pay dividends. Together, these strategic drivers will have an additional impact on Arctic business and its sustainability.

Community and political developments

This crucial global shift in interest toward the Arctic is part of a broader societal trend. The full implications of the Arctic as the epicentre of a physical state change in the earth's climate and weather are having a profound effect on mankind's perception of the importance of this region. The Arctic now attracts global attention, with significant new AC observer membership, reflecting the concerns of Asia and the Indian sub-continent over climate change in their own countries, alongside commercial opportunities that this Arctic phenomenon opens up.

Lastly, the Arctic serves as a virtual test-bed for the development of modern international relations. Examples include the AC's quasi-government of the region, which makes decisions by consensus rather than vote; Greenland's potential attainment of statehood by an indigenous people in years to come, and

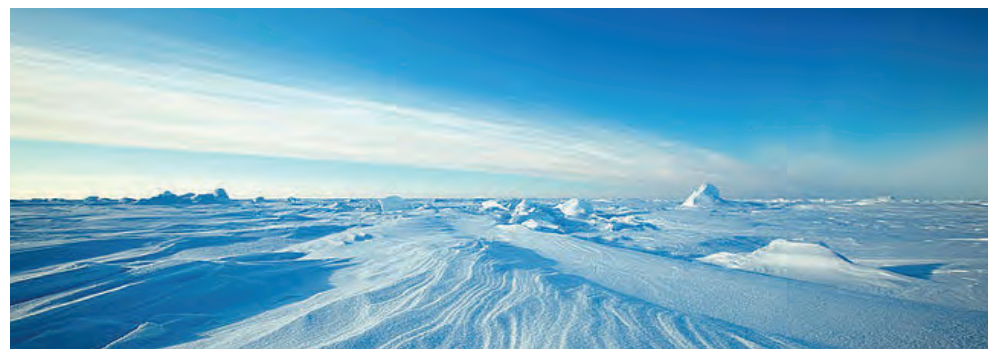
the employment by the Arctic states of the UN Convention on the Law of the Sea (UNCLOS) to determine issues of sovereignty, borders and boundaries, and to resolve disputes between member states. All are political developments of interest not only within the Arctic, but for governments outside the region as well. To date, this governance model has maintained stability, safety and inter-governmental trust in the region, and thus provided a basis for business development.

Most recently it has even been suggested in several quarters that such a successful and stable international governance forum - based on trust, confidence-building measures and sensible national compromise - could contribute to the combative dialogue between the West and Russia over the issue of Ukraine.

The challenges to business

A word of caution is necessary at this juncture. The Arctic remains the arena in which both Russian and US submarines' nuclear missile systems can still be launched. With the admission of China as an observer state to the AC, the region now accommodates the former, present and perhaps next superpower. This alone makes the Arctic somewhat unique and worthy of close reporting, analysis and critical understanding. This is therefore the arena in which business operates in the 21st century.

The Arctic is not yet a hydrocarbon Klondike. From an economic, technical and environmental point of view, it is too early to proclaim this region as a bonanza. Rather like the Caspian region in the mid-1990s, it will require a steep geopolitical learning curve, knowledge



A HOSTILE ENVIRONMENT: BUT FULL OF OPPORTUNITY

of governance issues and considerable investment in infrastructure, training, oil/gas evacuation route planning and the deployment of negotiation skills at the highest inter-governmental level to succeed.

In addition, the Arctic demands strenuous and continuous efforts in techniques of sustainable development and environmental protection, and the consideration and inclusion of indigenous peoples in all commercial activities, as mandated by the AC. These are very clear red lines for all businesses.

On the other hand, the commercial opportunities are varied, large-scale, increasingly accessible and capable both of economic growth and sustainability. These include the development of the NSR, ship-building opportunities, infrastructure projects and the establishment of satellite communications and maritime navigation systems.

To date the AC's informal governance system has helped to reduce inter-governmental tensions in the region, and act as a considerable political and economic confidence-building

forum. For any business now part of this governance framework through membership of the AEC, the AC provides the legitimacy and political stability to give rise to sensible investment by commerce in the region.

The working environment

Aside from space exploration, the Arctic is probably the most dangerous environment known to mankind. It is environmentally savage, unforgiving of mistakes, lacking in infrastructure, heavily capital-intensive and pushes our scientific and technological understanding and know-how to their limits.

But this adversity is strongly negated by a well-established tradition of indigenous communities and governments in the Polar North cooperating extremely closely to counter such harsh physical conditions. Unsurprisingly, the Arctic is increasingly a region in which science, associated research and some of the world's best and brightest minds are at the forefront of scientific discovery and emerging technologies. These will, in turn, make safe and sustainable globalisation of the region possible. >>>

One established outcome of this is that Arctic business is investing millions of dollars in risk management techniques and practice to counter the hostile environment.

Alongside this commitment, commercial legislation, new insurance products, accreditation for health, safety and environmental (HSE) and search and rescue (SAR) operations, development of new shipping codes (for example, the Polar Code) and building long-term operational capability and capacity – including personnel training, scientific research and education – are all now recognised as fundamental prerequisites for all Arctic investors.

Established risk management techniques and instruments for the Arctic environment include the following:

- > Adoption of the 'precautionary' principle;
- > Best practice, ecosystems-based management model for Arctic Ocean;
- > Ocean management systems model for oil sector (Norway);
- > AC's sustainable development and environmental protection mandates;
- > AC's governance model (consensus, cooperation, compromise);
- > Application of science (R&D) to underpin policy formulation;
- > Arctic regulations (such as the IMO's Polar Code for shipping); and
- > The AC's mandate of not admitting strategic discussions within the council.

The Arctic and Russia: Ice Station Zebra or cooperative globalisation?

For Russia the most significant aspect of the initial Western commercial sanctions was that in the energy sector they were primarily aimed at oil operations and associated personalities, such as **Rosneft** CEO **Igor Sechin**, not gas operations and the likes of **Gazprom**. However, an onslaught on Russia's gas industry occurred on 13 September with the latest round of US sanctions against Gazprom, which may have European if not global repercussions.

The attack on the Russian gas industry, unlike that on the oil industry, is not sectoral, however. It is strategic, because it strikes at the heart of the entire Russian economy. With 90% of the total gas reserves being in the Russian Arctic the effect on this region alone represents a game-changing hit on Russia.

This goes way beyond the earlier sanctions on future activity and could force a halt in this autumn's Kara Sea drilling before the end of September. **ExxonMobil's** spokesman **Alan Jeffers** told the *New York Times* that "we have to look at what was issued ... And determine how it affects us."

Genel Energy CEO **Tony Hayward's** comments in the *Financial Times* are also sobering; he "worries that international sanctions against Russia's oil sector are storing up trouble for the West. They risk cutting investment and



HAYWARD: 'STORING UP TROUBLE'

damaging supplies from the world's third-largest producer." The latest sanctions include ventures such as Rosneft's operation with ExxonMobil in the Kara Sea. What is different and a signal of rising escalation by the West is that the latest sanctions are now directed at on-going projects, such as ExxonMobil's, as well as future ones.

As Professor **Alan Riley**, of City University's law department in London, said in a recent article on strategic matters, "Russia has the capability of going from apparent stability to catastrophic instability in a very short space of time, and with little warning. Thought has to be given to what a destabilised Russia may do and what steps can be taken to minimise the resultant damage to Europe."

So while sanctions are biting in the Russian Arctic the most effective use of them, against Russia's gas industry, is apparently now on the table too. This could have unpredictable

repercussions for Europe, if not the US as well. Finland's foreign minister **Erkki Tuomioja** recently denied not supporting these further sanctions, stating that what was being questioned was the timing. No one is in a hurry, in Europe at least, to squeeze Russia further if additional sanctions make inroads into the security of Russian gas supplies to the EU.

For Finland especially, as one of the smaller Arctic nations, commercial relations with Moscow are essential. **Arctech Helsinki Shipyard** won a US\$380 million tender in August from Russia's **Sovcomflot** for three ice-breaking stand-by vessels. The ships will be delivered between September 2016 and March 2017.

The inter-regional concern over sanctions was expressed at a recent meeting of more than 150 representatives of NGOs, regional authorities and institutions at Tromsø in Norway. **Line Fusbuhl**, who is the head of the Troms County government, said that, "We have a challenging geopolitical situation with serious violations of international law by Russia, but regional cooperation should still move on as before."

Concurrently, Arkhangelsk governor **Igor Orlov** stated that "developing the good interaction between people in the Barents Region is beyond big politics". In a press release from the Arkhangelsk government he continues: "Our chairmanship of the regional council comes in a rather complicated geopolitical period, but that should not in any case affect our cooperation in solving common problems. This cooperation is beyond big politics." >>>

An equally serious outcome for Russia could be a rejection of its extended continental shelf application to the UN. If successful, this would extend Russian sovereign rights as far as the North Pole. This application has been proceeding for a number of years through the UN's Commission on the Limits of Continental Shelves (CLCS).

This may well be a move being considered by the West, to contain and control Russian activities in the European Arctic, by influencing the decision of the CLCS and linking it with Western-Russian negotiations over Ukraine.

The Russian Arctic: a good place to take on Putin?

The possible impact of increasing tensions between the West and Russia spilling over into the Arctic is significant. Major effects could include:

- > the undermining of the Arctic Council as the key governance framework in the Arctic if NATO attempts to assert control in the region instead;
- > exploitation by Russia of the US failure to ratify UNCLOS, which is a key Arctic governance tool; and
- > the possible curtailing of western (but not Asian) involvement in the globalisation of the European Arctic, including the development of the Northern Sea Route as a potential global trade route between East and West.

Without question the build-up of Western alliance forces in north-west Europe and the Baltic states will be interpreted by the Kremlin as a preliminary move to push NATO further east, even into the European Arctic.

As a result the West is already experiencing the re-emergence of the Cold War 'capability-vs-intent' dilemma with regard to Russian, NATO and now potential Chinese activity in the Arctic. The latter is especially noteworthy because Russia may now consider China/Asia as a possible alternative commercial partner in the European/Russian Arctic.

Arctic security: commercial securitisation or strategic militarisation?

A poor outcome for all business would be a military presence in the Arctic that would signify the re-militarisation and supremacy of sovereignty in the Arctic. This will only undermine the current successful governance framework of the AC and its affinity with business. The region could then become a geopolitical battlefield with sovereignty, national laws and navies deciding differences between Arctic nations, rather than international law, consensus, agreement over commercial security needs in the region and equitable compromise over sovereign rights (as per the AC's *modus operandi*).

Well before events in Ukraine, Russia amended its maritime legislation to allow the use of private Russian security to secure its Arctic oil and gas operations. It is also upgrading military infrastructure and capability in the region. It is too early to say whether this is sensible commercial securitisation of the Russian Arctic, or the beginning of a wider militarisation for geostrategic reasons. Further analysis is needed of Russian quasi-military activity in the European Arctic.

However, the recent activities of some environmental NGOs in the European Arctic - the attempt by **Greenpeace** to board a **Statoil** rig in the Barents Sea and Russia's **Prirazlomnoye** rig in the Pechora Sea - have no doubt contributed to this review. A challenge for all companies operating offshore is that some NGOs have now adopted the *modus operandi*, and use the same equipment, as pirates in the Indian Ocean. This complicates the identification of vessels, gauging of intent by rig operators, legal responses and tactical operating procedures of security forces in the Arctic charged with protecting rigs.

Who wins? The Asian dimension

Disturbingly for Western politicians, but not necessarily for Western investors and suppliers, a major beneficiary of any western confrontation and intensified sanctions policy against Russia in the Arctic, could be Asia. Beijing may well argue that, under such circumstances, the AC's framework of governance is redundant, and that China's original view of the Arctic as a 'zone of peace for the benefit of all mankind' should be reviewed.

"Although some Western governments and organisations have halted their cooperative activities in the Russian Arctic, this region remains an area of global interest, reflecting the internationalisation of the Arctic despite sanctions against Russia," says **Simon Williams**, of **Tactique**, an Arctic consultancy focusing on maritime industries.

Williams continues, "With sanctions restricting western trade and investment, many analysts



YAMAL PROJECT: COOPERATION CONTINUES

predicted a collapse of Russian maritime industries, especially in the Arctic. However, Eastern promises are keeping Russia's aspirations afloat, perhaps at the expense of the West."

This is evidenced in continued cooperation on the Yamal Arctic offshore project, in which **China National Petroleum Corporation (CNPC)** has a 20% stake in. France's **Total** also has an 18% share in Yamal. Although not affected by sanctions as a pre-existing project, Total was under political pressure due to the Ukraine crisis to scrap plans for expansion of its stake to 20%.

It is conceivable that Russia may consider a loose commercially-oriented strategic *modus operandi* with China in the Arctic. This would be designed to oppose perceived NATO/US militarisation of the region and deny western control/influence over the emerging NSR and its industrialising/globalising benefits. The deliberate courting of non-NATO Arctic countries such as Finland and Sweden to sow confusion in NATO is one obvious starting point, >>>

with Russia offering the stick and China the commercial carrot.

“China is taking an increasing role to satisfy its growing market for energy resources,” says Williams. “Not only is their Crimea port project back on the table, but an MoU between Russia’s **Rostec** and China’s **Shenhua** was recently announced for joint development of a coal trans-shipment terminal in Primorskiy Krai, part of a US\$10 billion investment project.

“This is indicative of a growing symbiotic relationship, benefiting China’s consumers and keeping Russian industries alive. Most likely, further projects with Asian partners will be spawned to compensate for the loss in Western cash-flow from sanctions and political risk.”

Asian technology and investment opportunity?

Russia lacks indigenous production capabilities for oil services technological systems and components, says Williams, and may fill this void by “seeking parts from capable Singaporean or Japanese companies with production of similar grade hardware”.

Asia certainly has some of the engineering capability to replace Western oil services companies’ technologies; piping and other metal infrastructure for offshore operations is an immediate problem, however. Oil well completion technology and LNG licensing – the latter being predominantly from the US – is most difficult to replicate and/or replace, as is the freeze of other drilling technology systems exports from Norway to Russia. Russia uses such technologies on Arctic platforms such as

Prirazlomnoye, which needs replacement parts for the platform on a regular basis.

No foreign contractor companies have so far pulled out of the Prirazlomnoye project, according to **Gazprom Neft’s** deputy director **Vadim Yakovlev**. He acknowledges, however, that his company is now “looking at ways to get equipment from other producers, among them Russian”. Up to 50% of services at the unique project platform are managed by foreign companies. Norwegian companies alone account for at least 25% of the equipment and technology applied at the installation.

A possible solution, for Western oil service providers and new Asian players alike, may be the establishment of oil services ventures in Arctic states, as registered companies, or working through Asian/Western joint ventures registered in Asia, and other commercial loopholes to evade Western sanctions. The Russian energy industry has long been aware of the need to create its own oil services firms to compete with the likes of **Schlumberger**, **Technip** or **Saipem**, so this move by the West may even provide the impetus to address this weakness in the Russian energy sector.

China may hasten development of the primarily Russian-‘owned’ NSR, with Chinese/Asian money as well, and cede control and operatorship of this new global trade route to Beijing and Moscow. In exchange for this investment Russia may well prioritise its Arctic gas production for the Asian market, transported there via a developed and commercially rated NSR.



THE NORTHERN SEA ROUTE: OPEN FOR BUSINESS

The Sino-Russian Arctic focus would be on a predominantly commercial basis with regional access, shipping, infrastructure, and energy exploitation and transportation receiving most inter-governmental support. This may lead to a more strategic alliance of China and Russia in the Arctic in time.

It is therefore possible that Russia could do as well strategically, geopolitically and commercially in the Arctic under these confrontational circumstances as it does today as a key member of the AC. The same, however, could not be said for the West/NATO but for Western business – if well informed and politically nimble and neutral – opportunities will still abound, possibly in the form of Western-Asian joint ventures.

The Northern Sea Route: full steam ahead – so far

Even though some product deliveries to northern ports are banned, Russia has not closed vessel access or cancelled application intake for NSR passage by Western ships this year. Likewise Western governments’ flag administrations have not banned their fleets from navigating this strategic waterway on political grounds. China will be releasing a guide

to Arctic shipping for ships sailing through the NSR to Europe.

But the current weak satellites in the area and poor maritime maps are preventing the kind of massive Arctic transit speculated about by some, says **Jan-Gunnar Winther**, director of the **Norwegian Polar Institute**.

An industry spokesman adds, “Already, the NSR administration has issued transit licences to 577 vessels this year, representing not only the usual open registries – Panama, Cayman Islands and Bahamas, but European players too. This number is up from 483, which was the number of licences issued at the same date in 2013. It has yet to be seen how many vessels will actually make the NSR transit during the 2014 open season until October, but the message is clear – the Russian Arctic remains open for business. Buyers and suppliers will shuffle and respond to market changes, allowing development to continue despite political obstacles.”

Asia in general could gain greater access to the European Arctic under this scenario, and China in particular could substantiate Arctic partnerships with countries such as >>>

Greenland, Iceland and Finland. A loose *modus operandi* with Russia in the Polar North could accelerate China's broader maritime ambitions in the region, which include the establishment of a maritime hub in countries such as Iceland and/or Greenland. China has already publicly referred to Iceland as a potential 'Nordic Singapore' in that it could develop deep-water ports in Iceland to cross-load container ships for onward transit to the US' Eastern Seaboard.

The fate of the Arctic without Russia

What is widely acknowledged in Arctic circles, which includes the US as an Arctic state, is that the one indispensable power for Arctic globalisation, climate research, security and safety, sustainable development and environmental protection is Russia. On this matter there is absolutely no dissent.

Irrespective of geopolitics the climate in the Arctic will continue to change, which will affect the world's climate and produce both challenges and opportunities in the region, including a new global trade route, and with it the potential globalisation of the Polar North. However, protection of the Arctic environment will not be maintained without good science, sustainable solutions for infrastructure and commercial developments, and inclusion in all of this of the region's indigenous peoples. Russia's geography, access, knowledge, presence and Polar capabilities in the Arctic are irreplaceable for all of these reasons.

Without Russia, the Arctic will become an increasingly dangerous and inaccessible region; with it the possibilities for increased climate

understanding, international trade, economic revival and exceptional human endeavour may all be achieved.

Investment opportunities: Greenland and Iceland at the crossroads

Developments in Greenland and Iceland do not take place at the periphery of international relations, but at the centre of a strategic region, the Arctic, which seems poised to play a key role in global economic affairs in the 21st century. The keen interest in the Arctic from Asian economies, which are to be at the centre of this century, reinforces the idea of an 'Arctic century'.

Today Greenland and Iceland represent, in the former case, natural resources and a desire for independence and, in the latter case, shipping opportunities and on-going economic recovery. Investment in both countries is warmly welcomed.

As **Damien Degeorges**, a specialist consultant in Greenlandic and Icelandic affairs, says in a recent paper, *Greenland and Iceland: meeting place of global powers in the Arctic*, published by leading French think-tank **IFRI**: "At the crossroads of American, European and Asian interests in the Arctic lies Greenland and Iceland; both are set to play a central role in future regional development. But in order to exploit the potential of their growing economic ties with Asia, and avoid becoming the Arctic

'weak link', Greenland and Iceland need to secure their economy on a long-term and diversified basis."

Greenland and independence

Greenland's attraction is its strategic location in the Arctic, natural resources, including rare earth elements, oil and gas reserves, water and its status as the largest climate laboratory in the northern hemisphere. Degeorges considers education of its elite a critical factor in its economic development and eventual independence from Denmark: "Those who will educate the future elite will have a privileged access to Greenland at a time when the territory could get closer to independence."

The continued reliance on Denmark for security, however, prevents full freedom over its natural resources if faced with security issues. With regular visits to Greenland by Chinese politicians, officials or company representatives, as well as those from Japan and South Korea, there is also a possibility that any form of

Asian financial assistance particularly from China could easily turn into another form of dependence, if funds are not diversified wisely.

What is not in doubt is that Asian countries have already made a commitment to Greenland, and are investing in research, aim to invest in industrial projects and see it as a strategic opportunity in terms of geopolitical influence, trade and scientific understanding of climate change in the Arctic.

Iceland's shifting focus

Iceland has undergone a geopolitical shift since its economy floundered in 2008 and the US shut its naval air station at Keflavik in 2006. It has developed from a virtual strategic American aircraft carrier to a potential commercial Chinese harbour in less than 10 years.

China has by far the biggest interest in Iceland. It signed a free trade agreement in 2013; carried out a joint scientific expedition to the North Pole that helped to legitimise >>>



REYKJAVIK: INTENSE CHINESE INTEREST

its presence in the Arctic; attempted to purchase the large **Islandsbanki**, and has established a huge embassy in Reykjavik, which some suggest is part of a broader strategy of seeing Iceland as both a springboard and a bridge to Greenland. In 2013 China also extended a currency swap deal originally negotiated in 2010 worth RMB3.5 billion (US\$570 million).

Perhaps with a nod to Greenland, however, Reykjavik insists that it is essential that it securitises its own economy. By doing so, it can, like Greenland, maintain its independence while negotiating with Arctic and non-Arctic suitors on an equal footing.

The Chinese see Iceland as a crucial potential port facility for both Arctic operations and Atlantic access, as part of its maritime east-west trade strategy. In time, Degeorges states: "Iceland could also, at a later stage, become a major access port to Greenland. The expected growing economic interdependence between Greenland and Iceland, which will enable growth on both sides, will require a solid Icelandic economy, especially if the international maritime 'hub' for Greenland, situated in Aalborg, Denmark (at least until 2022), was later to be moved even partly, to Iceland."

Singapore meanwhile appointed its ambassador to Iceland even before it was officially accepted as an observer of the AC. Singapore is already home to one of the world's global maritime hubs; its recognition of Iceland as having a similar future role in the Arctic is instructive for investors and maritime operators alike. A governmental visit to Iceland is planned for

the latter half of 2014. Japan also upgraded its diplomatic presence this year with the appointment of an ambassador, which was preceded by visits of the vice foreign minister. India has followed suit.

Even within the EU, which is not yet an observer to the AC, recognition of Iceland's growing position at the crossroads of Asian and European interests, might make the idea of including Iceland in the Asia-Europe Meeting (ASEM), where the Arctic is now frequently discussed, interesting to consider.

China, Iceland and Greenland

The relationship between Iceland, Greenland and China goes as far back as 2002 when President **Jiang Zemin** visited Iceland. Greenland's premier **Hans Enoksen** visited China in 2005. Chinese 'soft power' is strong in Iceland still; numerous conferences are arranged as well as the building of a joint aurora observatory in northern Iceland. Chinese vice-premier **Ma Kai** visited Iceland in October 2013, and Greenland's minister of industry and mineral resources **Jens-Erik Kirkegaard** visited Beijing the following month.

A licence for exploration and production of hydrocarbons in the Dreki area, off the coast of Iceland, has recently been signed, and a further agreement signed which signalled "strengthened cooperation between Greenland and China in the field of raw materials".

China National Offshore Oil Corporation (CNOOC) has 60% of the Dreki project and, as the head of Iceland's **Eykon Energy**, **Heidar Mar Gudjonsson**, says, if it finds a deposit with a

billion barrels of oil, "Iceland would be able to repay everything it owes".

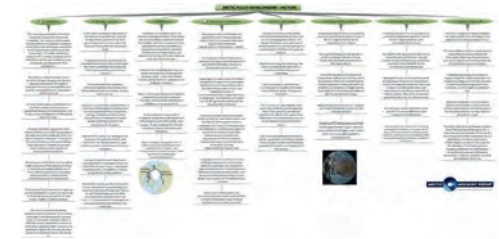
Degeorges's view is that "economic activities in the Arctic region where the geopolitical risk will have to remain low require sustainable Greenlandic and Icelandic economies over the long term. The rapid evolution in the Arctic region and the strategic characteristics of Greenland and Iceland, geographically at the centre of the transatlantic relation, cannot be a matter of indifference on both sides of the Atlantic, especially if non-regional economic assistance could transform one of those countries into a 'weak link' of the West".

There have been regular visits by both the US ambassador in Copenhagen to Greenland and assistant secretary of state **Victoria Nuland** to Iceland. With the US still very much in evidence at its Greenland air base at Thule, and increasing Chinese presence in the mining sector, Greenland has become the new China-US meeting point in the Arctic. Whether this dual presence of the present and perhaps next superpower develops into the new 'great game', the Ice Station Zebra scenario, or the setting for accelerated globalisation of the Arctic remains to be seen.

As Degeorges concludes, "the solidity of Iceland has been put to the test. The island's economic recovery is impressive, even though all has not been solved. Greenland is far from having demonstrated a similar capacity to resist. That is the central issue of Greenland's state-building project which will have, by virtue of Greenland's unique characteristics, an impact on developments in the entire Arctic region."

ARCTIC POLICY

Arctic policy development: factors and issues



This schematic provides an overview of the main factors and issues presently being discussed by various governments, businesses, NGOs and Arctic forums.

The critical driver for all interested Arctic participants is the supremacy of the guiding principles of environmental protection and sustainable development. The Arctic Council is expressly mandated to sustain, promote and protect these founding principles under any scenario for the Arctic in the 21st century.

Aside from these two guidelines, which will continue to dominate all commercial activities in the Arctic, other factors highlighted have differing political/social and commercial 'weightings', depending on the specific aspect of Arctic development under consideration, and the broader political/economic landscape of the region at any one time. >>>

The Arctic Council and transformation

Since its inception in 1996, the **Arctic Council** (AC) has been undergoing a transition. Recently, however, the rate and nature of that change has provoked a review of the AC's role, constituency and execution of policy. Familiarity with the AC, its workings and its own response to change is vital for the business community. The creation of the **Arctic Economic Council** (AEC) this year signals the AC's unanimous but cautious acknowledgment that the Arctic is now 'open for business'.

Changes in the climate and weather of the Arctic and the resulting geographical effects, for example, have altered the economic, political and strategic value of the Polar North. The AC is responding to these changes and their implications by reviewing its own role, rules and relations with the business community and non-Arctic nations.

Previously uneconomic natural resources, for instance, have now become viable. Alongside this there are numerous huge, scaleable and sustainable business opportunities in infrastructure, energy, minerals, IT, communications, tourism and shipping. Allied to this is an increasing requirement for Arctic specialists in banking, marine insurance, international accountancy and risk management to manage such developments.

This has put pressure on the AC to review its function and even its governance *modus operandi* to accommodate the potential steady

globalisation of the region. Until very recently, the AC was constitutionally disallowed from talking officially to business; that policy is being reviewed and the AEC's creation is a first strategic step in this new direction.

In terms of international relations in the Arctic a stunning breakthrough occurred in 2010 when, after 40-plus years of negotiations over the Barents Sea/Arctic Ocean boundary, Russia and Norway suddenly announced a deal. This was largely the result of a mutual recognition of the significant volumes of hydrocarbons in that region and the growing economic and commercial relationship in the Arctic between the two neighbours. The Barents Sea is probably the most promising sector of the European Arctic for hydrocarbon exploration and production, according to Norwegian oil minister **Tord Lien**, who sees Barents Sea production as crucial for the EU's security of supply.

Elsewhere in the European Arctic, Greenland has repeatedly expressed its wish to see its indigenous people eventually achieve statehood, and thus independence from Denmark; economically there is a long way to go for that to be even remotely achievable, but the marker has been put down. Greenland's mineral and hydrocarbon resources are now of great interest to non-Arctic countries such as China, Japan and India. Iceland has been strongly courted by China, looking at the potential of developing deep-water ports there.

Geopolitical and security questions are increasingly raised as climatic and commercial opportunities converge and inevitably impact the Arctic's human rights regime,



LIEN: BARENTS SEA PRODUCTION CRUCIAL FOR EU SUPPLY

its environment, international boundaries, sovereignty and security. All of these to a greater or lesser degree require consideration and sometimes reconciliation by the AC and its governance framework, the UN Convention on the Law of the Sea (UNCLOS). Moreover the non-admissibility of defence/security discussions within the AC is another pillar of the forum's original mandate that is being assailed, especially from the point of view of a need for commercial security for offshore operations, and its importance in coordinating with other public services such as health, safety and environment, search and rescue, and oil spill operations.

To date this dual AC mechanism of governance by consensus and compromise, with the UNCLOS framework acting as a guide to conduct, has served the cause of safety, stability and security well in the Polar North. It has provided a stable platform for governance of the Arctic. But it is now being challenged by commerce as the region transforms

geographically and strategically, and opens up to the potential of steady globalisation.

Transformational effects on the AC charter

All of the above, including Asian AC observer membership, global trade routes, climate effects on commercial opportunities, international negotiations over territory, potential statehood of an indigenous people, the formation and limits of the AEC and, most recently, the imposition of sanctions on the Russian Arctic oil industry are seen to have had a direct bearing on the AC's *raison d'être*.

Accordingly the AC is examining its own role in the face of globalisation; the following factors shine some light on how things are developing within the AC, and where certain questions still require resolution.

The AC's function in question?

In particular, the AC's leadership, role, mandates and decision-making framework are now all under internal review, as well as an examination of the role of science in policy formulation in the Arctic, the AC's commissioning of pan-Arctic regulation and 'best practice' to prepare for globalisation, and a growing acknowledgement of the need to address potential security issues in the region, in the light of commercial and attendant geopolitical developments.

The AC's leadership of the Arctic

In terms of leadership the AC has been widening its 'observer' status membership in recognition of the transformation of the Arctic and the gradual business orientation taking place. Most significantly, the AC has >>>

admitted such Asian powers as China, Singapore, South Korea and Japan, along with India and, no doubt very soon, the EU.

The AC has recognised that non-Arctic countries are now genuinely interested in the region for both climatic understanding and business reasons. It is fair to say that such countries also bring tremendous financial resources to bear in a region with very poor infrastructure, which is inhibiting development. For China, gas deliveries from the Russian Arctic and the use of the Northern Sea Route in the future for inter-continental trade are particularly attractive opportunities.

The AC's changing role and framework: consensus rules OK?

As the role of business in Arctic affairs increases, it will not be long before the AC's consensus-based decision-making framework is challenged. Business requires certainty before it will commit the scale of capital required for future globalisation. This question of governance is therefore being debated by AC members on a regular basis.

The AC is posing the question of whether it should remain an advisory, norm-setting forum or become more of a decision-making body, now that business is taking a position in the region.

The creation of the AEC is a first indication of perhaps a more decisive and – significantly – controlling role for the AC in the 21st century in response to commercial exploitation. How and by what mechanism it should welcome, offer advice to and to some extent direct new observer members, associated business and

The Arctic Council

The **Arctic Council** consists of the eight Arctic states:

- > **Canada**
- > **Denmark** (including Greenland and the Faroe Islands)
- > **Finland**
- > **Iceland**
- > **Norway**
- > **Russia**
- > **Sweden**
- > **US**

Six international organisations representing Arctic indigenous peoples have permanent participant status:

- > **Arctic Athabaskan Council (AAC)**
- > **Aleut International Association (AIA)**
- > **Gwich'in Council International (GCI)**
- > **Inuit Circumpolar Council (ICC)**
- > **Russian Association of Indigenous Peoples of the North (RAIPON)**
- > **Saami Council (SC)**

Twelve non-Arctic countries have been admitted as observers:

- > **China**
- > **France**
- > **Germany**
- > **India**
- > **Italy**
- > **Japan**
- > **South Korea**
- > **Netherlands**
- > **Poland**
- > **Singapore**
- > **Spain**
- > **UK**

private investors is another question being asked by the AC.

Asian countries' financial investment,

contribution to Arctic research and potential to employ locals are welcomed, but also raise questions of sovereignty, territory and the legality of some Arctic international boundaries.

Nine intergovernmental and inter-parliamentary organisations have been given observer status:

- > **International Federation of Red Cross & Red Crescent Societies (IFRC)**
- > **International Union for the Conservation of Nature (IUCN)**
- > **Nordic Council of Ministers (NCM)**
- > **Nordic Environment Finance Corporation (NEFCO)**
- > **North Atlantic Marine Mammal Commission (NAMMCO)**
- > **Standing Committee of the Parliamentarians of the Arctic Region (SCPAR)**
- > **United Nations Economic Commission for Europe (UN-ECE)**
- > **United Nations Development Program (UNDP)**
- > **United Nations Environment Program (UNEP)**

Eleven non-governmental organisations are also observers:

- > **Advisory Committee on Protection of the Seas (ACOPS)**
- > **Arctic Cultural Gateway**
- > **Association of World Reindeer Herders (AWRH)**
- > **Circumpolar Conservation Union (CCU)**
- > **International Arctic Science Committee (IASC)**
- > **International Arctic Social Sciences Association (IASSA)**
- > **International Union for Circumpolar Health (IUCH)**
- > **International Work Group for Indigenous Affairs (IWGIA)**
- > **Northern Forum (NF)**
- > **University of the Arctic (UARctic)**
- > **World Wide Fund for Nature-Global Arctic Program (WWF)**

www.arctic-council.org



For business, however, what matters is not sovereignty or even a need for ownership (the latter can be the cause of conflict) but instead a more regulatory interpretation of >>>

sovereignty (use of transit routes, access to countries' resources, etc). This approach, which mirrors the AC's view, helps to guide, conduct and measure progress in talks about Arctic issues – itself a kind of regulatory device.

The AC is responding to this newborn regulatory role, with the introduction by the **International Maritime Organisation** of a Polar Code for Arctic shipping (probably to be rolled out in 2017) and the employment of industry best practices wherever possible, alongside a strong drive to impose strict risk management measures within all industries operating across the region. Examples include the recent binding search and rescue treaty and a similar instrument soon for oil spill response activities.

But tension remains between the AC's leadership role in promoting sovereign rights, (sovereignty *per se* is not seen in this context as a useful way to gain control as part of a power game), enforcing its founding mandates and working within the UNCLOS international treaty framework – all of which are attractive to international business investors – and the increasing reality of managing non-Arctic powers such as China and India. Strategic interests also require careful consideration of geopolitical factors such as sovereignty, territorial ownership and national security.

The Polar Code is now being examined by individual Arctic countries, whose view on its impact varies depending on their geography (Russia and Canada), its regional effects on trade and the fact that it by definition contradicts the notion of the freedom of the seas, still vital for naval/strategic reasons.

The evolving role of science

The main advantage of science in the Arctic is that it has given scope and methodology to UNCLOS and the AC for policy purposes. For instance, research on fish stock viability moved the debate from fish morphology to fish stock migration patterns, population size, controls, etc. This in turn created not only a more detailed background for consideration but also a more informed view which was useful for the AC in formulating a fisheries policy.

An emerging issue now being considered in the AC is that business interests are already pushing the application of Arctic science towards business needs, with a diminution of emphasis on its former application to traditional environmental and marine protection concerns.

Business challenges AC's mandates

Most importantly, the advent of commerce has led to the AC questioning the commercial weighting of some of its founding mandates: the requirement to include indigenous peoples as part of any globalisation of the region; the continued emphasis on environmental protection and sustainable development; the inadmissibility of any official dialogue with commerce and the policy of not allowing discussion of strategic/military matters within the AC. Security for example, is a growing concern for business. Without some sort of discussion with the AC about the nature of threats, local military response capability and commercial security capacity, it is difficult for businesses to operate in such a remote region.

Globalisation in the Arctic

It is precisely because climate change within

the Arctic is beginning to affect climate and weather elsewhere that regions such as Asia feel justified in seeking observer membership of the AC. They want both to contribute to climatic research and to benefit from any commercial opportunities that may arise, such as the potential global trade route between east and west represented by the Northern Sea Route. Western lawyers and insurers are already involved in the legal and risk issues involved in the operation, ownership and control of the NSR.

The key to globalisation of the Arctic is location and ownership of resources, layout and control of transit routes, and stability of state boundaries. At present that makes Russia the crucial Arctic power, as it easily fulfils the first two parameters, and has no serious disagreements with other neighbouring Arctic countries over the last issue of state boundaries. In fact, its deal over the division of the Barents Sea boundaries with Norway only highlights the disciplined and diplomatic way in which this dispute was finally resolved.

The Arctic Economic Council

One outcome of this globalising interest is that the AC this year announced the formation of an economic committee, the **Arctic Economic Council** (AEC – see box on page 13 for the AC's official communique on the AEC). This body – independent of the AC, but reporting to it – will develop a sustainable framework for business development in the Arctic. At the same time, it will provide feedback on commercial developments that may in time require regulatory initiatives and policy changes by the AC. The founding meeting of the AEC took place

at Nunavut in Canada on 2–3 September. This initiative was partly in response to some major oil companies' frustration at being unable (by the AC's mandate) to discuss commercial matters with the AC. It was compounded by the fact that initially the AC view was that oil companies could not be represented in the AEC, because the headquarters of some companies were not in Arctic countries, making them ineligible for AEC membership. At present each Arctic country and permanent participant member can nominate three representative companies and/or organisations to the council.

The AC's move to create the AEC and help facilitate needed foreign investment is sensible and inevitable. But it will undoubtedly complicate Arctic governance, and to some extent security concerns as well, as this additional framework for business is now incorporated into Arctic governance and its impact felt.

The AC originally considered the function of the AEC as either a regional chamber of commerce, looking for and directing inward investment, or a more independent industry framework, allowing for feedback and collaboration between industry and national Arctic governments. In this latter structure the relationship is more regulatory in output, from the AC's point of view.

Recent indications are that the industry framework is the more likely to be adopted. With an agreed AEC framework in place, the intention is that to an extent industry will then get on with making use of it. However, an AC minister will still approve the >>>

Facilitating the creation of the Arctic Economic Council

OVERALL AIM

Fostering sustainable development, including economic growth, environmental protection and social development in the Arctic region.

OBJECTIVES

The Member States and Permanent Participants of the Arctic Council support the establishment of an independent body of business representatives, the Arctic Economic Council (AEC), to:

- Strengthen the Arctic Council by enhancing regional economic cooperation.
- Inform through the views of business the work of the Arctic Council.
- Facilitate and foster business opportunities, while advancing sustainable development of the Arctic.
- Contribute to a stable, predictable and transparent business climate.
- Facilitate trade and investment in the Arctic.
- Maximise the potential for Arctic economic activities to take into account environmental protection and to positively impact the communities, lives and culture of Arctic indigenous peoples.

IMPLEMENTATION

The AEC will support these objectives by:

- Supporting high standards of business operations and sustainable business activities in the Arctic through the sharing

of information, including best practices and technological solutions.

- Advancing efforts to protect the environment.
- Facilitating business and economic development of indigenous peoples and small and medium enterprises in the Arctic.

PROCEDURES

- By following the program and work of the Arctic Council, the AEC may interact with the Arctic Council on all relevant levels pursuant to Rules 39 and 40 of the Arctic Council Rules of Procedure.
- The AEC may put forward proposals and reports to the Arctic Council to realise the aforementioned objectives.
- Consistent with national laws, procedures, practices and traditions, each Arctic State and Permanent Participant may, within two months of approval of these recommendations by Senior Arctic Officials, provide the names of up to three representatives to attend the AEC's founding meeting.
- In the future, the membership of the AEC will not be limited to such nominations and may accept self-nominations from the Arctic business community. The AEC shall determine the maximum size of its membership, governance, structure and activities, while ensuring strong participation from indigenous businesses.
- The Chair of the Arctic Council may assist in arranging an initial meeting of the AEC.
- The Arctic Council may propose areas of focus for the AEC to consider, beginning with responsible resource development.

membership of the AEC and oversee proposed Arctic projects. The AEC concept has sparked a lot of internal debate in the AC (especially over the purpose, framework and degree of involvement in commercial matters); although it was commissioned in 2014, it is more likely that we will see some application of it only in the latter half of 2015, during the US chairmanship of the AC.

The AEC framework will allow the AC to introduce necessary legislation via the commissioning of international organisations' expertise (such as the IMO), at the request of expert business opinion and commercial experience; purposefully or inadvertently it also means that *de facto* the AC will continue to exert strategic control and direction over the future of the Arctic.

As mentioned, the role of science has traditionally been oriented towards environmental protection and sustainability policy formulation. Science's role in commercial development may well be debated within the AEC. Impending regulation, like the Polar Code (delayed in ratification mainly due to national legislative processes) will be put back on track, based on emerging business needs expressed through the AEC. The responsibility for implementing the Polar Code will lie with the states themselves, which would give them broad discretion, says **Tore Henriksen**, a professor and director of the sea law centre at the University of Tromsø.

The critical advantage of the AEC is that there will now be an official channel through which commerce can talk to the AC. It will enable the

AC to receive critical, measured and responsible feedback as to what regulations, best practices, frameworks and investment structures need to be put in place to help to globalise the Arctic equitably, sustainably and safely.

Summary: business relations in the Arctic

Business success in the Arctic is most quickly achieved by understanding the function and role of the AC, its various governing mandates, and its use of UNCLOS and sovereign rights to promote a predictable governance framework. Although the consensus methodology of the AC is a challenge to some businesses, the overall operating culture in the Arctic, endorsed by the AC, is one of collaboration, cooperation and at times compromise. It is important, especially for newcomers to the region, to recognise that this culture was not necessarily established out of choice, but rather out of geographical and climatic necessity.

Its crucial role in promoting sensible regulation, insisting on the adoption of best practice and conducting dialogue between all Arctic states to maintain stability and promote wealth for its indigenous peoples and citizens alike will only be enhanced by the feedback from commerce to the AEC.

Business will soon be in a pivotal position to influence the direction of the AC if it works closely with it, contributes to the international governance of the region and actively takes part in the burden-sharing of infrastructure build-out, itself the necessary backbone for all commercial activity in the Arctic. >>>

Next steps for Arctic Focus

Menas Associates recently asked businesses to complete an Arctic Focus Survey to help us understand what aspects of the Arctic interest you and your organisation – for instance, whether they are macro-economic, industry-specific, environmental, risk management or legal in nature. We expect this to lead to requests for more industry-specific information, news and analysis, covering both the European

and North American Arctic. With such feedback in place, our objective is to help businesses identify, research and win commercial opportunities within the Polar North.

The survey can be found here:
https://www.surveymonkey.com/s/Menas_Arctic_Focus_Survey

The content of future issues of **Arctic Focus** will reflect the results of this process, responding to your commercial needs and wishes once we have analysed the response

to the survey, listened to your feedback about the content of this introductory edition and presented to you at our Breakfast Briefing in London on 25 September.

Topics under consideration for coverage in Arctic Focus over the coming months include the following:

- > sector-specific reporting and analysis;
- > guest authors writing on subjects of special interest;
- > special research-based projects, possibly covered over several issues of the publication;

- > announcements of commercial opportunities for investment and partnerships in the region;
- > interviews with key business, governmental and regional commentators on topical events and developments;
- > the facility for online Q&A and feedback sessions with **Arctic Focus** authors;
- > regular updates about Arctic conferences, speaking opportunities, events and public meetings, including podcasts; and
- > periodic listings of training, educational and management courses covering Arctic matters.