FUTURES REVIEW
OF THE NORTH
FINNISH WEALTH CREATOR
AND GATEWAY TO THE WEST
Summary

Northern Finland will continue to generate prosperity and vitality not only in Finland and for Finns, but also more widely. Despite the threats, the North has the strengths, opportunities, and factors to meet some of the biggest global challenges for the future.

Climate change is particularly challenging for our energy system. The coronavirus pandemic has revealed new phenomena highlighting the significance of the North, such as an increase in remote work and the importance of nature tourism. More than ever, people are appreciating Finland’s purity, spaciousness, and safety. This winter, the dramatic change in the security situation in Europe has brought the needs of security, national defence, and security of supply into serious discussion in Finland as well. In such a situation, the importance of the North is even more emphasised.

We see that, in all these phenomena of the present and future, there are in fact many elements that strengthen the role of the North as a facilitator of well-being, security, and vitality for Finland and Finns. In this look into the future, we present the arguments for this claim.

In addition to arguments, the North needs a Northern Growth Action Plan:

Security of supply, safety, and accessibility

The accessibility of Northern Finland for industry, the security of supply, tourism, and commuting will be improved. This requires investments in the main railway line, the Savo line, the Kolari line, National Roads 4, 5, and 21, and the northern airports and ports. It is also important to start discussions at the national level on the implementation of Nordic infrastructure investments as part of armaments, the security of supply, and security policy. In terms of security of supply, an important new route to the West will be opened. Northern telecommunication connections and the digital backbone infrastructure will be brought to an appropriate level.

Sustainable investments in growth for the good of the climate and Finland

Major projects of the Northern Finland Sustainable Growth Programme (Technology Parks: Radio Park for wireless data transfer and OYSTER for health technology, the Kajaani data centre ecosystem, and hydrogen and bioeconomy initiatives) will be implemented together with our major companies. The development and delivery of a common industrial strategy across northern borders, as highlighted by the Lapland Chamber of Commerce will be implemented. The smooth licensing required for windfarm investments will be ensured, as well as road connections.

Work and labour force

To increase the availability of labour, a Nordic recruitment and marketing programme will be launched together with Sweden and Norway. A genuinely unified working area in the Bothnian Arc will be created to support Finland’s growth. The continuity of foreign labour recruitment services in different areas will be secured. In regional development, there will be a move to an innovation policy based on regional strengths. The innovation policy must focus on increasing funding and R&D investments in education, especially in higher education, and on increasing the regional impact of higher education. This can create balanced regional development throughout Finland. For example, energy tax incentives, labour tax incentives, and other business support for the North will be implemented so that large-scale investments in Northern Finland can take place.

This look into the future outlines the importance, trends, and opportunities of the North in general terms. Individual projects are dealt with in other contexts and documents.
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1. "On these poor frontiers, in the wretched lands of the North"

The North can continue to produce growth and well-being for Finland and throughout the world.

In Finnish mythology, the North has always been the worst of the compass points. Ancient folklore has it that cold, diseases, and plague originate from the North. In our national epic, Kalevala, the North is Kalevala’s enemy, ruled by the queen of the North. The wicked queen, also known as Louhi, teases Vainamonen and the rest of Kalevala’s heroes in many ways. But few of us remember that it was in the North where Sampo, the miracle device of wealth and prosperity, was born. Of course, Louhi acquired Sampo by stealth and this led to a serious dispute between the North and Kalevala. But all in all, the North was the Sampo of Finland.

In this look into the future of the North, we want to remind you that the North is still in a way a producer of Finnish wealth and an integral part of the entity that generates prosperity and vitality, not only in Finland and for Finns, but also more widely. At the same time, we emphasise that contrary to what is stated in the mythical Kalevala, the North cooperates and is passionate about promoting cooperation. With our collective hands, we are preventing the miracle device from being destroyed, and so we are growing and developing it to create more wealth for all of us.

When we talk about the North, we talk about the Finnish provinces of Northern Ostrobothnia, Kainuu, and Lapland. But we also mean regions outside the borders of our country. While the borders between us vary in both practical and political implications – from the border between the EU countries of Finland and Sweden to the EU’s longest land border with Russia – we believe that it is vital to see beyond these borders. Despite the threats, the North has the strengths, opportunities, and factors to meet some of the biggest global challenges for the future.
1.1 Four scenarios for regional development have been produced for Finland – we are implementing a fifth one

Recent phenomena are merely reinforcing the position and significance of the North.

The Finnish government has published four scenarios\(^1\) for Finland’s regional development up to the year 2040. These scenarios signify Finland as a patchwork quilt, a globally selected Finland, a Finland of raw materials and tourism, and a balanced Finland. Unfortunately, all these Finnish scenarios are in many ways negative for the North. They do not show sufficiently well what kind of significance the North has for the development of Finland and Europe. They reduce the role of the North to something that we do not want or expect in the future.

The phenomena that have emerged during the coronavirus pandemic are viewed in the scenarios as temporary and of little significance. The rise of remote work and the wave of resignations that has affected many industries around the world have been major phenomena in many fields of business during the coronavirus pandemic\(^2\). In terms of consumption, the outlook is characterised by phenomena such as privacy, the need for space, flexibility, health, and saving the planet\(^3\).

This winter, the dramatic change in the security situation in Europe has brought the needs of security, national defence, and security of supply into serious discussion in Finland as well. In such a situation, the importance of the North is even more emphasised. We see that, in all these phenomena of the present and future, there are in fact many elements that strengthen the role of the North as a factor of well-being, security, and vitality for Finland and Finns.

But the scenarios are just scenarios, and no one knows yet which of the phenomena will be permanent. But the global pandemic and the war in Europe have made us more sensitive to our strengths and our challenges. We in the North face a future in which the North will play a major role in the development and stability of the whole planet. Geographically, we are peripheral but ready to step into the front line.

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1. Suomen aluekehityksen skenaariot 2040 (Regional development scenarios for Finland) - 2021
2. News from the Business Insider website: 3 reasons everyone’s quitting their job, according to Biden’s labor secretary
3. News from the VTT website: Five key consumer trends for 2022: from DIY travelling to flexible lifestyles
2. The North: Finnish wealth creator and gateway to the West

2.1 From the periphery to the front row!

The huge international investments in the North are worth seizing.

The three provinces of the North cover half of Finland’s surface area, but only 12% of Finland’s population live there. Climate change, digitalisation, changing energy production, and the war in Ukraine are changing the balance of the entire globe.

The strategic significance of the North will grow. It is for the benefit of the whole of Finland that activity in Finland’s northern parts remain and further develop.

New sea routes, competition for natural resources, geopolitics, and energy transition will have an impact on investments, tourism, military armaments, etc. to the region.

Up to 70% of new major industrial investments based on Finland’s natural resources are being targeted at Northern Finland. In the near future, as much as €50 billion will be invested in Northern Finland. In the coming years, up to €100 billion will be invested in Northern Sweden. Investments are being targeted particularly at climate-friendly industry. The North’s rich ore deposits, clean energy, and new inventions are already attracting investments and investors, and will continue to do so in the future. The Swedish Government and the business community see the North as an opportunity.

Similar development is also continuing in Northern Norway where, in addition to the energy and fishing sectors, other industries are growing. This development does not exclude Finland, but rather encourages the further development of our northern regions. Finnish companies have opportunities to participate in projects covering the whole of the northern region, and their skilled workforce is much in demand. However, labour availability is one of the key obstacles to growth in the North, and the growing demand for labour in Sweden also poses its own challenge to the labour situation in Northern Finland.

Taking full advantage of all the nation’s strengths to safeguard well-being is key to future success. It is also a factor enabling environmentally sustainable development in the coming decades. The opportunities of the North must and should be seized. This will benefit the whole of Finland.

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4 Regional State Administrative Agency for Northern Finland, environmental permit applications July 2021
5 News from the Lapland Chamber of Commerce: Northern investment potential of €178 billion – the role of the North in the fight against climate change is increasing

Investments in Northern Finland, Northern Sweden and Northern Norway up to 2030.
Source: Lapland Chamber of Commerce
2.2 Population forecasts to the scrapheap?

It is good to live in the North. Here, we also have work for international talent and opportunities to live and have fun in pristine nature. The enormous investments in the North will require manpower, and the revolution in ways of living will require people to change.

SFinland’s population forecast in 2020 was bleak from the perspective of the North. According to calculations, the population in the North will decrease and be concentrated to growth centres. It is estimated that, for example, the population of Oulu will increase until about 2040 after which it will begin to decline. Elsewhere in the North, the population development will weaken considerably more rapidly.

There is, however, justification for challenging these forecasts. In the first year of the coronavirus pandemic, Lapland saw an exceptional turnaround and a historic migration gain. In Kainuu, on the other hand, employment has developed against all the gloomy forecasts.

What do such signals show? There are two reasons for this: There is work in the North and people want to live here.

Already in the near future, the North will require considerably more manpower and inhabitants. The region’s natural resources, energy industry, and tourism will employ tens of thousands of people. The declining population in the North, or in Finland as a whole, cannot meet this need, while major investments in Northern Sweden and Norway are also attracting skilled labour from us.

There is no labour reserve in the North and growth centres are far away. The North needs recruitment models developed just for it. Tax incentives to attract manpower could be one alternative, for example. Cooperation between the northern parts of the Nordic countries in international recruitment could also be an alternative. Could the North be an area of employment from the perspective of an immigrant? The needs for seasonal labour must also be considered here. The tourism sector in particular needs labour force in the winter.

Already now, active international recruitment and targeted campaigns are being conducted in the region. Increasing effort should be put into this work to create a foundation for permanent labour migration. In the future, labour migration will not be temporary but permanent. The North, just like other regions, must also attract manpower by considering the families of the workers.

On the other hand, there is no longer always a need to move for employment. In Finland, it is estimated that approximately 40% of employees could do their work from multiple locations. The North can attract remote workers and there are already signs of this happening.

In Finland, measures are needed, especially from the public sector, to genuinely enable people to work from multiple locations. High housing costs and infrastructure costs in the South are slowing down Finland’s transition to a multi-location and technologically advanced way of working. Location-based innovation policies and enabling multi-location work, for example in the public sector, will support balanced regional development and a real shift towards multi-location work in Finland.

Life is not just work, however. In the North, the diverse nature is close by and the most pristine in the whole world. There are sea, islands, towns and cities, countryside, and extensive areas of wilderness with their hills and fells. It is easy to praise the North to anyone thinking of moving in the future, because it is a good place to live in. The North has the lowest living costs, more space, efficient services, and possibilities for hobbies.

People can choose to live in a house or a block of flats, either in the countryside or in the bustle of a city. Distances can be long, but an efficient infrastructure helps to overcome this and offers opportunities. The efficient infrastructure also covers telecommunication connections.

In addition to infrastructure, a good life requires some spirit. The local, unique culture gives the North a soul that attracts people and makes them want to stay.
2.3 Does Swedish defence begin in Northern Finland?

Russia’s war of aggression in Ukraine changed the world. The North is Finland’s gateway to the West and critically important in terms of the defence and security of supply in our country. It is worth it to take care of this and ensure rail and road connections to Sweden and Norway, which is in the interests of the defence of the whole North.

It is said that Finland’s defence begins at Kymenlaakso and Sweden’s in Northern Finland.

Russia’s attack on Ukraine has changed the world, permanently. In Ukraine, there has been enormous human suffering. The West has responded with economic sanctions and the supply of weapons. Russia is practically isolated from international trade. All kinds of interaction with Russia are on ice and for good reason. Europe is arming itself militarily and eliminating its need for Russian energy. As this report is being written, Ukraine is fighting honourably but alone.

In this situation, the significance of the North to Finland’s safety and security of supply is continuing to grow. The North is Finland’s geographical link to the West. Viewed from the South, Oulu is a transport hub and Tornio a gateway to the West, where both roads and rail links to Sweden intersect. Lapland is well connected to both Norway and Sweden, and the airports and ports of the Bothnian Arc serve domestic and international business.

With its natural resources, space, location, and energy production, the North is an important region — also in terms of security policy. All the northern provinces are connected by a long border with Russia. Northern Finland has more common border with Russia than any other unbroken region of the EU. From the perspective of safety and security of supply, the development of Northern Finland’s eastern parts is of vital importance.

But what are our logistical connections to the West really like in practice? The rail capacity and connections in the North are modest. In terms of security of supply, the significance of rail connections to Sweden and Norway’s Atlantic coast must be recognised. If maritime traffic in the southern Baltic Sea is blocked or prevented, the northern route to the Atlantic ports will be our only link to the world. In practice, just one oil tanker accident in the Straits of Denmark would be enough to seriously disrupt sea traffic. Then the North would also be the gateway to the West for southern Finns.

Northern Norway is also home to significant gas reserves and liquified natural gas (LNG) production, among other things. Good logistical connections would enable gas delivery to Finland from Norway. Eliminating the need for Russian energy and security of supply requirements are heightening the significance of Norway’s natural resources and direct transport routes.

In this serious global situation, there is also a need to re-evaluate the aims and major projects of transport policy. Nationally, there must be serious discussion.
about the targeting and allocation of our resources. In terms of security of supply, how can we ensure that essential northern routes will work? Does it make sense to spend billions on passenger rail capacity and on reducing journey times by a few minutes if, at the same time, we are not making the investments that are essential for security of supply?

Could defence and security of supply be grounds for a new kind of trans-national cooperation with Sweden and Norway? Ways should be found between countries to direct joint strategic investments to areas that increase the security of the Nordic region as a whole. In addition to defence activities, this could include logistical cooperation in particular: joint projects on railways, roads, ports, airports, and telecommunications. Efficient logistics will enable alternative supply routes and, if necessary, promote the transport of military equipment in the North.

It is for the benefit of the whole country, and actually a necessity, for the North to remain well inhabited and for the opportunities provided by the North to be exploited. This regional policy perspective must also be seen as part of security policy, as Norway has already been doing for decades. In the North and between Nordic countries, there must be efficient infrastructure, logistics and comprehensive transport networks. The region’s towns and cities must be seen as significant factors of both Nordic vitality and, at the same time, security.

2.4 Northern water and wind saving the planet

The North is key to Finland’s energy transition. More wind power and high-tech hydrogen initiatives — not forgetting biogas and biofuels — will help us move away from fossil fuels. Factories should invest in local energy production. In that way, we can avoid losses occurring in energy transfer and reduce the investments required for such transfer. Let us use energy in Finland to make high-value-added products instead of selling valuable green energy abroad.

Making use of natural resources in a sustainable way is one of the great challenges for the future of humanity. Population growth, an increase in income level, and consumption habits are increasing pressure to make use of new resources. Various new technologies, such as the battery industry and other technology industries fuelled by the green transition, need new minerals and other mined resources for production. Data centres need to be placed in cool and secure facilities. Elsewhere, the challenges include the loss of biodiversity and the decline of natural areas.

In the future, the North will continue to offer room for both. With northern expertise, our region can be used in a sustainable way, for example for mining, forestry, and the food industry, so that there will be plenty of wilderness in the future. An example of this expertise is Finland’s second largest employer of geologists in Kemi, which serves Lapland and the whole of the northern polar cap. In Kainuu, forest bioeconomy is a key sector that combines ecology, sustainable development, and energy efficiency — forestry and natural values can work together.

In the future, the need for decentralised energy production will continue to grow. The fate of the planet lies on fossil fuels being abandoned and replaced by emission-free alternatives. Geothermal, solar and wind energy will be important forms of energy production in the future, not to mention hydroelectric and nuclear power. Bioenergy will also have its place. Greater coverage of the biogas refuelling network would also provide alternatives for transport fuels.

The isolation of Russia is speeding up the energy transition and forcing people to find solutions to increase energy self-sufficiency. The North must be seen first and foremost as an opportunity in the energy transition. In the past, the rivers of the North were harnessed for the needs of an industrialising Finland. Now we can see how the northern wind is being harnessed to prevent climate change and for the needs of security of supply and well-being.

The North is an excellent region for wind power production. The North has the space, wind, and ability to realise wind power investments. Already, more than half of Finland’s wind power is being generated in the North. Northern Ostrobotnia accounts for about 40% of Finland’s wind power and there is still potential to increase the production significantly. In Lapland and Kainuu, too, the role of wind power is being emphasised. The general opinion is quite good for wind power investments and the conditions are suitable for production. Sea areas can also be utilised. Future investments in the North will multiply wind power production in Finland.

Consumer behaviour is a powerful driver of change. This is being seen, for example, in demands for emission-free products. For example, the automotive industry has a need for emission-free steel. Sweden
and Finland have many projects aimed at instituting the production of carbon-free steel throughout the production chain.

Carbon-free production consumes a lot of clean energy. In this respect, wind power in the North will be in high demand in the future and the investments will be fully realised.

When electricity is distributed over long distances along power lines, some of it inevitably disappears. Therefore, it would be sensible and environmentally friendly to make full use of valuable and environmentally friendly electricity close to the areas where it is produced. We need to think openly about the different options for directing investments closer to where the energy is produced. Tax incentives are a possibility, for example. Sweden uses a system by which the North has cheaper electricity than the South. This has stimulated investments and balanced consumption. In the future, the north of Finland will also be seen as a location for factories that produce high-quality, high-value-added products using green energy produced nearby.

In the future, hydrogen will be an essential part of emission-free energy production. The North is home to a diverse range of top-class research into hydrogen, which will solve many of the challenges related to its production. Hydrogen plans in the Bothnian Bay environment have been explored and there is already hydrogen production in the region, with a readiness for additional production and widespread interest in the use of hydrogen. Hydrogen production requires plenty of renewable energy that can be provided through wind power. In addition to this, the region has a good electricity distribution network, which will be further reinforced in the coming years.

Increasing the production of hydrogen cannot be done without investments in its research and use. Pilot areas for the use of hydrogen are needed, particularly for distribution vehicles and heavy transport.

The world is crying out for clean energy. Here, too, it must be remembered that speed is of the essence. Timely investments in energy production and new technologies will pay off in the future.
2.5 Wood, brains and much more!

In terms of their fields of expertise, northern institutes of higher education are internationally top-class. They educate half of Finland, conduct cutting-edge research, and attract investment to the North.

An old saying goes that Finland has two natural resources: wood and brains. And it is true that Finland’s industrial rise relied heavily on forest industry and education.

But a good level of education is not a given. Finland has been lagging behind its peers in terms of the share of highly educated young people, and ranks below the OECD average\(^6\). Significant investment is needed if most of the Finnish population are to be educated to a tertiary level. This will strengthen our innovation and competitiveness.

The recruitment and employment of international talent in Finland will play a key role in these efforts. Higher education institutes in the North must invest in strengthening international visibility, recruitment, and integration, and in the employment of trained international experts in the North. Regional attractiveness must be enhanced by strengthening the university’s employer image, excellence in recruitment, visitor and mobility programmes, improved services for international talent at all stages of the path, and well-targeted marketing activities in the target countries and partner universities. In international recruitment, special attention must be paid to the employment of spouses and the well-being of families through settlement services and new spouse and mentoring programmes.

As the operating environment changes and technological development accelerates, the importance of continuous learning will be emphasised. Skill potential must be better recognised, and the career opportunities of highly skilled people must be promoted more systematically.

Continuous learning strengthens individuals, organisations, and the whole of society. In a learning and successful employer organisation in any region, regardless of size and location, internationalisation and consequent further deepening of skills are assets.

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\(^6\) [OECD report: Education at a Glance 2021](#)
2.6 Only the northern sky is the limit to growth?

The diverse economic structure of the North is a strength which has not previously been fully understood. Sustainable, nature-based livelihoods are now accompanied by excellence-based industries which can be strengthened by, for example, the creation of technology parks based on existing strengths.

Northern Finland has a diverse economic structure. The region emphasises industries based on natural resources such as forestry and mining. For example, investments in the Kemi bioproduct plant have had an enormous effect on the entire northern part of Finland. The annual growth of forests in Northern Finland is increasing and there is a logging reserve in the area, while the proportion of protected areas is significant. Mining in the North has adopted advanced technologies and the region produces critical minerals for the battery industry, for example. The position of tourism as an international business, major employer, and developer of regional services is significant.

The greatest international potential in the North lies in sectors where success requires a high level of education, skills, creativity, and intelligence.

Long-term and systematic work on product development will carry us well into the future and ensure the competitiveness of the export industry. Oulu’s ICT sector alone now employs almost 20,000 industry professionals. Kajaani’s LUMI supercomputer – one of the fastest in the world – is creating growth opportunities for the ICT sector and data service centres in Kainuu.

The impact of R&D activity on the region’s development is important now and will continue to be so in the future. The significance of the universities as promoters of R&D activity is undeniable. Universities produce technical and non-technical talent, especially for the North, as well as producing research that meets today's challenges and creates new opportunities. Examples include several research projects on hydrogen, mining technology, or wireless data transmission, in close interaction with businesses and the public sector in the region. For example, Lapland’s universities of applied sciences offer the largest number of courses related to circular economy and its opportunities in the country.

Finland must actively improve its digital competitiveness by developing international and national telecommunication connections. Investing in telecommunication connections will enable a new kind of knowledge-intensive cluster to be built in Finland, and Northern Finland has a lot to offer in this respect. Northern Finland is a place with excellent potential for establishing data centres.

High-tech work does not come to a region by chance but requires seamless cooperation between businesses, universities, research institutes, and other public-sector bodies in a region. In the North – an area of scarce resources – people have just had to cooperate.

The North’s unique cluster of expertise in wireless
communications technology has not been created overnight but continuously maintained and developed. This has also created positive prospects for companies, a major example of which is Nokia’s announcement at the end of 2021 to build a new campus in Oulu for its approximately 2,600 employees.

The centre of excellence in wireless communications technology is also strengthened by the 6G Flagship – a research, development, and innovation programme for next-generation (6G) wireless network solutions and systems led by the University of Oulu. The programme is one of the flagship programmes of the Academy of Finland and, at its inception, it was the world’s first large-scale 6G research and development programme.

There is still potential to be tapped in harnessing the expertise of the North. This could be facilitated, for example, by technology parks where companies and public-sector operators can test and develop products directly for the global market. In the future, technology parks will enable on-site type approval of products, so that as much of the value added as possible remain in Finland. This will need public funding to work. Technology parks that have succeeded globally have, at least in the early stage, relied strongly on public funding. Society has been repaid because of the positive development of business activity and employment.

Innovation cooperation, including new technology parks, will create a basis for Finnish export and employment in the 2030s and 2040s. The region’s diverse business structure, decades of high-quality research, and effective cooperation between different operators create a foundation from which the whole of Finland will benefit in the future.

2.7 Paths to security and growth

Promoting the accessibility of the North is for the benefit of the whole of Finland. Over land, by sea, and by air. Without effective transport routes, foreign trade products will not flow, and investment will not take place. Also, from the point of view of security policy, accessibility is of increasing importance.

The potential of the North will be realised only if it is accessible. Even at the draft stage, the beginning of this text spoke specifically about the growth of the North, which requires significant investment in our region’s transport routes – roads, railways, sea routes, and air transport. These criteria are still there, but they have now been superseded by a new theme: security.
A new position must be taken on the organisation of northern logistics, as war is raging in Europe. In terms of safety, security of supply, and the ability to operate in a crisis, we need to improve vitally important routes in the North. This must be done either on our own steam or together with Sweden and Norway.

The objectives of the National Transport System Plan (Transport 12) in terms of accessibility, sustainability, efficiency, and combating climate change call for greater investment, especially in the route network. In addition, the EU’s transport policy objectives and the allocation of European CEF funding to core TEN-T networks require investment in Finland’s main railway line and the most important route for the Finnish economy as a whole, i.e. National Road 4 in Northern Finland. To meet the growing transport needs, investments are also needed in the parallel corridor linking Southern and Northern Finland through the Savo railway and National Road 5, as well as in the transverse transport links to Oulu and the Bothnian Arc.

The planned investments in wind power in Northern Finland (€7 billion worth of projects in the permit process) will also play a very important role in the green transition and the growth of Finland as a whole. The implementation of these projects requires investment in the routes and networks of Northern Finland.

The development of Finland’s air transport has been based on the development of airports, and particularly Helsinki-Vantaa. In other Nordic countries, the efficiency of air transport has been seen as important in terms of the growth of business and regional economies. The Nordic countries have created an approach to air transport development that creates economic growth, rather than an airport-based and resource-driven approach that completely ignores the regional economic impact of air transport. Tourism and other fields of business need an air transport strategy that supports growth, not only including east-west flights in the north, but also direct flights to Southern and Central Europe, and ensuring domestic scheduled traffic from Helsinki Airport to regional airports. This will also support the recruitment of foreign talent in the North.

In terms of sea transportation for industry, the winter in Finland is challenging. Finland is the only country in the world whose ports are completely iced up in winter.

Domestic industry depends on icebreaking in winter, as up to 80–90% of our exports and imports are transported by waterways. Safeguarding and strengthening winter navigation will directly support the competitiveness of trade and industry. Increasingly stringent EU climate targets and rules are a challenge for Nordic shipping. Fuel costs for ships are rising, ice-class ships need more fuel, and the travel time to the North is longer. These factors all increase costs for Nordic freight. It is correct that the climate burden is being drastically reduced, but solutions must be found to ensure competitiveness. This is also a question of security of supply and a matter of national advocacy at EU level.

Sustainable tourism will play an increasingly important role in the future, which is why air and rail connections to Finland’s key destinations in the North must be in shape. Investment in northern connections will also promote the realisation of tourism investments in the North worth several billions of euros.

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7 Pohjois-Pohjanmaa on tuulivoimamaakunta myös tulevaisuudessa. Maakuntapaivät (North Ostrobothnia will be a wind power region also in the future. Provincial Days) 2.11.2021, Ympäristöpalvelukko Erika Kyimanen, Council of Oulu Region
3. Joining hands, fingers crossed - Implementing the Northern Growth Agenda

The three cornerstones of the Northern growth implementation programme:
1. Security of supply, safety, and accessibility seen as an entity
2. Sustainable investments in growth for the good of the climate and Finland
3. Work needs people to do it.

Northern Finland has the potential to increase the growth, well-being, and security of the whole of Finland. Every day, companies, the science community, public sector operators, and individuals in the North work for growth and development. In addition to this, just like elsewhere, we need broader shoulders to maximise the overall benefit. To ensure the growth of Northern Finland, we need a government-level programme for the growth of the North.

In Sweden and Norway, the development of the North has been prioritised in policy at a high level, and concrete measures are currently ongoing. Finland has a unique opportunity to participate in this development by creating, together with Norway and Sweden, a package in which logistics, energy, and telecommunications infrastructure in particular are developed to serve common goals, and a common, world-class knowledge-based employment area is created in the Bothnian Arc. The nascent area has global significance from the perspective of growth, security, and climate sustainability.

The Bothnian Arc has existing cooperation structures in place already and work is well underway. To achieve these goals, Finland needs a national vision for a Northern Growth Action Plan to develop Northern Finland and the wider North into a major European investment destination.
The elements of the Northern Growth Action Plan are:

### Huoltovarmuus, turvallisuus ja saavutettavuus nähtävä kokonaisuutena

- The accessibility of Northern Finland for industry, the security of supply, tourism, and commuting will be improved. This requires investment in particular in the TEN-T core network corridor, i.e. the main railway line and National Road 4 in Northern Finland, as well as in the northern ports. National Road 21 from Tornio to Kilpisjärvi is an essential route for the North.
- Investments are also needed for the parallel corridor linking Southern and Northern Finland through the Savo railway and National Road 5, as well as for the transverse transport links to Oulu and the Bothnian Arc to meet the growing transport needs.
- Northern Finland needs an air transport strategy that supports business, tourism, and growth, and also takes cross-sectoral traffic to other Nordic countries into account.
- Discussions must also be started at the national level on the implementation of Nordic infrastructure investments as part of the armaments, security of supply, and security policy. Finland needs an efficient, strong connection to the Arctic Ocean and to the deepwater harbours in Northern Norway.
- As part of the logistics projects in the North, Norwegian LNG will be delivered directly to Finland via the North.
- Security of supply and competitive winter shipping must be ensured as the emissions restrictions in the Baltic Sea become more stringent. The deepwater harbours in the Bothnian Bay are significant logistics hubs.
- Northern telecommunication connections and the digital backbone infrastructure must be brought to an appropriate level.
- An international hub for telecommunications and bulk data in northern Finland must be created, attracting data centres, for example.

### Sustainable investments in growth for the good of the climate and Finland

- The major projects of the Northern Finland Sustainable Growth Programme (Radio Park, Data Centre ecosystem, hydrogen initiatives, bioeconomy) must be implemented together with our major companies. Technological development parks that are competitive on a European scale also make it possible to recruit top foreign talent for the benefit of Finland.
- A hub for digital health (OYSTER) around the Hospital of the Future, based on cutting-edge education and research must be created.
- The development and delivery of a common industrial strategy across northern borders, as highlighted by the Lapland Chamber of Commerce must be implemented. A common industrial strategy can ensure maximum impact for Finland and mutually supportive areas of specialisation and synergies for each region.
- Finnish public sector operators enable genuine multi-location work, which contributes to balanced regional development and accelerates the transition to knowledge-intensive work and increases Finland's competitiveness.
- Pilot areas for hydrogen use in the North must be enabled to encourage the expansion of hydrogen production and use.
- The smooth issuing of permits for critical areas must be ensured: wind power, minerals, work permits for foreign labour.

### Work needs people to do it:

- To increase the availability of labour, a Nordic recruitment and marketing programme must be launched together with Sweden and Norway. A genuinely unified working area for the Bothnian Arc must be created to support Finland's growth and ensure the continuity of foreign labour recruitment services in the different regions.
- Tax incentives must be instituted to enable the availability of labour and investments in it in the North.
- In regional development, there will be a move to an innovation policy based on regional strengths. The innovation policy must focus on increasing funding and R&D investment in education, especially in higher education, and on increasing the regional impact of it. This can create balanced regional development throughout Finland.
- For example, energy tax incentives, labour tax incentives, and other business support to the North must be implemented so that large-scale investment in Northern Finland can take place and Finland can compete equally with Northern Sweden.
In the coming years, humanity must find solutions to stop climate change and the loss of nature. Europe needs to be more self-sufficient and independent of the energy, raw materials, and components from politically unstable regions. Finland needs to boost the productivity of its economy to ensure that our prosperity can withstand the era of a shrinking workforce and growing demand for care. Basic Nordic things such as clean air, health, and peace will be emphasised in people’s everyday lives while the climate emergency, the coronavirus pandemic, and the war in Ukraine are casting their shadows.

Northern investments will boost Finland’s exports and strengthen the sustainable growth of our self-sufficiency and well-being. The North will continue to produce northern solutions to the great challenges of humanity and Finland.

In the North on May 3, 2022

Jari Tolonen  
Mayor, City of Kajaani

Matti Ruotsalainen  
Mayor, City of Kemi

Jouko Manninen  
Mayor, City of Kuusamo

Päivi Laajala  
Mayor, City of Oulu

Leena Mikkola-Riekkinen  
Town manager, City of Raahe

Ulla-Kirsikka Vainio  
Mayor, City of Rovaniemi

Jukka Kujala  
Mayor, City of Tornio

Pentti Malinen  
Regional Mayor, Kainuu

Mika Riipi  
County Governor, Lapland

Pauli Harju  
Region Mayor, Northern Ostrobothnia

Liisa Ansala  
President, Lapland Chamber of Commerce

Jari Tuovinen  
Managing Director, Oulu Chamber of Commerce