

# Sweden and Finland Test the Waters, May Join Efforts of Norway, Russia

by Ulf Sandmark

STOCKHOLM—Sweden and Finland, although lagging far behind Norway and Russia, are beginning to discover the benefits of their geographical proximity to the Arctic. Development of the Arctic and the expansion of transport routes through Russia to the great industrial regions of Japan, South Korea, and northern China will move the Nordic countries away from the fringes, and closer to the main road of transport and infrastructure development.

To take one example, Finnair, the national aviation company of Finland, is taking over much of the business travel from Western Europe to China, Japan, and Southeast Asia, just by systematically exploiting Finland's Great Circle route that passes over Scandinavia. Many travelers are discovering that the fastest route between Europe and China is via the hub of Helsinki's Vantaa Airport; the southern alternative, via the Persian Gulf and India, is much longer.

## The Mining Rush

What is changing opinions in Sweden and Finland, is the mining rush in the Far North of these countries, just as in the Barents region of Russia and Norway. Huge new ore deposits have been found in Sweden and Finland, new mines are being opened, and new infrastructure is needed to reach the markets. Europe's biggest iron mines are in this region, run by the state-owned Swedish mining company LKAB in Kiruna. LKAB is opening new mines and increasing production by 35%. The railway bringing the ore to the harbor in Narvik on the Norwe-

FIGURE 1



gian Atlantic coast is being expanded, to transport both the LKAB ore and the iron ore that will come from a huge new mine that will start production 2013 in Pajala, close to the Finnish border.

On Nov. 2, the Finnish press reported that the Anglo

American mining company has found significant amounts of nickel and copper in the Finnish part of Lapland. (Figure 2) <sup>1</sup> Here in the very north of Finland, another huge nickel and copper mine is already underway, as well as gold mines. The railroad ends in Rovaniemi, and a new railroad to Sodankyla is scheduled to be ready in 2020. But instead of moving the ore all the way south, the Arctic is now calling.

### The Northeast Passage

The melting of the Arctic ice cap is a blessing to mankind, since it is opening the Northeast maritime transport passage between the Atlantic and the Pacific, north of Siberia, for international cooperation around the Arctic. The development of Alaska and northern Canada through the proposed North American Water and Power Alliance (NAWAPA) could be the driver for this, as well as the railroad and tunnel across the Bering Strait between Alaska and Siberia.

The traffic on the Northeast passage in the 2011 transport season jumped to 34 ship passages the whole way, carrying 820,000 tons of cargo, compared to only 4 the previous year, shipping 110,000 tons. For the first time a supertanker, the *Vladimir Tikhonov* (162,000 dwt), passed the whole way with a cargo of gas condensate. There was also a record this year for bulk shipping, as the *Sanko Odyssey* (75,600 dwt) passed the whole way. 2010 was the first year that iron ore was shipped to China on this route from the newly reopened Sydvaranger iron mine close to Kirkenes on the Norwegian border with Russia.

Russia is developing the Northeast passage by new navigation systems and further mapping of the sea. A powerful space satellite system for Arctic navigation, as well as environmental monitoring, and rescue, is being launched. Russia is expanding its fleet of icebreakers with six new ones, three of them nuclear powered, to aid the traffic on the route and prolong the seven-month shipping season.

New mines and smelters, food-processing industries, and housing are being built in Russia along the

route. All the main harbors are being expanded, especially the Murmansk harbor on the Kola Peninsula, which will be the hub for the intermodal cargo transport corridor from China to the East Coast and Great Lakes region of the U.S.A. and Canada. The cargo will be shifted from rail to ship.

### Nuclear Power and Siberian Development

The opening of the Northeast passage will vitalize the whole Siberian coastline.

The first in a series of seven floating nuclear plants is currently being built at the Baltysk shipyard in St. Petersburg. Each platform has two 35 MW nuclear reactors of the same type that are used by the Russian nuclear-powered icebreakers. The platforms will be towed out of the Baltic Sea, into the Atlantic, and around Norway, to the Siberian coastal towns, to bring electricity to the cities.

One of those cities is the planned science city Umka that will be built along the Northeast passage on one of the Russian islands closest to the North Pole [see article, p.4]. The city for 5,000 inhabitants will be built entirely underground, and supplied with artificial life support systems, just like the International Space Station.

In Russia, construction will begin in 2015 on a 1,000-1,200 MW nuclear reactor south of Murmansk, at the Kola Nuclear Power Plant. Currently the plant supplies half the electricity to the Murmansk Oblast, with four reactors of the VVER type of 440 MW each. In 2020, the new reactor will replace the two oldest existing ones.

Finland's seventh reactor will be built near the steel town of Oulu in the north.

Also along the Northeast passage, in the Arkhangelsk region, Russia is rebuilding the military satellite-launching base Plesetsk into a space station. The Angara launch facility is being built there to put heavy payloads into space. It will diminish the Russian dependence of the Baikonur space station in Kazakstan, which is the main launch facility for the current generation of Russian rockets.

Russia is expanding the Northern Arctic University of Arkhangelsk as the main center for training specialists in Arctic development.

FIGURE 2  
Lapland



1. Lapland is a cultural region, largely within the Arctic Circle, that spans Norway, Sweden, Finland, and Russia. It is the traditional home of the Sami people. Only Sweden and Finland have provinces that are officially named Lapland today.

The proximity to the magnetic pole and its geomagnetic fields make the Arctic the linkage point between the Earth and galactic magnetic fields and radiation. It is here that mankind can learn to meet the challenges of radiation from the Sun and our galaxy, as well as the weather and climate. The truly human character of creative ingenuity that thrives in such challenging places threatens the oligarchic control over people, the economy, and technology.

One of the main institutions for oligarchic control is the Arctic Council and its agenda of extreme hostility to any economic project in the Arctic. At the homepage for the Arctic Council (<http://www.arctic-council.org>), any mention of development is buried deep under the main headlines about “Environment & Climate,” “Biodiversity,” “Oceans,” and “Arctic Peoples.” Sweden holds the current chairmanship of this intergovernmental body for the Arctic nations, and is officially still dedicated to its extreme oligarchic agenda. The mining rush in the Lapland area of Sweden and Finland, however, is a break with this Swedish policy of nondevelopment and monetarism.

### **Railroads in the Barents Region**

Last year, the Finnish Regional Council of Northern Lapland presented a study to extend the planned railroad to Sodankyla, on to the Norwegian harbor town of Kirkenes. The plan targeted 2030 for inauguration of this line. It would be used for the transport of not only ore, but also the products of the Finnish forest industry being shipping to Asia. The study estimated an accumulated market for this railway of up to 40 cargo trains a day to the Barents Sea coast.

The big new iron mines at the Swedish town of Pajala also need to ship out their ore. First the Swedish government decided to build a short rail connection to the Finnish iron-mining town of Kolari, just on the other side of the border. This mine has a rail connection to the harbor of Kemi at the Gulf of Bothnia. But here too, there is a plan to bring the ore to the Arctic: to build a railway north along the Swedish border and to the Norwegian harbor town of Skibotn. The Norwegian government in September 2011 set aside 1 million kroner for a study of how the Finnish rail network could be connected to Skibotn and Kirkenes. But on Sept. 21, Finnish Minister of Transport Merja Kyllonen called a railroad to Skibotn a “utopia,” saying there is no money at all for that in Finland.

As a member of the Eurozone, Finland has thrown

billions of euros into the bailout of banks, and, although not in the red itself, is caught in the European debt crisis. With a different economic policy, like that of Franklin D. Roosevelt for developing national infrastructure, Finland would look for projects like the railroads to the Arctic, as a way to raise productivity and open up new, productive employment.

Waiting for new railroads, when the first iron mine in Pajala starts production 2013, the Northland mining company has made a partnership with Caterpillar, Inc. Every ten minutes, a 170-ton Caterpillar truck will start to drive ore to the LKAB mining town of Svappavaara, where there is a railroad link to Narvik in Norway. The opportunity to ship the ore to China via the Arctic was decisive for the choice of this option, which shows that the increasingly unsustainable road transport will increase the pressure for new rail lines.

Officially, the Swedish and Finnish governments have at least started to accelerate the pace of the crucial Bothnian Corridor railroad. At the EU Transport summit of Nov. 29-30, 2011, the Bothnian Corridor was placed on the priority list of the EU Trans-European Network (TEN-T). This railroad would join industrial centers along the Gulf of Bothnia, on both the Swedish and Finnish sides. It would create an industrial base of steelworks and other heavy industry, with a full network of suppliers, which would be at the closest position to the North Pole. The only comparison is the Russian city of Murmansk, with its shipyards and heavy industry for the Russian Navy, as well as for mining activities on the Kola Peninsula.

The railway integration of these two regions, the Bothnian coast and Murmansk, could become a significant basis for industrialization of the Arctic. This northernmost human habitation in the world in the Barents Region, relies on the warm-water flow of the Gulf Stream in the Atlantic, which has created the major potential inroad into the Arctic for mankind.

### **Russia’s Belkomur Railroad**

The rail connections between Scandinavia and Russia have been upgraded with the Allegro train between Helsinki and St. Petersburg, which now takes 3.5 hours, and the new high-speed train further from St. Petersburg to Moscow, which takes 4 hours. In addition to this railroad, which is the main connection for all of the Finnish, Swedish, and Norwegian rail traffic to the Trans-Siberian Railway, a new railroad is planned inside Russia, which will access the Far East much

more easily. This is the Belkomur Railroad between Arkhangelsk and Perm, on the Trans-Siberian close to the Ural Mountains.

The Swedish and Norwegian rail transport to Russia passes around the Gulf of Bothnia and then heads south. A new rail connection has been built from central Finland, via the Russian iron-mining town of Kostamus, to the Murmansk railway. Just a little north of this juncture, there is a railway to Arkhangelsk, where the Belkomur Railway will start. The railroad has been planned for a long time, as it is crucial for the intermodal cargo transport corridor from China via Murmansk to the the U.S. and Canadian East Coast and Great Lakes region.

With the neoliberals in control of the Russian economy, the project was blocked. In August 2011, the Russian Commission on Investments decided that the railroad would be financed by the Russian Investment Fund. This will be the biggest railway project in the Barents region until 2020.

## Oil and Gas

The driver in the opening of the Arctic is the expansion of oil and gas exploration in the Barents Sea and northern Siberia. In November, 2011, the Russian Ministry for Natural Resources put forward a plan for the exploration of oil and gas on the Russia shelf until 2030. By then, 8-16% of Russia's oil production and 32-35% of its gas production, will come from the sea. Except for some fields in the Pacific, the shelf is mainly in the Barents Sea and the Arctic Ocean. It is only in the shelf sea regions that Russia has the resources for this production. The plan will lead to investments of EU153 billion (\$198 billion).

So far, only Norway has started production in the Barents Sea. The Norwegian Statoil company has the Snow White field in production, bringing the gas ashore in an underwater pipeline to Melkoya, where it's condensed for further transport in liquefied natural gas (LNG) tankers. Another nearby field, Goliat, will begin production in 2013.

The Norwegians have tried for years to bring Sweden into cooperation for transporting and processing Norwegian gas, but so far, there is no pipeline to Sweden. The only period when there was Swedish interest in Norwegian oil and gas from the Barents Sea, was when Sweden's Wallenberg banking family, owner of the aircraft industry Saab, was offering Norway the military aircraft Gripen.

The Norwegians have had problems selling their LNG since the success of new drilling technologies in the United States for extracting shale gas. The Norwegians are now looking for opportunities to work up the gas as an industrial raw material; it could be used for a new planned aluminum plant or for electricity production. To use the electricity, new power lines would have to be built all the way to southern Norway.

In October 2011, Norwegian Foreign Minister Jonas Gahr Store traveled with his Swedish counterpart, Carl Bildt, by rail from Narvik to Kiruna just to promote the idea of "Norwegian gas to meet Swedish iron ore." The idea is to build a gas pipeline to the Swedish iron mines and to use the gas, instead of coal, to convert ore into iron. A pipeline to the Gulf of Bothnia would make it possible to use the gas as a raw material in the pulp and paper chemical industry there.

The richness of raw materials in the Arctic is just beginning to be unlocked, and the new mining rush in the Far North could be the wake-up call for Sweden and Finland to break out of decades of oligarchical confinement, and join in developing this new frontier for the mind of man.

# THE EURASIAN LAND-BRIDGE

An EIR Special Report

**'The New Silk Road'—  
locomotive for worldwide  
economic development**

(1997) 260 pages \$100  
(EIR 96-007)

Available from

**EIR News Service**

P.O. Box 17390 Washington, D.C. 20041-0390

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