

ARCTIC Smartness

Lapland's Arctic Smart Specialisation –
Ground for the development of the social enterprises

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ARCTIC
DEVELOPMENT
ENVIRONMENTS

CLUSTER

ARCTIC
DESIGN

CLUSTER

ARCTIC
INDUSTRY
AND CIRCULAR
ECONOMY

CLUSTER

ARCTIC
SMART RURAL
COMMUNITY

CLUSTER

ARCTIC
SAFETY

CLUSTER

Lapland - Northernmost region of Finland and EU



Rovaniemi from:

- Helsinki, 706 km
- Brussels 2114 km
- Madrid 3230 km
- North pole 2 623 km

- 100 367 km²,
- 0.181 million inhabitants,
- Density in Lapland 1.82 /km²
- Largest residential centres: Rovaniemi (60 944 inhabitants), Tornio (22 399), Kemi (22 172)
- Employment: municipal sector 27.8%, state and state-owned companies 10.8% and private sector 49.2%
- GDP 5900 M€, Total turnover 10 200 M€
- Export 3700 M€, 8% of Finland's export
- Only chrome mine and largest gold mine of EU
- Biggest and most modern industry concentration in EU
- Forestry industry 1410 M€, Metal & mining industry 2200 M€
- Tourism 632 M€,
- Productive forestry land about 50% of land area
 - Growing stock 13.3Mm³/year, Harvesting 3.9 Mm³/year
- Sweet water 6 320 km², fishing stock 10M kg/year,
- World cleanest air and European purest water
- World largest organic harvesting area



Smart Specialisation in Lapland

- Lapland's S3 was prepared in 2012-2013 - Arctic Specialisation Programme -
- The implementation started in 2014

Why we needed it?

- Need for new and realistic look for the future development
- Vast deposit of natural resources, pristine and fragile nature
- Economy creates potential for innovation and entrepreneurship
- Lack of critical mass - "too few smart people"
- Need to mobilise the regional knowledgebase
- Sustainable growth = Sustainable utilisation of natural resources
- The region's future is driven by innovative SMEs seeking growth

Lapland would like to take lead on its own development –

Arctic Smartness

The foundation of the Lapland's S3

PILLAR INDUSTRIES OF THE REGIONAL ECONOMY

Mining and metal industries

Bioeconomy

Tourism and related industries

EMERGING INDUSTRIES ARISING FROM THE NEEDS OF THE BASIC INDUSTRIES

INDEPENDENT OR NEW INDUSTRIES

STIMULATION AND NURTURING NEXT GENERATION'S INDUSTRIES

Potentials for the differentiations

Discovery and diversification

In Lapland we are looking for the functional spearheads supporting the development diversely strengthening and sustaining the basic industries, initiation of the new industries
Education, research and development better integrated in the refining new products and services

Our analysis of Lapland - Entrepreneurial Discovery Process

- Focus on emerging industries growing out of existing industries
 - cross sectoral
 - interfaces are creating ground for new entrepreneurial innovations
- Launching of cross cutting priorities enabling entrepreneurial development
- Funding synergy plan to increase R&I innovation capacity of the business:
 - better use of existing R&I structure
 - cross-sectoral and cross-regional collaboration
- ESI funded projects have to provide added value for the business
- Recognising the challenges of sparsely populated regions
- Provides the ground to focus on supporting the development of the regional approach – emerging industries



Putting S3 into the practise – seeking after the Arctic truffles...

- During last decades support directed towards refining industry, tourism, creative industries, learning and testing environments, rural development, wood processing, resource efficiency, natural product and food, internationalisation, natural resources and land use.... analyses over 650 project funded during previous program period in Lapland...finding the best ground for the cross-fertilisation
- Potential for the modern clusters which are regional, looking beyond the boundaries, cross-fertilisation...

Smart Arctic Cluster

- Arctic industries and circular economy, EU model region
- Arctic Smart Rural Communities
- Arctic safety and security
- Arctic design
- Arctic development environments

Next steps in the Arctic Smartness

- Consolidate the cluster organisations and operations → setting the role of each actor and benefit for the business
 - European Cluster Labels for all 5 clusters
 - 9 intermediates
 - Over 200 SMEs and large industries
 - Number of other supporting partners
- Looking beyond the boundaries
- Getting ready to be active in the development of the EC initiatives
 - The Joint Action Plan for 'Thematic Smart Specialisation Platform
 - European Strategic Cluster Partnerships for smart specialisation investments
- Increase outsource financing to the region
- Cluster specific EU level and international networking
- Arctic Smartness Excellence – Ecosystem

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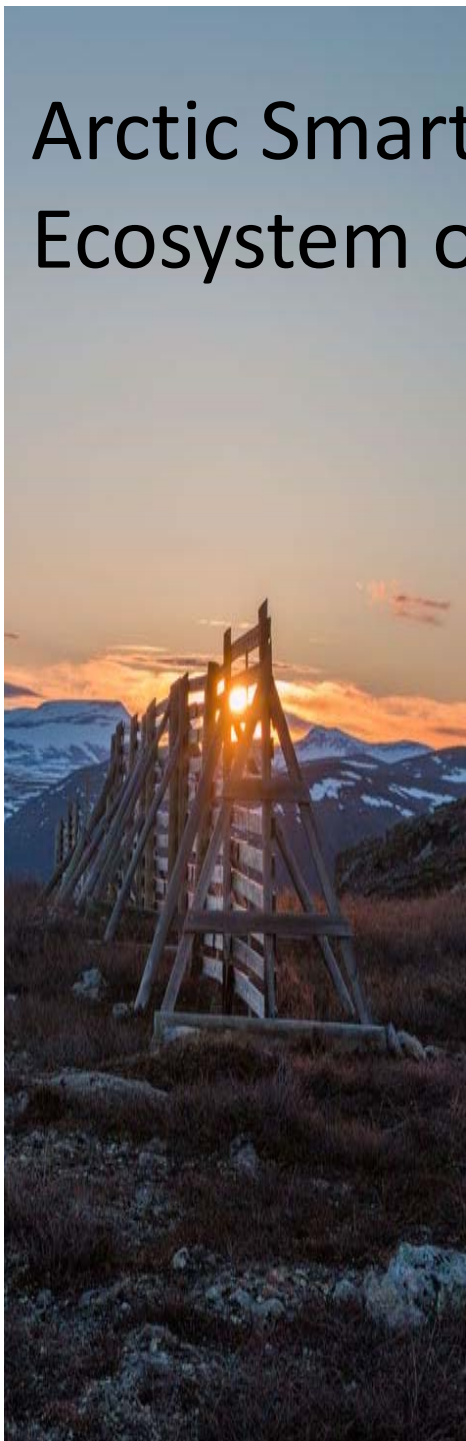
Arctic Smart Rural Communities –
Viability for the Sparsely Populated
Region
- Ground for new social enterprises -

Arctic Smart Rural Communities – Ecosystem of the Sparsely Populated Regions

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New conceptual framework integrating rural resources

- Focus on multisectoral rural development
- Seeking the strength on collaboration approaches
- Lapland has number has number of specialities
 - Agriculture -
 - Fishery – lakes about 10 000 km²
 - Agroforestry – berries and herbs
 - Other "normal" food production for local use and for niche products for export
- Farms are seen as a recourse banks
- Vast possibilities for the Nature products
- Biomaterials
- Energy
- Use of KET (Key Enabling Technologies) to develop services

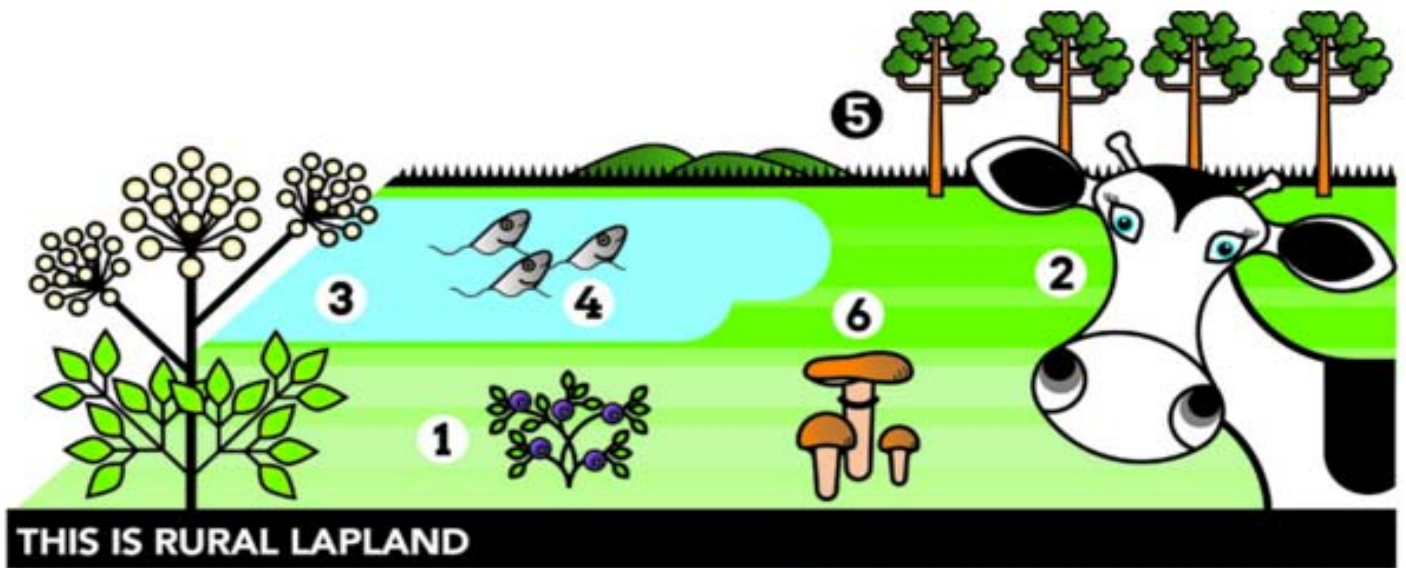


LAPLAND

Above Ordinary



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TODAY

<p>1. Blueberry</p>  <p>It is estimated that about 10 percent of the blueberry crop is harvested each year. Blueberries are exported to China and elsewhere, where they are used in the manufacturing of health products.</p>	<p>2. Milk</p>  <p>In Lapland, 2.5 times more milk is produced than is consumed. Processing is done only at a few farm dairies.</p>	<p>3. Angelica</p>  <p>Wild angelica is harvested to some extent. It is used in jams, sweets, health products and other products.</p>
<p>4. Freshwater fish</p>  <p>1.8 million Finns go fishing as a hobby. 75% of the fish eaten in Finland is imported from abroad. Selective fishing is done to manage fish stocks. Substantial amount of valuable protein ends up in landfills.</p>	<p>5. Wood</p>  <p>Less than half of the yearly growth of forests is utilised mainly by the large industry. Timber is used for the firewood and sold as raw material. Forestry is mainly seen as a source of one product.</p>	<p>6. Mushroom</p>  <p>Small quantities of mushrooms that have grown in the cleanest air in the world are harvested from Lapland's forests. Only a fraction of the mushrooms are exported.</p>

TOMORROW

<p>1. Blueberry</p>  <p>Blueberries from Lapland are valued and harvested more than before. Blueberries are processed into a variety of natural products, most of which are exported.</p>	<p>2. Milk</p>  <p>Only a fifth of the milk produced in Lapland is processed outside the region. Lapin Maito Oy is a new and growing dairy company.</p>	<p>3. Angelica</p>  <p>Angelica is grown on fallow fields. Processed special products have gained strong international recognition. The plant is protected under EU name protection similarly to the "Lapin puikula" potatoes from Lapland and reindeer meat.</p>
<p>4. Freshwater fish</p>  <p>The most enthusiastic recreational fishers become professional fishermen. More Finnish fish is consumed than imported fish. The formerly so-called coarse fish and processed fish products are exported to gourmet kitchens of Central Europe.</p>	<p>5. Wood</p>  <p>Refining of the wood creates competitive and diversified SME business. Lapland produces modern construction elements. The Kemijärvi bioproduct mill utilises wood in an innovative manner. Biodiesel is produced from tall oil and new bio-based products are developed.</p>	<p>6. Mushroom</p>  <p>Mushrooms from Lapland have become a hit product. Finns have found foreign partners with whom a variety of mushroom products are developed for the growing world market. Event organiser companies have begun to offer mushroom safaris.</p>

Why Arctic Smart Rural Community?

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- Migration from rural areas to cities is increasing
 - People are following the money, in rural areas are no working places
 - entrepreneurship or find workplace the nearest towns



Rich nature offers a great potential to wide-range smart resource-intensive business

- Surplus of raw-materials (forest, field, water,...)
- Fair earnings for resource owners



Create more jobs and added value to Lapland rural areas

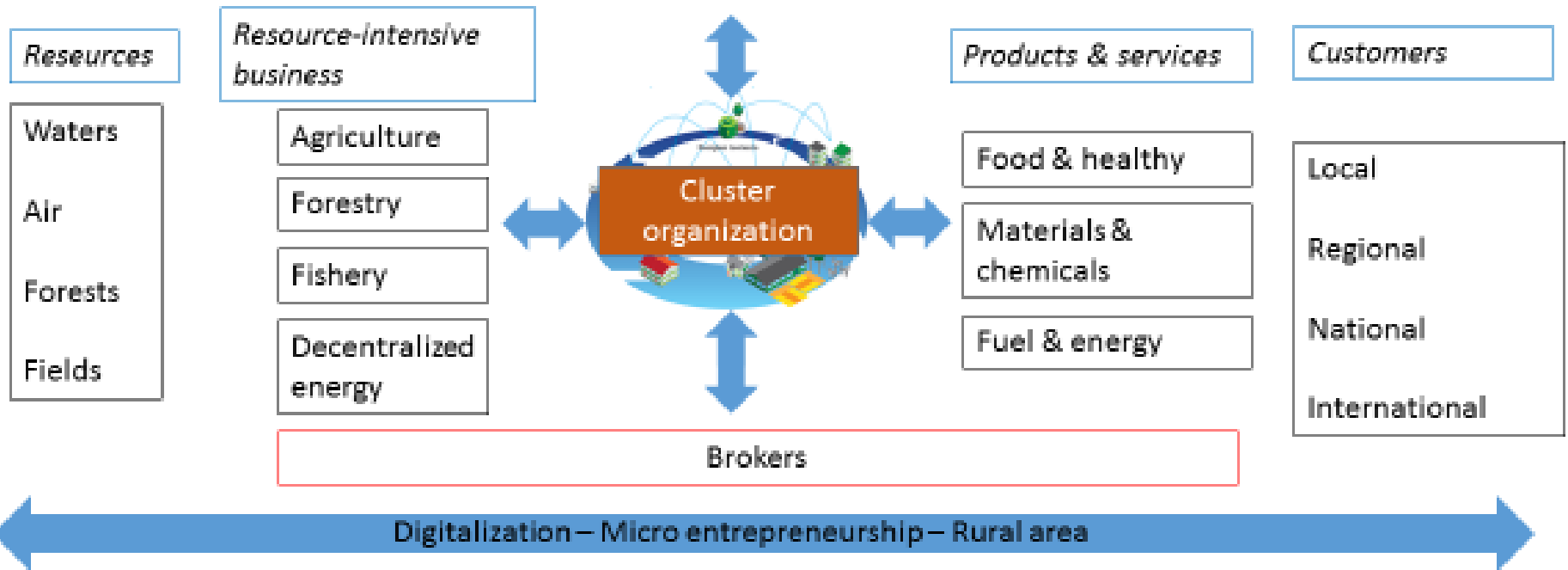
What we are doing ?

Attraction factors

- Northern cleanliness
- Rich nature
- 8 seasons
- The world largest organic collection are

Support:

- Funding
- Research
- Development
- Education

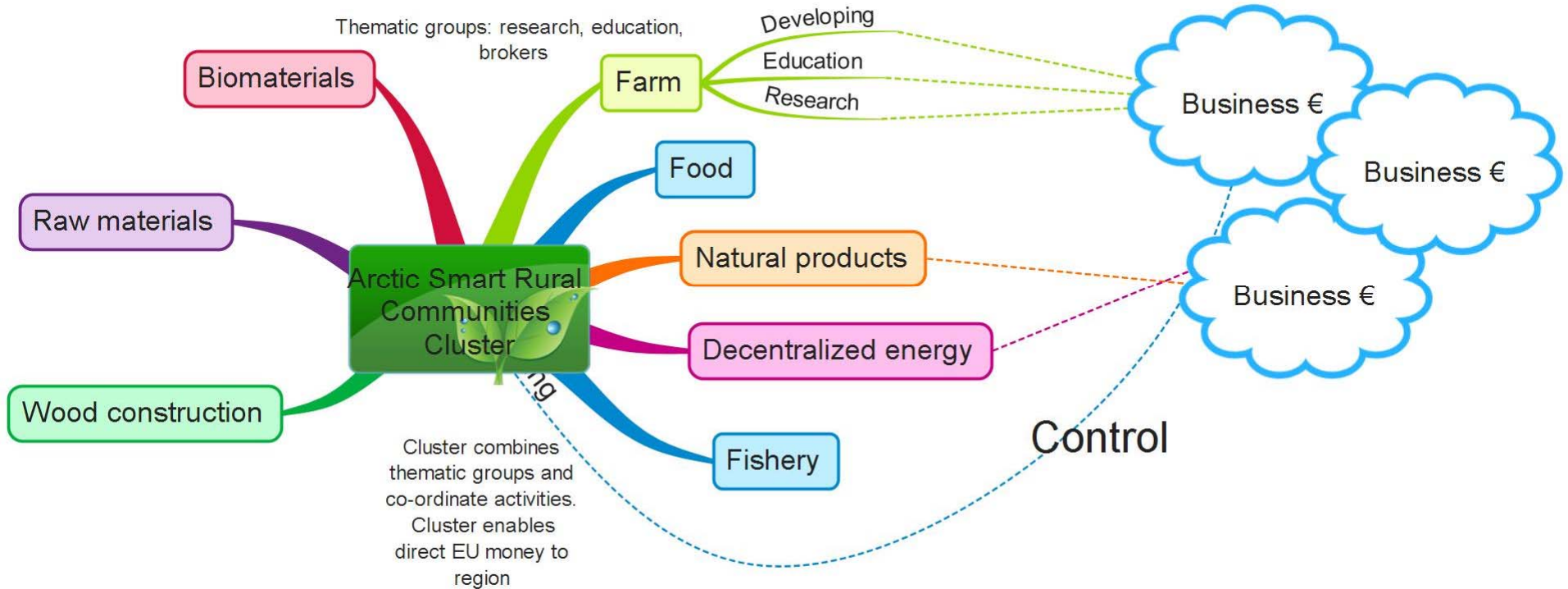


How to ?

Private
capital

EU-level
funding

National and
regional
funding



Developing group of companies

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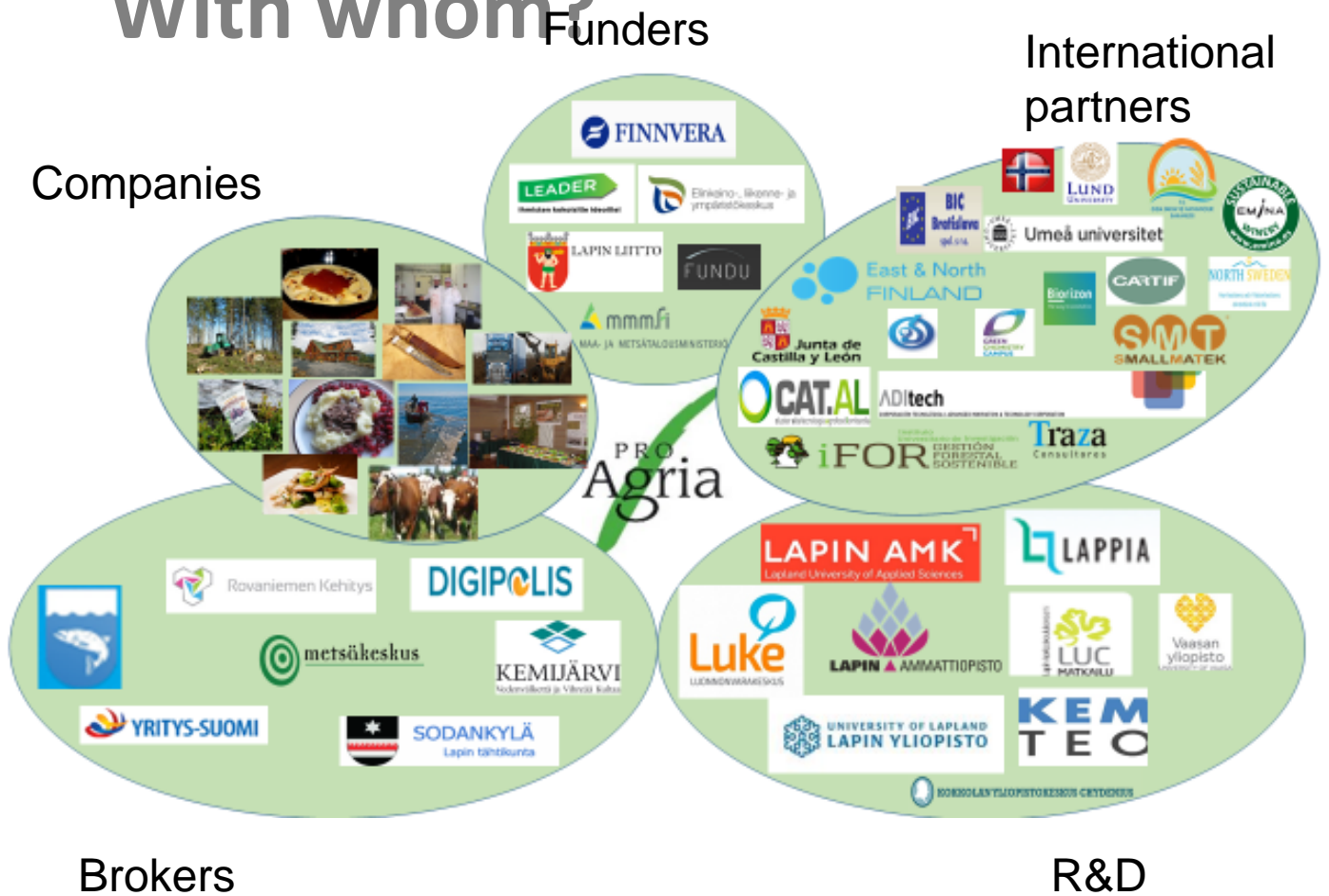


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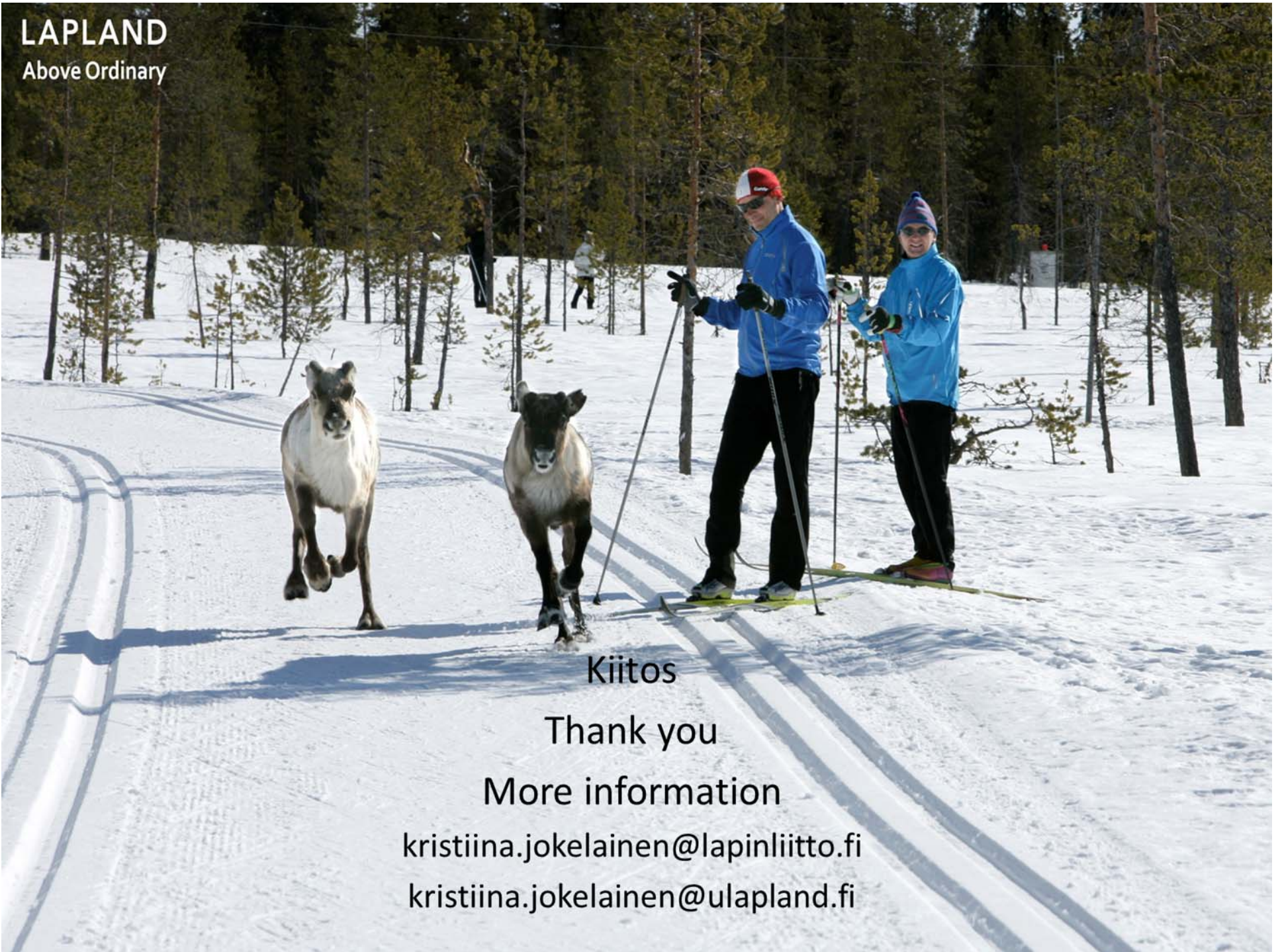


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With whom?



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Kiitos

Thank you

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