



Barents

REUNION

**Haparanda Tornio
2008**

”Making the Impossible Possible”



Ingvar Kamprad,
founder of IKEA:
”I personally believe
that the manufacturing
industry up here will
grow”.



Heleena Luusua, CEO
Nordic Marketing,
explained how Finland will
vastly increase its travel
industry sector.



Jenny Söderström
CEO Kristallen AB:
”I value the contacts I
got with Russian
participants.”



Sven-Eric Bucht,
Municipal Commissioner of
Haparanda, jokingly asked
if Haparanda might be
allowed to join Finland
after having heard about the
many investments expected
in Finnish Lapland.



Kim Daniel Arthur,
Studio Director of
Playfish, attended
Barents Reunion 2008
”to get new ideas” and
meet other young
entrepreneurs.

Barents Reunion 2008 in Haparanda-Tornio was not only made possible by Ingvar Kamrad. The IKEA founder personally attended every single lecture during the convention and took part in all discussions in an inspiring manner.

The participants of this year's convention got a fascinating insight into the big investments that are now well on their way into the Barents Region. Convention speaker Fredrik Bergström, president of the Swedish Retail Institute, aptly summarised: "What is happening now in the Barents Region is the most exciting thing that has ever happened in the region".

The Barents Reunion 2008 participants were from all the main five peoples of the Barents Region, showing that Haparanda-Tornio truly is an international meeting place.

Day one was focused on the entrepreneurs themselves while the main theme of the second day was the future for business in the Barents region.

The convention was opened by Haparanda's Municipal Commissioner Sven-Erik Bucht and his Tornio colleague City Director Raimo Ronkainen. The latter quoted the medieval writer Olaus Magnus about all the nationalities that gathered in Tornio to meet and trade already five hundred years ago.

City Director Ronkainen said about the importance of IKEA establishing itself in Haparanda-Tornio: "That IKEA has established itself here has made many other things possible". He then exemplified this with the new shopping centre with 50 shops that will shortly open in Tornio.

Conference moderator Malcolm Dixelius (TV producer and writer) thought it was very fitting that he had just attended a seminar that officially ended the status of

Russia as a receiver of Swedish aid projects. Proceeding to moderate Barents Reunion 2008 was a logical starting point in the new era of Swedish-Russian relations, Dixelius felt.

The first convention activity was the world premiere of the documentary film "The Entrepreneurs", produced by Malcolm Dixelius and directed by Helene Alm. The film is about five young companies in the Barents Region, representing the five main peoples in the region. A common trait among the "stars" of the film is that they make use of the seemingly negative aspects of the region: snow, ice and cold. Another characteristic seems to be that in the Arctic entrepreneurs tend to have several jobs or companies.

Especially interesting to see and hear was Dmitry Borovkov, CEO of the Arctic Media Group in Murmansk. The latter city being "the energy capital of Europe", to use a phrase of Borovkov.

In brief, "The Entrepreneurs" gave an impression of what it is like to be a young entrepreneur in Arctic Europe and was warmly received by the convention participants.

"The Entrepreneurs" provoked comments from the convention participants. Jenny Söderström, CEO of Kristallen AB, said that "Up here it is absolutely necessary to be somewhat aggressive". Two of the stars of "The Entrepreneurs", Jarkko and Hille Kuusisto of Peak Lapland, explained how they had learnt to co-operate with other companies and let go of jealousy. Successful neighbours are an advantage, not a threat.



Regarding the effect of long distances on business in Arctic Europe Ingvar Kamprad commented: "I personally believe that the manufacturing industry up here will grow". Kamprad has reached this conclusion from the fact that already now the price of some IKEA products consists mostly of transportation costs. And transportation costs will probably increase more than expected. Kamprad exemplified: "I wouldn't be surprised if in the future the Klippan sofa will be manufactured in the region".

Fredrik Bergström, president of the Swedish Retail Institute: "What is happening now in the Barents Region is the most exciting thing that has ever happened in it". Bergström then continued by showing what lies ahead in the Nordic retail market, like less staff in certain shops – even shops without staff, open around the clock – and more staff in other categories of shops.

Bergström ended his lecture by suggesting to the Barents companies to market their common region as one brand and not several.

Lars-Ove Jansson, Chief Business Development Officer of the Swedish Sami Parliament, informed the convention participants that reindeer husbandry takes place on about 52 percent of the territory

of Sweden. Jansson was glad that the number of Swedish Sami tourist companies has doubled in two years time. But simultaneously Jansson meant that the Samis have only made use of a fraction of the opportunities that tourism and other industries offer.

Ingvar Kamprad commented on Lars-Ove Janssons speech by raising the question if perhaps more entrepreneur training is needed.

Olga Borisenko, Deputy Head of the Murmansk County Division of Entrepreneurship and Innovation, spoke about the impressive growth of SMEs (small and medium-sized enterprises) in the County of Murmansk and exemplified by presenting the biggest problem of Murmansk SME managers today: finding staff.

Borisenko described how the modern Russian state is providing several new means to support SME growth. In fact, it is not uncommon that the entrepreneurs that Borisenko meets find it hard to believe the new, supportive, attitude of the Russian state.

Young entrepreneurs in Russia are not only offered financial support but also fully equipped office space with broadband to get started.

Hannes Manninen, financial expert of the Finnish government, began his speech by thanking – on behalf of the Finnish government - Ingvar Kamprad for what he has done for the region.

Manninen declared "the future's up north" and proceeded by proving that those were no empty words but supported by the investments currently on the way into the region. Manninen showed how 43 billion euros are expected to be invested in the region in the near future. Large mining projects are planned for Finnish Lapland.

That county alone is expecting more than five billion euros in investments within the next seven years. Slightly more is expected to hit the Murmansk area within the same time frame.

The investments to be made in Arctic Sweden and Norway are not as large but on the other hand the Norwegian and Russian offshore industry will likely see investments of incredible 28 billion euros before 2015.

The Barents Region of tomorrow can only be compared to the Middle East as an energy centre.

Manninen ended by stating that Finland henceforth would be more active in the Barents co-operation, where so far Norway has been the most active nation. To make this possible the communications between Finland and Murmansk have to be upgraded and the Finnish office in Murmansk expanded to a full consulate, perhaps even part of a “House of Finland” in Murmansk.

Sven-Erik Bucht jokingly commented on Hannes Manninen's speech by asking if Haparanda might be allowed to join Finland?

Manninen about the importance of improving foreign language education in the region: “Russian will be a very important language in the future”

Ola Alterå, State Secretary to the Swedish Minister for Enterprise and Energy, started his lecture by mentioning that the new Swedish government had the Barents Region as one of its priorities from the outset. Alterå also praised Haparanda for currently being the most growing Swedish region.

Moderator Malcolm Dixelius requested Ola Alterå to explain the Swedish government's recently rather low profile in

Barents issues. Alterå pointed out that the absence of a common land border with Russia means a different outlook. But he also said he would strive towards taking several visiting EU ministers up to see the Barents Region for themselves.

Ola Alterå ended his lecture by inviting the convention participants to send him suggestions regarding Barents issues.

Wiktor Sörensen, CEO of Norut in Tromsø, showed the many beneficial sides of aquaculture industry over agricultural industry. Not least it is more climate friendly. However – the increased transports from the oil and gas boom threaten fishing. A zone free of oil – and gas transports could solve part of this problem. The possibility of climate change meaning not a warmer but a colder Barents Region should also be considered. New surveys will hopefully provide a better forecast.

Heleena Luusua, CEO of Norid Marketing in Germany, explained how Scandinavia is a dream destination among many Germans – but not that many Germans actually come to the “high North” or Lapland, as the region is known in Germany. Thus the potential for growth is great.

The top key words for the travel industry in the Barents Region are Lapland and the Arctic.

Amazingly, Finland plans to triple the number of beds for tourists until 2020. A massive expansion of Finnish travel industry is on its way.

Luusua explained that for one segment of the market, there can never be too much snow and cold and “the theme is what sells”, not the region or even country”.

Heleena Luusua ended her presentation by hoping for increased co-operation in the

travel industry and specifically co-operation with IKEA.

Pigge Werkelin, "Entrepreneur of the Year" in Stockholm in 2005, was, according to Werkelin, "filled with energy" from attending the convention, becoming jealous of the opportunities in the Barents Region. Werkelin provided advice how to work better together to accomplish a dynamic region.



Malcolm Dixelius ended the official segment of the 2008 convention by saying "Welcome back to Barents Reunion 2009. It will be an even more exciting event than this years convention, I promise."

Kim Daniel Arthur, Studio Director Playfish of Tromsø, attended Barents Reunion 2008 "to get new ideas" and meet other young entrepreneurs. Daniel Arthur met some Russian representatives that he hopes to keep in touch with.

Jenny Söderström CEO of Kristallen AB had this to say about Barents Reunion 2008: "I value the contacts I got with Russian participants. I only wish there had been more time for discussing the lectures and for a general debate among entrepreneurs."

At the grand Barents Reunion dinner Ingvar Kamprad was in a very good mood but at the same time reminding convention

participants that the Barents Region has "still a long road ahead".

On Saturday June 14, the day after the convention ended, Sweden's most important newspaper, *Dagens Nyheter*, featured almost two pages from the convention under the headline "Kamprad Takes on the Environmental Challenges", the focus of the story being the idea of moving IKEA production closer to the customers both for the sake of the environment and economy.

Incidentally, next year's theme for Barents Reunion will be the environment.

To end with a quote from Ingvar Kamprad: "Let us turn the Barents Reunion into a tradition and continue to make the impossible possible."

BARENTS REUNION

In conjunction with the opening of IKEA in Haparanda-Tornio Ingvar Kamprad decided to donate 1 million Swedish Crowns per year for the period 2007 to 2016 for an annual convention: Barents Reunion.

Two more companies have joined IKEA in hosting the event, Polarica and PEAB. The main objective of the convention is to promote contacts and exchange between the five main peoples living in the Barents Region, i.e. the peoples of Russia, Finland, Norway, Sweden and Sapmi.

The conventions are to have different themes and especially focusing on entrepreneurs, education, energy and the environment as well as culture and sports.



Two of the stars of the film "The Entrepreneurs", Jarkko and Hille Kuusisto of Peak Lapland, together with Barents Reunion moderator Malcolm Dixelius.



Ola Alterå Alterå, State Secretary to the Swedish Minister for Enterprise and Energy, praised Haparanda for currently being the most growing Swedish municipality.



Omar Paulsen Bekheet of Vigourhealth in Tromsø, came to Barents Reunion 2008 expecting to "get a feel for what's going on in the region".



The memorable dinner in the history-rich central hotel of Haparanda, Stadshotellet



Another image from the Barents Reunion 2008 dinner



Ulrika Zetterblom, chairman of the Lannavaara Handicraft Association, demonstrated how gems are made. Barents Reunion took place at the same time and place as two other events: a Barents handicraft fair and the Barents Festival 2008



Alexei Ogorodnik, handicraft teacher from Archangel, Russia.



‘In front of the central hotel in Haparanda, Stadshotellet, there was a tent for fans of smoked fish.



Russian and Nordic handicraft specialists at work during the handicraft fair.



Right after the Barents Reunion 2008 ended an actor portraying the Swedish General Georg Carl von Döbeln proclaimed on the main square of Haparanda that 1809 will see a major opera about the 1808-1809 War that ended with the division of Sweden into Finland and Sweden.



IKEA founder Ingvar Kamprad studying a map showed by Sven-Erik Bucht, Municipal Commissioner of Haparanda.