



REGERINGSKANSLIET

The Eco-Efficient Economy - Challenges and Opportunities for primary industries

Good Morning – Ladies and Gentlemen!

First of all I would like to thank Bergforsk for inviting me here today. I am delighted to speak to you on opportunities and challenges for primary industries.

The Swedish Government has a forceful programme for more jobs, making it more worthwhile to work and easier to take on new employees. We need more new and growing companies and a better understanding of entrepreneurship. Our goal is that Sweden shall become one of the best countries in the world to do business in.

We live in a time when climate change has come to dominate the world's political agenda, at the same time as the world economy is slowly climbing up from its deepest recession since the great depression.

We have to face big challenges: The economy and employment, climate and limited natural resources will affect each and every citizen. These challenges call for immediate action – by individuals, researchers, businesses and, by politicians.

These challenges require the ability to restructure quickly and adapt to new conditions. A large part of the historical success of the Swedish business community is also characterized by the ability to adapt to new realities and strategies.

That includes not only to correct the wrongs of past and current generations but find ways that create conditions for the development of new technologies, new solutions, new businesses, jobs and wealth.

I believe that this can be done. I believe that the challenges of the present economic down-turn and of climate change could – if met simultaneously –

offer great business opportunities and a strong driving force for sustainable growth and competitiveness in Sweden and in Europe.

From our Government's perspective, we believe that the environmental challenges can and should be utilized as an economic lever. Our work therefore has a clear focus on the development of a green industrial policy and support for the development of green business – an Eco-Efficient-Economy.

Sweden promoted the transition to an Eco-efficient Economy during the Swedish EU presidency last autumn. The Eco-efficient Economy, as we see it, is about creating more wealth while using less natural resources and causing less negative impact on the environment. It is about combining competitiveness with environmental responsibility. And it is about making use of the growing demand for environmentally friendly products, services and solutions as the world makes the necessary switch to new forms of housing, production and transportation.

To bring about this transition many different policy areas must contribute. Policies in areas such as entrepreneurship, industry, environment, energy, transport, IT, agriculture and regional growth must all be directed towards the same goal.

We have also found that the transition to a greener economy doesn't have to be "rocket science". We should start by identifying the tried and proved policies and technologies, where investments result in quick and strong payoffs.

In terms of climate and energy, Sweden has one of the world's most ambitious policies. Our energy and climate targets for 2020 are:

- 50 percent renewable energy
- 10 percent renewable energy in the transport sector
- 20 percent more efficient energy use
- 40 percent reduction in greenhouse gas emissions

I dare say that we have showed in Sweden that it is possible to decouple economic growth from greenhouse gas emissions - since 1990 [compared to year 2008], we have lowered our CO₂ emissions by 12%, at the same time as our GDP has grown by 48%. Sweden has today very low national emissions per capita and per GDP unit compared to most other industrial countries.

The development can be partly explained by an active climate and energy policy, in which a gradual increase in carbon tax has contributed to efficiency improvements in industry. The measures and tools have also contributed to a radical shift in fuel selection for heating – fossil fuels are to a high degree being replaced by district heating and biofuel.

There is a growing interest and a growing international market for sustainable development of cities. The global demand for expertise in systems for sustainable urban construction will most likely continue to increase. Swedish

companies are already leading the way in renewable energy, water and waste management.

And in many ways, Sweden is far ahead in creating solutions and using holistic approaches in the construction of sustainable cities.

Even the sustainable development of cities and local communities is important to the primary industry. As an example LKAB has together with the County Administrative Board of Norrbotten, the Municipalities of Kiruna and Gällivare/Malmberget an important task in the transformation of Kiruna and Malmberget. I know that they work hard and have high ambitions and new ideas for the transformation of the cities.

The Government has set up a special delegation for sustainable cities. One of the delegation's tasks is to make sure that Sweden continues to be at the forefront internationally when it comes to the construction of sustainable cities.

It is clear that businesses, citizens and governments will all have to adapt and adjust if we are to meet our current challenges.

However we must not be put off by the need to make these adjustments. Rather, we must see the opportunities that these challenges present and we must seize them.

To do this we have to use innovative technologies and well-designed policies to increase the efficiency and realize the full potential of our economies. In this way we can raise our competitiveness and prosperity at the same time as we lower our impact on the environment and climate.

An initiative to promote green growth in Sweden is for example the governments bill on research and innovation, presented in 2008 where the largest increases will benefit research into medicine, technology and the climate - where research on natural resources is included.

I think it is important to maintain a dialogue with industry. Last autumn my Minister Mrs Olofsson initiated a dialogue process focused on green business development.

The idea is that representatives of industry and the Ministry of Enterprise's political leadership will have a possibility to discuss the obstacles and solutions when it comes to developing green business.

A first meeting took place in November 2009 and a second in March this year. Issues discussed so far are for example support to development and commercializing of environmental technologies, support to demonstration projects and the permitting process under the Environmental Code.

Since I have the opportunity today to address you here at Bergforsk I like to focus on minerals and metals which are essential for modern living.

Raw materials are crucial for the sustainable functioning of modern societies. Access to and affordability of mineral raw materials are vital for the sound functioning of the world economy. Mine operations have an enormous potential to create, contribute to and support sustainable development.

At the same time it is of vital importance to find new solutions to do more with less, to increase the wealth and welfare of people and put less pressure on eco-systems.

Access to raw materials could be more and more limited in the future and therefore it will be necessary to minimize the waste generated and increase recycling and reuse of resources to produce raw materials and products.

I know that primary industries have already made progress internally and have further abilities to contribute to progress in our country and internationally.

In fostering sustainable mining practices, we have together developed a number of best practices and learnt several lessons. Progress has been made in key areas as

- Increased energy and resource efficiency, reuse and recycling
- Good Governance – transparent regulations-
Actions within CSR (Corporate Social Responsibility)
- Management of Tailings and Waste-Rock in Mining Activities
- Rehabilitation of mining-sites
- Health and Safety – Protection of workers
- Innovation, Research & Development

Today, there is an increasing demand for raw materials from the European industry. Sweden and the Nordic region is rich in ores and minerals and the prospect of finding further ore and mineral deposits in commercial quantities are very good.

The rich supply of natural resources up here in the north of Scandinavia has an important role to play not only for Sweden but also for Europe. This region also has a strategic position as a link between the European union and the Barents region.

Sweden is now at the chair of the Barents Euro-Arctic Council. The Barents Region plays a vital role for economic development.

Still, the region – with its forests, energy, minerals as well as beautiful landscapes – has a potential to play an even greater role.

The Swedish chairmanship of the Barents Euro-Arctic Council 2009-2011 will highlight the importance of developing the economic potential of the region in a sustainable way – by promoting an Eco-efficient Economy in the North. The goal is to create a common understanding on

how a Green Economy can strengthen the competitiveness, increase prosperity and create new jobs.

By working together, local, regional and national actors can increase the attractiveness of the Barents region and facilitate for people to live, work and educate themselves in the region.

The First Barents Meeting for Competitiveness Ministers is arranged by the Minister of Enterprise, Maud Olofsson in Umeå later this month. The aim is to discuss and agree on a common basis for cooperation as well as concrete steps for unlocking the potential of the region. We think the time has come to see if we together can unlock the potential of the Barents Region.

Since access to raw materials could be more limited in the future information on for example the geology and minerals deposits are essential. Increased recycling and reuse of resources will be necessary in order to extend the lifetime of raw materials. Sustainable forest management can

contribute to a secure raw material supply to existing forest industries and to emerging sectors of improved processing, bio-energy and biotechnology.

Research, refinement and developments both in the exploration and exploitation of natural resources and in process technologies are important.

Support to research and continued technological development in our region gives us new opportunities to map and use resources in an effective and sustainable way.

We need to cooperate in strategic areas such as; high-level education, research and innovation; human resources and skills development.

We need cooperation between various land use interests included environmental consideration and nature conservation.

We need development of geological information within the fields of metals and minerals.

Ladies and Gentlemen,

Mining is about meeting the needs of the modern society and doing this in a sustainable way. Climate and resource challenges require, as we all know, actions.

Society's need for metal and mineral products must be met by a use of natural resources that is sustainable over the long term. Learning to use natural resources as efficiently as possible is not only central for reducing energy dependence and emissions. It is about the overall resource efficiency and an improved knowledge base of mineral deposits. It is also about innovative exploration technologies and new extraction technologies that maximize the economic and environmental benefits.

Both non-technical and research based innovation will play key parts in transformation our society to an resource

efficient, greener economy. It is therefore important that mining companies continue investing in research and innovation. The R&D conducted today will be the engine of growth tomorrow.

This is also why an arena like Bergforsk is so important, not only for the actors involved, but for our societies.

Good luck in Your important job.

Thank you for Your attention!