

2022

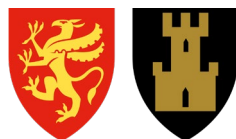
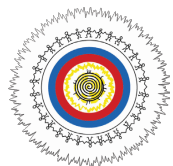
ANNUAL REPORT

AEC
ARCTIC ECONOMIC COUNCIL





NANA



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The Arctic Economic Council is an independent business membership organisation that facilitates partnerships, develops policy proposals, and promotes sustainable economic development in the Arctic.



WHAT WE DO



Policy advocacy

Communicating with key stakeholders and political decisionmakers on Arctic framework conditions



Network

Lead several working groups and connect members across countries with mutual business interests



Outreach

Promote Arctic opportunities and the important role of companies in the region

CHAIRMAN'S MESSAGE



Specialising in maritime navigation in the Arctic teaches many useful things in life as well as in business. As a navigator one has to look at the route; long-term weather forecast, ice conditions as well as manoeuvring and adjusting the course of the ship to the changing circumstances.

The past year, the AEC has had to navigate through turbulent times. We are still firmly on the route that we charted out at the creation of the AEC in 2014. What we saw on the map back then was an increasing interest in the sustainable economic development of the Arctic.

Today the Arctic region is on the radar in many governments and investors are starting to see the immense opportunities there are within fishing, energy, raw materials and much more.

What connects all the industries and people of the Earth is the shipping industry. An industry I have working all my life in and that is well-represented in the AEC.

Shipping is important globally with more than 85% of global trade happening on the oceans and with the Arctic Ocean connecting the majority of economies in the northern hemisphere. In a region with challenging infrastructures, our ocean becomes our main way of transport.

It has not been an easy year for anyone working in the Arctic, neither for the remote border communities, nor for the indigenous groups, or for the export companies. In a time of uncertainty, the AEC has shown resilience, flexibility and strength.

It is no secret that due to reasons beyond our control the chairmanship of the Arctic Economic Council did not turn out as we had planned, however we did make considerable impact on all of our strategic priorities.

We wanted to promote shipping development in the Arctic and we have done that through a focus on the Northern Sea Route and the innovative developments in shipping whether it is digitalisation or green shipping.

CHAIRMAN'S MESSAGE

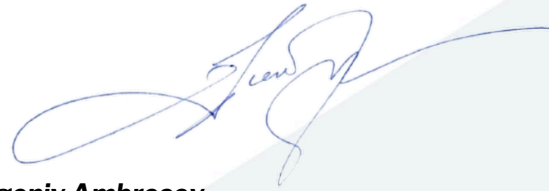
We wanted to promote the Arctic Investment Protocol and investments using the best ESG standards. We did that through the publication of a series of investment opportunities in the north.

We wanted to promote cross border cooperation and the interaction with the Arctic Council. AEC has been present in new fora promoting free trade and we were historically present at the Arctic Council meeting that took place in Salekhard.

The priorities we set out are still important and I hope we can continue to work on all of those areas.

The Arctic is a place of immense economic opportunities and the Arctic Ocean is also home to many Arctic citizens that live by and of the sea.

It has been an honour to serve as Chairman of the Arctic Economic Council. I am happy that the AEC has never been stronger than now and I am looking forward to follow the coming years when the Arctic Ocean and the people around it will be more important than ever.



Evgeniy Ambrosov

AEC Chairman
Deputy Chairman of the Management Board,
Director for Marine Operations, Shipping and Logistics,
NOVATEK



EXECUTIVE DIRECTOR'S MESSAGE



A polar explorer once described an expedition with the sentence that the expectations were great, the plans were great and greatest of all was the disappointment. In many ways, the past year had great expectations arising from the strong commitment from Russia to have an effective chairmanship of the Arctic Council.

In October 2021, AEC was invited together with all the Senior Arctic Officials to Salekhard for the first in-person Arctic Council meeting since the pandemic that had put many of the activities on stand-by.

For most people in the Arctic, 2022 has been an annus horribilis for collaboration and work. Especially indigenous groups have been under pressure to continue their traditional way of living and working together.

Companies have had to change their strategies and partnerships that took decades to build have changed dramatically. In a year where business happens at the speed of trust, it can have massive economic and social consequences. Nonetheless, it has also been a year when the importance of the Arctic Council and the Arctic Economic Council has been stated over and over again. In articles, speeches, and statements academics, diplomats and politicians from all eight Arctic states have stated their commitment to Arctic collaboration through the formal structures.

The challenges continue despite a pause. Climate change, contingency planning, lack of investments in infrastructures and the demographic challenge and workforce availability are common challenges in the region. Therefore they call for common solutions.

Issues like food security and energy projects have been some of the most important focus of the AEC in the past year. When it became impossible for us to operate our working groups we instead focused on promoting the message internationally that the sustainable economic development of the Arctic should not be forgotten. The lives of the people living in the north cannot be paused.

In 2022, AEC has been speaking at every single Arctic state. AEC has presented at forums organised by the Ministry of Foreign Affairs in Finland, Denmark and Norway. To mayors, senators, parliamentarians, ministers and commissioners. At the Munich Security Forum, to EU and UN representatives and at the Northern Sparsely Populated Areas forum. We have spoken about every topic from Arctic Urbanism and digitalisation and connectivity to green shipping, renewable energy and mining. We have spoken to scientists and university students.

EXECUTIVE DIRECTOR'S MESSAGE

To the core of all of this has been the important story that the Arctic region holds enormous resources. Fish to feed the world, energy to power industries and raw materials needed in the green transition. What we need now are more investments, improved infrastructure and attracting people.

In the past year we have experienced a growing interest from non-Arctic states. In 2022 and 2023 India, France and UK published new Arctic strategies where the AEC was mentioned. We also witness that nations like South Korea and Japan, Netherlands and Belgium and Orkney Islands and Scotland want to strengthen the collaboration with the AEC. The Arctic has truly entered the global stage.

From 1921 and three years onwards, the Danish explorer Knud Rasmussen went on his Fifth Thule Expedition. He went together with his team from Greenland over Nunavut to Alaska and discovered that across the Inuit territory they all shared the same culture and language.

Choosing to live in the north means that we share a common approach to life and way of doing business. Today, we are just four million people across the Arctic and even though we are at the top of the world we are not always top of mind in the capitals south of the Arctic Circle..

The role of the AEC is to give a voice to the people of the north, especially those companies and entrepreneurs that create the jobs and wealth that we only read about in strategies. This role has not diminished in the past year and we will continue to speak out and promote the region. Because the Arctic region can contribute with a lot of solutions to the world's megatrends.

The priorities of the Norwegian chairmanship of the AEC are three interconnected themes. The first is energy, one of the main enablers for development in the north as well as one of the main obstacles if we lack the right infrastructure.

Secondly is just transition, we cannot achieve sustainable economic development without doing it in the right way. Third is thriving communities. There is no point in investing and developing the Arctic if it doesn't benefit the people living there. This will be the focus for the coming two years.

For those of us living in the High North, we know that the winters can be long, cold and dark. We also know that after the long winter comes a long spring and summer where the sun never sets and we meet each other hiking on top of the mountains overlooking our home.

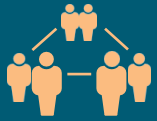
Mads Qvist Frederiksen

Mads Qvist Frederiksen
AEC Executive director

AEC IN NUMBERS



AEC IN NUMBERS



OUTREACH IN 19
COUNTRIES



35+ MEMBERS



MEMBERS FROM 11
COUNTRIES



60+ EVENTS ANNUALLY



3800+ TWITTER
FOLLOWERS



2650+ LINKEDIN
FOLLOWERS



900 + WEBSITE VISITORS
MONTHLY



MENTIONED IN 15 +
ARCTIC STRATEGIES

AEC IN ARCTIC STRATEGIES

2023

 United Kingdom

2022

 India
 France

2021

 Iceland
 European Commission
 European Parliament
 Finland
 Netherlands
 Poland

2020

 Russia
 Sweden

2019

 Canada
 Scotland

2018

 United Kingdom

2016

 Spain
 France

2015

 Japan

ACTIVITIES



Q1 2022



Morten Høglund, Senior Arctic Official for Norway, is speaking at the AEC consultations for the Norwegian Chairmanship priorities in the Arctic Council. Tromsø, Norway.



Mads Qvist Frederiksen, AEC Executive Director, at the Arctic Observing Forum at the Arctic University of Norway.



There is a great potential to make the Arctic a testbed for just energy transition. This was one of the key messages to the EU delegation visiting the AEC HQ in Tromsø, Norway

Q1 2022

JANUARY

- Finland Arctic Network
- AEC Consultations with the Norwegian MFA on priorities of the Norwegian Chairmanship in the Arctic Council in 2023-2025 in Tromsø, Norway

FEBRUARY

- Munich Security Conference
- EU delegation together with the EU Special Envoy for Arctic Matters at European External Action Service visiting the AEC HQ in Tromsø, Norway

MARCH

- Finnish Arctic Strategic Board
- Norwegian Defence Commission
- NSPA Forum, Skellefteå, Sweden
- Dutch Arctic Centre, Groningen, Netherlands
- Lecture at the Arctic University of Norway, Tromsø, Norway
- Arctic Observing Summit, Tromsø, Norway
- Arctic 360, Toronto, Canada

Q2 2022



Mads Qvist Frederiksen and Thomas Mack, the AEC vice-chair representing Aleut International Association, at the Arctic Encounter in Anchorage, Alaska, USA.



Arctic Frontiers: Blue Economy side event organised by the AEC, Biotech North and Business Department at the Troms and Finnmark County Council.



AEC meeting with Arctic Mayors' Forum members from Oulu, Tromsø and Luleå.

Kirsti Mehti, Anne Rännäli, Mads Qvist Frederiksen, Mirja Vehkaperä, Gunnar Wilhelmsen, Paivi Laajala, Anders Josefsson.

Q2 2022

APRIL

- Arctic Encounter, Anchorage, Alaska, USA
- Høyre in Tromsø

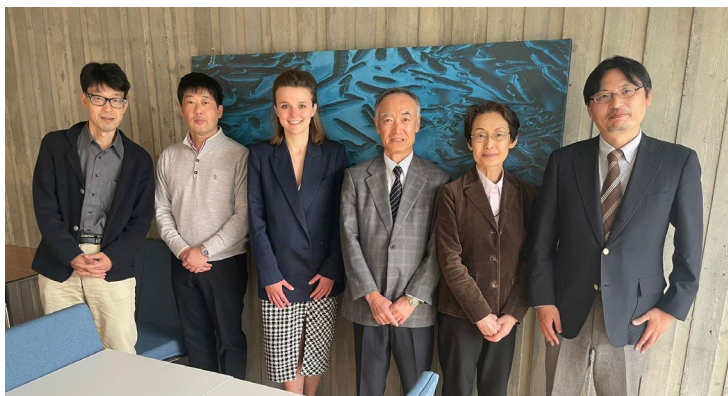
MAY

- UNECE Barcelona, Barcelona, Spain
- Arctic Frontiers breakout session, Tromsø, Norway
- Arctic Mayors' Forum, Tromsø, Norway
- AEC Annual Meeting, online
- Future Greenland, Nuuk, Greenland
- Swedish National Television delegation visits AEC HQ
- UiT Erasmus Students visit AEC HQ

JUNE

- Northern Sparsely Populated Areas Network, Oulu, Finland
- PDAC, Toronto Canada.
- Arctic Passion, Helsingør, Denmark
- ESE student visit AEC HQ

Q3 2022



A delegation from Hokkaido University and Arctic Research Centre in Sapporo visiting AEC HQ in Tromsø, Norway.

Masanori Goto, Masahiro Tokunaga, Irina Zhilina, Shinichiro Tabata, Tomoko Tabata, Fujio Ohnishi.



Norway's Minister of Trade and Industry Jan Christian Vestre received inputs about economic growth and sustainable development in Northern part of Norway.



AEC visiting Graff Brygghus, a local beverage producer together with Business Department of the Troms and Finnmark County Council.

Ingelill Jacobsen, Nils Arne Johnsen, Marius Amundsen, Mads Qvist Frederiksen

Q3 2022

JULY

- Harvard Business School, Cambridge, MA, USA

AUGUST

- Atmiya University, Gujarat, India
- Arendalsuka, Arendal, Norway
- US Naval College, Newport, USA
- Arctic Circle Nuuk, Greenland
- Greenland and the Arctic 2050 - Scenarios for the Future, Nuuk, Greenland
- Infrastructure for the Future, Nuuk, Greenland

SEPTEMBER

- Arctic Parliamentarians Summit, Nuuk, Greenland
- Japanese delegation from Hokkaido University and Arctic Research Centre in Sapporo visiting AEC HQ, Tromsø, Norway
- Sea Tech Week, Brest, France
- Policy inputs to Norway's Ministry of Trade and Industry, Pro Tromsø, Tromsø, Norway

Q4 2022



Arctic Partnership Week hosted by the Korea Maritime Institute in Busan, South Korea.



ICE festival is created to boost innovation and entrepreneurship in the Arctic, with Kirkenes, Norway as its main hub.



The Polar Foundation in cooperation with the AEC awarded the 1st Laurence Tran Arctic Futures Award to Moa Johansson, CEO of Containing Greens, for innovation, growing vegetables in Luleå, all year round, using heat from data centers.

Q4 2022

OCTOBER

- AEC Norway Meeting at the AEC HQ
- Arctic Advisory Board
- Arctic Circle Assembly, Reykjavik, Iceland
- Arctic Cruise: Safety and Environmental Risks
- Arctic Food Festival a Showcase of Food From The North
- Global Need For Arctic Knowledge
- Growing Or Stagnating Communities? Kirkenes as a Case
- Connecting the Unconnected - Closing The Connectivity Gap In The Arctic
- Arctic Green Energy Conference Copenhagen, Denmark

NOVEMBER

- ICE Innovation, Kirkenes, Norway
- Geneva Graduate Institute, Switzerland
- Meeting with the Associated Chambers of Commerce and Industry Of India
- Closed AEC information meeting for members
- Arctic Futures, Brussels, Belgium
- Just North Policy Lab Brussels, Belgium

DECEMBER

- Egmont Institute place, Brussels, Belgium
- Arctic Partnership week, Korean Maritime Institute, Busan, South Korea
- Korean Youth mentorship panel
- Korean Business roundtable
- Arctic Business Network event, Nuuk Greenland



The largest international gathering of Arctic stakeholders of 2022 took place in Reykjavik, Iceland at the Arctic Circle Assembly. AEC organised a panel on the main stage devoted to the food security in the Arctic.

The AEC had invited three distinguished chefs onto the main stage to cook with products from throughout the high north. The chefs cooked with products like wild salmon, lamb, musk ox, reindeer, seal, shrimps, and seaweed from We had vegetables from a socio-economic company from Greenland, wasabi grown in an Icelandic greenhouse powered by geothermal energy, berries and mushrooms collected in Northern Finland.

AEC showcased the solutions that the food producers in the Arctic can offer to a global market. These producers make a substantial difference in creating local jobs and economic growth.

[Read more here](#)



ARCTIC FOOD FESTIVAL



TEMPERATURE
RISES IN THE
ARCTIC
4X FASTER



POPULATION
GROWTH

GLOBAL
MARKET
ACCESS



GLOBAL
WARMING



ECONOMY IN THE
NORTH



CULINARY
TOURISM



GREEN
ENERGY



TO BE
SUSTAINABLE
MEANS TO

WASTE
LESS



YOU ARE
WHAT YOU
EAT



FOOD
SECURITY



I
REMOVE
CO2!



SEAWEED



SEAL



BEER



I AM
SUSTAINABLE!

NORDIC
WASABI

I'M A
POWERFUL
ECONOMY!



KING CRAB



MUSHROOMS



FISH



MUSK OX



ROB KINNEEN



SHEILA FLAHERTY



RÚNAR P. HERIVEAUX



ADDED
VALUE

QUALITY FOOD MEDICAL PRODUCTS ROE & MILT LEATHER COSMETICS

LIVER SURGICAL PLASTERS DRIED FISH OMEGA OIL

COD PRODUCTS

SUSTAINABLE INVESTMENTS OPPORTUNITIES IN THE ARCTIC





AEC has released an overview of sustainable business cases with investment potential. The report includes over 20 examples from large companies to SMEs within mining, energy, tourism, bioeconomy, technology, and infrastructure. It is inspired by the Arctic Investment Protocol principles.

From the smallest tourism activity in Greenland to the large subsea fibre optic cables going across the globe. The smallest project is less than a million the largest is worth billions of dollars.

Innovation in the Arctic is happening as fast as elsewhere, with unique cutting-edge solutions being developed in the ocean, on land and in space.

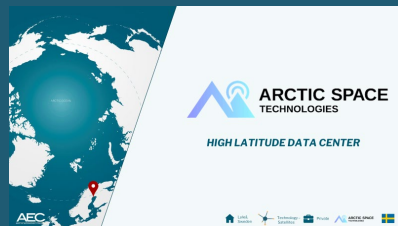
The project has been funded by the Nordic Council of Ministers.

[Read full report here](#)

SUSTAINABLE INVESTMENT OPPORTUNITIES IN THE ARCTIC

*Business cases from the Arctic Region following
the Arctic Investment Protocol principles*

SUSTAINABLE INVESTMENT OPPORTUNITIES IN THE ARCTIC



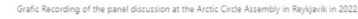
[Read full report here](#)

SELECTED PUBLICATIONS





Arctic Sweden is a vast territory rich in raw materials, renewable energy, and green innovation companies. What they also have is high outmigration rates, with primarily young people leaving. Today, the lack of people is the problem many businesses across the Arctic region are struggling with. Northern Sweden is one of the few examples where major economic players slowed down this negative trend by uniting forces and acting holistically.



One could describe the economy of Kirkenes with an image of a tilting doll. After being hit and pushed down, it always rises back up. Today, the border town in the north of Norway is again facing challenges outside of their control.



By Mads Qvist Frederiksen, Executive Director of the Arctic Economic Council.

The demand for raw materials is expected to increase by 500% between now and 2050, according to the World Bank, due to the energy transition that the world is going through.



Almost 50 banks, insurance companies and pension funds are blocking for investments in energy in the Arctic as a climate measure. The Arctic Economic Council (AEC) emphasizes that the source of the climate change is global and instead of banning investments in the Arctic, the world should look to the Arctic for guidance, having one of the world's best track records for sustainable development.

AEC supports the Global Climate Goals and Sustainable Development Goals and notes with great concern the research on the effects of climate change which impact the Arctic twice as hard as rest of the world.

In February the EU approved gas energy activities in the list of environmentally sustainable economic activities covered by the EU taxonomy, recognizing it as a transition energy source. At the same time, two more banks are making it difficult to conduct energy development in places like Alaska, Greenland, and the Nordic countries. Places with a good track record. This time AIG Insurance and the Dutch Pension Fund, where the latter of the two is stating it will lay specific emphasis on stopping extraction in the Arctic and investments in new production – and just like that companies like Equinor that is in the driver's seat in the green shift are disqualified from receiving financing.

– We see an increasing overcompliance from the world's banks and pension funds. The people in the Arctic are some of the first to feel the effect of global warming but the solution is not to stop developing the region. The solution is to find the best way to come through the green transition, and a lot of the solutions are in the Arctic. The Arctic can take a leading part in showing that the transition is possible – banks stopping investments in the Arctic are putting a big brake on the green shift, says Executive Director of the AEC Mads Qvist Frederiksen.

The solution lies in the Arctic

~ The Arctic has one of the world's leading energy development track records, which is a result of businesses and people with a history of securing the sustainable development of our societies and resources. Banks banning investment in the Arctic and companies signing pledges not to sail in the Arctic indicates a lack of understanding of both the problem and the solution. The source of the climate change is global, and research shows that most of the pollution comes from outside the Arctic region. Banning investments will not only harm energy projects but also SMEs, local societies, and in turn the environment, says Qvist Frederiksen.

A recent membership survey in the AEC showed that the "Ambition to keep the Arctic untouched and protected" was the main obstacle for sustainable development in the Arctic.

- This image of the Arctic as a protected snow and ice covered national park with no people greatly affect the business community and hinders the development of the region. This is a region where people live, work and study, says Qvist Frederiksen.

PODCASTS AND INTERVIEWS





The Foundations of a New Arctic

Engineering Matters invited Mads Qvist Frederiksen to speak on their podcast on how science and actionable data are helping to ensure the Arctic lives up to its full potential.

Data is important and it needs to be communicated well to policymakers. Scientists need to present it visually, explain it with a story, and make it actionable for the policy-makers. And that is when we will really start seeing big changes in the Arctic

Together with Rada Khadjinova and Pooja Mahapatra from Fugro, a geospatial solution company, they discussed the growth of technology and the future of the Arctic.



Bringing Arctic Food to the Table

In this episode we listen to Mads Frederiksen Director of the Arctic Economic Council interviewing three Arctic Chefs discussing Arctic Food and the challenges of introducing Arctic Food to the world.

The three Chefs are: Sheila Flaherty, Chef and Entrepreneur, Nunavut, Canada Rúnar Pierre Heriveaux, Head Chef, ÓX Restaurant, Iceland Robert Kinneen, Tlingit, Outreach Director, NATIFS- North American Traditional Indigenous Food Systems, USA.

This event originally took place at the 2022 Arctic Circle Assembly in Reykjavík, Iceland and was a part of a larger Food Event taking place at the Assembly, hosted by the Arctic Economic Council.





CNTN America

What are the biggest concerns on the long-term horizon for the Arctic? Are we making any headway in climate change mitigation? How can Arctic companies contribute to the green transition? What is sustainable development, and how to find an equilibrium? Why do the Arctic conferences matter and what can we learn from them?

These are some of the questions Mads Qvist Frederiksen talked about in the interview with Mike Walter for CGTN America.

This interview was recorded at Arctic Circle Greenland Forum in August 2022.



Al Jazeera Media Network

"Throughout Arctic region companies are investing in hydrogen because we have a lot of renewable energy. You can also see companies investing in battery production for electric vehicles. We have to start looking into new technologies, energy transition, and climate mitigation," said Mads Qvist Frederiksen, the AEC director in the interview to news anchor Maleen Saeed from Al Jazeera Media Network

A collage of images related to sustainable energy and environmental themes. It includes a close-up of a hand holding a spiky, spherical object, a close-up of a light bulb, a close-up of a wind turbine, a close-up of a snow-covered town, and a close-up of a snow-covered road.



AEC CHAIR MAY 2023-MAY 2025

Ms. Inger Johnsen is head of communications at the renewable energy company Troms Kraft.

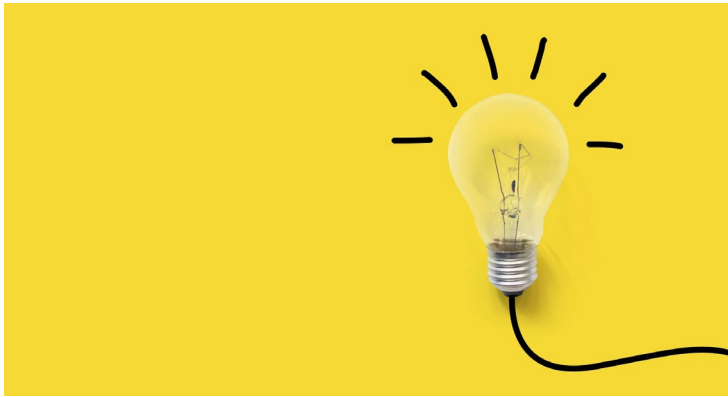
Ms. Johnsen has a master's degree in language from the University of Bergen, with marketing, organizational theory and management. She has long experience with communication and project management from both communication agency and business organizations.

Troms Kraft is an integrated energy company based in Tromsø, Norway. Troms Kraft owns 10 hydropower stations in the county of Troms, as well as one wind power park, with a total production of about 1,2 TWh annually.

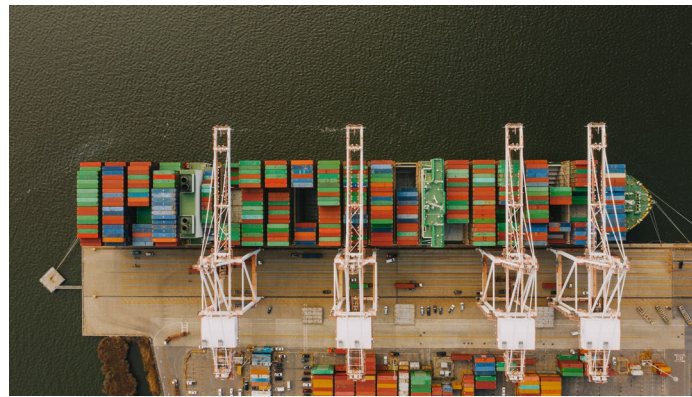
Troms Kraft aims at taking a leading position in the energy transition in the north, and is actively positioning itself in value chains related to electrification.



AEC NORWAY FOCUS AREAS



ENERGY



**JUST
TRANSITION**



**THRIVING
COMMUNITIES**



Norway will strengthen cooperation with the Arctic Economic Council. Through closer cooperation with the Arctic Economic Council, Norway will seek to strengthen economic cooperation in the Arctic and encourage sharing of best practices, new technological solutions and standards for Arctic industries.

From the priorities of Norway's chairship of the Arctic Council 2023-2025



NORWAY'S CHAIRSHIP ARCTIC COUNCIL 2023-2025



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