

## ANNEX 6. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Abundant, arctic natural resources and unique accessibility to raw materials and renewable energy sources</li> <li>- Special climate circumstances (for example, snow as a luxury product, cold climate testing environments, large untouched wilderness areas and unspoiled nature)</li> <li>- Participating countries have active national development strategies for their northern areas</li> <li>- Strong basic industry may act as a locomotive to new industries</li> <li>- Developed connections in North-South direction</li> <li>- Regionally high standard of education and research</li> <li>- Co-operation between public, private and R&amp;D sectors has increased</li> <li>- Existing agreements and understanding of the need for joint cooperation in emergency preparedness</li> <li>- Long-term cross-border cooperation between authorities</li> <li>- Existing knowledge on the climate change and its effects on fragile Arctic nature</li> <li>- Common interests to develop existing border crossing points</li> <li>- Rich cultural heritage and variety of languages</li> <li>- Long tradition of cross border cultural cooperation, especially sami and nenets cultures</li> </ul>	<ul style="list-style-type: none"> <li>- Some polluted areas and existing radiation sources in the environment</li> <li>- Lack of East-West connections</li> <li>- Long distances and expensive logistics</li> <li>- Long distances from markets</li> <li>- Lack of competitiveness of SMEs and middle-sized companies (poor risk-taking capacity, small own capital, scarce resources for R&amp;D)</li> <li>- Lack of cross-border public and private partnership</li> <li>- Inadequate knowledge about cross-border business opportunities</li> <li>- Differences between the areas in the level of industrial development and in the density of population</li> <li>- Dependency on few industrial aspects and on energy and raw materials</li> <li>- Inadequate east-west transportation and telecommunications connections</li> <li>- Low innovative capacity in private and public sector</li> <li>- Migration of young people and educated work force to south</li> <li>- Ageing population</li> <li>- Sparse/ concentrated population- and society structure</li> <li>- Structural unemployment and the matching problem of work and education</li> <li>- Differences in business and in administration cultures</li> <li>- Lack of joint environmental awareness</li> <li>- Lack of joint and harmonized legislation</li> <li>- Inefficient and not harmonized procedures in border crossing points</li> <li>- Insufficient technical infrastructure at the borders</li> <li>- Lack of internet access in some areas</li> <li>- Language barriers</li> </ul>
OPPORTUNITIES	THREATS

## ANNEX 6. SWOT ANALYSIS

<ul style="list-style-type: none"> <li>- Attractive, clean nature and living environment</li> <li>- Attractive area for international investments and immigration of skilled labour force</li> <li>- Innovations in basic industries and utilization of Arctic competence</li> <li>- Higher added value from cross-border cooperation for companies</li> <li>- To attract skilled labour force to the Programme region</li> <li>- Further utilization and deployment of innovative technological solutions for providing services in sparsely populated areas</li> <li>- Indigenous cultures and traditional livelihoods provides opportunities to the development of other industries, for example creative industry</li> <li>- Increasing utilization of the Northeast Passage traffic route</li> <li>- Cross-sectoral innovations developed in cooperation between business and R&amp;D organizations</li> <li>- Smart specialization in own sectors of excellence in the programme area (e.g. tourism, wood, energy, mineral, ICT, creative industries)</li> <li>- Further engagement in cross-border networks (business, education, R&amp;D, innovations)</li> <li>- Existing structures of joint rescue activities and prevention of accidents and disasters can be further developed to be part of everyday cooperation</li> <li>- Improved competence on adaption to the climate change and environmental threats</li> <li>- Balance between economic and environmental interests</li> <li>- Opportunity to increase the number of border crossing-points</li> <li>- Increased common understanding and knowledge on cultural heritage and cultural resources within the programme area</li> <li>- Stronger Northern identity</li> <li>- Geopolitical position/ Political interest for the Arctic is increasing</li> </ul>	<ul style="list-style-type: none"> <li>- Unstable economic development (e.g. growing energy costs)</li> <li>- Lack of young entrepreneurs</li> <li>- Economic centralization endangers the development of peripheral regions</li> <li>- Reduction of public services</li> <li>- Ongoing negative population development (youth migration, ageing population)</li> <li>- Environmental disasters</li> <li>- Negative impacts of the climate change</li> <li>- Negative effects of the globalization</li> <li>- Common threats, such as insecurity, organized crime, terrorism, communicable diseases, drugs and trafficking in humans</li> <li>- Unexpected negative development trends, for example, in public health, conditions of life, climate</li> <li>- Assimilation of the indigenous cultures into majority cultures</li> <li>- In-balance between economic and environmental interests</li> </ul>
--	--