

ANNEX 6. SWOT ANALYSIS

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

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