



## **Address by Director Ole Frijs-Madsen at the Maritime Policy Conference in Kiel 21 September 2006**

### ***“European Maritime Policy Chance for Sustainable Growth in the Baltic Sea Area”***

**Minister Döring  
Landtagspräsident Kayenburg  
Commissioner Borg  
Ladies and Gentlemen**

*It is a pleasure to address this dedicated audience here in the wonderful new Parliament in Kiel on behalf of Baltic Development Forum (BDF) and its chairman, Mr. Uffe Ellemann-Jensen. I am since 2001 the Director of the BDF and I am delighted to see so many familiar faces in the audience*

*I would like to thank the organisers of this conference: The Government of Land Schleswig-Holstein, the City of Hamburg and the BSSSC.*

BSSSC is one of our close cooperation partners and let me at the outset express my thanks to Uno Aldegren for good cooperation over the last years and greet Arne Ören as the new Chairman with hopes of continued close cooperation. Hamburg is a long-standing member of our network, and we also have close cooperation with Land Schleswig-Holstein.

Hopefully in the nearest future Schleswig-Holstein will also join us as Members to support our joint efforts in this region. We need you!

I had the pleasure to make a Ceremonial Lecture in the City Hall of Lübeck just a few weeks ago. Amongst other things I stressed that we appreciate the cooperation with the regional stakeholders and we look forward to future joint projects and initiatives. I will indeed re-iterate this statement today!

As we all know the Baltic Sea has from the earliest times played an important role in the development of our culture, history and identity.

What it could mean for our common identity in the BSR is particularly interesting these years, and I'll get back to this later on with some concrete suggestions.

The countries around the Baltic Sea have a long, common maritime history – yesterday we fought each other to dominate the Baltic Sea and today we try to get more and more connected – from enemies to close allies and co-operation partners.

Today we trade with each other, visit each other as tourists and friends, investment in each others countries, cultural, political and economic cooperation and so on.

Like so many other areas, Maritime Affairs are truly international – the challenges are international, therefore the solutions also have to build on international cooperation.

It is also true that the potentials are international in today's increasingly globalized world.

In the BSR, we not only have the opportunity to cooperate, to pool our resources and explore untapped synergies to solve transnational challenges such as pollution and environmental degeneration.

We also have the opportunity to draw on our complementary strengths to innovate and develop new potential, e.g. world-leading export industries and best practice.

Against this background, BDF and its Members and Partners very much welcome the intention of the green paper. We believe that it has much to offer the EU-members in general and... more specifically... the BSR-countries, due to the importance of our common sea referred to earlier.

This will certainly create vital framework conditions for sustainable growth in the BSR.

To start with, the suggested integrated and holistic approach to the European Maritime Policy laid out in the Green Paper is especially promising. In today's world, more and more policy areas benefit from inter-sectoral and multidisciplinary approaches. Maritime Policy should be no different.

It is necessary to coordinate and integrate policies at all levels and seek co-operation between the public and the private sectors. In our experience from facilitating work within other policy areas, we recognize the importance of inclusion of different stakeholders.

BDF has since its inception adopted an approach relying on cooperation between different sectors and actors.... cross-sector, cross-boarder and cross-level.

BDF is, as you might know, a networking organization gathering business, government academia and the media. Our tools are our Annual Summits, round tables, seminars, thematic projects, the State of the Region Report etc.

Let me briefly, in light of the Green Paper and the draft Final Declaration prepared ahead of this conference, dwell upon a couple of issues that are reflected in the work of BDF:

### **Tourism**

I am glad to see that the Green Paper mentions the role of tourism and the potential that lies in tourism development and cooperation.

Tourism has a large potential in BSR. For example, the Green Paper points out that the cruise industry is increasing with an average of 10 % annually.

I am confident that this industry's growth in the BSR represents a large share of this total increase in the EU figures positive explosion so to speak in the BSR the last few years. This shows the potential of cooperation....for instance the "Cruise Baltic" is a successful undertaking in this respect.

'Co-opetition' – NOT competition – is a challenge to communicate the potential to national actors to think win-win and cooperation to attract extra-regional tourists. Once we HAVE jointly attracted the tourists into the Region, we can start to compete again.

BDF has developed a number of platforms and tools to move this agenda forward. Let me mention our roundtable/think-thank, tourism sessions at summits (e.g. Cruise Baltic in Summit session in 2005, the tourism report done by IKED in 2004 etc.)

## Transport

Issues pertaining to transport are naturally at the core of Maritime Affairs. Sea transport has traditionally been the driver for trade networks in the Baltic Sea Region.

The Baltic Sea is one of the world's busiest maritime areas, both in relation to the number of ships and the large amount of cargo moving across the Baltic Sea, which has been increasing the last decade.

In a situation where nine of the eleven countries had a higher growth rates in 2005 than the EU average of 2.1 percent, the need for efficient maritime transport policies is larger than ever.

Our own BDF Transport Round Table, running 2002-2005, gathering some 100 executives from companies and organisation in the region **concluded** that the transport system in the Baltic Sea Region has a number of acceptable elements, but that it is inadequately connected.

- The transport system in the Region only barely lives up to the present needs, and certainly not to future ones if important steps are not taken to improve it.
- The playing field is global – and so are the challenges facing the Region's transport system. To an extent before unseen, trade and travel have become international.
- A rapidly increasing flow of goods from growing players such as China and Russia is forecasted to be transported to and through the Region, putting additional pressure on the system.

Based on the conclusions emerging from the Round Table process, BDF decided to join the Interreg project '**InterBaltic**', starting this year.

- The project, with its 43 partner organisations from 10 countries, is a unique project – it is the first transport cooperation project of this kind as it is covering the Region as a whole and has a focus on the development of common transport strategies for the entire Region.
- It is a truly pan-Baltic project and this is important. It focuses on Inter-modality and Inter-operability across national borders, and shift of transport from roads to sea and railway.

As a part of our role in the InterBaltic project, BDF together with the BSSSC is now in the midst to set up a “High-level Group on Intermodality and Interoperability” aiming at discussing transport and infrastructure issues in the BSR.

Many organisations in the Region are at present working actively to improve the common transport and infrastructure system and numerous excellent and much-needed initiatives and strategies are at work – at the EU, national and regional levels.

There is in many cases, however, a far greater scope for enhanced coordination and co-operation between the different activities. **The first main aim of the Group will, therefore, be to ensure co-ordination of different activities in order to facilitate the full exploitation of synergies between various transport-related projects and activities in the Region.**

In addition, there is a challenge to ensure that decision-makers on the national and EU-levels are informed about projects, needs and initiatives in the countries in the Region.

Therefore, **the second main aim of the Group will be to facilitate political understanding of the Region’s requirements and needs in terms of maintaining a well-functioning transport system.**

Other pan-Baltic organisations, executives from large corporations in the Region and from national ministries in the Region’s countries will take part in this important group. Invitations have as a matter of fact been sent out just this week!

It is our hope that the High-level group can contribute to a truly pan-Baltic transport strategy, including the key dimensions of maritime transport in the BSR.

### **Russia and the Northern Dimension**

The Green Paper stresses.... and I think correctly.... the importance of taking into account Russian maritime activities and interests in the Baltic Sea Region. If Russia is NOT on board, many initiatives will simply be wasted. This our joint challenge!

In our view, it is vital that we have an open dialogue about the challenges, as well as the opportunities that we share with Russia. BDF has for several years had a strong focus on developing partnerships with Russia (2001 Summit, various sessions, St. Petersburg seminar this week etc.)

Just 5 weeks from now we will at the BDF Helsinki Summit discuss the ND as a fully integrated partnership with Russia (the Summit is arranged in cooperation with the Finnish EU presidency and City of Helsinki).

It is both important with a dialogue with Moscow and a relationship with NWR and Kaliningrad.

It is our conviction that the increasingly closer contacts between Russia and the Region will be to the benefit of the future Maritime Policy.

A special session at the Summit is also linked to the environment: The heading is:

**“Environmental standards and advanced technology – a world-class industry”**

This session is envisaged as a natural link also today's conference here in Kiel.

I am happy to note the weight given to the economic potential of the maritime industry (renewable energy – e.g. offshore wind energy, shipping, ports industry, tourism, shipbuilding etc.) and to sustainable development technology.

Vast and unique potential to export, to become world-leading in technology and systems – importance to realize that sustainable development does not need to imply a categorical choice between, on the one hand, environmentally friendly practices and, on the other hand, economic growth.

Rather the opposite! These two elements can not only coexist, they can also reinforce each other.

For example, the focus on environmental issues has given the Baltic Sea Region a brand of creating cutting edge technology solutions to overcome the environmental challenges facing the Region.

We have some countries and specific sectors in the Region that have become world-leading exporters. And there is more potential to be harnessed.

We can in my view within the next 10 years create a new, world leading industrial cluster in our region based on Maritime technology.

Baltic Development Forum seeks to facilitate an agenda that combines a healthy environment, growth and technological progress.

In order to achieve this, governments, business and academia have to develop more specific strategies through true partnerships. We will discuss this more in detail at our Helsinki Summit in a session, prepared in dialogue with HELCOM.

My opinion is that one of the main challenges in the EU and the BSR is to communicate the economic potential of this industry to the business community and to policy-makers

The Green Paper asks: *To what extent can economic incentives, self-regulation and corporate social responsibility complement government regulation?*

I will not attempt to give a detailed answer to this question, but I believe that one can use networks and create fora or platforms where government, business and academia can meet and exchange ideas and build consensus around issues like this. It is our hope that a platform like BDF could contribute in this regard.

Let me also mention that we will during the BDF Helsinki Summit have a special session on energy linking some of the vital questions of energy safety, environment and growth.

We have set up a session under the title:

*“Prosperity, Sustainability, Energy Safety – are they Compatible?”*

We need to raise these issues and hopefully we will stimulate the debate in this respect.

### **Branding and Conclusion**

- In the Draft Final Declaration it is asserted that a possible, concrete vision for the Region could be to aim at developing the Baltic Sea Region into a Maritime Best Practice Region (p. 7-8), including measures such as promoting common awareness and a common Baltic Sea marine identity.

This indeed touches upon a quite recent initiative taken by BDF and key stakeholders in the Region – “Branding the BSR”- which is all about creating a strong and competitive identity for the Region. For OUR region and its 80 million inhabitants.

- the Region is one of the world's top performers in term of economic growth, competitiveness and innovation – the Region is, literally, on “top of Europe”
- This, however, has limited effect if the qualities of the Region are not known to the outside world
- Our region, therefore, needs a distinct and competitive reputation communicable to the rest of the world. Or.....to put it differently... it needs a brand.

The Branding initiative has on our suggestion been discussed during the last year in various for a. Concrete actions will be suggested at the BDF Helsinki Summit next month.

Maybe a marine identity - anchored in the most visible and concrete common feature of our Region – the Baltic Sea – COULD represent a strong cornerstone of a brand identity for the BSR? Maybe it IS one of the concrete and credible common denominators we can come up with, in terms of being one of the few elements that is acceptable for all countries and cultures of the Region?

Some say it is possible to think of the Region in those terms, others say it's not.

One thing is for sure, though. IF we cannot solve our internal problems connected with the Baltic Sea, how can we be able to promote a positive and attractive image externally?

Another thing is also clear. IF we could promote a positive and distinct identity based on a clean and safe sea *coexisting* with strong and innovative maritime clusters, technological edge for exports and an attractive and sustainable tourism development, we will have come a long way in the process of making the Region known and appreciated in the rest of Europe and Globally.

At last year's BDF Summit in Stockholm, the President of the European Commission, Mr. Barroso, said that the Baltic Sea Region can act as a beacon to the rest of Europe in terms of economic growth and openness to trade and investment.

It is my hope that he in a few years time also can say that the Region can act as beacon in terms of combining economic growth with sustainable development.

A well-developed European Maritime Policy as discussed here today will certainly take us one step closer to achieve that.

**Thank you!**