

# THE FOURTH ANNUAL BALTIC DEVELOPMENT FORUM SUMMIT 2002



The 4th annual Baltic Development Forum summit was held in Copenhagen on 13-15 October 2002 - in the eye of the storm of the Danish EU Presidency.

On 9 October, a few days before the summit, the European Commission released its Progress Reports, which asserted that ten candidate countries would be ready to conclude accession negotiations at the European Council meeting to be held in Copenhagen in December. On 24-25 October, less than two weeks after the summit, the European Council met in Brussels and confirmed that the EU is ready for the enlargement as well.

The enlargement of the EU and of NATO are almost on track, and the Baltic Sea region including Russia has the most outstanding opportunity, ever, to build a common future on shared fundamentals, i.e. on peace, co-operation, mutual respect, democracy, the rule of law, human rights and the protection of minorities.

Although, the region's immediate challenges have given us the opportunity to rediscover common fundamentals, we must continue to discuss how the region together should prioritise for the future, to avoid losing momentum. The summit in Copenhagen was a solid step towards this goal. In Copenhagen, we identified five priorities for our region. We also realised that if we can develop a regional knowledge society, then the ITC cluster, the biotech cluster and the energy cluster could grow and become major business clusters ready for action on the global market.

The road ahead is promising although challenging. Thus, Baltic Development Forum intends to keep focusing on the region's development and to continue bringing together the region's leading politicians, academics, business and media executives for intense cross-sector networking and for setting new agendas for the Baltic Sea region. That is the only way we can secure that the Baltic Sea region becomes the future growth centre in the new Europe.

The preparations for the 2003 summit have already begun. Our 5th annual summit will be held next Autumn in Latvia's beautiful capital, Riga. I look forward to seeing you there!

With best regards,



Uffe Ellemann-Jensen  
Chairman

The 4th Annual Baltic Development Forum Summit in Copenhagen, Denmark on 13-15 October 2002 marked the fourth time that the Baltic Sea region's leading politicians, academics, business and media executives convened for intense cross-sector networking and for setting new agendas for the region.

The enlargement of the EU was at the centre of discussions during this year's summit. The enlargement was seen as a vital and urgent task on the EU agenda to maintain stability and increase growth in Europe. The European Council must follow the European Commission's recommendations to conclude accession negotiations with ten candidate countries, and welcome these countries as full EU members in 2004. The EU must not let national short term considerations delay the major long-term benefits of the enlargement of the EU. It is time to deliver on the Enlargement promises and thus make the Baltic Sea region, including Russia, one of the global gateways to growth and prosperity.

The summit participants especially endorsed the need for developing specific priorities for growth and stability in the Baltic Sea region and identified three potential industrial clusters: the ITC cluster, the biotech cluster and the energy cluster. The Baltic Sea region needs to develop these clusters into global industrial clusters through a common intervention and growth policy with the aim of creating a regional knowledge society.

This was the over-all message from the 4th Annual Baltic Development Forum Summit in Copenhagen, which was delivered to the European Council in Brussels 24-25 October 2002, together with the written recommendations presented below.

This report puts into perspective discussions and messages brought forth at the summit, summarised by the Baltic Development Forum secretariat.

### Recommendations from the 4th Annual Baltic Development Forum Summit

The summit participants discussed a variety of current political and economic issues in the Baltic Sea region and recommended:

- *That the enlargement countries must receive sufficient assistance to enable them to fulfil the various obligations that are bestowed on all EU countries. In that respect, it is important that the candidate countries continue their efforts to implement all EU legislation, in order to reap the full benefits of an enlarged Internal Market.*
- *That the EU has to actively liaise with business and provide more substantial input to the Northern Dimension Action Plan for 2003-2006, which could provide a co-ordinated framework for the development of the Baltic Sea Region. In addition, the European Commission needs to play a more active and co-ordinating role, which should be supported by a specific Northern Dimension budget line.*
- *That European leaders should look beyond EU-enlargement and develop a genuine long-term partnership with Russia based on free trade, stability, mutual respect, common European values and interests.*

- *That looking beyond the Enlargement, Kaliningrad should benefit from sound, long-term economic development, allowing it to recover from its current bleak position in an otherwise prosperous Baltic Sea region. Moscow, Brussels and the Kaliningrad Oblast ought to be the driving forces for this symbolic, but crucial issue.*
  - *Especially that there is a need to focus on five specific priorities for growth and stability in the Baltic Sea Region, including:*
    - *Further development of the optimal framework conditions for regional and international investments and business. That means lowering the country's risks, predictability and transparency;*
    - *Sound economic and physical environment based on the principle of sustainable development;*
    - *Cleverly and regionally co-ordinated transport infrastructure;*
    - *Increased investments in and circulation of education, science and technology;*
    - *An even more active civic participation than today - and strong democratic institution building, both locally and on the national level. The fight against corruption needs to be given high priority.*

*FINAL PROGRAMME  
FOR THE 4TH ANNUAL BALTIC  
DEVELOPMENT FORUM SUMMIT:*

**New Bridges across the Baltic Sea Region  
- visions and strategies for the future  
growth centre in Europe**

**SUNDAY, 13 OCTOBER 2002**

16.30	—	Arrival
17.30	—	Official Opening Ceremony (Baltic Metropolises/Baltic Development Forum) with introduction by <b>Jens Kramer Mikkelsen</b> , Lord Mayor of Copenhagen  <b>Resolution from the Baltic Metropolises</b> to be delivered to the President of the European Council
17.45	—	Introduction: <b>Uffe Ellemann-Jensen</b> , Chairman, Baltic Development Forum
17.55	—	Welcoming address: <b>Anders Fogh Rasmussen</b> , Prime Minister of Denmark, President of the European Council
18.10	—	Opening address: <b>Vaira Vike-Freiberga</b> , President of the Republic of Latvia <i>The Baltic Sea Region: A model of successful partnership</i>  Opening address: <b>Paavo Lipponen</b> , Prime Minister of Finland The Baltic Sea Region beyond EU Enlargement
18.45	—	Gala Reception at the Copenhagen City Hall hosted by <b>Jens Kramer Mikkelsen</b> , Lord Mayor of Copenhagen
21.30	—	End of gala Reception



## MONDAY, 14 OCTOBER 2002

- 8.00 — Registration at the Copenhagen Business School
- The Summit's political theme: *"Getting connected - Visions for the Baltic Sea Region after EU Enlargement"*
- 8.30 — Two optional breakfast sessions in parallel on central issues for the Baltic Sea Region:
- I. Political session:  
**EU Enlargement and beyond - current political challenges and obstacles**
- Keynote address:  
**Anna Lindh**, Minister for Foreign Affairs of Sweden  
The European Council in Gothenburg in 2001 and beyond
- Keynote address:  
**Per Stig Møller**, Minister for Foreign Affairs of Denmark and President of the General Affairs Council of the European Union  
Paving the way for historic decisions in Copenhagen
- Moderator: **Ottokar Hahn**, Ambassador, Special Advisor to the European Commission
- Rapporteur: **Lykke Friis**, Research Director, Danish Institute of International Affairs
- 8.30 — II. Business session:  
**EU Enlargement and beyond - current challenges and obstacles for the business community**
- Keynote address:  
**Bendt Bendtsen**, Deputy Prime Minister and Minister for Economic and Business Affairs of Denmark and President of the Competitiveness Council of the European Union  
*Challenges and obstacles for the business community*
- Keynote address:  
**Michael Treschow**, Chairman of the Board, Telefon AB LM Ericsson  
*Opportunities for the business environment in the Baltic Sea Region*
- Moderator: **Erik Berglöf**, Director, Stockholm School of Economics' Institute for Economies in Transition
- Rapporteur: **Hans Jeppson**, Vice President, Stockholm Chamber of Commerce
- 10.00 — Contact break
- 10.30 — Plenary session:

		<p>Introduction: <b>Uffe Ellemann-Jensen</b>, Chairman, Baltic Development Forum</p> <p>Report from the political session: <b>Lykke Friis</b>, Research Director, Danish Institute of International Affairs <i>EU Enlargement and beyond - current political challenges and obstacles</i></p> <p>Report from the business session: <b>Hans Jeppson</b>, Vice President, Stockholm Chamber of Commerce <i>EU Enlargement and beyond - current challenges and obstacles for the business community</i></p> <p>Keynote address: <b>Erkki Liikanen</b>, European Commissioner for Enterprise and Information Society <i>Five key priorities for the Baltic Sea Region as seen from the European Commission's perspective</i></p>
11.00	—	Contact Break
11.30	—	<p>Plenary Session:</p> <p><b>Five key priorities to make the Baltic Sea Region the vibrant commercial, cultural and scientific growth centre of the North by 2005 - as seen by the political leaders</b></p> <p>Panel: <b>Dalia Grybauskaite</b>, Minister for Finance of Lithuania <b>Kristiina Ojuland</b>, Minister for Foreign Affairs of Estonia <b>Sergei Razow</b>, Deputy Minister for Foreign Affairs of the Russian Federation <b>Heide Simonis</b>, Minister President of Schleswig-Holstein <b>Dariusz Szymczycha</b>, State Secretary, Office of the President of Poland <b>Elsbeth Tronstad</b>, State Secretary of Norway</p> <p>Moderator: <b>Jón Sigurdsson</b>, President and CEO, Nordic Investment Bank</p>
12.45	—	Q&A
13.15	—	Buffet lunch
14.30	—	<p><b>The Summit's business theme: "Realising the Baltic Sea region as a future growth centre of the North by 2005"</b></p> <p>Two optional sessions in parallel on central issues for the Baltic Sea region:</p> <p>I. The Northern Dimension Business Forum: <b>The Baltic Sea region as a catalyst for further Russian integration into the European economy? A vision for joint Private-Public action</b></p> <p>Introduction: <b>Peter Egardt</b>, President, Stockholm Chamber of Commerce and Chairman, Business Advisory Council (Council of the Baltic Sea States)</p>

	<p>Panel:</p> <p><b>Terence Brown</b>, Director-General for Lending Operations, European Investment Bank</p> <p><b>Guiseppe Busini</b>, Administrator, Head of Northern Dimension Unit, European Commission</p> <p><b>Henrik Lax</b>, Member of Parliament of Finland</p> <p><b>Thor Pedersen</b>, Minister for Finance of Denmark and President of the Economy and Finance Council of the European Union</p> <p><b>Pekka Sutela</b>, Head of Bank of Finland's Institute for Economies in Transition</p> <p><b>Grigory A. Yavlinsky</b>, Member of the State Duma of Russia</p> <p>Moderator: <b>Thierry Malleret</b>, Director, World Economic Forum</p> <p>Rapporteur: <b>Anders Ladefoged</b>, Director, Confederation of Danish Industries</p>
14.30	<p>II. Kaliningrad session:</p> <p><b>Growth centre or dead end?</b></p> <p>Panel:</p> <p><b>Vladimir Churov</b>, Vice-Governor of St. Petersburg, Russian Federation</p> <p><b>Stanislaw Ciosek</b>, Adviser to the President of Poland on the Russian Federation</p> <p><b>Yevgeniy Primakov</b>, President, RF Chamber of Commerce and Industry, former Prime Minister and Minister for Foreign Affairs, Russian Federation</p> <p><b>Sergei Razow</b>, Deputy Minister for Foreign Affairs of the Russian Federation</p> <p><b>Stephan Stein</b>, Head of Office, St. Petersburg and Kaliningrad Branches of the Hamburg Chamber of Commerce</p> <p><b>David Turr</b>, Deputy Head of Unit, European Commission</p> <p><b>Dmitri Trenin</b>, Deputy Director, Carnegie Endowment's Moscow Center</p> <p>Moderator: <b>Samuel Rachlin</b>, Managing Editor and Author</p> <p>Rapporteur: <b>Lars Poulsen-Hansen</b>, Author and Senior Research Fellow, Danish Institute of International Affairs</p>
16.15	Contact break
16.45	<p>Plenary Session:</p> <p>Introduction:</p> <p><b>Uffe Ellemann-Jensen</b>, Chairman, Baltic Development Forum</p> <p>Keynote address:</p> <p><b>Pehr G. Gyllenhammar</b>, Chairman, AVIVA</p> <p><i>Realising the Baltic Sea region as a future growth centre of the North by 2005</i></p> <p>Report from the Northern Dimension Business Forum:</p> <p><b>Anders Ladefoged</b>, Director, Confederation of Danish Industries</p> <p><i>The Baltic Sea region as a catalyst for further Russian integration into the European economy? A vision for joint Private-Public action</i></p>



- Report from the Kaliningrad session:  
**Lars Poulsen-Hansen**, Author and Senior Research Fellow, Danish Institute of International Affairs  
*Growth centre or dead end?*
- 17.15 — Five key priorities to make the Baltic Sea region the vibrant commercial, cultural and scientific growth centre of the North by 2005 - as seen by the leaders of business and academia
- Panel:  
**Irina Aksenova**, Business Development Director, European Business Club in the Russian Federation  
**Hans Skov Christensen**, Director-General, Confederation of Danish Industries  
**Hans Dalborg**, Chairman, Nordea  
**Torger Reve**, President and Professor, Norwegian School of Management  
**Mads Krogsgaard Thomsen**, Executive President, R&D, Novo Nordisk
- Moderator: **Alexander Lebedev**, President, Latvia Business School
- 18.15 — Q&A
- 18.45 — End of first day (Bus transfer to networking dinner)
- 19.00 — Networking with drinks, entertainment and dinner at the Copenhagen Water Front hosted by Landesbank Schleswig-Holstein (LB Kiel)

## TUESDAY, 15 OCTOBER 2002

- 8.00 — Arrival
- The Summit's specialist theme: "Transport infrastructure and biotechnology - Ensuring the best use of transport infrastructure and human resources in the Baltic Sea region"
- 8.30 — Plenary session:
- Introduction:  
**Uffe Ellemann-Jensen**, Chairman, Baltic Development Forum
- Keynote address:  
**John S. Dueholm**, Executive Vice President, SAS Group  
*Ensuring the best use of infrastructure in the Baltic Sea region*
- Keynote address:  
**Bent Christensen**, Managing Director, Medicon Valley Academy  
*Ensuring the best use of human resources in the Baltic Sea region*

- 9.15 — Two optional sessions in parallel:
- I. Session on transport infrastructure:  
**How can we create an efficient and coherent future transport infrastructure in the Baltic Sea region?**
- Keynote address:  
**Ole Rendbæk**, CEO, Scandlines  
*A coherent container and ferry concept in synergy with land and air transportation*
- Keynote address:  
**John S. Dueholm**, Executive Vice President, SAS Group  
*Hubs and spokes in conjunction with flights in synergy with land and sea transportation*
- Keynote address:  
**Gunnar Sibbmark**, Deputy Mayor of Värnamo, Vice President, European Corridor  
*Connecting the region with High Speed Trains in synergy with sea and air transportation*
- Moderator: **Claes G. Berglund**, Vice President, Schencker
- Rapporteur: **Dankert Freilem**, Executive Director of Communication and Public Affairs, Concordia Bus
- 9.15 — II. Session on biotechnology:  
**Exploiting the potential for borderless biotechnology in the Baltic Sea region. ScanBalt BioRegion**
- Panel:  
**Helle Bechgaard**, President, Intellectual Property Holding  
**Horst Klinkmann**, Professor, Chairman of the Board of Directors, BioCon Valley (Mecklenburg-Vorpommern)  
**Pauli Marttila**, Director, Finnish National Fund for Research and Development, SITRA  
**Kaare Norum**, Professor, Oslo University, Chairman of the Steering Committee, MedCoast Scandinavia (Oslo-Gothenburg)  
**Jaanus Pikani**, Professor, Estonian Genome Project  
**Anna Podhajska**, Professor, University of Gdansk  
**Bo Samuelsson**, Professor, University of Gothenburg, Chairman ScanBalt BioRegion Steering Committee
- Moderator and rapporteur: **Børge Diderichsen**, Professor, Vice President Corporate Affairs, Novo Nordisk
- 10.30 — Contact break
- 11.00 — Four optional sessions in parallel:
- I. Session on transport infrastructure (continues):
- Keynote address:  
**Claus Dynesen**, Vice CEO, Femer Bælt  
*Visions on long-term effects of permanent links*

Keynote address:

**Edgar Thielmann**, Head of Unit, Transeuropean Networks Energy & Transport,  
European Commission

*Investments in transport-infrastructure - consequences for regional growth*

Keynote address:

**Britta Gammelgaard**, Associate Professor, Copenhagen Business School

*Supply Chain Management*

Keynote address:

**Christoffer Jephson**, Director, Maersk Logistics

*Improving Supply Chain Management through clever infrastructure*

Moderator: **Claes G. Berglund**, Vice President, Schencker

Rapporteur: **Dankert Freilem**, Executive Director of Communication and Public  
Affairs, Concordia Bus

11.00 — II. Session on biotechnology (continues):

11.00 — III. Special session:

**Official Launch of the Baltic Sea Research Network presented by  
Baltic Development Forum**

Introduction:

**Ole Frijs-Madsen**, Director, Baltic Development Forum

Panel:

**Bernd Henningsen**, Professor, Project Co-ordinator, BaltSeaNet

**Klaus Meyer**, Research Professor, Centre for East European Studies (CEES),  
Copenhagen Business School

**Pekka Sutela**, Head of Institute for Economies in Transition (BOFIT),  
Bank of Finland

11.00 — IV. Special Session:

**Making a career in the Baltic Sea region - challenges and opportunities**

Panel:

**Tim Dalskov**, Executive Vice President, Corporate Development, Pan Nordic Logistics

**Hannu Lamp**, CEO, Tuulepargid - Global Green Energy

**Valdis Lokenbahs**, President and Chairman of the Board, DATI

**Niels Mygind**, Director, Centre of Eastern European Studies, Copenhagen  
Business School

**Ole Wiberg**, Director, Danish Society for the Advancement of Business Education

12.30 — Plenary session:

Introduction:

**Uffe Ellemann-Jensen**, Chairman, Baltic Development Forum

Report from the session on transport infrastructure:

**Dankert Freilem**, *Executive Director of Communication and Public Affairs, Concordia Bus*

*How can we create an efficient and coherent future transport infrastructure in the Baltic Sea region?*

Report from the session on biotechnology:

**Børge Diderichsen**, Professor, Vice President Corporate Affairs, Novo Nordisk

*Exploiting the potential for borderless biotechnology in the Baltic Sea region - ScanBalt BioRegion*

Endnote address:

**Charles P. Ries**, Principal Deputy Assistant Secretary, Department of State, United States of America

*The Baltic Sea region from a US perspective*

13.15 — Reception - Buffet lunch

End of summit 2002



*Lord Mayor of Copenhagen, Jens Kramer Mikkelsen with the resolution from the Baltic Metropolises, which the mayors and deputies of Berlin, Copenhagen, Helsinki, Malmö, Riga, Stockholm, Tallinn, Vilnius, Warsaw and the Vice Governor of St. Petersburg delivered to the President of the European Council*



*Uffe Ellemann-Jensen with the President of the European Council, Prime Minister of Denmark Anders Fogh Rasmussen, President of Latvia Vaira Vike-Freiberga and Prime Minister of Finland Paavo Lipponen during the Opening Ceremony held at the Copenhagen City Hall, 13 October 2002*



*The Prime Minister of Finland Paavo Lipponen delivering one of the two opening addresses at the fourth annual Baltic Development Forum summit*



*Gala Reception at the Copenhagen City Hall hosted by the Lord Mayor of Copenhagen*



# 1. NEW BRIDGES ACROSS THE BALTIC SEA REGION

On Sunday 13 October 2002, the President of the European Council, the Danish Prime Minister Anders Fogh Rasmussen, opened the 4th Annual Baltic Development Forum Summit in Copenhagen - "New Bridges Across the Baltic Sea Region - Visions and Strategies for the Future Growth Centre in Europe" - after having received the resolution from the *Baltic Metropolises* presented by the Lord Mayor of Copenhagen **Jens Kramer Mikkelsen**.

Prime Minister Anders Fogh Rasmussen began his speech by acknowledging the Baltic Development Forum's timing for the summit in Copenhagen. "Good timing", the Prime Minister said, "only four days ago the Commission presented their annual progress reports on the 13 candidate countries. Only 11 days from now the European Council will meet in Brussels for a decisive summit. So we are in the middle of a period critical to all of us who wish to conclude negotiations by the end of the year - and I think I can safely say that really does include all of us here today."

## Identifying priorities - an excellent blueprint for creating regional growth

The resolution from the *Baltic Metropolises* concerned the fundamental prerequisites for growth, and how the region can achieve them. It defined four main areas on which the Baltic Sea region should concentrate: knowledge-sharing, improving higher education throughout the region, integration and interchange between clusters of excellence and an integration of our infrastructures. The Danish Prime Minister welcomed the resolution.

"These are the things we need to do if we are to create the best environment for entrepreneurship and growth," Prime Minister Fogh Rasmussen said. He furthermore compared the resolution with the priorities presented by the Baltic Development Forum prior to the summit. "There is a great deal of similarity between the ideas contained in the resolution presented by the Baltic mayors and the priorities identified by the Baltic Development Forum. The importance of co-ordinating our infrastructures and sharing the results of our research is rightly highlighted as essential for vigorous growth, spurred on by a knowledge-based economy. And we must not forget the principles of sustainable development and active participation in society, by all citizens. Both are essential if we are to ensure sustainable growth and full public support," the Prime Minister stressed.



The Latvian President **Vaira Vike-Freiberga** also endorsed the task of identifying five priorities as an excellent blueprint for turning the Baltic Sea region into a vibrant commercial, cultural and scientific growth centre by the year 2005 and welcomed the debate surrounding the priorities. This debate was further initiated during the keynote address of **Erkki Liikanen**, the European Commissioner for Enterprise and Information Society, on 14 October. Here, he presented his own five priorities for the region. "The first one is energy, then there is environment, number three is transport infrastructure, number four is information society and number five is research, development, innovation, entrepreneurship - the whole chain," Erkki Liikanen said. The future priorities for the region were further discussed during the political plenary session and the business plenary session.

### From Copenhagen to Copenhagen

” After years of division, years of squabbling, reunification is in sight

During his welcoming address, the Danish Prime Minister stressed that the absolute, number one priority of the Danish EU Presidency is the enlargement of the European Union. "We have been presented with a magnificent, historic opportunity, and a crucial historic obligation. After years of division, years of squabbling, reunification is in sight," the Prime Minister told the participants at the opening ceremony, and that the enlargement of the EU presents Europe with a chance to secure the freedom, peace and stability, which our continent needs, and deserves. Prime Minister Anders Fogh Rasmussen said that three basic principles will help us toward our goal:

- Negotiations should be concluded by the end of 2002. Failure to do this could mean missing the deadline - postponing enlargement for years;
- Negotiations should be concluded with those countries that are ready;
- No country should be asked to wait for other countries.

President Vaira Vike-Freiberga underlined that the candidate countries were indeed looking forward to the promise "from Copenhagen to Copenhagen" being fulfilled in December. "I find it significant that Denmark will soon be hosting a historic meeting of the European Council, nine years after the establishment of the Copenhagen criteria for accession to the European Union in 1993. We look forward with hope and confidence to the start of a new era in the history of the European Union," the President said. "For the people and nations of Central and Eastern Europe, the invitation to join the EU, together with the expected decision this November in Prague to expand the NATO Alliance, will signify their genuine return to the European family of free and democratic nations," she went on to say.

### Success depends on the ability to focus and to work

” There is still a lot of catching up to be done on the Eastern shores of the Baltic.

Although the President welcomed the enlargement, she also addressed the challenges facing the Baltic Sea region after the Enlargement. "Today, a decade after the collapse of the Soviet Union, the Baltic Sea Region is still far from homogenous in the standard of living, level of prosperity and life expectancy that its inhabitants enjoy. There is still a lot of catching up to be done on the Eastern shores of the Baltic. This remains the principal challenge of our common future: how to erase the economic disparities between the EU's current and future member countries, and how to do it in as few years as humanly possible," the President said.

Her assertion was echoed in the keynote address by the Chairman of AVIVA, **Pehr Gyllenhammar**. "The EU enlargement that is now being monitored, helped and encouraged under the Danish EU Presidency expected in 2004 will include ten new members. That is an awesome task to accommodate ten members," Mr. Gyllenhammar said. "This task is much bigger, heavier, much more complicated than any previous tasks of inviting new members. The only way we can make this a success is focus, focus and work, work. The romantic dream will only be fulfilled if we are less romantic while we go into action - but I strongly believe the potential is there," Mr. Gyllenhammar said.

### **Our diversity must work in concert**

Pehr Gyllenhammar highlighted that the fate of the region was dependant on the Baltic Sea region itself. Only the region itself can make itself grow - and make itself a centre of the North by 2005. "This region has a great deal of diversity," Mr. Gyllenhammar stated, "and the question that must be answered is how these components can work in concert to achieve growth."

Mr. Gyllenhammar said that what drives economic growth is increased productivity, which can only be achieved if the region lives up to the following four aims:

1. A business environment that is stable, supportive and properly enforced
2. Capital accumulation
3. Efficient allocation of resources fostered by market competition and division of labour
4. Technological advance

"Achieving sustained increases in productivity and, thus, sustained and meaningful economic growth can only be done if governments, at supranational, national and local levels, commit themselves to the task. This is no small task," Mr. Gyllenhammar pointed out.

The commitment of the region's governments to increase productivity and economic growth and to remove barriers for trade and investments was also touched upon by the by European Commissioner Erkki Liikanen. He said that the EU's partnership and co-operation agreements with Russia and with the Baltic countries and Poland provide a framework for identifying and eliminating the most obvious barriers for trade and investments. Moreover, the European Commissioner emphasised the need for including the business community in this task. "I am very happy that the business community is present here at this summit," Erkki Liikanen said. Further, "we always need concrete information from business on what the obstacles are. This information must be given by those who try to export or import goods."

### **Shared values and common purpose**

"I can think of no areas that embody the principles of shared values and common purpose better than the Baltic Sea region", the US Principal Deputy Assistant Secretary of State, **Charles P. Ries** said during the summit's final keynote address.

"In this dynamic region, the United States enjoys a strong partnership in multiple and often interlocking ways. We have superb bilateral relations with every nation represented here. Further, we work co-operatively and productively together in a thriving network of formal and informal multilateral groupings," Mr. Ries said, before commenting on the value of the network of support and co-operation that exists in the region.

**” We admire the values this region embodies.**

"We admire the values this region embodies. Leaders of every country in the Baltic Sea region have met with the highest levels of the US government over the past half year - with President Bush, Vice President Cheney, Secretary Powell, Secretary Rumsfeld and senior members of Congress," Mr. Ries declared, and reported that in each meeting, the US leaders have been struck by the achievements of the region. "Your achievements are a testimony to your own high aspirations, your own hard work, your own steadfast persistence and willingness to overcome daunting obstacles," Mr. Ries said. "We stand in admiration as we watch Estonia, Latvia and Lithuania become producers rather than consumers of security, and as they stand side by side with us in the war on terrorism and in the Balkans."

### A Baltic brand

**” On the European agenda, this Northern part is of growing importance.**

European Commissioner Erkki Liikanen also noted his appreciation for the development in the Baltic Sea region. "On the European agenda, this Northern part is of growing importance. But - speaking as a Nordic person - it is extremely important that Northern countries continue to put the region high on the agenda. They know better than anyone how important this part of Europe is," Liikanen pointed out.

During the opening ceremony, the Prime Minister of Finland, **Paavo Lipponen**, also noted that the Baltic Sea region already was one of the most dynamic areas in Europe despite the current and future challenges facing the region. "Our region is already making a significant contribution to reaching European objectives for growth, competitiveness and job creation", the Prime Minister said. "The Baltic Sea region has the potential of becoming a globally significant growth region".

Charles P. Ries closed his address by saying that from a US perspective the Baltic Sea region has emerged as a model for other parts of Europe and Eurasia, and can help to extend the benefits of freedom and civil society even further. "This region is a beacon for what can be accomplished through co-operation and partnerships. You have indeed created a Baltic brand," Mr. Ries said, "and as we move forward in the 21st century, the United States will seek to build on this success."

The same concluding remarks were heard from the Latvian President. "The common Baltic Sea that we all share, which only recently still divided the East from the West, the rich from the poor, and the free from the oppressed, is gradually serving to unify our diverse countries. As we continue to build new bridges across the Baltic Sea Region, let us visualise our region becoming a model of successful partnership for other regions to emulate," the Latvian President envisioned.

## 2. CHALLENGES AND OBSTACLES BEFORE THE ENLARGEMENT

Enlargement of the European Union will without doubt have a great impact on both the old and the new member countries of the European Union. However, the enlargement is still to be decided on. Obstacles and challenges remain before the European Council in Copenhagen in December 2002.

### The enlargement makes a difference

” Enlargement  
really makes  
a difference.

The Swedish Minister for Foreign Affairs **Anna Lindh** opened her address by emphasising that the importance of the enlargement is that it makes a difference. "It makes a difference for countries as well for citizens all over Europe", Ms. Lindh said. "When we unite Eastern and Western Europe in reality we make military conflicts impossible. When we unite East and West we increase economic justice. When we unite the poorest and richest countries in Europe, we promote growth for all of us. And when we unite the old and new democracies, we will benefit both the old and new democracies. It is without doubt a win-win situation. Enlargement really makes a difference."

**Per Stig Møller**, the Danish Minister for Foreign Affairs and President of the General Affairs and External Relations Council of the European Union, agreed with his Swedish colleague. "Imagine it is only a little more than ten years ago that the Central and Eastern European countries, the Baltic countries, themselves, broke out of the Soviet Empire and broke down communism. Maybe it has taken too long a time; some of them have already become members of NATO. However, this Winter we should be able to make the final decisions and to enlarge the EU. I think it is fantastic," Per Stig Møller said. Nevertheless, Per Stig Møller also emphasised that it would indeed be a difficult task. "There will be different positions both within the member countries and between the EU and the candidate countries. But there will be a tremendous responsibility on the shoulders of that member state which tries to delay the enlargement. And as we are coming closer to the date, I believe we will do it in December."

### The Union's challenges remain

The moderator of the political session, Special Advisor to the European Commission, Ambassador **Ottokar Hahn**, mentioned in his opening remarks some of the challenges before the enlargement. He said that although the European Commission's Progress Reports confirmed the readiness of the candidate countries to join the EU, there are still many within the member states and the European Parliament who question whether the candidates are prepared, i.e., when it comes to barriers to trade and investment, in relation to border crossing, customs procedures, testing and certification of goods, corruption and bureaucracy.

The Swedish Foreign Minister, who served as President of the General Affairs Council during the Swedish Presidency in 2001, noted that even in 2001, a lot of people had said that enlargement in 2004 would be too early. "But as politicians, we know that to achieve something, we have to set clear and ambitious goals, otherwise we won't achieve anything," Anna Lindh said, although she did agree that challenges remain.

"There is still more we have to do, not least when it comes to strengthening administration. We also have to continue to monitor the whole process. And we also have challenges when it comes to the EU budget. The direct payments are a disaster for the Union's *present* budget, as they are a disaster for the Union's *future* budgets." Per Stig Møller followed suit. "When the foreign ministers of the candidate countries said to me that 'this and that are not good enough,' I said that if there are so many problems, we will not be ready in December. That shaped the following discussion. My point is that everything does not have to be taken care of this December. We can also work afterwards on our common problems. But I have to make clear that we must stick to the budget ceilings now, as well as after enlargement", the Danish Foreign Minister declared.

During the business session, the Chairman of the Board of Telefon AB LM Ericsson, **Michael Treschow**, also made it clear that the frame of the EU will be totally different after the enlargement. Thus, he recommended that to cope with this new situation, new notions must be developed about the structure of the EU. He laid out four points of concern to be discussed after the enlargement:

- The financial redistribution within the EU must be changed;
- The regional funding must be reconsidered;
- The importance of implementation of EU regulation in the member countries must be underlined, and finally;
- Corruption must be fought.

"These challenges should be met to fully take advantage of integration," Mr. Treschow said.

### A European Economic Space

” We have the potential for a golden future in the Baltic Sea region.

During the business session the Danish Deputy Prime Minister and Minister for Economic and Business Affairs Bendt Bendtsen expressed his optimism for the region after enlargement of the EU. "The EU Enlargement will create a win-win situation for business throughout the whole region. By developing competitive advantages, we have the potential for a golden future in the Baltic Sea region."

In his capacity as President of the Competitiveness Council of the European Union, **Bendt Bendtsen** furthermore underlined the region's importance for the EU and in connection with that, the importance of Russian accession to the WTO. "This will clear the road for a common European Economic Space for goods and services between Russia and the EU and with that, closer integration and co-operation between the two parties for the benefit of both."

The new neighbours of the enlarged European Union were also mentioned in the political session. "Sweden will do everything possible to secure the necessary decisions in Copenhagen this December," Anna Lindh promised, "but in parallel we must avoid new dividing lines in Europe and work with our new neighbours, Russia, Belarus, Moldova etc."

Per Stig Møller also stressed that with 25 EU members, we will have new neighbours and they must of course be supported. "They are very different from each other and must therefore be treated differently. Russia is however part of the Northern Dimension initiative and the Northern Dimension must be taken care of and developed in co-operation with Russia. We are not enemies with Russia, we are friends. And we want Russia integrated in the European Economic Space. I hope for great contributions to this development during the EU-Russia summit in November," Foreign Minister Møller said.

Moderator of the business session **Erik Berglöf**, Director of Stockholm School of Economics' Institute for Economics in Transition furthermore noticed that besides the challenges which the enlargement of the EU will create itself, it is important not to create new barriers in the region with special emphasise on the future relation with Russia. Mr. Berglöf also told that in the perspective of globalisation it is important to have a broad view on the challenges in the future to make globalisation an opportunity and not an obstacle. "Both business and politics play a vital role in handling these challenges," Mr. Berglöf said.

Looking beyond the enlargement, Deputy Prime Minister Bendt Bendtsen agreed with the remarks made by Mr. Berglöf. Thus, he ended his speech by presenting a growth strategy for the region.

Bendt Bendtsen made clear that making a framework for business in the region should be part of a growth strategy after enlargement. "This framework should make the region attractive by making it easy and secure to invest and do business in the region," Mr. Bendtsen said. In connection with this, he stressed that it is of utmost importance to attract the strong key sectors of the region, "that is the ITC and Biotechnology sector".

### **Partners, competitors and neighbours**

The final challenge for the enlargement to become a reality is the referendums to be held in the candidate countries.

The Danish and Swedish foreign ministers both stated that they had no intention to interfere in those forthcoming referendums. Anna Lindh said that this was an internal question for the candidate countries. Per Stig Møller agreed and said that he believed that one of the main reasons that the referendum in Denmark on the Treaty of Maastricht in 1992 turned out negative was that too many interfered in the election. "So I will promise the candidate countries to stay away, in order for them to vote yes and join the Union," Mr. Møller said with a smile and much to the amusement of the participants.



” **The EU is  
the centre  
of growth and  
prosperity for all  
democracies in  
Europe**

Mr. Treschow highlighted the great positive impact that EU accession had had on Sweden since Sweden joined the European Union. He said that this was as an example of how important the next enlargement is for the candidate countries. He furthermore reminded the audience of the ground pillars of the EU. "The European Union is a system of peace, stability, openness and prosperity," Mr. Treschow said, ending his address by throwing a glove down for the coming EU members to pick up in order to stimulate trade and business dynamics in the Baltic Sea region. "We are looking forward to co-operating with you as partners, as competitors, as neighbours," Mr. Treschow said.

The Danish Foreign Minister echoed his words at the end of the political session. "The economy is the tool to secure peace and prosperity in Europe, including Russia. That is the lesson of the EU. This is not a club for the rich. The EU is the centre of growth and prosperity for all democracies in Europe," the Danish Foreign Minister concluded.

### 3. KEY PRIORITIES FOR THE BALTIC SEA REGION

In the 13 years that have passed since 1989, the Baltic Sea Region has shown a remarkable will and ability to change. The Baltic Sea region has managed to lay the foundation for a functioning market economy, and has reaped the benefits from these efforts in terms of increasing prosperity. The Baltic Sea region represents one of the most vibrant markets in Europe. In terms of the number of consumers, the region corresponds to more than one-third of the US market and the economies involved correspond to one-eighth of the total GDP of Western Europe. Indeed, the potential of the region is enormous, and successful collaboration between politics, business and academia during the past decade has formed the basis for the development of several world class international companies.

However, prior to the summit in Copenhagen, Baltic Development Forum had indicated to the region's politicians, business executives and leading scientists that the region needs to look beyond the achievements of the past and the historic European Council in Copenhagen in December 2002. It is time for the region to set a new operative regional agenda. Thus, Baltic Development Forum asked for new visions and ideas for the Baltic Sea region to make it a vibrant commercial, cultural and scientific growth centre of the North by 2005.

#### The real work starts after the enlargement

**Hans Dalborg**, the Chairman of Nordea, was among the many speakers who emphasised that the enlargement process must be accomplished without delay. "That means to start with a decision, but also to bear in mind that the work starts after the enlargement. The real work starts after the press conference informing that you are going to merge," Mr. Dalborg suggested. This was in line with the words of the Danish Deputy Prime Minister and with his references to the mergers his own company had experienced in recent years.

The political representatives from the forthcoming EU member countries seemed to agree. The Lithuanian Minister for Finance, **Dalia Grybauskaitė**, reported during the political plenary session that the enlargement will require a reform within the EU and that the new member countries ought to help reform the European Union after the enlargement.

” What is needed is reforms and to fight the battle of competitiveness

"The new member countries have experience of 12 years of challenging reforms, quickly and from scratch. Europe is today facing huge challenges due to loss of competitiveness. With the enlargement, the new member countries can have a positive impact on the necessary reforms," she said, also suggesting that the enlargement of the EU must be used to secure good results. "What is needed is reforms and to fight the battle of competitiveness," Ms. Grybauskaitė said.

The Estonian Minister for Foreign Affairs **Kristiina Ojuland** emphasised in her address that the Baltic countries and Poland so far have concentrated on internal reforms and in parallel the integration into the European Union and NATO. "However, the enlargements are coming and we will become members of both of those important organisations. So now is the time to build new regional bridges. While we build these new bridges it is important that we at all times keep in mind the globalisation process and the new security threats. We should not close our eyes to these challenges," the Estonian Foreign Minister told the participants.

### Keeping the locomotive on the right track

The Norwegian State Secretary **Elsbeth Tronstad** followed suit. "We need to find out how we can keep the locomotive of change on the right track," Ms. Tronstad declared. "Transformation has not only led to freedom but also to more corruption, more organised crime, more abuse of power, greater environmental problems, greater social problems, increased sex trade, child abuse and other evils. And these are serious threats to democracy and the whole community of the Baltic Sea nations. Although great efforts have already been made, we are still facing formidable challenges. We must intensify our efforts in combating these. All our actions must be based on the rule of law, respect for human rights, transparent democratic governance, and respect for the environment. These are fundamental values that must be maintained, consolidated and continuously reinforced. There is no alternative," the Norwegian State Secretary stressed.

These recommendations were also stressed by the CBSS Commissioner on Democratic Development, **Helle Degn**. During the Q&A, she said that the region should indeed invest in people and civil society. "We must take these recommendations seriously. We must get rid of corruption, get rid of economic crime and invest in civil infrastructure. I hope this will be strongly underlined, not only verbally but when we come around to get support for civil infrastructure," the Commissioner declared with applause from the audience.

Kristiina Ojuland recalled on a more general note what Pehr Gyllenhammar had told the participants at the Baltic Development Forum in Malmö in 2000. "The honourable Pehr Gyllenhammar said that the real drivers for growth and wealth creation are peace, democracy and open trade," Ms. Ojuland said, "we must always remember that in our region."

### Priorities for the region

Hans Dalborg also called attention to making the region a preferred area for investments. "We must lower the country risks, predictability and transparency. And this is not only on a bilateral level but a question for the whole area around the Baltic Sea," Mr. Dalborg said, and referred to the Estonian Foreign Minister Kristiina Ojuland's comments on how over-regulation can become an obstacle to fair competition.

"On one hand, it is a positive thing, but also a threat if we become over-regulated especially in fields like taxation," Ms. Ojula underlined prior to Mr. Dalborg's address. She said that in order to guarantee growth and competitiveness in our region, we should allow some individual differences within the region and the EU. "Otherwise", Ms. Ojula said, "we will see businesses leaving our region."

Hans Dalborg agreed with the Estonian Foreign Minister and suggested that we should move from regulation to harmonisation. "Look at football, you have a lot of different matches, but they are all played with the same set of rules," Mr. Dalborg said much to the amusement of the participants.

Turning to other key priorities for the region, the Russian Deputy Minister for Foreign Affairs **Sergey Razov** stressed that the promotion of regional co-operation in economy, energy, transportation, information technologies, as well as the promotion of strict observance of human rights and freedom must be among our highest priorities. Among these, the Business Development Director of the European Business Club in Russia **Irina Aksenova** put special emphasis on the energy sector. "The energy sector is one of the major interests between Europe and Russia. It must be prioritised. There is no reason for developing the transport infrastructure, if there is nothing to transport across the continent," Ms. Aksenova stressed.

### Increase knowledge investments

Professor **Torger Reve**, President of the Norwegian School of Management, also pointed to the energy sector as one of the three major clusters of the region. "Prime Minister Lipponen said yesterday that only two major industrial clusters were situated in the region: ITC and biotech. Mr. Lipponen is right, although I would add the Energy cluster," Professor Reve said. He underlined that what we need to do is to develop these clusters into global industrial clusters, pointing to the fact that this would mean developing a new intervention and growth policy. "To me that means a policy for increasing knowledge investments. We should all be at the level of Finland," Professor Reve said.

” Without the creation of knowledge, no knowledge society will occur.

**Bent Christensen**, Managing Director of Medicon Valley Academy, introduced the specialist day, focusing specifically on the importance of building a knowledge society in the Baltic Sea region. He pointed out three key elements when discussing a knowledge society: Create - Transfer - Explore. He explained that creating the best possible conditions for academia and educational as well as research institutions is a precondition for a knowledge society - in other words, "without the creation of knowledge, no knowledge society will occur."

The same message was heard from the Lithuanian Finance Minister **Dalia Grybauskaitė**. "Although creating a knowledge society has to be a priority, without financial back-up and real financial resources, the idea will collapse. The Northern Dimension is, for example, a very nice political idea, but not very successful due to lack of financial support," Ms. Grybauskaitė said.

**Mads Krogsgaard Thomsen**, Executive President, R&D, Novo Nordisk, agreed. "There are many models of how we can make this fly. But funding has to come from the governmental agencies. There is no way we can go about having a situation where industry in its own right is going to be the only one contributing to all this growth. We have to rely on graduate and post graduate education levels that indeed have to be world class." Mr. Thomsen pointed this out, with support from Torger Reve. Professor Reve urged that the region should begin to prioritise the integration of academia and business. "We are lagging far behind on that one," the Professor stressed.

The Minister President of Schleswig-Holstein **Heide Simonis** said that the knowledge society is offering new opportunities as well as new competition. "The pre-conditions for a knowledge society in the region are rather promising provided we want to make common use of this opportunity and that we want to face the competition jointly," Ms. Simonis stated.

### **New structures for future co-operation**

On a more critical note, the Minister President of Schleswig-Holstein said that the Baltic Sea region still needs more effective co-operation. "Our politics are still made either nationally or within the framework of the EU. The region has no effective framework to co-ordinate our common efforts. And no Baltic Sea voice in Brussels. This is what we have to reflect and work on further, and we have to hurry because the competition between the existing regional clusters is already underway," Ms. Simonis underlined.

During the business plenary session, the CEO of the Confederation of Danish Industries, **Hans Skov Christensen**, also turned to the co-operation of the region. "Strictly speaking", Hans Skov Christensen said, "the development we have seen in the Region so far - even if it has been very positive - has not been different from what you have seen in the whole of Eastern Europe." He therefore emphasised that to compete with the rest of Europe, we need concrete action. "But this is difficult to create within the Baltic Sea co-operation because of lack of binding political fora. Either we need to create them or we need to use the ones we already have. We probably need to do both". Thus, Hans Skov Christensen urged the region's leaders to make the necessary political decisions within a very short period of time. "Only then will we be able to create a Single Market of the Baltic Sea, as suggested by Chairman Ellemann-Jensen," Hans Skov Christensen declared.

Hans Dalborg also called for work to join efforts between politics and business. "We need to set up a high-level Nordic Task Force to work for trade integration, identify potential trade barriers and activate the trade institutions or maybe create new institutions, if the current aren't good enough," Mr. Dalborg said.

Moreover, the Russian Deputy Minister for Foreign Affairs said that Russia was of the opinion that the enlargement of the EU should contribute to the positive development of the Baltic Sea region - as an important element of the over-all EU structure - and create conditions for further strengthening and expanding co-operation with Russia, candidate countries and the EU as a whole. However, he also predicted there could be difficulties when it comes to further co-operation between Russia and the new EU. "Speaking of the co-operation in the region, how can one talk about real rapprochement of countries and the creation of a single economic, political and humanitarian space when Russia finds itself on the other side of the Visa Fence. Future relations between Russia and the European Union will depend to a large extent on how we manage to solve these problems," Mr. Razow said.

### Under-promise and over-deliver

The personal representative of the President of Poland, State Secretary **Dariusz Szymczycha**, emphasised the importance of the Baltic Sea region to Europe. Responding to the question of whether Poland would turn its engagement South after the enlargement of the EU, Mr. Szymczycha said that Poland is committed to the co-operation in the Baltic Sea region. "We will of course engage ourselves in the Baltic Sea region as a member of the EU and as a member of NATO. We know that there is a new situation and we look for the good perspectives of the Baltic Sea area," Mr. Szymczycha said.

The idea of branding the co-operation and the good perspectives of the Baltic Sea region was touched upon many times. In his concluding remarks, the Chairman of Nordea Hans Dalborg pointed out that he did not think we needed to promote the Baltic Sea region. "Let us instead work to make it rich and attractive. Then we don't need to promote anything. I think it is much better for this region to under-promise and over-deliver than to over-promise and under-deliver."

Both **Jón Sigurdsson**, President and CEO of the Nordic Investment Bank, and **Alexander Lebedev**, President of the Latvian Business School, who served as moderators of the two plenary sessions on priorities for the Baltic Sea Region, concluded that it was indeed possible to find five key priorities that everyone believed could turn the region into a vibrant commercial, cultural and scientific growth centre of the North by 2005.

” The most important conditions for progress are peace, trade and democracy.

"We need to develop the five priorities presented by the Baltic Development Forum and maybe add a few more elements," Mr. Sigurdsson said in his concluding remarks. "The social dimension and humanitarian aspects should not be neglected. Investments in health and education and social services should not be neglected. However, the most important conditions for progress are peace, trade and democracy. This is a simple recipe, but we can not forget it," Mr. Sigurdsson said.



## 4. THE NORTHERN DIMENSION BUSINESS FORUM

Already during the opening ceremony on Sunday 13 October, the Finnish Prime Minister **Paavo Lipponen**, the father of the Northern Dimension, mentioned the challenges that lie ahead in connection with the Northern Dimension.

"We need a certain reshaping of objectives, priorities and activities to ensure that the Northern Dimension can play its full part in strengthening partnerships across the region in the years to come. Effective dialogue and co-ordination are essential in achieving the objectives of the Northern Dimension policies, but the scope of the Action Plan should not, in our view, be narrowed. The new Action Plan should encompass, among other things, environmental co-operation, transport, cross-border co-operation, justice and home affairs, ICT co-operation and co-operation in the Social and Health sector. I also support intensifying co-operation in biotechnology and the need to encourage the business community to play a stronger role in the implementation of the Action Plan. The share of private financing is crucial," Prime Minister Lipponen said, emphasising that the Northern Dimension had experienced strong and rapid growth since its birth in 1997. "Now, and especially after the next enlargement of the European Union, the Northern Dimension will have an even more critical role to play," the Prime Minister concluded.

### A new start for the Northern Dimension

Representing the Business Advisory Council in the framework of CBSS 2000-2002, **Peter Egardt** opened the session on the EU's Northern Dimension by stating that the Northern Dimension was welcomed by the business community when it was introduced in 1997. "We had a lot of expectations, expectations for action and expectations for development, but what has happened since it has been in operations",

#### The Northern Dimension

The Northern Dimension was first recognised at the Luxembourg European Council in December 1997. In June 2000, the Feira European Council adopted the 'Action Plan for the Northern Dimension in the external and cross-border policies of the European Union', which is the key guide to the Northern Dimension.

The Northern Dimension aims at addressing the special regional development challenges of northern Europe and intensify cross border co-operation between the EU and its neighbouring countries and regions in northern Europe. It aims to create security and stability in the region, as well as building a safe, clean and accessible environment for all people in the north. The Northern Dimension also has the objectives of addressing the problems related to uneven regional development and avoiding the emergence of new dividing lines as new countries join the Union.

Source: [http://europa.eu.int/comm/external\\_relations/north\\_dim](http://europa.eu.int/comm/external_relations/north_dim)

Mr. Egardt asked. "Despite all the documents, the Northern Dimension has not been given the special attention that the business community would like the Northern Dimension to get."

His statement was echoed by **Henrik Lax**, Member of the Finnish Parliament, who noted that the level of commitment to the Northern Dimension will place a limit on what we can get done. "On that note, the Commission must have a strong role in the co-ordination process and a stronger commitment," Mr. Lax said.

” A lot more  
needs to  
be done. A new  
start is needed

Mr. Egardt focussed on the same issue. "There is still a weak link to the EU's Russian policy, there is not enough commitment from the EU member states and it is not clear what role the Northern Dimension really plays. There are insufficiencies concerning the administration, there is no specific budget line for the Northern Dimension. And we all know that without a budget line, you don't have sufficient power. Moreover, there is no proper co-ordination office within the EU. Only one full-time person is devoted to the Northern Dimension," Mr. Egardt pointed out. "That is not to say that good initiatives have not been taken," Mr. Egardt continued, "but they are much too few. A lot more needs to be done. A new start is needed, and that is indeed possible with the implementation of the new Northern Dimension from the year 2004."

The Director-General of the European Investment Bank, **Terence Brown**, said that he believed the enlargement would change the whole dynamism in the Northern Dimension. "Suddenly we have four more countries of the region around the table. That will create a new situation when deciding what has to be done in the region in future," Mr. Brown envisioned. The Danish Finance Minister, currently serving as President of the Economy and Finance Council of the EU, **Thor Pedersen** agreed. "After the enlargement, we will have eight members of the EU within the Northern Dimension region. This will surely strengthen the international EU aspect of the initiatives of the Northern Dimension," Mr. Pedersen said.

### Positive results to build upon

The head of the Northern Dimension Unit in the European Commission, **Guiseppe Busini**, declared that the Commission indeed thought that the current Action Plan had been successful and that there were some very positive results to build upon. "One of the most important aspects of the Northern Dimension should now be to support EU Enlargement. We also think that the Northern Dimension should have as its task the establishment of even closer ties with the Russian Federation in order to create a region without dividing lines and to stimulate the whole region. This should be the mission of the Northern Dimension," Mr. Busini declared.

Mr. Busini agreed with Mr. Egardt that without a conceptual focus nothing will happen in a political process. "We need a clear focus on the vision, the strategic necessities for the region, clearer priorities and concrete activities. All in all, we need a more comprehensive Action Plan," Mr. Busini said. Moreover, according to the European Commission, a major difference from the current Action Plan should be to introduce more stringent and strict monitoring mechanisms. "This is one of the elements missing in the current Action Plan," Mr. Busini admitted.

### Promoting trade and investments

Even if a number of other initiatives are currently important, well functioning and should be maintained, a special priority should be given to efforts to promote trade and investments. The Danish Finance Minister Thor Pedersen said that he believed that the next Action Plan first and foremost needed to give priority to good governance and legal framework. "The legal framework should be of high-quality; laws and regulations need to be straight forward, easy to understand and simple to comply with. Secondly, inter-governmental co-operation to promote trade, investments and economic growth is important. The framework conditions should support a good business climate for the private business sector. Moreover, barriers to trade and investments must be removed as soon as possible," Mr. Pedersen pointed out, before concluding that the next Action Plan must help in this process.

#### **The Northern Dimension Business Forum**

The Northern Dimension Business Forum offers business leaders representing the countries covered by the Northern Dimension initiative the opportunity to speak freely and constructively, identifying problems in the business environment of the region and outlining possible ways of solving them.

The main aims of the Northern Dimension Business Forum is to:

- Bring together business leaders from the countries covered by the European Union's Northern Dimension initiative;
- Identify problems in the business environment of the region and outline possible ways of solving them;
- Compile addresses to the Ministerial Conferences of the Northern Dimension.

The Northern Dimension Business Forum is chaired by Uffe Ellemann-Jensen, Chairman of Baltic Development Forum and former Minister for Foreign Affairs of Denmark 1982-1993.

The 1st Northern Dimension Business Forum held on 4 April 2001 was organised by the Estonian and Swedish Ministries of Foreign Affairs in Tallinn, within the framework of Swedish Presidency of the European Union. At the Foreign Ministers' Northern Dimension conference, held in Luxembourg on 9 April 2001, the conclusions from the Forum was presented by Uffe Ellemann-Jensen.

The 2nd Northern Dimension Business Forum held on 14 October 2002 was organised by Baltic Development Forum in co-operation with the President of the General Affairs Council, within the framework of the 4th annual Baltic Development Forum summit in Copenhagen, 13-15 October 2002. At the Foreign Ministers' Northern Dimension conference, held in Luxembourg on 21 October 2002, the conclusions from the 2nd Northern Dimension Business Forum was presented by Peter Egardt, President of the Stockholm Chamber of Commerce and Chairman of the Business Advisory Council in the framework of CBSS 2000-2002.

Source: <http://www.bdforum.org>

” I hear  
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Director-General Terence Brown said that one of the reasons why the European Investment Bank viewed the Northern Dimension as extremely positive was because it brought together all the actors of the area. "I hear business voices coming through much more clearly than in other fora. And also an openness to the civil society, which is key to sustainable development. Thus, one of the things that the Northern Dimension brings to Brussels is a convincing voice and that is a good starting point." Member of the Russian Duma Gregory Yavlinsky agreed with Mr. Brown. However, he said that the challenge is to listen even more to the Russian civil society and the Russian politicians and not just Kremlin, "- as Europe has done in the past".

### Northern Dimension as a bridge to better understanding

Yavlinsky stressed that many people in Russia consider Russia to be a part of Europe. "Recent public polls showed that a majority in Russia wants to be integrated in Europe and considers Russia a European country, even people living in the East, very much near Japan. Russian people think that Europe is not so much a geographical dimension, but a way of living. Russian culture and history is very close to the European," Mr. Yavlinsky said. "Co-operation between the EU and Russia depends on this region. The process must begin," Grigory Yavlinsky told, emphasising that it is through the Baltic Sea countries and the Northern Dimension that Russia can make a bridge of better understanding to Europe in general.

"Why do Russians have to obtain visas to go to Europe," Mr. Yavlinsky asked. "We are not prepared for the Schengen-regime, but you must open the door and give Russians the possibility to enter Europe, to invest in Europe," Mr. Yavlinsky urged, stating that the door to Europe is even more closed now than during the Soviet era. "And this has nothing to do with Kaliningrad," Mr. Yavlinsky said, "as this concerns all of Russia. This visa problem must be tackled soon in order for us to build these new bridges of better understanding. Let us nominate freedom in travel as a problem and a challenge, to be on the Northern Dimension agenda and say within 5 years this problem must be tackled. That would be real action."

Terence Brown mentioned that it is in our common interest to do away with all barriers between the countries of the region. "The Russian move to WTO is part of that," he pointed out. Thus, the panel agreed that Russia had the potential to increase its role as one of the important partners of the European Union. The Northern Dimension can become a vehicle to bring key actors of the region together, which is essential for developing business. "I believe deeply in the utility of free trade. Liberalisation of trade has been the driving force of welfare in the world in the last 200 years. In that respect, we must remember that the grand goal of EU-Russian co-operation is free trade in the European continent," the Head of the Bank of Finland's Institute for Economies in Transition, **Pekka Sutela**, pointed out.

### Recommendations

On a final note, Peter Egardt expressed his personal hope for the Northern Dimension. "I believe in the Northern Dimension. It could become the European Union's most effective tool in its Russia policy. That is what I would like to see," Mr. Egardt envisioned.



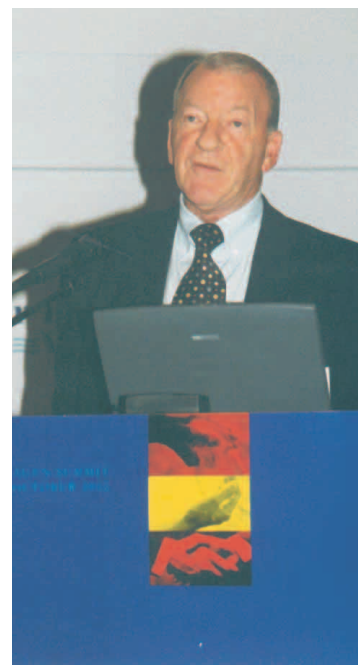
The Swedish and Danish ministers for Foreign Affairs, Anna Lindh and Per Stig Møller during the political morning session



The Lithuanian Minister of Finance Dalia Grybauskaitė, the Estonian Minister for Foreign Affairs Kristiina Ojuland (speaking) and the Polish State Secretary Dariusz Szymczycha with the moderator of the political plenary session, President of the Nordic Investment Bank Jón Sigurdsson. Far left is Schleswig-Holstein's Minister President Heide Simonis. Furthermore, participating in this year's minister-panel were Norwegian State Secretary Elsebeth Tronstad and the Russian Deputy Minister for Foreign Affairs Sergey Razov



Two of the business executives giving their view on how to exploit the potential for borderless biotechnology in the Baltic Sea region, Vice President of Corporate Affairs at Novo Nordisk, Professor Børge Diderichsen and the President of Intellectual Property Holding, Helle Bechgaard



Introducing the Chairman of AVIVA, Pehr Gyllenhammar, Uffe Ellemann-Jensen mentioned that someone during the morning session had asked "where is the Gyllenhammar of today". "Well", Mr. Ellemann-Jensen noted, "the real Gyllenhammar, is actually right here". During his keynote address Mr. Gyllenhammar highlighted that the fate of the region was dependent on the Baltic Sea region itself



Erik Berglöf, Director of Stockholm School of Economics' Institute for Economics in Transition served as moderator during the morning session on challenges and obstacles for the business community after enlargement. Behind Mr. Berglöf is the Deputy Prime Minister of Denmark and President of the Competitiveness Council of the European Union, Bendt Bendtsen and the Chairman of the Board of Telefon AB LM Ericsson, Michael Trescow





Networking with drinks, entertainment and dinner at the Copenhagen Water Front hosted by Landesbank Kiel



Russian Deputy Minister for Foreign Affairs Sergey Razov who represented the Russian Prime Minister during the political plenary session and the parallel session on Kaliningrad



Russian Prime Minister and Minister for Foreign Affairs 1996-1999, Yevgeniy Primakov during the session on Kaliningrad "Growth centre or dead end". Today, Mr. Primakov is President of the RF Chamber of Commerce and Industry



Member of the State Duma of Russia Gregory Yavlinsky who during the Northern Dimension Business Forum stated that co-operation between the EU and Russia depends on the Baltic Sea region. "The process must begin", was his words.



Uffe Ellemann-Jensen with the US Principal Deputy Assistant Secretary Charles P. Ries and the US Ambassador to Denmark, Stuart Bernstein. The US Principal Deputy Assistant Secretary delivered the summit's endnote address. "We admire the values this region embodies", Mr. Ries noted during his address at the summit



European Commissioner for Enterprise and Information Society, Erkki Liikanen was the first Commissioner to attend a Baltic Development Forum summit



The Northern Dimension Business Forum additionally recommended that the next Action Plan strengthen the ties between the enlarged EU and Russia through a number of initiatives.

- Initiatives to promote investments in industry and trade, transport and infrastructure, as well as energy and natural resources, ITC and biotechnology should be prioritised.
- Initiatives should not only be a list of traditional projects, but also cover various administrative and legislative commitments and not least efforts to secure financing of investments.
- Initiatives should be taken to support Russian accession to the WTO and other steps towards establishing free trade across the EU-Russian border.
- Initiatives should be taken to improve passenger transport and reduce or remove obstacles for travel in the region.

The Forum also expressed a hope that the new Action Plan would:

- Secure better administration of the Northern Dimension in the Commission by setting up a sufficiently staffed special co-ordination office.
- Secure increased attention from the Commissioners.
- Secure increased and clear commitment from the EU member countries to the Northern Dimension.
- Secure a full commitment from Russia, on national as well as regional levels.
- Contain timetables, as well as procedures for monitoring and follow-up.

Furthermore, as the EU's relations with Russia partly depend on the US-Russian relations, the next Northern Dimension Action Plan should be open for collaborating with the US on the Northern European Initiative. "You must remember that the door to Europe for Russia is first through Washington and then through Europe itself. This last year, since September 11, Russia has made a very dramatic step forward concerning its relations to the United States. Russia's fight with terrorism is serious and we know how painful it is," Mr. Yavlinsky noted.

### **The Northern Europe Initiative**

The Northern Europe Initiative is a U.S. Government strategy, led by the Department of State, to promote stability in the increasingly vital Baltic Sea region, bolster U.S. trade and investment there, and strengthen key Western institutions and security structures. The Northern Europe Initiative was launched in 1997 as a response to the dramatic progress that occurred in Europe and the Baltic Sea region in the years following the break-up of the Soviet Union.

The Northern Europe Initiative provides the framework for U.S. Government activities and programmes with an emphasis on regional, cross-border co-operation. Geographically, the initiative encompasses all of the countries and areas bordering the Baltic Sea, plus Iceland.

Source: <http://www.state.gov/p/eur/rt/nei>

In his concluding remarks, Director of the World Economic Forum **Thierry Malleret**, who served as a moderator, noted that public-private partnership has a very poor track record in terms of delivering tangible outcomes. Thus, the Forum should draw attention to the importance of direct dialogue with the business community of the region, which was established after the first Northern Dimension Business Forum in Tallinn in April 2001. The dialogue should continue to take place on an ongoing basis and the Commission should take appropriate steps to consult with business. Furthermore, the Forum suggested that the Commission annually presents a report on the status of the Northern Dimension, so that the business community can follow the work within the Northern Dimension better than it can today. This was also reported later during the summit by Director **Anders Ladefoged**, Confederation of Danish Industries, who served as a rapporteur during the Forum.

## 5. KALININGRAD: GROWTH CENTRE OR DEAD END?

” We need to find common interests so we can look ahead instead of staring back.

For many years, the Russian exclave of Kaliningrad has been seen as a special challenge for EU-Russian co-operation. Moderator Samuel Rachlin, Managing Editor of the Baltic Sea Agenda publication, introduced the session by presenting the general situation and implications connected with the Kaliningrad region. "Kaliningrad is one of the hurdles on the road for the enlargement of the EU. It has created divisions in the EU-Russian relationship," he said, explaining that the ambition of this session was to clarify some of these issues. However, he also emphasised that what was needed was to point out various ways to avoid deepening disagreements by identifying new paths that can lead to the resolution of problems and point to a constructive evolution of the relationship between the involved parties. Mr. Rachlin called for a broader view of the Kaliningrad region, and for the EU and Russia instead to see Kaliningrad "as a test case rather than a basket case". As Mr. Rachlin put it, "We need to find common interests so we can look ahead instead of staring back."

### Psychology and Human Rights

The former Russian Prime Minister and Minister for Foreign Affairs, **Yevgeniy Primakov**, who now serves as President of the Russian Chamber of Commerce and Industry, opened his address by stating that the Kaliningrad problem is a Russian problem. He assured the audience that Russia is very keen on addressing the Kaliningrad problem and summed up the major Russian viewpoints and prerequisites on the issue:

- Kaliningrad is an enormous psychological issue for Russia's public opinion. Some elements in the Russian debate lean to the suspicion that someone is trying to alienate Kaliningrad from Russia;
- There is an aspect of human rights. The possible involvement of a third party monitoring people's movement within their own country is a violation of human rights from the Russian point of view;
- The acts of September 11, 2001 exposed a need for co-operation, joining together and interacting. This should mean no exclusion of third parties from important decisions;
- The US-Russian relationship has intensified since September 11, 2001. But this does not mean that Russia excludes its diversified foreign policy. "The EU is a priority for Russia," he underlined.

Representing the European Commission, **David Turr** made it clear that the EU has an interest in the future of Kaliningrad and doesn't see this bound to the visa regime. He therefore insisted that the EU would indeed look at the issue in a broad context. He declared that the EU had already made extremely large financial commitments in Kaliningrad, reaching 40 million euros so far, and has further committed itself to another 25 million euros to promote investments in enterprise and small scale infrastructure. In connection with this, the EU has proposed that this money could be a contribution to a new Kaliningrad fund, where EU member states and others, such as Russia, could participate in joint solutions to the problems.

David Tírr furthermore presented a number of reasons why the EU finds these acts and offers important. Illegal activity is a top issue in the EU member states. Law enforcement in Kaliningrad is the lowest in the region and a lot has to be done to improve this; Kaliningrad is an environmental hot spot of pollution and represents a serious threat to the environmental stability in the region; and the spread of communicable diseases is of great concern. The EU, therefore, should help to reform health care and helps to prevent the spread of HIV and tuberculosis. "Deprivation, unemployment and lawlessness are roots to all these problems. Thus, Kaliningrad needs administrative and judicial reform and expansion of the local economy to solve these problems," he concluded.

Ending his address, Mr. Tírr assured the audience that the EU has a special interest in Russia, as the common European economic space and the ongoing energy dialogue shows. These steps should allow the EU and Russia to exploit the complementarities between them and provide a stronger base for future trade and investment he noted.

### **The EU will help modernise Russia**

The adviser to the President of Poland on the Russian Federation, **Stanislaw Ciosek**, began his address by stating that even though the visa negotiations have had positive side effects, such as a higher level of mutual confidence, it is time to focus on and take care of the real problems of Kaliningrad.

"Even though Kaliningrad is the property of Russia and only Russia is obliged to solve the problems in the region, it is lucky that the surrounding areas have a great interest in a stable region. If Russia is ready to make Kaliningrad a bridge between the EU and Russia, then the solid construction of such a bridge should be business at both banks. It would be unwise to build on each side separately," he stated. And continuing the metaphor: "One can say the practical plans for its construction are not ready yet for beginning a concrete project. There is still a lot of research work to be done," Mr. Ciosek said, suggesting that both Russia and the EU should create a bilateral institution on a governmental level to prepare such a practical plan and coordinate projects.

The Deputy Director of the Carnegie Endowment's Moscow Center, **Dmitri Trenin**, echoed Stanislaw Ciosek in his regret that there is too narrow a focus on the visa question and worry about what will happen to Kaliningrad after this has been solved.

Economic and social development is of major concern. Primarily in relation to the immediate neighbourhood of Klaipėda and the Polish cities, there is an overwhelming risk that Kaliningrad in comparison will be below their level and that this gap will continue to grow at a fast pace. Mr. Trenin voiced a need for real government attention to Kaliningrad more than just paper and government programmes. "If energies similar to those put into the visa and border question are put into domestic initiatives to make Kaliningrad a successful case economically, then I would be proud of what my government is doing."

” For  
Russia, EU  
enlargement repre-  
sents the most  
important external  
factor in helping to  
modernise Russia.

He continued by making the point that Kaliningrad is not as well-equipped to serve as a laboratory for EU-Russian collaboration as many wish it to be. "But we have the case and we have to deal with it," he stated. To deal with this, Mr. Trenin emphasised the importance of making a plan for Kaliningrad to be backed by a good management team.

Mr. Trenin continued pointing to the fact that Kaliningrad after all is a good example of how the Far East and the West have moved towards each other. "Concerning the enlargement of the EU and of NATO, there are no more "ifs". It will happen. Now we deal with the practical issues of the day," he said and made a crucial point for the understanding of Russia. "For Russia, EU enlargement represents the most important external factor in helping to modernise Russia."

### The right approach will open rich opportunities

This was also the over-all message from St. Petersburg. Representing the Governor of St. Petersburg, **Vladimir Churov**, Vice Governor of St. Petersburg, underlined the importance of discussing whether St. Petersburg, Northwest Russia and Kaliningrad are ready to integrate more tightly with the EU. "The Baltic Sea countries are Russia's most important trading partners in Western Europe and we are brought together by our common ancient cultural heritage," Mr. Churov said, emphasising the importance of the Baltic Sea region for Russia.

The Vice Governor said that after enlargement of the EU, Kaliningrad will become an enclave in the EU and as the gateway to Europe, St. Petersburg will continue to develop all kinds of ties with Kaliningrad to help Kaliningrad adjust to its new role.

The Deputy Minister for Foreign Affairs of Russia, **Sergei Razow**, also made it clear that Russia without doubt is primarily responsible for the development of the Kaliningrad region. "Russia is now taking active measures in this direction and a governmental plan running until 2010 has been launched," he explained. This includes a focus on the social and economic developments of the region, energy support and transport infrastructure. "Recent statistics show a higher growth in the region than in the rest of Russia," the Deputy Minister informed the audience, and "moreover, there is improvement in social and healthcare and the crime rate is declining."

Mr. Razow concluded that Kaliningrad's specific geographic situation adds an international dimension to its development, which poses crucial tasks for Russia. He underlined that the region's interest should be taken into account with the EU expansion, and further, a qualified approach can produce additional momentum to its growth, and the region can become a real laboratory for mustering new forms of co-operation between the EU and Russia.

### A developed, managed and favourable industrial zone

The Head of Office of St. Petersburg and Kaliningrad Branches of the Hamburg Chamber of Commerce, **Stephan Stein**, focused on the business community and its condition in Kaliningrad. From his position, he is aware of the problems that occur in the region. Mr. Stein mentioned, among many things, that most foreign investments in Kaliningrad are Russian flight capital coming from Cyprus and the Isle of Man. "There is a general concern that Russian flight capital has more favourable conditions than more regular foreign capital. Another issue is regional protectionism. The import quotas of Kaliningrad do not fit the special economic zone. The special economic zone only makes sense in a free zone that can attract European and Russian customers," Mr. Stein pointed out.

” **Need to create a developed, managed and favourable industrial zone in Kaliningrad.**

Mr. Stein acknowledged the wish from the EU to grant money to the region, as was mentioned by David Turr. However, he voiced a need to focus more on small and medium sized businesses. "To do this you need special economic instruments and therefore a fund for small and medium sized businesses would be a solution," Mr. Stein suggested. On the Russian side, he called for the need to create a developed, managed and favourable industrial zone in Kaliningrad.

### Untying the Kaliningrad knot

In his concluding remarks, Senior Research Fellow **Lars Poulsen-Hansen** pointed out that Kaliningrad is obviously a challenge now and will remain one after the enlargement process. However, as Stefan Stein had said during the session, the EU-Russian market consists of 600 million people and Kaliningrad is in the middle of it, underlining the potential future importance of Kaliningrad.

” **What is needed is public-private action and commitment.**

Mr. Primakov had previously agreed to this and said that Kaliningrad is seen, also by Russia, as a future benchmark for the future EU-Russian interaction.

What is needed is public-private action and commitment. Thus, in line with the suggestion from Stanislaw Ciosek to adopt a common declaration on the future development of Kaliningrad and the proposal of creating a new Kaliningrad fund, the Baltic Development Forum was entrusted to focus on the Kaliningrad issue and use resources and its network capabilities to help untie the Kaliningrad knot.



## 6. ENSURING THE BEST USE OF TRANSPORT INFRASTRUCTURE

Among the key priorities for the Baltic Sea region that almost all representatives from politics, business and academia mentioned was investment in the transport infrastructure sector. Thus, the Baltic Development Forum had chosen to focus on transport infrastructure during one of the two specialist sessions. The main question for the participants was what it would take to create a cleverly and regionally co-ordinated transport-infrastructure.

### The need for an international Hub in the Baltic Region

According to the Executive Vice President of the SAS Group, **John S. Dueholm**, the future success of the Baltic Sea region depends on two parameters: the region must be connected through a tight infrastructure and the countries in the region must have high accessibility to the rest of the world. It is therefore vital to commit efforts to strengthening the development of a gateway in the Baltic Sea area that can compete with the large global gateways. Furthermore, air transport plays a major role in linking the various parts of the Baltic Sea region.

**” It is fundamental to the region that it have at least one strong international air transport hub.**

"It is fundamental to the region that it have at least one strong international air transport hub. At the moment, Copenhagen airport is the only regional airport that has a size that makes it one of the world's 20 largest international airports," Mr. Dueholm said. He continued: "with the current tendency to further concentration to very few hubs in Europe, it is vital for the Baltic Sea Area that at least one hub is retained in the area. If the region did not have Copenhagen, either London or Frankfurt would be the hub of the Baltic."

### The Baltic Sea blue highway

"When goods are not allowed to cross waters, soldiers will. If the politicians take care of the open borders, we will do the rest of the job. That is what Scandlines is all about." Contrary to Mr. Dueholm, Ole Rendbæk, CEO of Scandlines, made his starting point a coherent container and ferry concept, in synergy with land and air transportation. First and foremost, Mr. Rendbæk stated that the region needs better co-ordination between its ports, railway systems and freight terminals. Traffic planning could create a certain basis for new production and regional intra-trade by eliminating bottlenecks.

Yet, it is important to ensure that future transport systems will be environmentally and economically sustainable. The advantages of sea transportation include fewer accidents, less noise and less congestion. Mr. Rendbæk suggested the development of a system that combines the blue hubs and the black hubs, which could be the future transport system of the Baltic Sea Region.

### The European Corridor - a high-speed train concept

The importance of better hubs, more inter-modality and integration of different transport systems was stressed several times during the session. According to the Vice President of the European Corridor Association, **Gunnar Sibbmark**, the European Corridor is one concrete example of how to create more synergy and coherence between the different methods of transport and between the standards of the various countries.

"The European line is a completely new railway for very fast passenger and goods transport, which together with parallel and connecting railway lines, roads, airports and seaports forms an integrated transport system: The European corridor," Mr. Sibbmark pointed out. His future dream scenario consists of high-speed trains connected to blue hubs. However, he did not miss the opportunity to remind the audience that the Femer Bælt is the missing link if railway is to reach Hamburg.

### The Femer Bridge - A Baltic hub

Missing links were the over-all theme of the second part of the transport session. The Vice CEO of Femer Bælt, **Claus Dynesen**, took up the question of investments in large-scale infrastructure and their long-term effects on infrastructure development. He agreed with Mr. Sibbmark that the European railway line needs a Femer bridge. "The Femer Bælt will create a route connecting Scandinavia with the western part of Europe that is shorter and faster than the existing land based traffic routes," he said. He continued: "A Femer Bælt bridge could be a vital link in creating an integrated transport scenario for the region. It forms a junction between both East and West and North and South and could be turned into a so-called Baltic hub."

"Our recommendation would be to establish a common working group for the establishment of coming plans for the future transport system in the Baltic. What are the priorities regarding transport systems? The public sector has to be much clearer on that point. How do the transport modes interact in the best way? What decisions must be made shortly? How can planning be done with all the integrated partners? All questions relevant to a Round Table discussion," Mr. Dynesen declared.

#### The White Paper on European Transport Policy

The EU White Paper on European transport policy was published in 2001. The aim is to create a transportation policy and a transportation network that increases the competitiveness and efficiency of Europe, including all modes of transport. The White Paper proposes some 60 specific measures to be taken at Community level under the transport policy, most of them aiming at increasing the capacity and efficiency of road transport, railway transport, air traffic and the inland canal system in the continental Europe. As regards the guidelines for Trans-European network, the Commission among others plans to propose the Fehmarn Belt bridge/tunnel between Germany and Denmark.

Source: [http://www.europa.eu.int/comm/energy\\_transport/en/lb\\_en.html](http://www.europa.eu.int/comm/energy_transport/en/lb_en.html)

” All too many wheels from cars and lorries.

### Views from the EU

The Head of the European Commission's Trans European Networks unit, **Edgar Thielmann**, made his starting point the present transport situation in Europe. Mr. Thielmann said that the EU has one major problem when it comes to traffic: All too many wheels from cars and lorries.

Regarding the enlargement of the EU, he stressed the importance of the Trans European Networks and the TINA programme as instruments to realise the Common Market. Yet, to move freely in an enlarged European Union, the problem of bottlenecks has to be addressed. Among the most important tasks to be met by the Commission in the coming years are:

- Enforcing a shift in the balance between transport modes
- Eliminating bottlenecks
- Giving transport policies to users
- Creating a rail network giving priority to freight
- Creating rail links to ports
- Integrating rail and air.

It will be of utmost importance to meet these challenges in order to make full use of the potential offered by the new intelligent transport systems, Mr. Thielmann said.

” A management philosophy that seeks to integrate business processes in the supply chain, from joint of origin to point of consumption

### Supply Chain Management - the better the infrastructure, the smoother the flow

A perspective somewhat different regarding transport infrastructure is the philosophy of Supply Chain Management. There is, however, a narrow linkage. According to Associate Professor **Britta Gammelgaard**, Copenhagen Business School, Supply Chain Management is a management philosophy that seeks to integrate business processes in the supply chain, from joint of origin to point of consumption, in order to meet customers' requirements. The key elements are trust, transparency and time.

The impact of infrastructure on Supply Chain Management is obvious: the better the infrastructure, the smoother the flow. The smoother the flow, the better supply chain management is. The better Supply Chain Management is, the fewer stocks and the greater time compression. "It demands co-operation between infrastructure entities and companies in the region. It means that we should no longer think of road transport, sea transport etc. as separate entities. Supply Chain Management demands an integrating view upon different modes of transportation - in order to serve the customer in the best possible way," Ms. Gammelgaard explained.

According to the Director of Maersk Logistics, **Christoffer Jephson**, Supply Chain Management is the planning and execution of the management of goods, information and financial flows from production to distribution and final consumption. Global sourcing is becoming increasingly popular as a way of accessing new opportunities and strengthening the competitive edge. "It is today common practice for companies to develop a product in the United States, manufacture it in South China and sell it in Europe. This means that merchandise will often make a longer and

perhaps more complicated journey to get from its source to its final destination: from concept to consumption," Mr. Jephson explained.

Taking Maersk Logistics as a case in point, Mr. Jephson described why the development of Supply Chain Management has been necessary. "Since the expansion of the world wide web, making information and communication so much easier on a global scale, Maersk Logistics has begun to add services such as insurance, financing etc., so that one can integrate all these processes together. We make use of ports, roads airports, banks, IT - companies on a minute-by-minute basis, to deliver a product to one customer," Mr. Jephson said.

### Evaluating future investments in the Transport Infrastructure

The session on transport infrastructure was followed by a discussion regarding the need for co-ordination of transport planning and development - not least regarding the big investments ahead. "Should we start better communication between the entities involved," the moderator, **Claes G. Berglund**, Vice President of Schenker, asked. He suggested the possibility of establishing a Baltic Sea Round Table for industrialists. "The purpose would be to evaluate and suggest priorities for Transport Infrastructure Investments for the next decade or so. The views and needs seen by the industrialists should be presented with conclusions in a working paper at the next year's summit," Mr. Berglund suggested.

During the discussions, the framework of a Baltic Sea Round Table was discussed. The conclusions presented by the rapporteur of the session, **Dankert Freilem**, Executive Director of Communication and Public Affairs of Concordia Bus, were that the intentions behind a Baltic Sea Round Table should be to give the politicians feed-back on the visions of economic growth rates. Furthermore, the Round Table should provide input regarding how and where investments in Transport Infrastructure should be managed and undertaken to comply with and make the visions of growth possible.

#### The mandate for the Baltic Sea Round Table is envisaged to:

- Assess the ongoing national and international plans and priorities for improvement of transport infrastructure and operations
- Assess the private sector priorities for transport sector development in both the short and the long term
- Assess the relative importance of transport infrastructure to develop the Baltic Sea region to a significant growth region in Europe
- Develop a proposal for an overall Baltic Sea region transport infrastructure priority list and strategy
- Prepare an outline for the down-stream development and communication process needed to support the implementation of the priority list and strategy

The Baltic Sea Round Table is envisaged to meet three times and report its findings at the next Baltic Development Forum summit in 2003

## 7. ENSURING THE BEST USE OF HUMAN RESOURCES - BIOTECHNOLOGY AS A CASE STUDY

As mentioned throughout the summit, another key priority for the region was developing a knowledge society. However, in order to create a knowledge society, the region needs the best possible conditions for academia and educational institutions, as well as for research institutions. Once having created and protected knowledge, it is important to transfer knowledge and technologies in the most efficient way, from scientific environment to production, establishing at the same time the best possible conditions for industry to explore the transferred knowledge and technologies. Thus, the triple elemental process "Create - Transfer - Explore" must be implemented.

According to **Bent Christensen**, Managing Director of Medicon Valley Academy, who introduced the session, these three elements apply to local clusters like Medicon Valley Academy in the Öresund region, but could also apply to bigger geographical entities like the Baltic Sea region.

### Go out and learn - and then come back again

Knowledge society does not only come from science - it comes also from general welfare and initiatives. Establishing competitive research milieus of excellence and providing the necessary quality of life for the scientists should be at the top of the regional agenda. Mr. Christensen argued: "we have to make the scientist stay at home and still be part of the international society. We should encourage them to participate in international networks, set up exchange programmes and e-learning. Everybody can be at the same time part of the international scientific society and still work locally. We do not want to keep our scientists at home, we want them to go out and learn, but we also want them to come back."

The region should be better at attracting major research institutions as well. As an example, Mr. Christensen drew attention to the current discussion on the future European Spallation Sources, which we should endeavour to attract to the Baltic Sea region. The enterprise will be a future hub for 5000 scientists!

**” It is of utmost importance to merge competencies, capacities and capabilities in order to create a globally competitive region.**

Establishing clusters is another important element in the creation of a knowledge society in our region. Drawing a parallel to the Öresund region and on the basis of his experiences in the Medicon Valley Academy, Mr. Christensen stressed that it is of utmost importance to merge competencies, capacities and capabilities in order to create a globally competitive region. In his view, when building clusters, we have to prioritise and diversify, as we should put resources into these institutions of excellence. We should also invest in dynamos, being aware that the region has a number of dynamos - not only in Copenhagen and in the southern part of Sweden. Lithuania, for instance, is world leading in laser technology.

Mr. Christensen warned that there is no one asking for number two in the future knowledge society, as "knowledge is global and if you are not the best, industry goes somewhere else."

### A common voice in biotechnology

During the summit, the participants agreed that the potential major industrial clusters of the region included the ITC cluster, the energy cluster and the biotech cluster. The ScanBalt BioRegion session corroborated that the Baltic Sea region has a unique potential to create a world-class cluster within biotechnology.

#### ScanBalt BioRegion

ScanBalt BioRegion is a network of networks within a meta-bioregion that encompasses the Nordic countries, the Baltic countries, North Germany, Poland, St. Petersburg area and Kalinigrad. A number of regional networks between universities, industry, hospitals, public institutions and other important actors within the life science arena participate in ScanBalt BioRegion. These networks include Medicon Valley, MedCoast Scandinavia, Biocon Valley, Turku Bio Valley, BioTEAM South, Bay to Bio, Kalmar Bioscience and Biolnn, whose aims are the basis for ScanBalt.

Source: <http://www.scanbalt.org>

The region has revealed a significant increase in activities within biotechnology and the life sciences. Thus, the genome project presented during the session by **Jaanus Pikani**, Professor, Estonian Genome Project Foundation founded by Estonia's government, was drawn as an eminent example. Furthermore, new private biotech companies have been set up not least thanks to an impressive inflow of venture capital. And at the same time, the number of publicly financed research programmes and infrastructures has increased remarkably.

**Børge Diderichsen**, Vice President of Novo Nordisk, and Vice-Chairman of ScanBalt BioRegion, moderated the session. He stressed that in order to continue this positive development, it is necessary to cluster competencies and co-ordinate research activities in the Baltic Sea region.

The panellists representing a number of biotech-networks in the Baltic Sea region agreed with Mr. Diderichsen that the ScanBalt BioRegion initiative, launched last year to connect biotech-networks as well as institutions and companies active in the field of life sciences in the Baltic Sea region, could be used to identify and strengthen regional research and innovation activities. The initiative is "on the right track at the right time," according to **Kaare Norum**, Chairman of the Steering Committee, MedCoast Scandinavia, and can become "an example of co-operation for other regions in Europe," as Professor **Horst Klinkmann**, Chairman of the Board of Directors, BioCon Valley in Mecklenburg-Vorpommern, stated.

Mr. Klinkmann proposed that ScanBalt BioRegion could serve as a "distributor of experts" in the Baltic Sea region. He referred to his experiences in Mecklenburg-Vorpommern, where the unemployment rate is almost 20%, but where biotech companies paradoxically suffer from a shortage of specialists.



### **Shortages of qualified manpower**

**Pauli Marttila**, Director of Finnish National Fund for Research and Development, recognised the problem of shortages of qualified manpower. Finland in particular experiences a lack of industry development and business management resources. "We seem to have a sufficient number of scientists in Finland. (...) The problem is good business leaders. Thus, we currently have to hire people from abroad to run some of our companies."

Creation of a virtual-borderless university in the ScanBalt BioRegion was one of the initiatives proposed during the session. The idea was launched by **Anna Podhajska**, Professor, University of Gdansk. Professor Podhajska pointed out that education is an important key in the integration process. And the goal of a ScanBalt BioRegion university will be to build a successful regional network by exchanging experiences and knowledge within biotechnology between national universities, research institutions, hospitals and industry. Professor Podhajska mentioned that there are 1.7 million university students in Poland. Mr. Diderichsen pointed out that this represents a very large source of human capital, which should allay fears of the effects of brain drain from within the Baltic Sea region. Increased brain mobility should be to the advantage of all participants of the network.

**Bo Samuelsson**, Professor of Gothenburg University and Chairman of ScanBalt BioRegion Steering Committee, reflected on the important issue of the various applications of biotechnology. The life sciences and biotechnology have great potential to contribute to welfare and wealth, but they also present society with difficult dilemmas. Mr. Samuelsson stressed that ScanBalt BioRegion will be a forum for professional discussions and public dialogue on biotech society impact. In this context, Mr. Samuelsson mentioned the basic values of ScanBalt BioRegion - sustainability, equality, ethics, respect, trust, win-win - which are prerequisites for effective regional interaction.

### **Competencies in Intellectual Property Rights**

One of the challenges of borderless biotechnology in the Baltic Sea region is to turn intellectual capital into intellectual property. How to protect, police and appropriate the commercial value of intellectual capital?

This issue was raised by **Helle Bechgaard**, President of Intellectual Property Holding. Ms. Bechgaard focussed on the acute necessity of providing a complete IP-infrastructure of education, research and counselling, as well as of public IP-authorities in the Baltic Sea region. To fill the IP gap in the region, Ms. Bechgaard launched the idea of establishing a "Virtual IP University" in the Baltic Sea Region, with special focus on the life sciences. This concept would be part of ScanBalt IPRegion, a project under preparation, which interested parties in the region are invited to join.

### Intellectual property rights

Intellectual property rights concerns legal protection of technology by means of trademarks, patenting, licensing, technology transfer, etc. Effective IP management integrates law, technology and business strategy. In the knowledge economy, skills in IP are of utmost importance to the innovation

**“ If our region is to succeed in the future, we cannot rely on the models and practices of yesterday.**

The region has great potential for the new economy - biotechnology, IT and other high-tech industries. However, Ms. Bechgaard argued that "if our region is to succeed in the future, we cannot rely on the models and practices of yesterday." This device applies for biotechnology as well as for other high tech industries. The region faces a serious shortage of experts in intellectual property rights, patents, licences and technology transfer. It is hence necessary to improve the regional competencies in these fields by upgrading relevant education at all levels. Ms. Bechgaard regretted that basic IP skills are developed today locally, with no certifying exams. She emphasised that more business-oriented competencies need to be established, as well with regard to elaborating patent strategies, licensing and business development.

The Virtual IP University should build on existing regional structures within education and training, research and networks. From Ms. Bechgaard's perspective, the university would manage the integration of IP into the standard curricula of certain graduate studies in the region and generate post-graduate IP courses. The university would also initiate and audit a major programme of research in industrially applied IP.

Ms. Bechgaard underlined that the university would not only benefit biotechnology and pharmaceuticals. It would be equally important to other high tech industries. And the Virtual IP University, in her view, will be "just as important to the new economy as railways and harbours were to the old economy".

### Goals of ScanBalt BioRegion

Summing up, the panellists subscribed to the following goals of ScanBalt BioRegion, as presented by Mr. Diderichsen:

- Disclosing and creating more spearhead competencies in the region
- Establishing education at the highest international level
- Attracting bright people, good ideas, manufacturing companies and venture capital
- Disclosing and co-ordinating existing and future co-operation and financial support possibilities
- Facilitating exchange of ideas and people
- Facilitating co-ordinated and joint investment and utilisation of major infrastructures
- Building a close network of contacts and co-operation to generate synergies and ensure the best possible exploitation of common resources
- Increasing information on and access to funding possibilities
- Mediating formation and funding of other intra-regional co-operations
- Increasing resources available for research, education and innovation

- Facilitating formation of partnerships between academia, industry and public institutions
- Promoting application of biotechnology for purposes benefiting the general public within health services, drug development, food quality and environmental protection
- Facilitating public dialogue on the opportunities and dilemmas of the applications of biotechnology
- Developing world-class competencies in patents, licensing and technology transfer

## 8. LAUNCHING A BALTIC SEA RESEARCH NETWORK

One of the concrete outcomes of this year's Summit was the formal launch of a research network of excellence introduced by the Baltic Development Forum. The Baltic Sea Research Network consists of the following distinguished academic institutions:

- Institute for Economics in Transition, BOFIT, Bank of Finland, Helsinki, Finland
- BICEPS (Baltic International Centre for Economic Studies), Riga, Latvia
- Carnegie Moscow Centre, Russia
- CEFIR, Centre for Economic and Financial Research, Moscow, Russia
- Centre for International Relations (CIR), Warszawa, Poland
- The Danish Institute of International Affairs, DUPI, Copenhagen, Denmark
- Lithuania Free Market Institute, Vilnius, Lithuania
- Centre for East European Studies (CEES), Copenhagen Business School, Denmark
- Harvard Business School, Institute for Strategy and Competitiveness, Boston, US
- Stockholm Institute of Transition Economics and East European Economies (SITE), Sweden
- International Business in Transition, Network, Aalborg University, Denmark
- BaltSeaNet, Humboldt-University of Berlin, Germany
- Estonian Foreign Policy Institute, EVI, Tallinn, Estonia
- Alfried Krupp Wissenschaftskolleg Greifswald, Germany

*The Baltic Sea Research Network* was launched at the summit during a special session on academic research in the Baltic Sea region. The panellists all represented members of the new network, including Professor **Bernd Henningsen**, BaltSeaNet and Wissenschaftskolleg Greifswald, Research Professor **Klaus Meyer**, Copenhagen Business School and Dr. **Pekka Sutela**, Head of Institute for Economies in Transition, Bank of Finland.

### Fitting the reality of a knowledge society

” The Baltic Sea region could become a “laboratory for enlargement

Bernd Henningsen argued for the urgent need to create a coherent, Baltic Sea Research institution. For practical reasons, this could preliminarily be titled a “Baltic Sea University”. Initially it could be a virtual network of excellence, with a view to make the region fit the reality of a knowledge society. The Baltic Sea region could become a “laboratory for enlargement”, according to Professor Henningsen. The Baltic Sea region has not yet gathered a sufficient critical mass of research potential and for this reason he strongly endorsed the idea of a new network.

His message was echoed in Pekka Sutela's address. “There is a need for countries like Poland and the three Baltic countries to increase their research capabilities and to make them even more politically and economically respectable at the European level,” Dr. Sutela said.

### Should we target institutions or people?

"In order to build a network, one has to target either institutions or people," Klaus Meyer said, using his own institute and its research projects as a starting point. He noted that funding is the most essential element in this process. The Copenhagen Business School has had good experiences with projects funded by private companies, where the CBS-researchers undertook a consultancy role vis-à-vis the company, without mixing this role with research efforts. As far as co-operation partners are concerned, one has to differentiate between pure "data collectors" and more specific analytical institutions.

Pekka Sutela stressed that his institute, BOFIT, was the only Central Bank institution in the Baltic Sea region, which monitored Russia and the rest of the region. All research results were published electronically and free of charge. Based on his experience, Dr. Sutela gave examples of academic co-operation and networks. These included centres of excellence with well-educated academics with PhDs obtained abroad, standardised monitoring between, for instance, two countries, summer conferences and the Eurofaculty. He also emphasised funding and recognised that there seems to be a general donor fatigue. Therefore, the marginal costs for research networks should be kept fairly low to finance the initiatives.

A discussion with the audience further stressed the need to establish and strengthen a *Baltic Sea Research Network*. Interventions from the floor included Baltic21, SITE and BaltSeaNet.

### A Baltic Sea Research Network

As an overall conclusion, the session pointed to the following:

- There is a general need to convince researchers and politicians globally that the Baltic Sea region is worth dealing with and doing research in
- Scandinavia and Germany are expensive for researchers to work in, but training in that part of the region is essential
- The objectives and funding of the *Baltic Sea Research Network* should be elaborated
- The *Baltic Sea Research Network* could have various, complementary objectives, including providing: policy advice for the Baltic Development Forum's various initiatives, collaboration in research training, specific business-oriented research, work on a major, specific project, and a vehicle to create general interest amongst scholars in the Baltic Sea region

On behalf of the Baltic Development Forum, Director **Ole Frijs-Madsen**, in his concluding remarks, indicated that a specific list of tentative objectives would now be elaborated for the Baltic Sea Research Network. The aim was to invite the members of the network to a two-day meeting in Spring 2003, for a thorough discussion of format, objectives and substance.



During the specialist session on transport infrastructure Ole Rendbæk, CEO of Scandlines, pointed to the importance of ensuring that future transport systems will be environmentally and economically sustainable



Bent Christensen, Managing Director of the Medicon Valley Academy, introduced the specialist session on biotechnology by speaking of how to ensure the best use of human resources in the Baltic Sea region



The panel of the session on Kaliningrad having a laugh. The panel included Yevgeniy Primakov, President of the RF Chamber of Commerce and Industry, Vladimir Churov, Vice-Governor of St. Petersburg, Stanislaw Ciosek, Adviser to the President of Poland on the Russian Federation, Sergei Razov, Deputy Minister for Foreign Affairs of the Russian Federation, Stephan Stein, Head of the St. Petersburg and Kaliningrad Branches of the Hamburg Chamber of Commerce, David Turr, Deputy Head of the Kaliningrad Unit in European Commission and Dmitri Trenin, Deputy Director of Carnegie Endowment's Moscow Center



The panel of this year's plenary business session. The speakers included Irina Aksenova, Director of the European Business Club in Russia, Hans Skov Christensen, Director-General of Confederation of Danish Industries, Hans Dalborg, Chairman of Nordea, Torgjer Reve, President of Norwegian School of Management, Mads Krosgaard Thomsen, Executive President of R&D at Novo Nordisk. Serving as moderator was Alexander Lebedev, President of the Latvia Business School



Executive Director of Communication and Public Affairs of Concordia Bus, Dankert Freilem, networking during one of the summit's famous contact breaks



## 9. CHALLENGES AND OPPORTUNITIES FOR THE NEXT GENERATION OF BUSINESS LEADERS

The Director of the Danish Society for the Advancement of Business Education (FUHU), Ole Wiberg, opened the Round Table discussion. The objective of the discussion was to inform about the challenges of making a career in the Baltic Sea region. "What I see as a very important purpose of this round table discussion is to present a few role models. And we certainly do have various generations of business role models on this panel," Mr. Wiberg affirmed.

### New types of bridges

The Copenhagen Business School has been active in promoting contacts and establishing networks with other business schools on the Baltic rim. This has mainly been done through the creation of the North European Business School Educational Network (NEBSEN). The network has so far succeeded in its efforts.

In the beginning of the 1990s, business education in the Eastern half of the Baltic Sea region was lagging behind. Many resources have since been poured into these schools. According to the Director of Center for East European Studies, **Niels Mygind**, there are now excellent business schools in the region. "They will form the basis for the development of more educational networks, allowing the exchange of students across the Baltic," Mr. Mygind declared. "That is a very important step, because it is young people going into educational networks, going into business, crossing borders and making cross-country carriers. They represent the new types of bridges that will be built over the Baltic Sea," Mr. Mygind added.

**” Education is the basis. It is not only because of the knowledge, it is also - and equally importantly - the contacts you are creating**

The CEO of Tuulepargid, **Hannu Lamp**, who is also FUHU's Business Representative in Estonia, gave some practical advice to the young students based on his own experiences.

According to him, practical education is a crucial step in making a carrier in the Baltic Sea Region. "Education is the basis. It is not only because of the knowledge, it is also - and equally importantly - the contacts you are creating," he said, and thus appealed to the governments to create more student exchange programmes. He also recommended that the students not specialise themselves too early in life, but instead, explore their possibilities. As an example, he mentioned that there is a tendency towards focussing solely on IT, whereas there are many other areas of work where there is money to be made.

### Motivation, ability to change and hard work

The President of DATI, situated in Latvia, **Valdis Lokenbahs**, emphasised the need of students to specialise to become more successful. "Just like countries need to specialise, the students have to specialise too," Mr. Lokenbahs said. As an example, he used Latvia. If the country wants to integrate, it must provide something special. To him, this could be within knowledge-based technology. "We are all saying that this region needs energy - and brain energy is also a very important energy. And you can find the source of this energy here in the Baltic Sea area, here in Latvia," Mr. Lokenbahs said.

**” You must be motivated, you must have the ability to change**

To the students present at the Round Table, the Executive Vice President of Pan Nordic Logistics, **Tim Dalskov**, said that those people who wanted to start a career in the Eastern part of the Baltic Sea region had to be clear about certain things. "You must be motivated, you must have the ability to change - but you have to work hard in simple and poor conditions. However, you will be rewarded in the end," Mr. Dalskov said.

The Executive Vice President of Pan Nordic Logistics clarified that during the 1990s, when he worked with DFDS, he had gained some experiences regarding the management training of students from the Baltic countries. His company had established a programme that allowed young students to work in field environments in Denmark, and then send them back to work in their home countries. Thereby, they could replace the company's posted personnel, which actually made the programme cost efficient in the end.

### Developing the new bridges

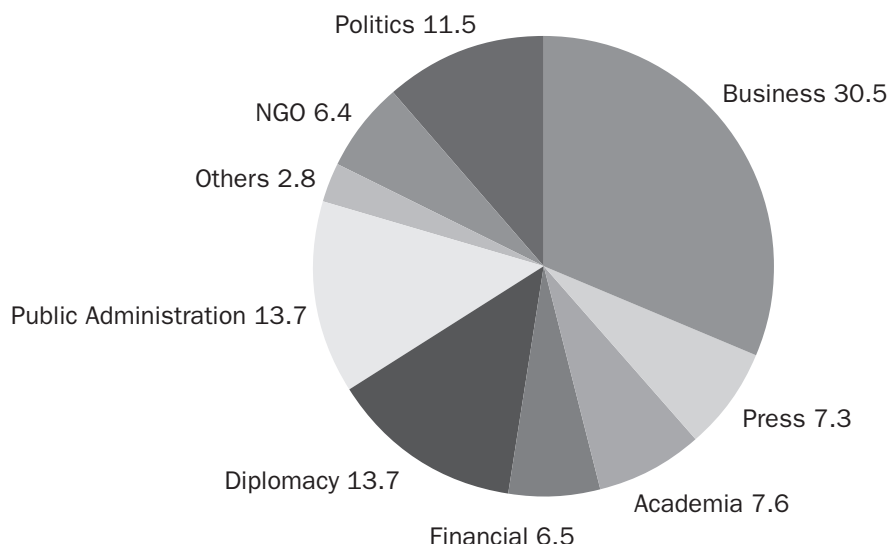
The aim of this session was to give students a glimpse of the possibilities of making a career in the Baltic Sea Region. The panel recommended some guidelines on how we can build new bridges for the new generation of the Baltic Sea area. The recommendations from the panel were:

- Good education, as well as plenty of practical experience;
- Development of more student exchange programmes;
- Encouragement of new initiatives;
- Taking time to explore possibilities;
- Advancing willingness to adapt into new ways of working;
- Mobility

These guidelines were seen as extremely important for students in the Baltic Sea area for making a career across the region's borders.

# PARTICIPANTS

**Distribution of participants by sector**



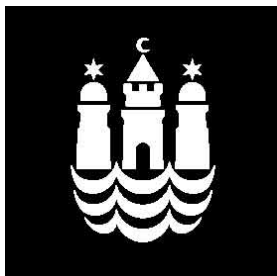
- Activision Life International A/S, Denmark
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- Antilles Banking Corporation, Canada
- Arator A/S, Denmark
- Auto Torino SIA, Latvia
- AVIVA Plc., United Kingdom
- Baltic 21, CBSS
- Baltic Communications Ltd., Russian Federation
- Baltic Forum, Latvia
- Baltic Sea School Berlin, Germany
- Baltic Sea States Sub-regional Co-operation, Poland
- Baltic Times, Denmark
- Bank of Finland, Finland
- BASF, Business Center Nordic/Baltic, Denmark
- BASF, Region Europe, United Kingdom
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- Caribbean Banking Corporation Ltd., Netherlands Antilles
- Carnegie Moscow Center, Russian Federation
- CBSS
- Center for East European Studies, CBS, Denmark
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- Chamber of Commerce & Industry, Russian Federation
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- Chancery of the President, Latvia
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- Estonian Genome Foundation, Estonia
- Eurodek Copenhagen A/S, Denmark
- European Bank for Reconstruction & Development, United Kingdom
- European Business Club, Russian Federation
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- European Commission, Denmark
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- Faculty of Health, Denmark
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- Latvenergo, Latvia
- Latvian Business School, Latvia
- Latvian Development Agency, Latvia
- LB Kiel Copenhagen Branch, Denmark
- LB Kiel Tallinn Representative Office, Estonia
- LB Kiel, Germany
- Lithuanian National Road Carriers Ass., Lithuania
- Lithuanian Television, Lithuania
- Maersk Container Industri AS, Denmark
- Maersk Logistics, Denmark
- Maersk Sealand Nordic, Sweden
- Mazanti-Andersen, Korsoe Jensen & Partnere, Denmark
- Medicon Valley Academy, Denmark
- Medicon Valley Academy; Lund University, Sweden
- Member of the Parliament, Hamburg, Germany
- Minister for Taxes' Office, Denmark
- Ministry of Economic Affairs, Estonia
- Ministry of Economic and Business Affairs, Denmark
- Ministry of Foreign Affairs, Denmark
- Ministry of Foreign Affairs, Finland, Finland
- Ministry of Foreign Affairs, Latvia

- Ministry of Foreign Affairs, Norway
- Ministry of Foreign Affairs, Poland
- Ministry of Foreign Affairs, Sweden
- Ministry of Industry, Employment & Comm., Sweden
- Ministry of Taxes, Denmark
- Ministry of Trade & Industry, Finland, Finland
- Moscow News Weekly, Denmark
- National Agency for Enterprise and Housing, Denmark
- Newsmagazine Der Spiegel, Germany
- Nokia Corporation, Finland
- Nordea AB, Sweden
- Norden Association, Russian Federation
- Nordic Council
- Nordic Council of Ministers
- Nordic Investment Bank
- Northern Enterprise magazine, Finland
- Norwegian Parliament, Stortinget, Norway
- Norwegian Red Cross, Norway
- Norwegian School of Management BI, Norway
- Novo Nordisk A/S, Denmark
- Novo Nordisk Pharma SP- Z.O.O., Poland
- Nykredit Polska, Poland
- Nykredit, Denmark
- Observer AB, Denmark
- Odense Steel Shipyard Ltd., Denmark
- Oracle East Central Europe Limited Eesti Filiaal, Estonia
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- Pan Nordic Logistics AB, Denmark
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- Site, Stockholm School of Economics, Sweden
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- Sitra, Finland
- Siva, Norway
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- State Chancellery of Hamburg, Germany
- State Chancellery of Land Schleswig-Holstein, Germany
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- Vilnius City Municipality, Lithuania
- Vilnius University, Lithuania
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- Warsaw Voice S.A. - Weekly news magazine, Poland
- Washington Times, USA
- Weekendavisen, Denmark
- White & Case, Belgium
- Wonderful Copenhagen, Denmark
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## ABOUT THE ORGANISER

Since the establishment in 1999, Baltic Development Forum has gradually proven its strength as the Baltic Sea region's main Summit Organiser and Networking Forum. Baltic Development Forum's annual summits in Copenhagen (1999), Malmö (2000), St. Petersburg (2001) and Copenhagen (2002) have consolidated this position.

Baltic Development Forum offers a unique platform where the region's decision makers from business and politics can become part of the Baltic Sea region's most influential high level network. The decision-makers can meet in an informal atmosphere to discuss new business opportunities and develop new regional strategies in a public-private partnership. Business needs good government and governments need good business!

Baltic Development Forum puts the Baltic Sea region on the global map by developing strong external ties with the outside world. A further integration of the region into global structures is a necessary precondition for continued growth and prosperity. Fostering new partnerships across sectors and across borders is necessary if the Baltic Sea region is to develop a dynamic business environment being internationally competitive in the global new economy. Thus, in co-operation with World Economic Forum, Baltic Development Forum has hosted sessions on the Baltic Sea region attended by the presidents and prime ministers of Baltic Sea countries at World Economic Forum's annual summits in Davos.

Baltic Development Forum addresses those critical issues not likely to appear on the official political agenda. In that sense, Baltic Development Forum ascribe itself the role as the region's visionary vehicle and a mediator in the policy-making process.

Baltic Development Forum is chaired by Uffe Ellemann-Jensen, former Danish Minister for Foreign Affairs, 1982-1993.

**Baltic Development Forum's Honorary Board** consists of European top politicians and European key players who were instrumental in shaping the Baltic Sea Region we see today. They are former German Minister for Foreign Affairs Hans-Dietrich Genscher, former Icelandic Minister for Foreign Affairs H.E. Jón Baldvin Hannibalsson, former President of Estonia Lennart Meri, former Prime Minister of Lithuania Kazimiera Prunskiene, President of World Economic Forum Klaus Schwab, former Polish Minister for Foreign Affairs Krzysztof Skubiszewski and also, President of Norwegian Red Cross and former Norwegian Minister for Foreign Affairs Thorvald Stoltenberg.

**Baltic Development Forum's Advisory Board** consists of some of the most visionary players of our Region today. They are Vice Chairman of the Board of Directors of Nordea Hans Dalborg from Sweden, Director of the Institute of Europe Yuri Deryabin from Russia, Executive Vice-President of Storebrand and former Minister Grete Faremo from Norway, Project Director for EVA and Millennium Prize Ambassador Jaakko Iloniemi from Finland, President of Baltic Sea Chambers of Commerce Association Wolf-Rüdiger Janzen from Germany, MP and former Prime Minister Andrius Kubilius from Lithuania, President of the Latvian Chamber of Commerce and Industry and Managing Director of Auto Riga SIA Viktors Kulbergs from Latvia, Chairman of EE Group LTD and President of the Estonian Chamber of Commerce and Industry Toomas Luman from Estonia, Chairman of the Central Europe Trust Fund and former Minister Andrzej Olechowski from Poland and also, Managing Director of Pro Baltica Forum and former Finnish Minister Eero Rantala.

Baltic Development Forum's Member Organisation is an exclusive, interactive network consisting of business executives from large companies, business services, cities, institutional investors and business associations. Current members are:

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<b>Danish American Business Forum</b>	<b>Pan Nordic Logistics</b>
<b>Danisco A/S</b>	<b>Port of Copenhagen</b>
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<b>Fortum Oil &amp; Gas</b>	<b>Wavin Baltic</b>
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