

# BOMUN

## Economic challenges

The rapid melting of the ice in the Arctic region represents new economic opportunities for States. In fact, the Arctic has been identified as a new region for potential economic and commercial development. Thus, the long-isolated region is becoming a more accessible zone for commercial fishing, fresh water, minerals, coal, iron, copper, oil, gas, and shipping.

### ➤ The opening of new commercial routes

The melting of the sea ice has been opening up trade routes (during the summers) between Asia and Europe through the Arctic Ocean; the same region where such trade routes were unimaginable even a couple of decades ago. This new phenomenon is seen as an advantage by multinational corporations, willing to reduce their transportation fees by cutting the price of shipping (and so be more competitive to export even more). For example, the Northeast Passage reduces the distance from Rotterdam to Yokohama by 40% compared to the route through the Suez Canal.

Although all the possible advantages, navigation conditions are restrictive and dangerous (increasing number of icebergs for example).

### ➤ Mineral resources

It is known that the Arctic region has one of the most important oil and gas reserves in the world: the Arctic represents approximately 13% of the oil and 30% of the gas that remain to be found on the planet (some 84% of these resources are under the ocean, so off-shore exploration and extraction may benefit from reduced or thinner sea ice).

In addition to that, the Arctic harbors a rich reserve of minerals, such as zinc, nickel, platinum, etc.

This raises another question concerning economic activities in the Arctic: the increasing need for infrastructures. While some Arctic areas, notably the Barents Sea, have a minimum level of infrastructure for their industries to operate functionally, a pressing need for physical infrastructure exists. This includes transportation (ports, harbors, roads, airports and railways), energy supply (power plants, pipelines and drilling platforms), telecommunications, buildings, water and waste management. Although these infrastructures are needed for the economic development of the region, we must take in account all the negative effects that this evolution could have to the Arctic ecosystems.

### ➤ Fishing activities

Climate change will also affect marine fishing, a fundamental source of income in the circumpolar world, with total fish catch in the Arctic accounting for 10.1% of the global catch. Fish stocks could migrate northward as the climate changes. This migration and improved navigation conditions point to potential exploitation of new renewable biological resources in the open sea.

➤ Tourism

With the opening of Arctic seas during summer, new opportunities have arisen for the tourism industry, particularly polar cruises. Although these may help to raise public awareness, they pose a potential threat to the Arctic ecosystems.

➤ What can delegates do?

It is clear that there are important economic stakes in the Arctic region and that it represents an opportunity to develop economic activities for many countries. But, the economic challenges of the Arctic are coupled with environmental and biological challenges and it is known today the importance that the Arctic region has on the planet. In order to preserve what is left of the Arctic ecosystems, States must think in a long-term solution for their economic activities, trying at the same to avoid future environmental disasters.