

## **Beowulf and Job Creation Potential**

Beowulf is proud to operate in Sweden and, through Jokkmokk Iron Mines AB ("JIMAB"), proud to be part of the growing economic prosperity of the Jokkmokk region.

Historically, Norrbotten County has suffered from a lack of job opportunities for every age group up to the age of 64. This led to a 2012 Norrbotten County official publication stating:

*"In the County of Norrbotten the age structure is no longer in line with the national average. The County of Norrbotten has a larger proportion of its population in the age group 50-84 years than the nation on average. The county has a lower proportion of women in the age group 20-49 years and a lower proportion of men aged 25-49 years"*

In the past the County experienced higher unemployment rates than other areas of Sweden. Due to the recent growth in mining activities this has changed and unemployment in the County is now at 8.4 per cent, below the national average of 8.6 per cent.

While unemployment is lower than average, the County needs more employment potential to keep people in the County and bring people in.

The population of the County is approximately 250,000 while that of Jokkmokk town is in the region of 3,000.

### **Kallak Job Creation**

When looking at employment there are three elements: Start Up, Operating and Linked.

#### ***Start Up***

We believe that it will take two years to build the mine, the processing plant and the immediate infrastructure necessary to be in production.

During this time we estimate some 500 jobs will be created to ensure the facilities are built.

#### ***Operating***

After the building process the mine and processing facilities will employ approximately 250 people.

On current Kallak North figures, the mine life will be 14 years.

Further resources at Kallak South would extend this mine life.

### **Linked**

When a mine comes into operation there are jobs *directly* created. In this case JIMAB would employ 250 at Kallak, with employment opportunities for local residents from Jokkmokk and the local region.

This would lead, in turn, to additional jobs being created in the area as a by product of this direct employment. These are known as *indirect jobs* and would include service, support and other workers to meet the demands of both the mine and the additional population.

In its 2012 report "*The mining industry - a growth engine for Sweden*", SveMin (The Swedish Association of Mines, Mineral and Metal Producers) estimated that each direct mining job would create between 5.15 and 5.66 indirect jobs.

If it were at the lower figure of 5.15:1 then an additional 1,287 jobs would be created and at 5.66: 1 then 1,415 would be created.

If these figures are added to the direct jobs then the following jobs could be created when Kallak is in production:

Low figure 1,537

High figure 1,665

These reflect the creation of new jobs and do not include the population increase caused by the families of workers.

### **Government Support**

Beowulf and JIMAB welcome the support which the Swedish government is giving to the establishment of mines in Sweden and the jobs which they create.

Annie Lööf , Minister for Enterprise has welcomed these important jobs, especially in more sparsely populated areas of the country. She has recently said that the mining industry is important for the whole of Sweden, not least because the mining companies, Swedish and foreign, pay Swedish taxes and social contributions.

The Minister has also pointed out that Swedes are well trained and that the country has well-developed infrastructure and stable institutions. She said that this makes it attractive to everything from technology companies to the mining industry in Sweden, which the government sees as positive. The government welcomes new and growing businesses, creating jobs and tax revenue for welfare.

Ms Lööf has said that mining companies create important jobs in rural areas, and the state annually receives about twelve billion Krona (approximately £1.1 billion) in tax revenue from them.

## **The Mining Industry Brings Benefits to Sweden**

According to the 2012 report published by SveMin, Sweden will triple its mining production by 2025 creating more than 50,000 new jobs.

The mining industry would then account for 3 to 5 percent of GDP growth and over 20 per cent of industrial investment in Sweden until 2025.

Today, about 10,000 people are directly employed in the Swedish mining industry and a further 35,000 are indirectly employed at subcontractors and other sectors. A threefold increase in the mining industry would create 10,000 to 15,000 new direct jobs and between 30,000 and 45,000 indirect jobs.

Most of the new jobs would be created outside urban areas, benefiting rural areas, especially in northern Sweden. It is estimated that about 7,000 of the new jobs would be created in northern Sweden, in areas which are characterised by depopulation.

In order to reverse the downward trend and satisfy the needs for new recruitment in the mining industry, immigration to the mining municipalities need to rise by a factor of three.

## **Working Alongside Traditional Industries**

Annie Lööf has made the Government's position very clear. She said that the reindeer industry has, and will continue to have, opportunities to develop side by side with the mining and minerals industry. *"It is, in this context, important to remember that mining and quarrying takes about half a thousandth of Sweden's surface space, while grazing areas cover up to half the country's land area,"* she said.

The Minister went on to say that common development, side by side, also requires a mutual dialogue and respect early in the permitting processes. The government can help by creating a forum for dialogue, and improve information and support to municipalities working together with mining companies locally. Beowulf agrees!

## **Mining and Tourism**

*"Old mines are important parts of our cultural heritage and attract visitors from all over the world. It's a legacy that Sweden could use to create new jobs within both the mining and tourism sectors",* said Annie Lööf Minister for Enterprise.

In January 2014 the Swedish government assigned The Swedish National Heritage Board the task to develop, gather and spread good examples of how mining tourism could be supported and developed. Focus is primary on the old mining territories in Bergslagen, Västerbotten and Norrbotten according to the press release from the government.

The work will be carried out together with the respective County Administrative Boards, The National Agency for Growth, people working with mining tourism and regional growth.

The Swedish government will invest 4.1 million SEK (approximately £400,000) in this project which will last 2014-2016.

### **Sources**

SveMin report September 2012  
Norrbotten County report 2012 report  
Various Swedish newspapers  
Vasterbotten Investment Agency