



GUEST STORY

(This story appeared first in the April [Newsletter](#) of the Yellowknife Chamber of Commerce)

Creating an Economic Vision around mining – Norway has it right

By: Tom Hoefer, Executive Director, NWT & Nunavut Chamber of Mines

A month ago, I wrote an editorial piece for the News/North titled: *Are we regulating mineral exploration out of the NWT?* The piece raised concerns over the rapid decline in mineral exploration investment in the NWT, and its effects on the economy today and in future. Since mining relies in no small part on successful exploration, declining investment will affect the sustainability of our mining industry. But there is more to this story.

We must all care about this, for in a post devolution world we have the responsibility to manage our own affairs and to establish an economy capable of supporting us. The recent announcement that Canada will increase the NWT's borrowing limits is the last piece signaling we are "grown up". We have now started on our own economic journey, and we now carry the responsibility for our own future. No more blaming Ottawa.

In picking a path forward, we must look to what strengths we have, and what we are good at. That is mining. Our mining industry has proven itself through thick and thin to be the most significant private sector contributor to our economy for over 60 years. It has contributed major infrastructure including all of our hydropower plants, our railway, has helped drive highway construction and is a key contributor through tolls to the Deh Cho Bridge. While we must also look to developing other sectors of the economy, none have proven themselves to have the economic horsepower of mining. We must continue to strengthen our ability to be the best at mining because of the tangible and long lasting benefits it adds to our communities and economy.

Last month, the first technical hearings were held in Yellowknife on Dominion Diamond's Jay project. Jay is not an expansion project, rather will add another 10 years to the mine life, currently projected to end in 2020. Ekati is our largest mine with some 1,400 workers, over half from the North, and with its annual spending and contributions to governments and communities is a powerful economic engine in our private sector.

Jay should be called an economic life saver project. Even with the development of the new Gahcho Kué mine, the NWT's economy will suffer a significant decline if Ekati closes in just 6 short years.

While Diavik has proposed a significant investment of \$350 million in the next few years to develop their fourth and final pipe, A21, it will be insufficient to offset this decline. As one of our members concluded: we need substantial development dollars to sustain GDP – something the size of Diavik's A21 every 3-4 years!

The Jay Project deserves our support and Yellowknifers and northerners should stand behind responsible development of that ore body for our economic health.

To sustain and grow the engine of our economy means making the NWT attractive for the investment we need for mineral exploration and mining development. It means addressing the infrastructure deficit

and building the Tliche road that Whatì Chief Alfonz Nitsiza recently asked for, and the all-weather road into the Slave Province to access the significant mineral potential it hosts. It means clarifying rights and providing clear requirements for land access through the settlement of Aboriginal rights agreements, by right-sizing proposed national parks and other protected areas to balance preservation and economic opportunity, and by using the regulatory process, rather than the withdrawal of land as a tool to protect lands. It means addressing regulatory hurdles like exempting small, low impact exploration projects like the Husky sand project from environmental assessment – save that ultra-rigorous and costly process for the time when investment has revealed there might actually be a viable project to assess. Don't kill the goose before it lays the golden egg.

Finally, it means encouraging our youth to stay in school, and to further their education, and it means educating our youth about mining so that we can become the best darn miners in the world. Nothing wrong with setting your sights high. Being the best means in all categories: in finding the ore bodies, AND in engineering the methods to do it efficiently and creatively (like our dikes), AND then getting the ore from the ground, AND in protecting the environment, AND in protecting the health and safety of our workers, AND in investing in our people, AND providing sustainable benefits to the people and communities of the North. Note the operative word is “AND”, it is not “either/or”. We must plan to do it all.

The time of government support in the form of huge transfer payments to sustain our economy is behind us. With devolution, we are now in the driver's seat, navigating our own path forward. I would suggest that any path we choose though, must build on our natural economic advantage and that is our resources and in particular, mining.

In Norway, the oft heard refrain is: “We live off what we find in nature”. Quoted in *The New York Times*, Norwegian professor Thomas Hylland Eriksen said, “When I was young, Swedes had whiter teeth, clearer skin, Abba and Bjorn Borg. We (Norwegians) had lots of fish, and not much more.” But by taking a focused approach on oil and gas development, Norway used the oil & gas they found in the North Sea in the 1970s to ignite their country's economic growth. By the early 1990s, just as Sweden was entering a deep recession, Norway's boom years started in earnest. Today, just 40 years later, Norway is globally expert in responsible oil & gas production and they have wisely grown its benefits into the largest sovereign wealth fund in the world. And in a great show of the power of “AND”, they didn't turn their back on other parts of the economy: they still have a strong fishing industry and even advanced biorefining technology now from their forests.

The Norwegian lesson? One simply cannot imagine that all of this success arose without a very strong focus on engineering and technology, on an attractive investment and regulatory climate, on infrastructure, on education and training, and most of all on VISION. What a role model Norway might be for us.

We can strive for the same. And it's the challenge we should put before us.

What better time to call for action, an election year. This fall, demand your candidates provide that Vision! In the meantime, start to rally your friends and neighbours in understanding the world we are in today, and ask them to join the call for Vision.

Our future economic well-being depends on it.

For more information on the NWT and Nunavut mining industries, please visit the website at www.miningnorth.com or contact Tom Hoefler, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com.