

Press Release

The Forest-Based Industries Present Recommendations to European Commission to Improve Competitiveness

Stockholm, 21 June 2001

Chief Executives from the European Forest-based Industries (FBI) joined representatives of the European Institutions, national governments and NGOs at the Forest-based Industries Forum, which was held in Stockholm today.

The FBI represents the forestry, woodworking, pulp, paper and board production, converting, packaging, printing and furniture industries. Their combined annual output, including suppliers to the FBI, is worth EUR 400 billion. The state of the competitiveness of the EU Forest-based industries was reviewed in a Commission communication published in 1999 (COM (1999) 457 final). This led to the establishment of an action plan and the FBI Forum.

This year's event was jointly organised by the FBI and Enterprise DG of the European Commission, and hosted by the Swedish Ministry for Industry, Employment and Communication, and the Swedish members of the FBI supported by the other FBI members.

Mr Lars Rekke, the Swedish State Secretary opened the Forum: "The Forest-based Industries constitute one of Europe's largest industrial sectors, providing employment and income to some 3 million people, and accounting for around 10% of the European manufacturing industry's total production value. The forest-based industry is thus an important economic and social entity. Being based on a renewable raw material, and increasingly using environmentally compatible processes, it makes a significant contribution to sustainable development."

The keynote address was made by **Mr Erkki Liikanen**, Commissioner for Enterprise and Information Society. He said "Sustainable Development is now at the heart of European Union policies. This means an important change in the way we look at individual policy initiatives in the sense that their effects can no longer be considered in isolation. The notion of sustainable development as a public policy objective has its direct parallel in the practice of corporate social responsibility - pursuing sustainable development objectives within the company. Many firms rightly see this approach as the key to a better image and to maintaining the interest of financial investors."

The Forum's programme was designed to provide an opportunity to continue the ongoing exchange of views, and to identify the actions required to improve the competitiveness of the Forest-based Industries. The key issues debated were:

1. Sustainable Raw Material Supply.
2. Enhanced Use of Wood.
3. Impact assessment for better regulation.

1. Sustainable Raw Material Supply:

Speakers included **Mr Juha Niemelä**, CEO of UPM-Kymmene and Chairman of CEPI, **Mr Claude Roy**, Executive Director of Agriculture and Bioenergy ADEME, and **Mr Esa Härmälä**, Vice-President of CEPF, Chairman of MTK, Central Union of Agricultural Producers and Private Forest Owners of Finland.

Discussions centred on the impact the EU's White Paper on "Energy for the Future: Renewable Sources of Energy" could have on the competitiveness of the FBI, including availability of domestic wood; dependence on imports; changes in raw material costs and product prices, and product substitution. Legislation in this respect needed to be more



coherent, allowing a competitive market to function in order to secure the free market principle. Suggestions with regard to RES included:

- increasing the harvesting
- more removal of forest residues, especially for energy (up to ecologically compatible levels)
- more recovery and re-use of wood
- the expansion, investigation and further promotion of new biomass resources (e.g. through agriculture) and the production of bioenergy through appropriate Common Agriculture Policy (CAP) and fiscal measures.

It was agreed that more focus should be placed on the merits of forest products, namely their:

- renewability
- sustainable production
- easy recyclability
- low energy consumption.

2. Enhanced Use of Wood

Speakers included **Mr Hans-Eric Johansson**, Project Manager Skanska AB, Sweden, and **Dr Vahik Enjily**, Director of Timber Engineering and Construction at Building Research Establishment, UK.

Discussions and presentations centred primarily on recommendations that:

- a common methodology needed to be established that looked at previous initiatives and analysed their successes and failures, carried out benchmarking exercises and allocated tasks and appropriate timescales
- potential areas needed to be identified for wider applications of timber; these included construction, agriculture, leisure furniture and structures, large and small dimension timber, interiors and fittings in non-wood constructions
- the defining of supportive measures to overcome barriers, develop and foster a wood culture through exposure and promotion, develop the wood chain by improving communication with partners and developing a readily available source of information.

The concern was also expressed that the client's needs and requirements regarding quality and performance, environmental and supply chain issues, life cycle analysis and costing also had to be addressed.

3. Impact assessment for better regulation.

Speakers included **Mr Rodrigo Rodriquez**, Honorary President of UEA; **Mr Brendan Burns**, Vice-Chairman of the UK Federation of Small Businesses; and **Mr Gustav Stabernack**, CEO of Fulda Holding Stabernack JR Partner GmbH.

The focus of the talks and presentations centred on how EU enlargement would contribute to the re-establishment of price competitiveness within the EU, which has been reduced due to the variety of regulations and directives put in place by the EC, and how this would furthermore open new potential markets for the EU countries.

Competitiveness was also affected in the area of packaging by the promotion of re-use above recycling, and collection fee systems based on weight. It was highlighted during presentations and discussions that the Packaging Waste Directive, meant to create a compatible set of systems, had not been implemented properly. The need for coherence between the different European regulations and directives was strongly emphasised.

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Further details available from:

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