N PRESS RELEASE

24 October 2006

Resolving climate issues requires global action - EU must recognize weaknesses of emissions trading

The EU's internal emissions trading cannot resolve global climate issues. In spite of this the EU Environment Council is still promoting emissions trading as a key global climate policy solution and hopes that other countries will voluntarily join the scheme on a rapid timetable. This is clearly visible in the conclusions of the EU Environment Council meeting yesterday.

"Recognizing the weaknesses of the EU's emissions trading scheme would be healthy fact facing. The Finnish Government should also draw attention to the views expressed in the national climate strategy and implement the policies decided by Parliament," says Dr. Anne Brunila, President and CEO of the Finnish Forest Industries Federation. "The EU should not lock its own emission reduction objectives in advance and thus weaken the preparation of a global climate treaty." Dr. Brunila also points out that Finland has consistently promoted transparency in the EU's activities, which should be reflected in the preparation of joint climate policy.

In Finland's national climate strategy Parliament has called on the Finnish Government to promote the negotiation of a global climate treaty during its Presidency of the EU. If a global solution cannot be achieved, the EU should rethink emissions trading in its present form from the viewpoint of competitiveness and preventing climate change.

The EU's emission trading scheme covers only about 7% of the world's carbon dioxide emissions. The EU's unilateral measures cannot stop or substantially slow down the increase in carbon dioxide emissions in the atmosphere. Resolving climate issues requires including the countries where the bulk of growing carbon dioxide emissions originates.

The forest industries, whose profitability is hurt by emissions trading, want to see open discussion and realism in the EU's climate policy. "It is unconsidered for European industry to bear obligations alone in global climate matters when other countries continue to increase emissions without these obligations. The burden weakens the European forest industries' competitiveness, in which case the losers are both the environment and European prosperity," says Dr. Brunila.

Additional information:

Stefan Sundman, Director Energy and Infrastructure, Finnish Forest Industries Federation, tel. +358 40 535 0501

Appendix: Development of carbon dioxide emissions in the world





FINNISH FOREST INDUSTRIES FEDERATION

PRESS RELEASE

24 October 2006

The Finnish Forest Industries Federation represents companies in the forest-based and related industries in Finland. Its task is to promote the competitiveness and profitability of the paper and wood products industries by strengthening their operating conditions and positive image in Finland and abroad. The organization's membership covers the entire pulp, paper and paperboard industries and about 80% of the wood products industry in Finland.

The sustainable use of renewable natural resources supports growth, employment, welfare and sustainable development in Europe. The forest-based sector is a significant European branch with a key role in promoting sustainable development. The sector wants to make the sustainable use of renewable natural resources one of the themes of the Finnish Presidency of the EU.

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