



28 November 2006

Conference contributing to competitiveness in sustainable Europe**Commissioner Verheugen's energy-climate initiative is most welcome**

The Finnish forest industries welcomes commissioner Verheugen's initiative on reconciling and binding together policies for environmental sustainability, competitiveness and energy security. As commissioner Verheugen stated, Europe can be a global leader in climate change policy but we have to bear in mind that if Europe moves too fast its economy will be harmed without saving the world's environment.

The EU's highest achievable long term greenhouse gas emission target should be realistic, 15 % at the highest by 2020. Otherwise the costs will exceed the gains. Europe must create a special framework for energy-intensive industries exposed to international competition. EU competitiveness and the global environment will both suffer if policies simply encourage such firms to relocate to other world's regions. The commissioner calls for efficient international and European instruments to reduce greenhouse gas emissions in the cheapest way while stimulating innovation which is very much in line with the industry targets.

The EU's visions for a competitive and sustainable forest -based industries were highlighted by Mr. **Günter Verheugen**, Vice-President of the European Commission at the conference organised by the Finnish forest industries together with the Finland's EU Presidency in Brussels today.

Europe's success depends on capability for innovation and renewal

"Europe's success in the global competition will depend on the business agility of our industries and capacity to innovate and transform", said Mr. **Jussi Pesonen**, President and CEO of UPM-Kymmene Corporation.

"Knowledge and technology constitute the main competitive advantages of Europe on the global market, and they will be increasingly significant in the future. Sustainable use of natural resources - especially the renewable ones - is an excellent example of a sector where Europe has true potential to spearhead the development", continues Mr. Pesonen.

Europe is today faced with the need for better solutions to manage its resources, way of life, and to help put a brake on climate change. In his opening remarks Mr. **Matti Vanhanen**, Prime Minister of Finland highlighted the possibilities Europe's forests and the forest-based sector offer to meet these challenges.



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Forest-based industries have much to offer for Europe

Forest-based industries contribute significantly in finding sustainable solutions in the global challenges of climate change and energy issue by generating already the major part of bioenergy in Europe. Based on its rich forest resources, Europe has a unique opportunity to increase the production of biofuels for transport as well as biochemicals.

New products and production technologies have been developed by using information, bio- and nanotechnologies. These provide possibilities for radical innovations and completely new solutions for end users. Smart packaging, hybrid media, composite materials and several other concrete examples show the capabilities of a traditional industry to transform and create new business opportunities.

Availability of wood raw material at competitive price is obviously vital for the forest-based industries. Europe's forest areas are increasing, but even more important is to better mobilise already existing forest resources in a sustainable way. Efforts are also needed to increase the growth yield of forest biomass.

The forest-based industries provide work and wellbeing for about 4 million people especially in Europe's rural areas. In addition, there are some 16 million European forest owners who take care of the forests and sustainability of wood raw material.

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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.