

April 12, 2007

Innovation company established to network top level research and innovation in the Finnish forest cluster

Major companies in the Finnish forest cluster together with the Technical Research Centre of Finland, the Finnish Forest Research Institute and four Finnish universities have established Forest Cluster Ltd. The new innovation focused company is responsible for the operation of the cluster's strategic centre of excellence. Its task is to initiate research and innovation programmes and to channel research funds to selected focus areas. The forest sector's centre of excellence - led by the Forest Cluster Ltd - intends to become the strongest innovation environment of the branch globally.

In October 2006 the Finnish forest cluster outlined its national research agenda with the goal of doubling the value of its products and services by 2030. With the establishment of new innovation company the industry is launching Finland's first centre of excellence.

"The forest industries' operating environment has changed permanently. The cluster built around the Finnish forest industries must rapidly strengthen its competitiveness in order to succeed in global competition. We are striving to do this by improving profitability and strengthening top expertise and innovation in the branch," says the head of the Steering Group that was in charge of setting up the new company, Mr **Pauli Hänninen**, Executive Vice President, Business Development at UPM.

The shareholders and the members of the Board in the new company are:

- Stora Enso Corporation: Markku Pentikäinen ja Jukka Kilpeläinen;
- UPM: Pauli Hänninen ja Pekka Hurskainen;
- Metsäliitto Corporation, M-real Corporation and Oy Metsä-Botnia Ab: Mika Joukio, Maarit Herranen;
- Myllykoski Corporation: Tapio Ahola;
- Metso Corporation: Jouko Yli-Kauppila;
- Kemira Corporation: Hannu Toivonen;
- Ciba Specialty Chemicals Oy: Hendrik Luttkhedde
- Andritz Oy: Harry Rickman
- Tamfelt Oyj Abp: Seppo Holkko;
- The Technical Research Centre of Finland (VTT): Erkki Leppävuori
- The Finnish Forest Research Institute: Hannu Raitio
- Lappeenranta University of Technology, Helsinki University of Technology, Åbo Akademi University and the University of Jyväskylä: represented by Matti Pursula from Helsinki University of Technology.

April 12, 2007

Forest Cluster Ltd will be responsible for initiating and resource allocation of the centre of excellence's research programmes by channelling private and public research funds to programmes. In addition to companies, the sources of finance are the Finnish Funding Agency for Technology and Innovation, the Academy of Finland and bodies in the EU's Seventh Framework Programme.

The Board of the Directors of the Forest Cluster Ltd will decide on the shared strategic research programmes and financing for them. A research committee will be established to plan and prepare research programmes. The new company will have 3-5 employees headed by the managing director who will be appointed later.

Finland's Science and Technology Policy Council has called for the establishment of five centres of excellence in the following areas: energy and the environment, metal products and mechanical engineering, the forest cluster, health and well-being, and information and communication industry and services. The first centre of excellence will now be starting in the forest sector.

Additional information:

Dr. Anne Brunila, President and CEO, Finnish Forest Industries Federation
Email: anne.brunila (at) forestindustries.fi