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## The forest industry has an excellent possibility to be a locomotive of success for Europe

**The forest industry could very well become Europe's leading industrial locomotive because it is investing increasingly more in research and the development of completely new products. In addition, the sector bases its activities on renewable and increasing natural resources.**

"Innovations are a key operating model through which research and development investments can generate revenues," said the Finnish former Prime Minister Esko Aho, President of the Finnish National Fund for Research and Development, in a speech at the Future Lead Markets of the Forest-based Sector conference, which was held in Hannover on 15.-16.5.2007. An EU working group chaired by Esko Aho has been looking at ways to improve the European environment for research and innovation. The working group has published a report titled *Creating an Innovative Europe*.

Esko Aho thinks Europe's strength lies in well-educated consumers who have the ability and opportunity to adopt, for example, new technologies and web-based services. Developing new products to fulfil the needs of customers should form the core idea in all product development activities.

"We cannot match the USA or Japan in product development investments, but a superior competitive advantage for us is that the majority of Europeans live in a modern, information-based society. China, for example, has a long way to go in this respect," Aho said. Customers should be the focus of all activities, not just the final link in the product development chain.

Aho was pleased with the European forest sector's ability to get all of its central actors together to define shared visions and a common research strategy under the Forest-based Sector Technology Platform project. The forest sector of Europe has an excellent possibility to become the leading locomotive for industry in our continent because it uses renewable natural resources and operates sustainably. The forest sector considers it important that the availability of wood is safeguarded and the value of its products increased through research and product development inputs.

Aho said Europe should bring its intellectual capital to the fore. "The possibilities of funding innovation are increasing, thanks to, for example, the EU Structural Fund (2007-13)," he said.

The conference was organised by the Forest-based Sector Technology Platform. The event was arranged as part of the German EU Presidency.

For more information, please contact

Pertti Laine, Senior Vice President, Business Environment and Innovation, Finnish Forest Industries Federation, tel. +358 (0)400 506 977, e-mail: [firstname.lastname@forestindustries.fi](mailto:firstname.lastname@forestindustries.fi)

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The Finnish Forest Industries Federation represents companies in the wood-processing industries in Finland. We promote the competitiveness and profitability of the forest industries by strengthening its operating environment and public image in Finland and abroad. Our membership covers the pulp, paper and paperboard industries and most of the sawmilling, wood-based panel and wood products industry in Finland.

The forest-based sector employs directly and indirectly for nearly 200,000 Finns. It also boosts income and vitality in sparsely populated areas and accounts for one-third of the nation's export earnings.