Innovative and sustainable forest-based industries

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Challenges that we have to solve globally:

- Climate change
- Environmental sustainability
- Well-being (accommodation and nutrition) of the ever growing population

Forest-based industries and wood in construction

- EU has become a net exporter of forest products, while at the same time expanding Europe's forests
- Only 65 % of the European annual forest growth is harvested
- The woodworking industries play a major role in rural development
- Wood products are carbon stores
- Every cubic metre of wood substituting for fossil fuel-intensive materials saves a total of roughly 2 tonnes of CO_2

Forest-based industries and wood in construction

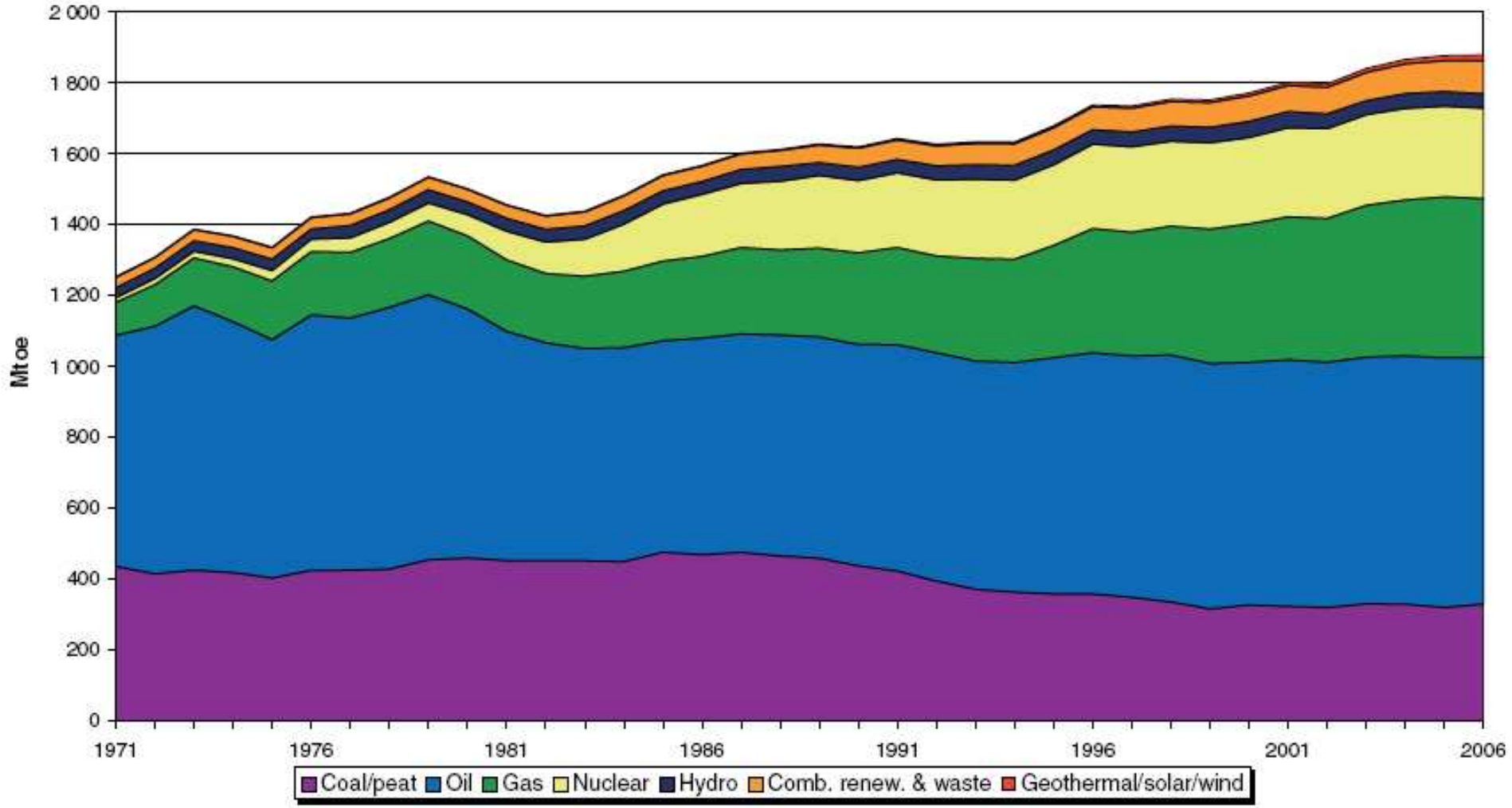
- Wood can replace fossil fuels, releasing the solar energy it had stored chemically, as well as the CO2, without any effect on the global balance
- Wood as a source of energy is not only renewable; it is also low in CO2 emissions
- Wood plays a major role in combating climate change. Greater use of wood products will stimulate the expansion of Europe's forests and reduce greenhouse gas emissions by substituting for fossil fuel intensive products.

Forest-based industries and wood in construction

- Carbon storage can be extended by increasing the lifespan of wood products
- Biomass energy, together with investment in combined heat and power energy plants, makes wood based industries the least fossil fuel intensive of any industrial manufacturing sector

Total primary energy supply*

IEA Europe



* Excluding electricity trade.

For more detailed data, please consult our on-line data service at http://data.iea.org.

Briefly about energy production and climate change:

- According to current views, global energy demands will grow significantly in the next 30 years.
- All forms of energy will be represented also in the energy palette of the future.
- Climate change mitigation and energy self sufficiency are the primary incentives in the increased use of renewable energy; the business opportunities are only now being discovered.
- In renewable energy forms, forest biomass is the only large-scale solution: its use is highly researched and it already has productive business operations under way.

EU’s 202020 target

In March 2007, the EU made a commitment by year 2020 to:

- Reduce greenhouse gas emissions by 20% from the 1990 level
- Increase the use of renewables to 20% in all energy consumption
- 10% of all fuels used in transport should be biofuels
- Increase the efficiency of energy use by 20%
- Finland must increase its share of renewable energy to 38% of all energy production, current level is at 28.5%
- The increase corresponds to energy content of about 45TWh, i.e. approx. 23 million m3 of wood
- Forest chips could account for about half of this amount
- This will not be achieved with the current growth rate of biomass use! We need concrete actions!

Feed-in tariff for wood energy production for plants of under 20 MW?

- Plants of over 20 MW are covered by ETS.
- Finland, Portugal and Malta are the only EU countries without any feed-in tariff.
- Players' access to the electricity market must be enabled in the feed-in tariff.
- NO REAL COMPETITION FOR RAW MATERIAL, THE POTENTIAL IS ENOUGH FOR EVERYONE.
- Feed-in tariff does not exclude any former player, but enables investment security for both new and old players.
- Transparency to the market: market monitoring

Forest-based industries and wood in construction

- Use of wood in construction should be promoted in a similar way like has been done with bio-based liquid fuels. By EU's decision: "certain amount of constructions' material content should be wood-based".
- Decision makers' interest for wood construction must be increased and thus create demand for wood products. Wood must also be treated in a similar way with other construction materials in the becoming Euro codes. Now there is a clear competitive advantage for other materials

THANK YOU FOR YOUR ATTENTION