



Press release 283/2009  
Government Communications Unit  
30.9.2009 12.09

## Government employing extensive measures to ensure competitiveness of forest sector

On Tuesday, 29 September, the Cabinet Committee on Economic Policy decided on Government measures to improve competitiveness and operating conditions of the forest sector.

The Government will see to it that the level of taxation for energy in the forest sector is made compatible with that in key competitor countries by developing energy tax refund schemes. The tax refund reform is to be implemented as of the beginning of 2011. In addition, energy supply is to be safeguarded.

Growth of the wood products sector will be supported through broad-based development projects focusing on wood products marketing, increasing international operations and product development.

Bioenergy projects will be furthered through development projects focusing on new technology and new forest industry products. Energy support will also be granted for investments in plants utilising wood energy. Support for the harvesting and chipping of energy wood will be added to meet growing targets.

Funding for these measures launched immediately has been reserved in the 2010 budget or it can be allocated from available appropriations. Next year, a total of about EUR 60-80 million will be targeted to the above mentioned measures to increase competitiveness of the forest sector.

In addition, the Government will aim to launch long-term measures to renew structures of the sector. Particular attention will be paid to the functioning of the roundwood market to balance the supply of roundwood and changes in its price.

This requires new models of operation in the roundwood market, raising the average size of private forest holdings, controlled diversification of forest treatment methods, development of roads and other infrastructure and, in public procurement, prioritising products made of renewable raw materials.

- Compared to competitor countries, domestic competitiveness of the forest sector which employs nearly 200,000 persons has decreased in recent years as a result of various factors. Through the measures now decided on, the Government faces the challenge by strengthening the forest sector's optimistic outlook as an engine of the new bioeconomic model and by developing the operating conditions of the wood products sector. In future, the role of the forest industry in processing natural resources will become more diverse in areas such as energy products, biochemicals, biocomposites and construction, Minister of Economic Affairs Mauri Pekkarinen emphasised when presenting the measures boosting competitiveness of the forest sector to the Cabinet Committee on Economic Policy.

- The future of the forest sector is extremely important to our welfare. The price of energy gives a competitive edge to the Finnish forest industry. The development of energy tax refund schemes also aim at maintaining this advantage. Energy prices are also affected by the supply of energy which needs to be safeguarded through future decisions, Minister of Finance Jyrki Katainen noted.

- The Ministry of Agriculture and Forestry pays special attention to the profitability of forest management as part of the development of the forest sector. The measures now adopted strongly support this. A key issue in the reform of the forest sector is to ensure the availability of skilled labour and adequate research funding where the key role is played by the Ministry of Education. These measures are included in the Finnish National Forest Programme 2015, Minister of Agriculture and Forestry Sirkka-Liisa Anttila pointed out.

**Further information:** Mauri Pekkarinen, Minister of Economic Affairs, tel. +358 10 606 3500; Sirkka-Liisa Anttila, Minister of Agriculture and Forestry, tel. +358 9 1605 3300; Velipekka Nummikoski, State Secretary, tel. +358 50 506 5588; Juha Ojala, Strategy Director, Ministry of Employment and the Economy, tel. +358 50 413 5515