



REGERINGSKANSLIET

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Ladies and gentlemen.  
Distinguished guests.

It is a pleasure to welcome you all to Sweden. I am especially pleased to see the foremost expertise on forestry gathered here in Stockholm to discuss Europe's coming research agenda in the forestry sector.

Welcome all!

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The forest has always been of great importance for Sweden. It is part of our cultural heritage – part of our identity – if you like.

Strolling about in the woods – picking blueberries and mushrooms, hunting or hiking – is a pleasure shared by a great number of Swedes – not the least myself.

Covering 2/3 of our area, the forest is also one of our biggest natural resources – “our green gold” as we call it. It has laid the foundation of Sweden’s development into an industrial nation.

The paper and pulp industry, together with sawmills and later bio-energy, has created an economic success for our country.

Also today the forest-based sector plays an important role for export earnings, employment and rural development.

Last year export in this area amounted to 14 percent of the total Swedish export of goods. And this is a part of an extremely competitive export industry.

Both Sweden and our neighbor Finland are in a situation right now where we have huge surplus in our current account. Mainly based on paper and pulp, but also on the automotive industry, pharmaceutical, biotech and information technology. This summarizes to a current account surplus of roughly 7 percent of GDP, perhaps 8 percent, the same level as oil producing countries.

But in our case it is the export industry and the backbone is in front of me just now - paper and pulp and sawmills. And it will continue to be so. I am convinced about that.

Let me say something about the present economic situation in Sweden because it is different from the EU-fifteen. We belong to a small group of countries. We have relatively good economic growth. We anticipate roughly 3.4, 3.5 percent next year and we have almost a

cero inflation. A surplus in the public finances and still I must say too high unemployment level, it is around 5.5 percent.

We can do better, but the economy generally speaking, it is functioning quite good and the backbone is the export industry and in the export industry it is paper and pulp sawmills - the forest based industry - that still is the backbone.

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Before coming here I read the vision of your programme. It said, among other things, the following:

“The European forest-based sector plays a key role in a sustainable society.

It comprises a competitive, knowledge based industry that fosters the extended use of renewable forest resources.

It strives to ensure its societal contribution in the context of a bio-based, customer-driven globally competitive European Economy.“

It is a vision I could easily subscribe to.

A sustainable development is perhaps the most important political tasks that stands before us.

Our future growth and competitiveness must be developed in harmony of what the environment can cope with.

For me it is a question of both ideology and moral.

What gives our generation the right to hand over this earth in a worse condition than the one we inherited from our parents?

What gives us the right to leave the less developed parts of the world behind – with no other option than to use our old ecologically harmful technology to make the same industrial journey we once did?

Of course, we have no such right. Yet, this is exactly what we are about to do if we do not stop the present development.

We must find new means to produce energy without leaving behind waste for hundred thousands of years.

We must use the finest and latest technology in order to rightly use the limited resources of our earth.

We must find new ways of transport that does not pollute our environment and harm our nature – our forests not the least. Today discharges destroys big values in the forest.

There is much to gain – not just morally but also economically.

Soon the whole world will be needing new “green” technology. The countries that now develop this modern environmentally friendly technology will have attractive products to sell in the future.

In this way the question of our environment also becomes a strong driving-force for growth and economical development.

It is a win-win situation.

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Ladies and gentlemen.

Recently Sweden have presented to the European commission a National Reform plan to follow up on the Lisbon agenda.

In our plan we clearly state our position that the implementation of the Lisbon Agenda must rest with equal weight on its three pillars; economic, social and environmental development.

Let me be blunt. If there are those who believe that this is just the discussion in Europe, about economical and social factors, they will commit a huge mistake. We must have all three pillars. And sometimes we have criticized the European commission not to put enough weight on the third pillar, the environmental dimension. It is a better product now that is discussed but we must constantly urge that these three pillars must be treated in an equal way.

In my view – as also stated in your vision – the forest sector is an excellent example of how the three pillars of the Lisbon agenda can be implemented and integrated.

The European forest industry is in several sectors a world leader.

Economically it represents 8 percent of EU manufacturing added value.

The forest sector is an important employer also in many rural areas.

And environmentally the forest sector is in harmony with the greenhouse effect and provides a sink for carbon dioxide emissions.

Recently the forest resource has become an even more important element of the European Union. With the entry of the three new member states Austria, Finland and Sweden in 1995, the forest area increased substantially.

The entry of the new member states, our Baltic neighbors and Poland, has moved this figure even higher.

Still the forest sector has had problems to get the place it deserves in European research programmes.

Now is a good opportunity to put forest-based sector distinctly on the European research agenda.

It is your task to do so, it is my responsibility to see to that is carried out and we should do it together with the Commission.

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It is my conviction that the base for Europe's future growth must be developed through a research and development of world-class.

Europe cannot - and should not - compete through low wages and social dumping.

In the future we must to an even higher extent assert ourselves through advanced production and modern services. We must produce better products – not cheaper.

All European countries must live up to the goal of the Lisbon-strategy and invest at least 3 percent of its GNP in research and development.

This is the key to Europe's future contestability. And it is not only US we should compete with. Now we can see in front of us Asia, not least China. Rising their research and development resources dramatically. India. And when we say we need to come close to 3 percent of GNP in Europe that is the goal.

The present situation is something completely different. I think it is only Sweden and Finland that reach the 3 percent level. In Sweden we have 4 percent and we think it is not enough. We have to go on and at the same time not only be able to fund new resources, but also constantly watch on the quality and the results of the research and development.

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Although the forest sector is heavily dependant on R&D investment, it has not yet gained full acceptance in the EU R&D context. It is simply viewed as a less advanced sector in comparison with for example IT or biotechnology.

But this is something we definitely could change. The forest-based sector has great potential, as long as we invest our R&D in the right way.

We need to develop new products and services where we gain more added value out of our forest.

For instance, it could be about increasing the quality of the tree through a stronger interplay with sciences such as IT and biotechnology.

One interesting example is how modern biotech can be used to speed up the so far lengthy process of modifying trees to specific end-user needs.

We also need to spread the usage of our forests to new areas of production, also here using the tool-box of other sciences.

The development of fluid packaging made out of paper is a good example illustrating this.

We should also encourage the usage of wood in building and exterieurs. And here we must develop solutions that makes the forestry industry more of an active part of the building sector.

Another exciting possibility is to replace fossil based composites with forest based materials using nanotechnology.

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Our forests also have huge potential in the energy-area.

Energy is high on the political agenda following the recent drastic increases in oil prices.

And one thing seams to stands clear: the oil is not going to get cheaper. Some people even claim that the price will double during the next ten years.

Considering this, and the fact that the consumption of oil-based energy contributes to climate-changes, the Swedish government has just set a bold target.

We want to dramatically reduce our oil-dependence by the year of 2020.

We want to be world-leading in this development. As part of this ambition we will establish an oil-commission, led by myself. The challenge is mainly to get rid of oil-based heating systems in houses as well as oil-based fuel.

And to do it before 2020. It is a bold goal. Hopefully it will also be possible to reach.

Here the forest sector could be part of the solution.

For example, energy is an important resource for pulp and paper production. By developing new technology, it may be possible for the pulp and paper producers to instead become net energy producers.

Gasification of wood material can add important resources for power production. It has a great potential also for the automotive industry where it could substitute diesel and petrol.

In Sweden studies have shown it has the potential of replacing up to one third of the fuel needed.

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Ladies and gentlemen.

Today, as for the past, Sweden is a big player at the international market in forest products. And we hope to

stay an important player. Not only hope to stay. We have decided to stay as an important player.

Of course we feel the competition from countries in other parts of the world where generation times for forests are much shorter. But with growing human populations in the world, I believe there will be good markets for all of us.

My worries are rather; will we be able to produce renewable and sustainable raw materials for all parts of the forestry sector – such as wood for building, for furniture, growing demands for paper, tissue and such products, as well as energy?

That is the big challenge for me and for us all!

Therefore I want to wish you good luck in your work with accomplishing a good strategic research agenda in the forest-based sector.

These are my thoughts this unusually warm November day when the last leaves are about to leave the trees.

And this is how I reflect around the future of one of Europe's most important resource. The forest.

Thank you.

