



*Enterprise and Industry*

The European Forest-based Sector  
Research Forum 2005

# Current Challenges for EU Forest-based Industries

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## Outline



**1. The EU Forest-Based Industries (F-BI):  
a SWOT analysis**



**2. The Main Challenges for the EU F-BI**

**3. The Renewed EU Policy Framework**



**4. The Main Industrial Policy Instruments**



**5. Conclusions**



# 1. The EU Forest-Based Industries (F-BI): a SWOT analysis

## 1A: Strengths and Opportunities

- ✓ Large integrated market
- ✓ Efficiency of production facilities
- ✓ Environmental performance
- ✓ Health and safety standards
- ✓ Relatively high skilled workforce
- ✓ Quality of products and customer service
- ✓ Close links to chemical and machinery industry
- ✓ R&D and Innovation





# 1. The EU Forest-Based Industries (F-BI): A SWOT analysis

## 1B: Weaknesses and Threats



- ✓ **New global competition**
- ✓ **High and increasing wood costs**
- ✓ **Increasing demand for renewable energy**
- ✓ **Increasing demand for forest conservation**
- ✓ **High and increasing energy costs**
- ✓ **Relatively high labour costs**
- ✓ **Fragmented structure of part of the industry**
- ✓ **Increasing competition from electronic media**



## 2. The main challenges for the EU F-B Industries



- Cost and availability of virgin and recovered raw materials: wood, chemicals, recovered paper...
- Evolution of energy/transportation costs
- Evolution of the environmental framework in the EU and globally
- Structural adaptation to a changing demand
- Permanent technological and innovative update



### 3. The Renewed EU Policy Framework



#### A. Main objective:

***“To strengthen a Competitive and Sustainable EU Industry with a positive contribution to the Jobs&Growth Strategy”***



#### B. Main elements:

- **Better Regulation:** Improved Impact Assessment and Simplification of existing Legislation
- **Industrial Policy:** Horizontal Instruments for Sectorial Challenges
- **Entrepreneurship and Innovation**





## 4. The Main Industrial Policy Instruments



### A. Two more "classic":

- A continuous **economic analysis of the key competitiveness factors** for each industrial sector.
- An adequate **impact assessment** of the main legislative and non-legislative initiatives (at EU and International Levels) on the Sustainable Competitiveness of each sector.

### B. Two more "innovative":

- The **Technology Platform** for the Forest-based Sector.
- The **High Level Group** on Competitiveness, Energy and Environment



## HLG on Competitiveness, Energy and Environment



### ➤ **Scope:**

- Complex interaction between competitiveness, energy and environment.

### ➤ **Objectives:**

- Promote sustainability and competitiveness in manufacturing industry.
- Improve the coherence between environment/energy policies and industrial competitiveness, in particular in:
  - Emissions Trading Scheme
  - Waste Legislation
  - Energy Markets

### ➤ **Partnership** with all public and private stakeholders. <sup>8</sup>



# Ongoing and Future Additional Actions for the EU F-BI

## A. Raw Material/Energy/Environment

- Enhance the **supply of wood raw material** for the industry as well as for the energy sector by an active and sustainable forest management policy
- **Further Develop markets for recovered paper and wood.** A new and broader commitment by the paper industry, printers, recycling sector and distributors and others is needed.
- Need to increase **energy efficiency** even further.





# Ongoing and Future Additional Actions for the EU F-BI



## B. R&D + Innovation

- The Forest-based Industries need the **SRA** developed by the Forest-sector Technology Platform as a base for priorities within national research programmes, industry's research activities and Community framework programmes.



## C. Others



- Prevent **illegal logging and trade**
- **Reduction of import tariffs** on forest-based products in emerging markets.
- Measures to **enhance the role of wood** as a building material.





## 5. Conclusions



- **Forthcoming discussions with key Stakeholders (F-BI Advisory Committee, Member States, High Level Group...)**
- **Towards an updated and more focussed Communication on the Sustainable Competitiveness of the EU Forest-based Industries**

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Thank you for your attention!

