

An aerial photograph showing a lush green forest on the left and a dark blue lake on the right. The forest is composed of many tall, thin trees with vibrant green foliage. The lake is calm, reflecting the sky and the surrounding greenery. There are several lily pads floating on the water's surface. The overall scene is serene and natural.

The Finnish Forest Industry's call to the next Commission

# **Enable Green Potential for Future Growth**

The forest industry provides a variety of solutions to meet the needs of consumers, industries, and society at large. Our industry's ever-increasing product portfolio ranges from massive timber construction elements to high-tech nanocellulose. We already contribute to circular bioeconomy and to a greener and wealthier European Union.

The forest industry provides solutions that can replace fossil-intensive products and store bio-based carbon. Through sustainable forest management we enhance long-term carbon sequestration, biodiversity, and source our main raw materials from renewable feedstocks. The bioeconomy supplies bio-based products which are largely sourced, manufactured, used, and recycled in Europe. Growing the market for bio-based products enhances Europe's strategic autonomy.

How to unlock our industry's full potential for the wellbeing of people and the planet? We need better regulation – a coherent and predictable framework promoting the circular bioeconomy.

For further information please contact,



**KAISU KARVALA**

Director, EU Representative

+358 40 571 5990

[kaisu.karvala@forestindustries.fi](mailto:kaisu.karvala@forestindustries.fi)



Key themes followed by policy asks:

## **Green Transition and Future Growth**

---

New product innovations and circular solutions to promote the circular bioeconomy and sustainable carbon cycles.

---

Ambitious climate policy by phasing down fossil emissions and replacing fossil raw materials via sustainable forest-based value chains.

---

## **Active Geopolitics and Strategic Autonomy**

---

Self-sufficiency and security of supply from renewable raw materials.

---

Countering protectionism and securing a global level playing field for industries.

---

# Green Transition and Future Growth

## **Forest-based solutions and innovations to promote the circular bioeconomy and sustainable carbon cycles**

We fully support the EU objective to reach climate neutrality by 2050.

The EU needs to recognise the role of the bioeconomy as a crucial part of the circular economy and the role of sustainable carbon cycles. A circular bioeconomy reduces resource depletion, waste generation and pollution, while promoting a more sustainable lifestyle. According to the analysts of AFRY\*, the global market for wood-based products will potentially increase by EUR 175 billion by 2035. By becoming a pioneer in innovation activities, the EU could take full advantage of this growth.

\* The Potential of New and Growth Products by 2035 -survey, AFRY Management Consulting (2021).

## POLICY ASKS

---

Boost the EU's economy by promoting market access for innovations and products from the bio-based economy.

---

Fully recognise sustainably sourced renewable content and raw material as circular input in different product regulations.

---

Focus on promoting renewable materials to help avoiding the use of fossil materials causing fossil emissions.

---

Highlight the biorefinery concept and industrial ecosystems as a platform to promote the cascading use of biomass.

---

# Green Transition and Future Growth

## **Ambitious climate policy by phasing down fossil emissions and replacing fossil raw materials via sustainable forest-based value chains**

We have known for decades that we must phase down fossil emissions since they are the main cause of climate change. Finnish forest industry companies have dramatically reduced their GHG-emissions, fully aware that even the remaining low levels of emissions must be cut. Capturing bio-based carbon can create a whole new platform to produce fuels, chemicals, and materials from a sustainable carbon source, and reduce the EU's dependence on fossil raw materials.



## POLICY ASKS

---

Keep bio-based and fossil emissions separate in reporting and targets. Carbon removals based on capturing of biogenic CO<sub>2</sub> should be reported under LULUCF.

---

Maintain carbon neutrality of CO<sub>2</sub> originating from sustainably grown biomass.

---

Encourage operators to take voluntary actions to capture bio-based CO<sub>2</sub> as it has an essential role for the development of the hydrogen economy and P2X.

---

Support, but not mandate, capturing of bio-based CO<sub>2</sub> (due to uncertainties such as technology, finance, infrastructure, availability of electricity and hydrogen).

---



# Active Geopolitics and Strategic Autonomy

## **Self-sufficiency and security of supply from renewable raw material**

The EU should reduce its dependence on fossil raw materials. To strengthen the resilience of the EU economy, the bio-based industries should be made an indispensable part of the EU's geopolitical strategy. Policies should take into account the diversity of Europe's natural ecosystems as a one-size-fits-all approach would not allow effective results.



## POLICY ASKS

---

Provide cumulative impact assessment of the new regulations affecting the availability of woody raw material.

---

Establish and use a science-based definition for renewable carbon consistently in EU legislation.

---

Develop a coherent and predictable regulatory framework for the bioeconomy that recognises the diverse nature of renewable natural capital and its crucial role for the wellbeing of natural and built ecosystems.

---

Introduce EU-wide obligatory forest regeneration after harvesting so there is always more biomass growing than being harvested.

---

Phase-out direct financial subsidies for burning wood in energy installations and promote other climate friendly energy sources such as geothermal, nuclear, heat pumps, solar, wind, waste heat.

---



# Active Geopolitics and Strategic Autonomy

## Against protectionism and securing a global level playing field for European industries

International trade is the lifeline of the forest industry. Depending on the product category, up to 98 per cent of production in Finland is exported, with more than half going outside of the EU. As such, the forest-based sector is also a key actor in providing income to both forest owners and employees working in the sector as well as GDP for the Member States. An international patent survey\* shows that Finnish forest industry companies are at the forefront of innovation in developing new products (e.g. related to microfibrillated and nanofibrillated cellulose, treatment of wastewater and sludge, as well as the recovery of lignin from black liquor).

### POLICY ASKS

---

Make the circular bioeconomy a prominent feature in EU programmes. Public-private-partnerships (PPP), such as the Circular Bio-Based Europe (CBE), should continue also in the next framework programme.

---

Fund more piloting, demonstration projects and up-scaling, which are the most expensive and risky phases of innovations in our industry.

---

\* Patent-survey, IP Analytics Karvonen and Turnip Innovations (2023).

## Looking forward to next Commission

President of the European Commission Ursula von der Leyen raised appealing themes in her State of the Union speech. President von der Leyen sees that the EU needs to develop an approach for each industrial ecosystem and start a series of Clean Transition Dialogues with industry. The Commission will look at the opportunities, needs and risks of each industrial ecosystem in the green transition.

Most importantly, von der Leyen stated that Commission will keep supporting European industry throughout this transition and mentioned that forests provide wood material for products. We welcome these intentions and look forward to work together with the Commission.





# Finnish Forest Industries

Rue Montoyer 40, 1000 Bruxelles

X @forestindustry

in @Finnish Forest Industries Federation

forestindustries.fi



Subscribe to our newsletter

Coverpicture ©Shutterstock

