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# **Is diversification the strategy for the future of forest products companies?**

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**How the forest industry should contribute  
with bio-energy to the overall market?**

**Dr. Ainomaija Haarla, President & CEO, TAF  
PTS Roundtable, Baden-Baden, 22.9.2009**



## **Bio-energy: simultaneous pull and push**

- **Pull from the society;**
  - To mitigate the climate change and assure energy supply for expanding population.
  - To reduce depletion of non-renewable energy resources due to increasing social and legal pressures.
  - To secure a national energy supply.
- **Push from the forest industry;**
  - A need to rapidly develop new businesses as well as to improve material and energy utilization, productivity and profitability.



## **Preconditions from the FI's perspective**

- **Availability of wood for primary uses must be safeguarded.**
- **Forest industry needs multiple energy resources.**
- **Moderate, transparent and long-term policies and steering mechanisms are needed.**
- **Public acceptance of bio-energy largely depends on sustainability: the forest industry itself can impact on that!**

# **What favors the increasing use of wood-based bio-energy in Northern and Central Europe?**

- There is an existing infrastructure to mobilize biomass.
- No major extra costs for raw material: it is already paid for.
- Due to climate change, there will be an increased biomass. In addition, water management is under control.
- There is potential in plant breeding.
- Public acceptance for integrating waste management and raw material sourcing.



## **Key challenges**

- **Economically viable, proven technologies:  
what and when?**
- **Development work will still take years:  
will the owners remain patient?**
- **Existing data varies a lot depending on a source  
– big variations in material levels in particular.  
What to believe?**



## Solutions

- Forest Industry needs bio-energy, the World needs multiple energy sources and EU needs wood and waste to fulfil a biomandate.
- Wood residues and waste based bio-energy will be an additional, renewable energy resource.
- More value-added uses for both virgin and recycled fibre must be searched for (composite materials utilizing nanotechnology; intelligent, design furniture & houses; else?)
- Will the utilization of lignocellulosic compounds for transport fuels, chemicals and biomaterial be a reality by 2030?