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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?**

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# 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.

ood 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?



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## Note

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This statement represents Dr Haarla's own thinking  
on the tittle issue as an expert  
and  
is not the official statement of  
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