



Forest bioeconomy in Finland and the role and expectations of forest owners

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Central Union of Agricultural Producers and Forest Owners of Finland (MTK)

Content of the presentation

1. Biography
2. MTK briefly
3. Bioeconomy
4. Operational environment of the Finnish forest bioeconomy

Biography Erno Järvinen

- M.Sc. (Forestry) from the faculty of agriculture and forestry of the University of Helsinki
- Forest products marketing as a major
- Since October 2007 the research manager of MTK's Forestry Group
- Market follow-up of the whole forestry sector
- Managing of research affairs related to forestry and private forest ownership
- Born 1972



MTK - the Central Union of Agricultural Producers and Forest Owners

It...

- was founded in 1917 under Russian rule
- supervises the interests of farmers, forest owners and rural entrepreneurs at local, national, EU and global level;
- represents its members and related industries that use renewable natural resources in a sustainable way; and
- has ca. 350 000 members in total, 211 000 forest owner, >80 % of forest area owned by private persons.



Metsänomistajat

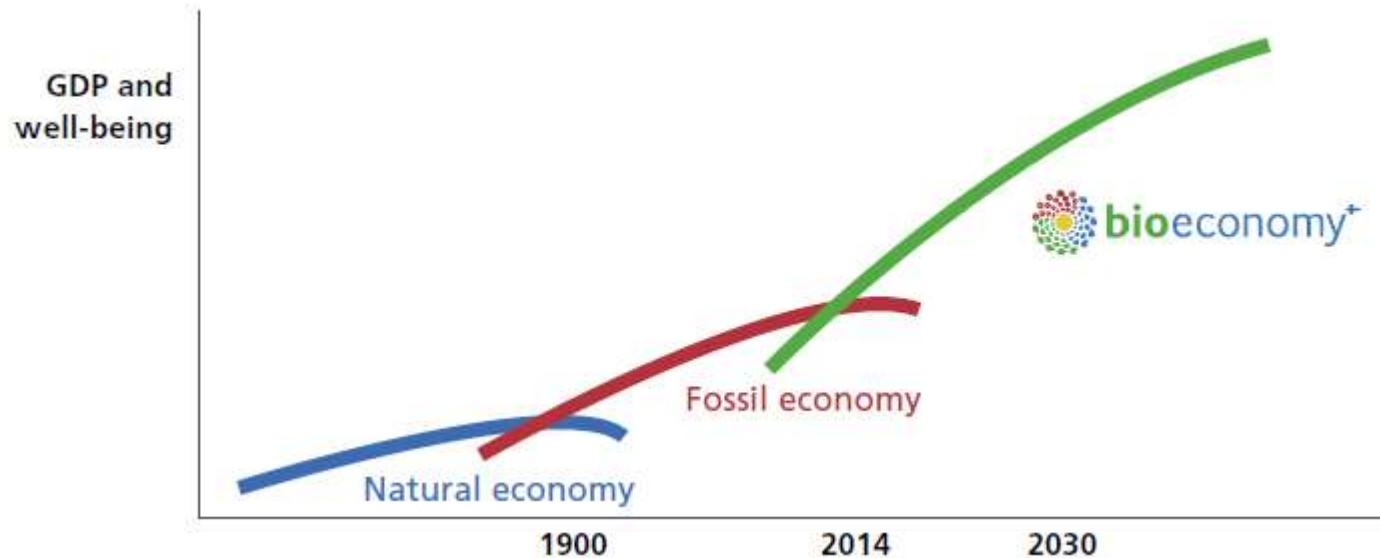




- MTK monitors the agricultural policy of the EU and turns the needs and wishes of its members into proposals
- The interests are managed at the national level
 - Markets for farm production
 - Environmental and agricultural policy
 - Forestry issues
 - Taxation
 - Financing
 - Social policy
 - Regional policy
 - Food security management



Bioeconomy will be the next wave of economy



Metsänomistajat



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100 VUOTTA KASVUA

Is there enough wood?

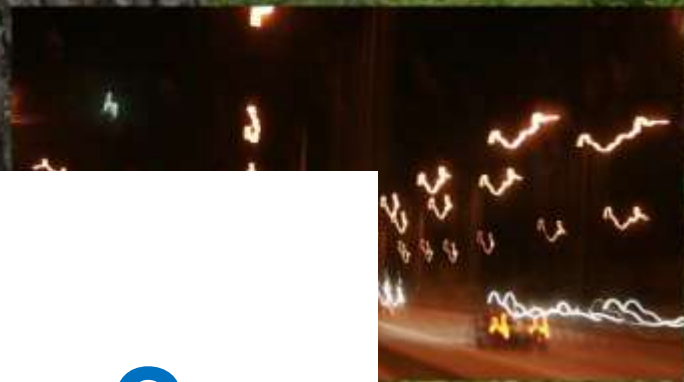


Bioeconomy – a new way of thinking and acting

The bioeconomy is reforming our social system. It reduces our dependence on fossil fuels and is the key to combating climate change and the depletion of natural resources.

→ More solution than problem





**Forest ownership
structure is changing?**



“We will sell if the price is right”

Inputs and outputs of biorefinery

Input

Old

Sawlogs
Pulpwood
~~Fossil~~

New

Logging residues
New energy crops
Municipal waste
Other biomass



Output

Old

Wood products
Pulp, paper, board
Power, heat

New

Pellets
Biomass
Biofuels
Biochemicals
Biopolymers
Biogas



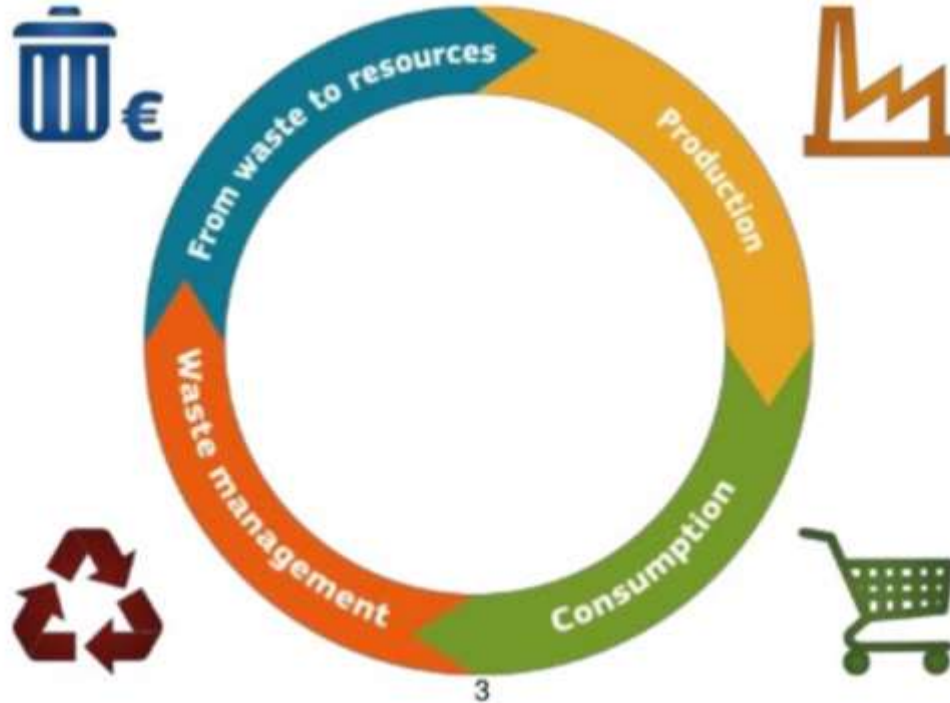
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Circular economy



Eric Liégeois, DG GROW



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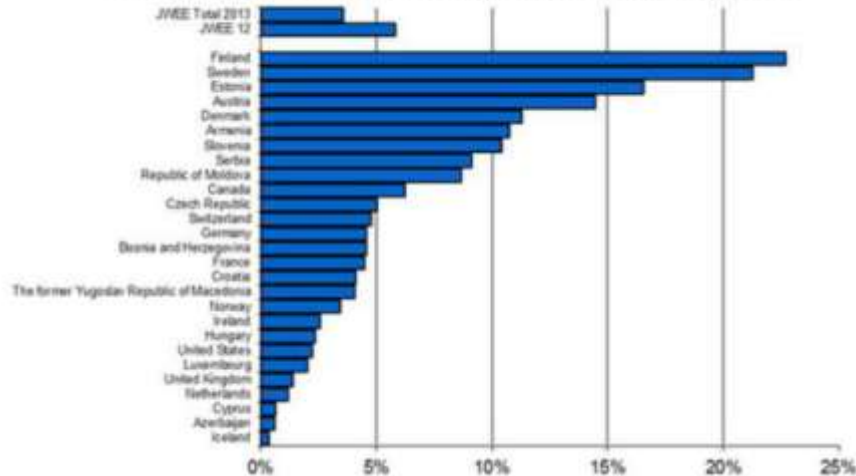


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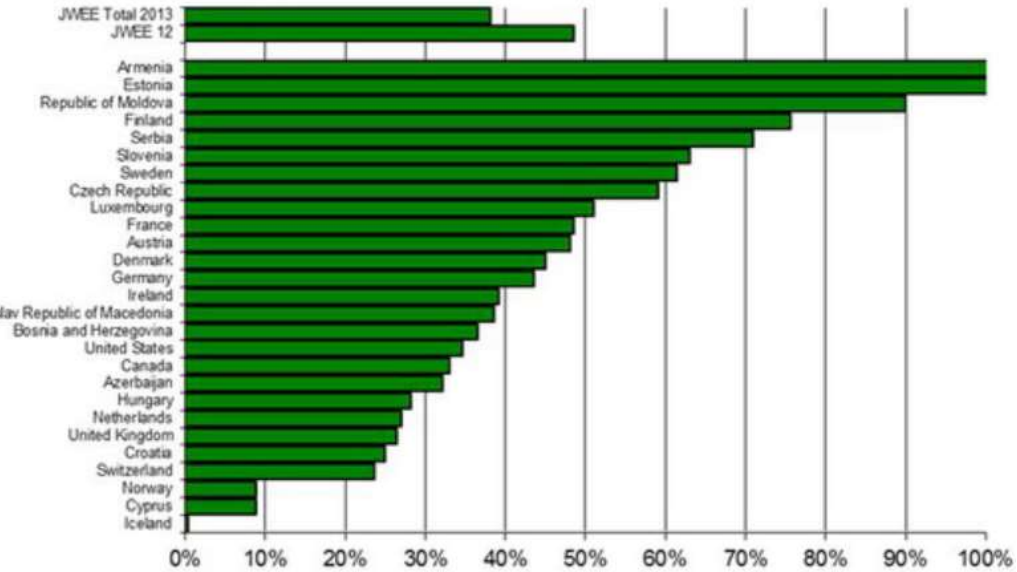
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In Finland the share of wood in renewable energy production is the biggest in EU

Share of woody biomass in total primary energy supply 2013



Share of woody biomass in renewable energy situation, 2013



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Nature biodiversity and climate policy must be taken more and more seriously into consideration in forest management



Climate action?



Or Brussels horror?

The Overhaul of Forest Legislation

- Reform of the Forest Act, 1st of January 2014
- Reform of the Forest Management Association Act 2014-2015
- Forest Damages Act 1st of January 2014
- Timber Measurement Act 1st of July 2013 and 1st of January 2014
- The Act on the Placing on the Market of Timber and Timber Products
- Reform of forest administration:
 - Finnish Forestry Centre 2012-
 - Forestry Development Centre Tapio 2014 -> limited market-driven company
 - Metsähallitus - State enterprise 2015; forestry business unit incorporated
- Act on the Financing of Sustainable Forestry 2014
- Act on the Natural Resources Institute Finland, 2015
- Forest gift deduction and entrepreneur deduction for forest owners, 2017
- **Aim of the overhaul is to increase forest owners' freedom of choice, by creating more balanced competitive conditions for players offering forest services, and by increasing market guidance.**
- **Aim of the forest policy has been to increase Finland's attractiveness as a country for forest bioeconomy's investments**
- **A key method in the overhaul has been the reduction of detailed regulation.**
- **Function of the market has improved.**








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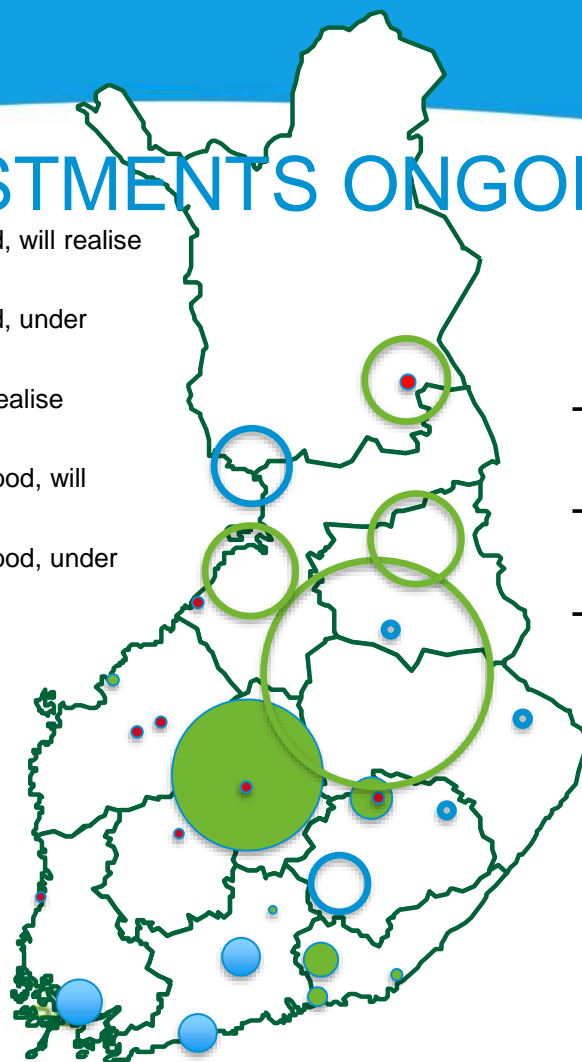




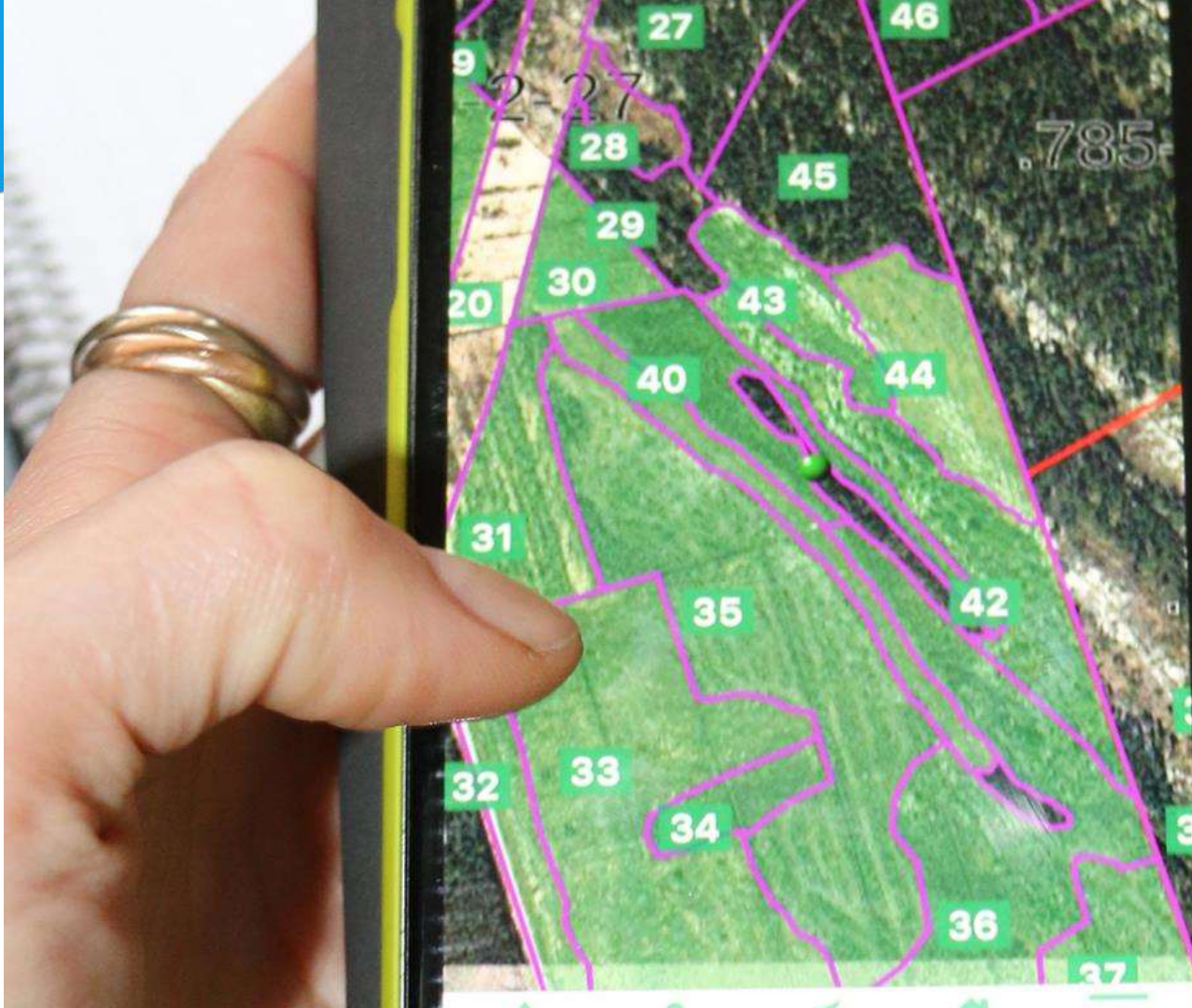
Forest bioeconomy related policy is done not only in Finland but more and more in EU

MANY INVESTMENTS ONGOING

-  Investment increasing the use of pulpwood, will realise
-  Investment increasing the use of pulpwood, under planning
-  Investment increasing the use of log, will realise
-  Investment increasing the use of energywood, will realise
-  Investment increasing the use of energywood, under planning



- There is sustainable harvesting potential
- Are there markets for end-products?
- Infrastructure require heavy investments



**Forest
management
electronically
e.g.
electronic
roundwood
marketplace**



”Bioeconomy promotes use of wood”

THANK YOU FOR YOUR ATTENTION

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