

## A1 Storyline

### Forestry Sector developments

Forest functions are clearly spatially separated. The free trade of goods leads to cheap wood raw material (and commodities) being imported from outside Europe, and thus to less harvesting from European forests. The rate of gain in market share by the wood based construction industry has slowed to almost 0% per annum. Since there is less focus on environmental issues and less pressure on wood prices, the recycling rate of paper products is not increasing above today's values.

The A1 storyline and scenario family describes a future world of very rapid economic growth, global population that peaks in midcentury and declines thereafter, and the rapid introduction of new and more efficient technologies. Major underlying themes are convergence among regions, capacity building, and increased cultural and social interactions, with a substantial reduction in regional differences in per capita income. In general public awareness concerning environmental issues is low. (IPCC SRES)

### Forest resource and forestry to Industry

The forest owners remain in a difficult financial position with reduced supply potential and markets dominated by imports. Where the forestry industry survives, it invests a lot in technological innovation, mainly with the aim to increase cost efficiency. The cheap woody raw material is being imported from plantations in tropical countries, Russia etc. This leads to little investment in forest management and low harvesting levels in Europe. However, the hardwood sector (and forest owners) is doing relatively well because specific high quality assortments are

very expensive and because high quality tropical hardwood resources are getting depleted.

### Processing and manufacturing

Most of the heavy industries will move to Eastern Europe and the developing world where wages are still lower. However, in Western-Europe there are high levels of technical development, innovation and education with high rates of investment. Production will focus on a wider range of products and more on high-tech value added niche markets.



### Industry to consumer

The paper industry has seen mergers into fewer and larger global multinationals and profits from the availability of a cheap woody fibre resource. The bulk of the paper, however, will be produced further away outside Europe, but transport costs are relatively low. The European paper industry focuses on innovative value added products. Industries meet consumers' needs regarding type and quality of paper and size of product. The basis weight of the paper used in printing, publishing as well packaging sectors is half of that of today. The performance requirements of the printing technology have increased. Increasing education standards in the South will cause a growth in paper consumption of approximately 70% as a result of the necessary production of educational material. There is an increase in packaging demand associated with this increase in smaller households and increased transportation of goods.