

2010

2015

2020

2025

2030

SRA

Forest-Based Sector
Technology Platform



On the Way to Transforming the European Paper Industry

Carl Björnberg



The European Paper Industries

- 850 companies
- 1,244 mills
- 74 bio EUR
- 275,000 jobs
- 1.8 million indirect jobs (excl. distribution)
- 60% of direct & indirect jobs in rural areas

25 billion € value added to EU GDP

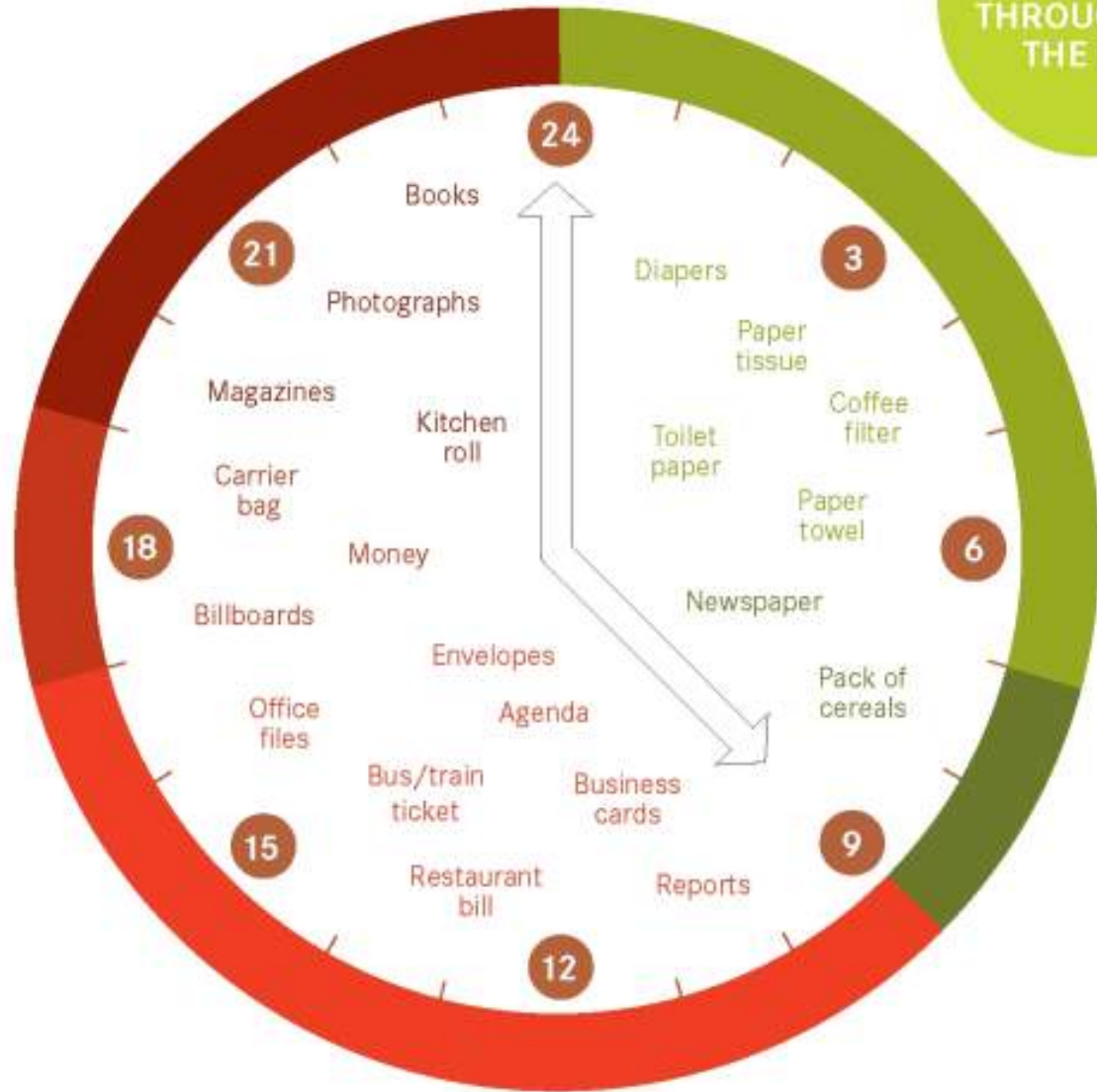


A unique raw material



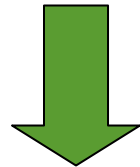
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THE USE OF PAPER THROUGHOUT THE DAY



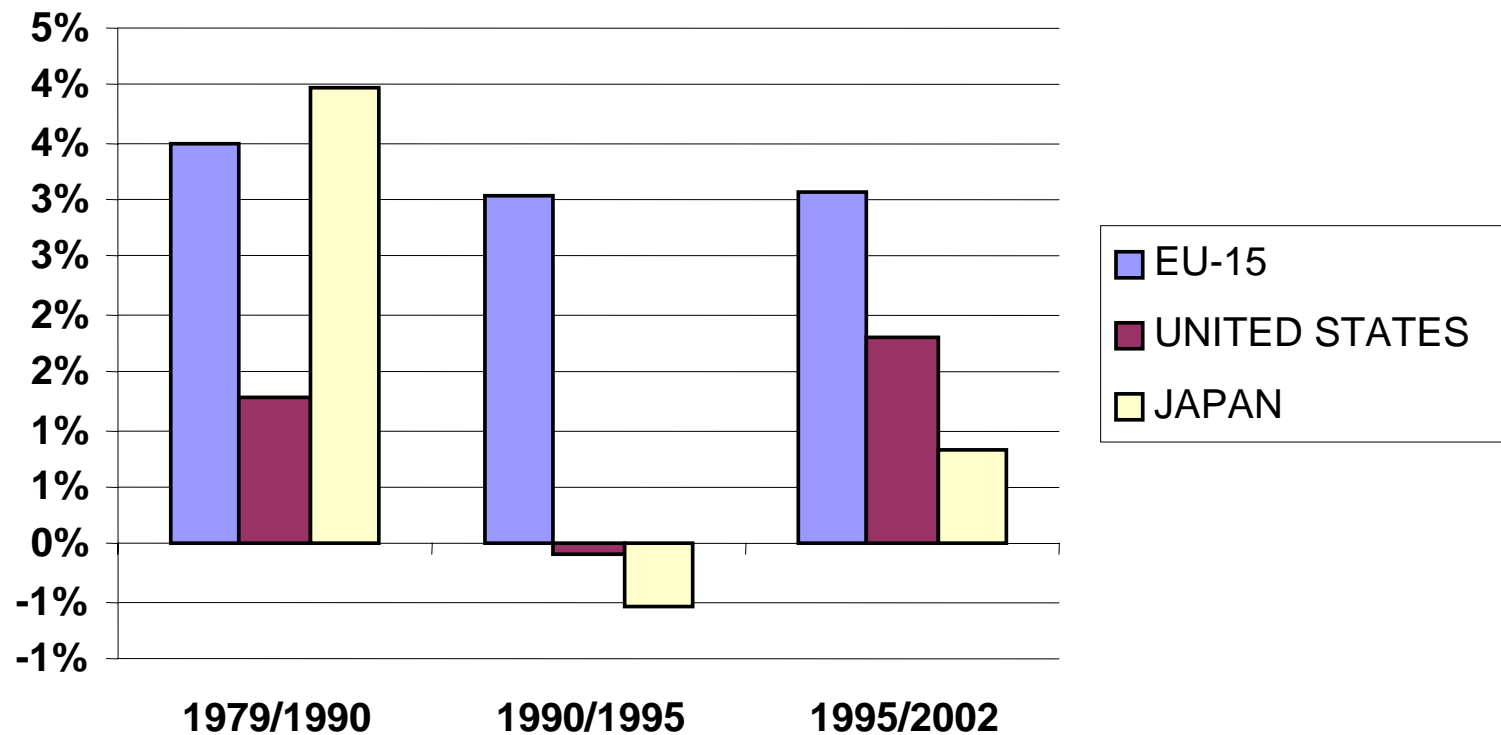
Today

- ▶ Emerging countries supplying paper to the world
- ▶ With lower production costs
- ▶ New society requirements: climate change, saving resources, etc
- ▶ Shift in energy sources: wood for energy
- ▶ Strong competition from IT and other materials



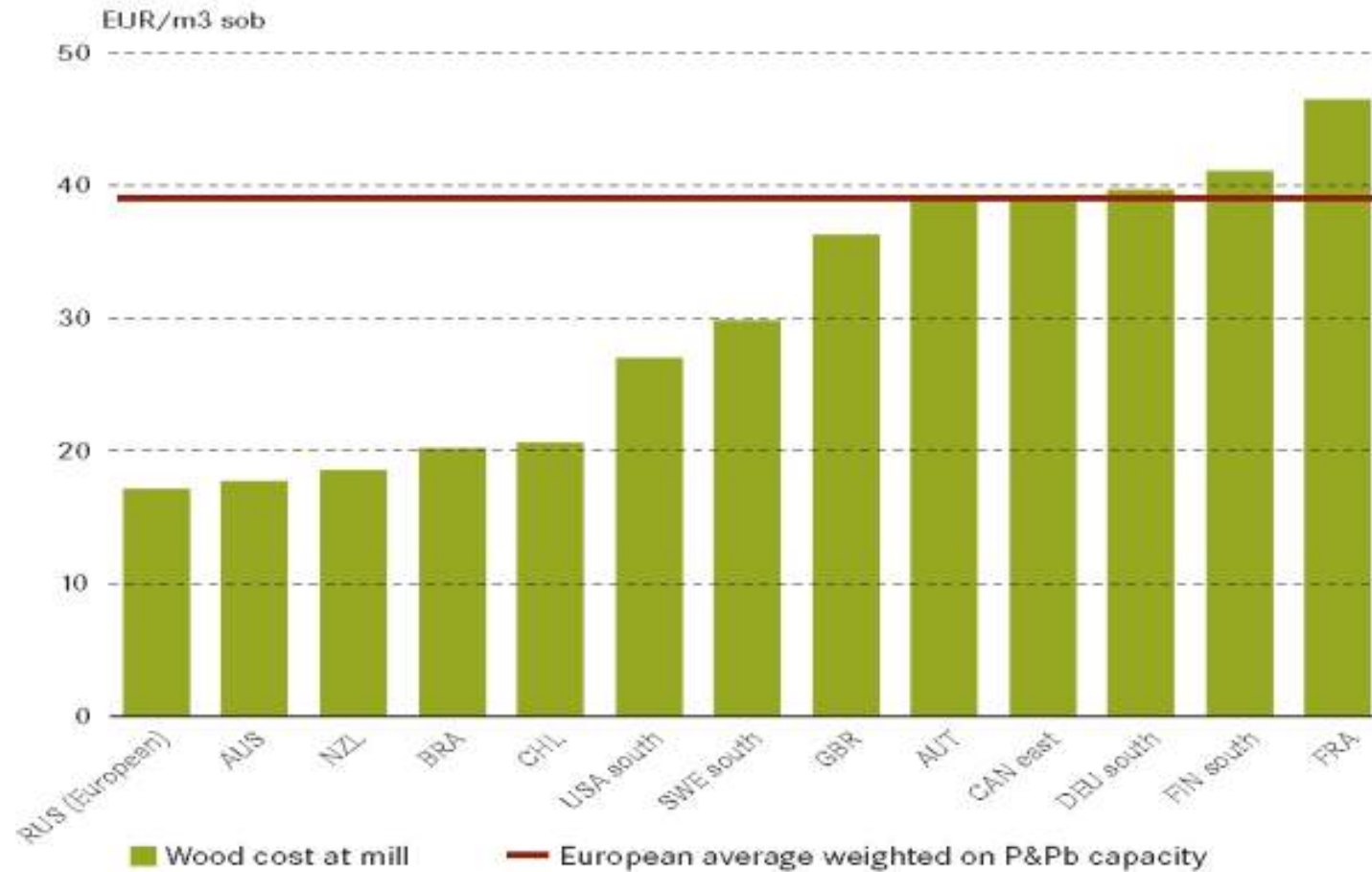
Globalization is here to stay

Pulp, paper & paper products Annual labour productivity growth per hour worked



Source: Groningen Growth and Development Center

Price of Softwood Pulpwood¹ in Europe and in Main Competing Countries (2005)



Source: Jaakko Pöyry Consulting

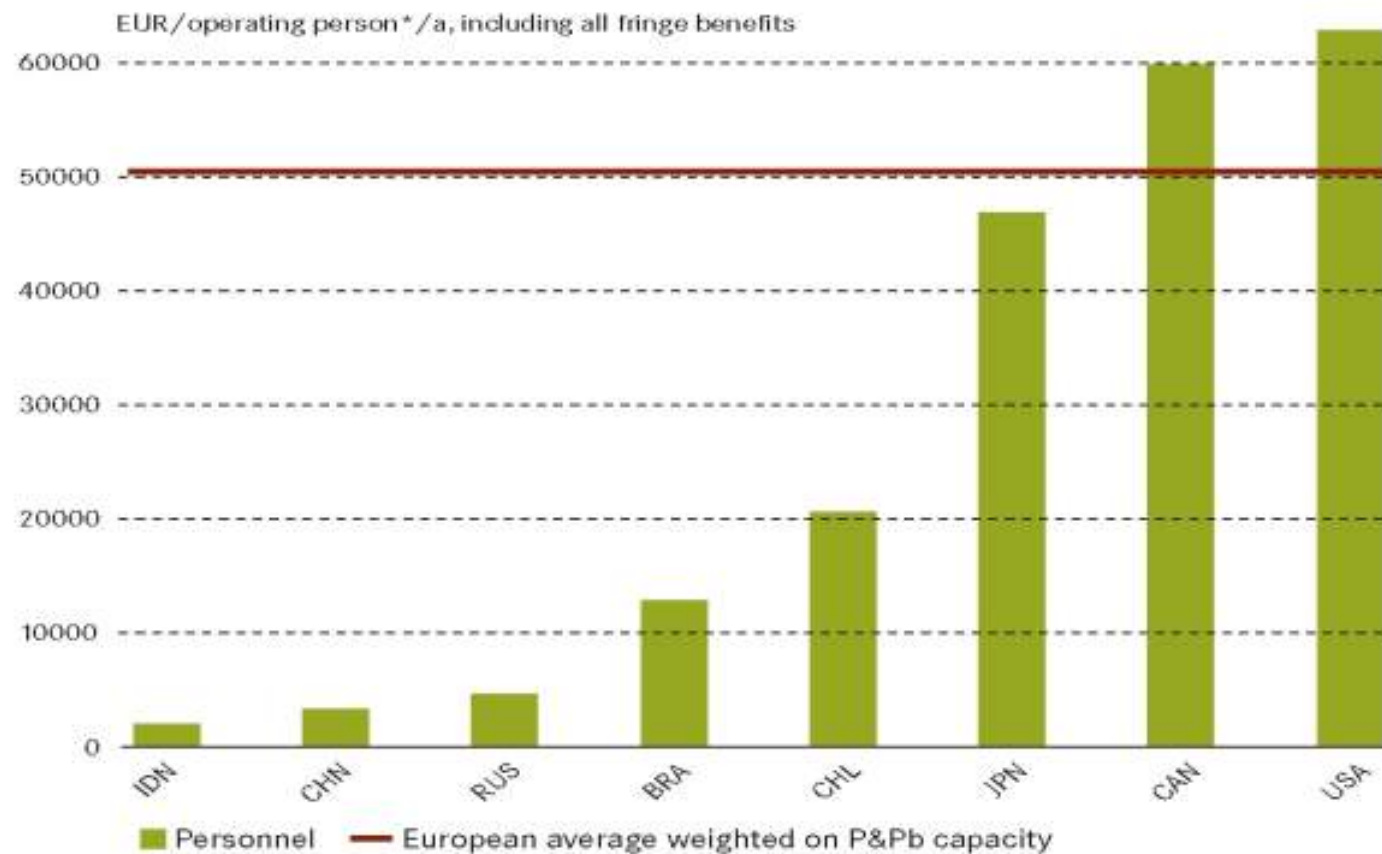
Example of Energy Costs Facing New Investment in Europe



Average 2004: 28.5 €/MWh Average 2005: 46.0 €/MWh Diff 05/04: +61 %

Source: EEX Jan 06

Labour Costs** in Europe and in Main Competing Countries (2005)



* Operating person is a person, who has an official valid contract of employment with a paper or a pulp company

** Labour cost is the part of the cost of a product that is attributable to wages (including all fringe benefits)

Source: Jaakko Pöyry Consulting

Tomorrow

**As part of the European forest-based sector
the European paper industry plays a
key role in a sustainable society**

**It comprises a competitive, knowledge-based industry that
fosters extended use of renewable forest resources**

**It strives to ensure societal contribution in
the context of a bio-based, customer-driven
and globally competitive
European economy**

Strategic Research Agenda

- ▶ Provides a shared vision to the future
- ▶ Pulls together the synergies between forests, wood and paper
- ▶ Involves our top people
- ▶ Has invested 3.5 million men/hour
- ▶ Generating over 700 research projects



The FTP is here to stay

The European Paper Industry



The example of how
competitiveness and sustainability
go and in hand

How we will get there

- ▶ Listening to society through our markets and stakeholders
- ▶ Reinforcing the innovation mindset and systems in our industry
- ▶ Engaging the CEPI Research Group
- ▶ Harnessing the potential of new technologies
- ▶ Partnership with other technology platforms
- ▶ Mobilising funds



Building on our strengths

How we will get there

- ▶ Connecting people – connecting paper and hyperlinks
- ▶ Delivering intelligent services through packaging
- ▶ Realise the potential of our mills as biorefineries
- ▶ Doing more with less
- ▶ Advancing personal values: hygiene, health care, environmental protection
- ▶ Matching customers performance needs: niche production, efficient logistics



Leadership

Excellence in Human Resources



The Myllykoski POM Case

Increased profitability and sustainability with flexible paper production

- ▶ Flexible production planning
- ▶ Reduction of delivery times
- ▶ Reduced energy consumption

Increased profitability with flexible paper production

- ▶ Increased production efficiency by 2 %
- ▶ Reduced change-over losses by more than 50 %
- ▶ Reduced electrical Energy consumption by 200 kW
- ▶ Reduced system volume by 85 %
- ▶ Doubled PM system cleaning interval

The Myllykoski Case

EU contribution

- ▶ 1,0 Mio €
- ▶ Total project costs 3,0 Mio €

Cooperation partners

- ▶ POM Technology
- ▶ HUT

SRA

Towards Leadership

