

# WHERE ARE YOU HEADED, EU?

## THE FINNISH FOREST INDUSTRY'S VIEWS ON THE FUTURE OF THE EUROPEAN UNION

**Europe is currently engaged in an important discussion about the future of the European Union.** The objective is to develop a shared vision about the EU's future that will result in economic growth, business success, and the wellbeing of Europeans. Here, the Finnish forest industry presents its central views about the future of the EU and about Finland's role in the EU. The Finnish forest industry's objective is an EU and a Finland that both make possible a future based on recyclable products manufactured from renewable and sustainably produced natural resources.

**Forest industry companies operate in a global competitive environment and success in the markets requires that their operating environment in the EU is internationally competitive.** The EU must reinforce companies' opportunities for success in Europe, ensure that operating conditions are internationally equal, and safeguard open markets. An effective and united EU is a strong global economic player that influences global development and enables companies to benefit from it.

**The only way to build the future in a sustainable way is through production, jobs, and economic growth.** The EU must have a competitive and stable operating environment, with predictable regulation, which encourages companies to invest, grow and develop in Europe. Decision making must be based on economic sustainability and on improving companies' cost competitiveness.

**The EU aims to meet Europeans' expectations also in social matters.** The EU must encourage Member States to make structural changes that support economic growth and employment. Only by creating the conditions for economic growth and employment can the EU's social dimension be deepened. This must happen in the framework of the EU's current powers, using existing tools to support necessary decision making in Member States. EU-level regulation regarding jobs or social affairs must not be increased.

**In the development of the economic and monetary union, the EU must more effectively encourage Member States towards sustainable management of public finances.** This must primarily be achieved via existing tools. The EU must not introduce a permanent redistributive mechanism that would not encourage Member States to make the necessary reforms.

**We recognise our responsibility in developing the EU and the future by defining the objectives that EU countries can promote most effectively together.** As the EU changes, Finland, too, must reassess its actions. Finland succeeds by being an active, decisive, and constructive seeker of solutions. Finland must have a positive approach to integration, work broadly with its EU partners, and highlight the concrete advantages of the EU in Finland. In this way it can build trust capital, which it can correspondingly use to promote its own, nationally significant, objectives in the EU.

**The Finnish forest industry's vision of the future is based on products manufactured from renewable, recyclable, and sustainably produced natural resources.** The availability of the renewable raw material used by the forest industry must be secured. EU decisions must allow for the sustainable and growing use of forests and they must take into account Member States' special features. In this way, the EU creates the prerequisites for the increasing production of climate-friendly and recyclable products. The EU must do its part in securing the supply of virgin raw material as part of the developing circular economy as well as in ensuring the prerequisites for international raw material supply. The influence of national forest policies on the EU's environmental, climate, and energy policy decision making must be increased.

**The competitiveness of industry must be made a part of the EU's decision making alongside environmental matters.** EU decisions must implement policies that target growth and encourage industry to invest, innovate, and establish modern industrial production in Europe. EU decision making must include comprehensive sustainability assessments. Economic realities must be taken into account when responding to climate and environmental challenges. In international competition, the EU must not give its rivals a head start. The impact assessments of regulatory projects must be improved and regulation must avoid excessive detail. Finland can maintain its position as a leading global forest industry innovation and production environment if the profitability of industry is safeguarded.

**Open markets and equal operating conditions for companies, globally and within the EU, must be kept at the heart of EU action.** EU decisions must promote international trade and economic co-operation. The four internal market freedoms that ensure the free movement of goods, persons, services, and capital must be adhered to and the divergent development of EU countries must not be allowed to fracture the internal market. The EU must open up new international markets via trade agreements that have enabling trade as their main objective. Comprehensive and mutually beneficial multilateral agreements should be prioritised.

**The EU must show strategic leadership in developing the global economy and must secure an international level playing field for companies.** This creates the opportunities for success for the EU and Finland in the global competition.