


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">2000/2159(COS)</a>	Procedure completed
Forest-based and related industries: state of competitiveness		
Subject 3.40.07 Building industry 3.40.14 Industrial competitiveness		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy		12/07/2000
		GUE/NGL <a href="#">SEPPÄNEN Esko</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
Council of the European Union European Commission	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>ENVI</b> Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.	
	<b>AGRI</b> Agriculture and Rural Development		11/07/2000
		ELDR <a href="#">PESÄLÄ Mikko</a>	
	Commission DG	Commissioner	
	<a href="#">Internal Market, Industry, Entrepreneurship and SMEs</a>		

Key events			
05/10/1999	Non-legislative basic document published	COM(1999)0457	Summary
03/07/2000	Committee referral announced in Parliament		
05/12/2000	Vote in committee		Summary
05/12/2000	Committee report tabled for plenary	<a href="#">A5-0384/2000</a>	
18/01/2001	Debate in Parliament		
18/01/2001	Decision by Parliament	<a href="#">T5-0035/2001</a>	Summary
18/01/2001	End of procedure in Parliament		
18/09/2001	Final act published in Official Journal		

Technical information
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Procedure reference	2000/2159(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/12140

#### Documentation gateway

Non-legislative basic document		COM(1999)0457	05/10/1999	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0384/2000</a>	05/12/2000	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0035/2001</a> <a href="#">OJ C 262 18.09.2001, p. 0179-0252</a>	18/01/2001	EP	Summary

## Forest-based and related industries: state of competitiveness

**PURPOSE** : to propose a series of measures that main sector players should adopt or continue, with a view to reinforcing global and sustainable competition in the Union's forest and forest-based industries. **CONTENT** : in the Communication, the Commission recognises the importance of forest and forest-based industries - which at present make up one of the biggest industrial sectors in the European Union - and of the role they play in sustainable development within the Union thanks to their social and economic weight, the high level of employment, and their particular environmental characteristics. Even if these industries generally maintain a good competitive position in comparison with their main partners/competitors, they have however been faced with several major challenges (in particular, market globalisation, technology, environmental sensitivity, the competition of other material and supports) which pose a threat to future competition and sustainability. The Communication outlines the main socio-economic characteristics of the forest industry in the European Union and analyses the main factors influencing competitiveness in relation to the main international competitors. It also highlights the main challenges facing forest and forest-based industries and areas where measures could contribute to its sustainable development taking into consideration its economic competitiveness, the environment, employment and the social well-being. In order to efficiently promote these measures, the Commission, proposes to create a forum, made up of sector representatives, Commission services and interested parties (forest owners, unions, Environmental Protection NGOs, scientific world) as well as national experts and Members of the European Parliament. Its aim should be to: complete the analysis of competitive factors; make an inventory of the main challenges facing the forest industry; lead to a debate and find agreements on concrete measures to be launched and to be continued; monitor their implementation and ensure regular up-dates on measures taken. In addition, the Commission proposes to reunite the forum in a plenary meeting, in collaboration with the Presidency and the high level industrial groups. ?

## Forest-based and related industries: state of competitiveness

The committee adopted the report by Esko SEPPÄNEN (EUL/NGL, FIN) on the Commission communication. The report welcomed the broader (as opposed to merely sectoral) approach taken by the Commission, which indicated a new thinking on industrial policy. It stressed the importance of the forest-based industry as a potential model sector in the field of sustainable development, pointing out that it contributed effectively to the binding of carbon in forests and wood products. It also noted that the EU's forest strategy must be based on the recognition of the diversity of European forests. The committee pointed out that there were a large number of small businesses in the forest-based and related sectors, which provided employment in rural areas in particular. The Commission was urged to improve internal coordination when dealing with matters relating to the forest sector and to provide R&D funding for forestry projects, especially into new ways of using forest raw materials (for example, for medical purposes) and new ways of using wood as a renewable and environmentally-friendly resource and material. The use of wood as a construction material should be encouraged. The committee also highlighted the need to improve waste management through more recycling of paper. Other points raised in the report included the need for effective action to combat environmental and social dumping with regard to timber imports and the need to bear in mind that the applicant countries had a great deal of potential in the timber-processing and related industries. In this context, the committee pointed out that any EU aid must avoid creating distortions of competition in this sector and that the EU would have to take account of the social costs of the relocation of business to those countries.?

## Forest-based and related industries: state of competitiveness

The European Parliament adopted, with only a few amendments, the report by Mr Esko SEPPÄNEN (EUL/NGL, Fin) which takes a broad-based approach to ways for forestry and related industries to cope with globalisation and the need to observe higher environmental standards. The Parliament stresses that the forest-based industry can and should become a model sector in the field of sustainable development because its activities are based on renewable natural resources. The Commission is urged to strengthen its internal coordination in dealing with matters relating to the forestry sector without delay. Coordination and coherence within the sectoral Community policies having an impact on the forestry sector should be strengthened also. The Parliament recommends that, on the whole, the Community should work

towards ensuring that the United Nations Forum on Forests (UNFF) is launched as soon as possible and works efficiently to ensure that global minimum criteria for sustainable forests management are established, in order to prevent actors within competing regions from taking unfair advantage of inferior standards. The Commission is also encouraged to examine the possibility of supporting EU and Member States' research projects which aim to use forest raw materials in a variety of new ways, in particular in the production of extremely valuable raw materials, e.g. for medical purposes. Moreover, resources should be allocated to research into new ways of using wood as a renewable and environmentally friendly resource and material. The Community is called upon, in its negotiations at global level and in its own policy-making, to pay attention to the significant role of forests and wooden products in binding and storing carbon. Therefore, it urges the Community to promote sustainable forest management in the negotiations on the implementation of the Kyoto Protocol. With regard to Central and Eastern Europe, countries applying for EU membership must develop sustainable forestry and forest-based industries and that any EU aid must not lead to a distortion in the conditions of competition in forestry and the timber market. The Parliament considers the applicant countries have a great deal of potential in the timber-processing and related industries. Lastly, it was suggested by the MEPs that peat industries should also be included in the Forest Industries Cluster (FIC) as peatlands are afforested to produce timber. Other sectors included in the FIC are woodworking, pulp and paper production, paper and board pressing, packaging and, for the time being, printing and publishing.?