Global Forest Products Industry CEOs call for a level playing field to reboot global economy

London – 28 May 2009

Global leaders of the forest products industry meeting today in London sounded a warning that governments efforts to offset the environment challenges and economic crisis facing the world today may have the perverse impact of exacerbating the problems. Government subsidies risk creating deep distortions in competition and inhibiting investment flows needed for rebooting the economy. Protectionism and a focus on regional economy will lead to reducing global trade and may deepen the current crisis. Magnus Hall, CEO of Holmen and Chairman of the meeting, reflecting the consensus among global CEOs:

« whilst needed in the short run to face the urgency of the current crisis, the shift to a political economy based on governments' intervention might have the perverse effect of unlevelling the playing field and fuelling protectionism »

Looking to the longer term, CEOs were optimistic that the industry will adapt. At a moment when people of all nations are questioning the economic and environmental direction of the global business model, 20 CEOs from the forest industries of 12 countries called for innovation in business models to adapt to changing environments. The forest products industry model may hold the answer to many of the questions facing humanity. Increasingly, markets are demanding products that respect nature, while meeting human needs and earth’s carrying capacity. Only industries that live within nature’s cycles will prosper in the future.

The participants pointed to a set of lessons that emerge from the forest industry model:
- sustainable production contributes to prosperity in rural areas
- economic activities that are based on sustainable forest management will mitigate deforestation and forest degradation
- industrial processes that rely on nature’s carbon cycle will help reduce greenhouse gases emissions
- use of renewable materials that are recyclable and return to nature will meet society’s needs within nature’s carrying capacity

The CEOs noted that the forest sector itself has not yet reached its full potential in terms of providing a model of sustainable production and consumption but also felt confident that the future of all industrial production will need to be based on the models that are evolving in their industry.

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