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Fresh information on the state of the Finnish environment and on environmental protection expenditure in Finland

In 2004, 2.5 per cent of Finnish government expenditure, €940 million, will be channelled directly to environmental protection. Government environmental expenditure in 2003 amounted to €889 million, corresponding to 2.5 per cent of the State budget. Moreover, in 2002, the local authorities spent €608 million on environmental expenditure, and according to the most recent figures, Finnish industry devoted €498 million to environmental protection in 1999.

The main problems as regards the Finnish environment are pollutants from old emissions and discharges which have accumulated over decades, together with over use of natural resources. Forecasted increases especially in the use of natural resources and in total consumption in traffic and energy will also add to damage to the environment. Additional steps should be taken to curb nitrogen emissions, the diffuse load on surface waters, and emissions causing ozone formation in lower atmospheric strata. In Finland, agriculture remains the major polluter of waters, although European Union environmental aid has contributed to lessening this load. A decrease in, or stabilisation of, other domestic discharges and emissions also requires steps to be taken.

On the other hand, Finland has taken good account of the goals of sustainable development in environmental protection. This was stated in January 2002 by the World Economic Forum; its Environmental Sustainability Index (ESI) indicates that Finland has made the best progress towards sustainable development.

These are samples of the information to be found in the Finnish overview "Luonnonvarat ja ympäristö" (Finland's Natural Resources and the Environment 2003) published today. It is a compilation of the most recent data about the state of the Finnish environment and economy. Trends in various economic sectors are studied from an environmental viewpoint with the aim of presenting topical information in a condensed form for use by decision-makers, information media and other interested parties.

Increased expenditure for nature conservation

Environmental expenditure has increased under nearly all subheadings (see table 1). The budget bill for 2004 proposes an increase in environmental support for agriculture by €6 million to €312 million. Half of this is financed by the European Union.

The 2004 budget bill appropriates about €69 million for nature conservation. This is €12 million more than this year. Expenditure on environmental protection will also increase next year by €5 million, to a total of €59 million. In the traffic sector, environmental expenditure will increase considerably both this year and in 2004 because of environmental work on the railway shortcut between Helsinki and Lahti.

Table 1. State expenditure on environmental protection 2000-2004

Government environmental expenditure (EUR million)					
	2000	2001	2002	2003 ¹	2004 ²
Environmental administration	92	98	102	108	111
Development co-operation	49	83	81
Co-operation with neighbouring areas	10	10	13	10	10
Nordic Environment Finance Corporation	1	1	1	1	1
Research and development ¹	158	154	157	156	159
Environmental NGOs	1	1	1	1	1
Environmental protection	37	37	40	54	59
Nature conservation	75	63	59	57	69
Promotion of energy savings	3	3	6	25	25
Renewable energy investment support	20	17	28	24	24
Energy repairs on dwellings	-	-	-	15	15
Environmental protection in the traffic sector ¹	37	39	49	126	146
Manure pit investment support	1	5	2	2	2
Environmental support for agriculture	276	282	284	306	312
Environmental support for forest management	4	4	4	4	6
Total	764	797	827	889	940

¹ = estimate, ² = forecast, .. = data not available, - = not in use

Proceeds from environmental and energy taxation are increasing

Environment-related taxes and charges will, according to the budget bill, accumulate to well over €4.6 billion in 2004 (see table 2). This corresponds to 12.4 per cent of the sum total of the budget. The estimated environmental tax revenue in 2003 will increase by €310 million. Tax revenue will increase because the accumulation from energy- and car-related taxes is increasing, in spite of the fact that the car tax basis diminishes. Most environment-related taxes refer to energy use. Next year, energy taxes will amount to 65 per cent of the total. Other major taxes include car tax, annual vehicle tax ("user charge") and diesel tax.

Table 2. Environment-related taxes and charges in 2000-2004

Environment-related state taxes and charges (EUR million)					
	2000	2001	2002	2003	2004
	A	A	A	B	BP
Alcoholic beverage surtax	12	12	18	18	18
Soft drink surtax	1	1	2	2	2
Pesticide charge	2	2	2	2	2
Energy taxes	2 596	2 652	2 756	2 900	2 990
Waste oil charge	3	3	4	3	3
Car tax	1 059	922	1 023	850	1 020
Water protection charge	1	0	0	0	0
Oil pollution control charge	5	5	6	9	9
Vehicle tax	220	227	237	247	285
Motor vehicle tax	181	208	209	218	228
Waste tax	33	31	32	47	49
Total	4 113	4 063	4 289	4 296	4 606

A = Balance sheet, B = Budget, BP = Budget proposal



Finland's emissions of greenhouse gases exceed Kyoto reduction goals

The total emissions of greenhouse gases from Finland amounted to 80.8 million tonnes in 2001, which is almost four million tonnes more than in 1990, the base year for the Kyoto Protocol. The main reasons were increased energy consumption, less waterpower generation in the Nordic countries, and the use of coal and peat to satisfy increased electricity demand.

According to advance information, Finland's emissions of sulphur dioxide increased by three thousand tonnes compared with 2002. On the other hand, nitrogen emissions went down by two thousand tonnes. In Finland, the relation between sulphur dioxide emissions per GDP is about one-third smaller than the average for European OECD countries. Of acid deposits in Finland, the bulk comes in the form of transboundary air pollution. Of the sulphur dioxide deposits only 17 per cent, and of the nitrogen dioxide deposits, 29 per cent, emanate from domestic sources.

Finland's Natural Resources and the Environment has been published since 1994 in connection with the state budget bill for the following year. Responsibility for the compilation lies with the Ministry of the Environment together with the Ministry of Finance, the Ministry of Trade and Industry, the Ministry of Agriculture and Forestry, the Ministry of Communications, Statistics Finland and the Finnish Environment Institute. The working group responsible for the compilation was headed by Mr. Markku Nurmi, Director General at the Ministry of the Environment.

Source: *Finland's Natural Resources and the Environment 2003. Ministry of the Environment and Statistics Finland*

Further information on the Internet at: http://www.stat.fi/tk/tt/lymparisto_en.html