

Press Release by the Finnish National Contact Point

Metsä-Botnia Has Complied with the OECD Guidelines in Uruguay
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The Ministry of Trade and Industry's decision on Botnia S.A./Metsä-Botnia Oy's pulp mill project:

Based on its decision issued on 21 December 2006, Finland's National Contact Point (Ministry of Trade and Industry) states that Botnia S.A./Metsä-Botnia Oy has complied with the OECD Guidelines for Multinational Enterprises with respect to its pulp mill project in Uruguay. Therefore, a Specific Instance submitted in April 2006 by the Center for Human Rights and Environment (CEDHA), an Argentinian non-governmental organisation, will not lead to subsequent measures in Finland.

In its Specific Instance, CEDHA stated that the pulp mill project would have violated the recommendations of the OECD Guidelines, especially with respect to environmental impact assessment procedures and communication.

Due to its large size, Botnia S.A.'s pulp mill project has various implications for the local community. The project complies with stringent international criteria set for environmental impact assessment and makes use, for example, of the best possible technology available. With only minor detrimental effects on society, the project will provide substantial economic benefits. Although these benefits will mainly materialise in Uruguay, a significant share of them could also flow to Argentina if private individuals and companies in Argentina had the opportunity to capitalise on the pulp mill project. This would require Argentina to lift bridge blockades and roadblocks.

The Ministry of Trade and Industry takes the view that companies must exercise extra care in investment projects involving political risks and risks pertaining to international law. However, it is primarily the duty of the investment host country – Uruguay in this particular case – to take political aspects into consideration. The Uruguayan Government has not impugned Botnia's pulp mill investment in any respects but, on the contrary, has supported its implementation and the resulting benefits.

Botnia S.A./Metsä-Botnia Oy is committed to the promotion of sustainable development throughout its business operations, the principle of continuous improvement and responsible business conduct. Furthermore, it has announced that it endorses the Principles of the United Nations' Global Compact. Although Botnia's code of conduct is general in nature in comparison with the OECD Guidelines, it corresponds to these in terms of its extent. This will also ensure that Botnia S.A. adheres to a generally acceptable and internationally comparable code of conduct when proceeding with the implementation of its Uruguayan project.

Although the company's communication in Argentina could have been more effective, in hindsight it is clear that conveying information in the country was chiefly impeded by measures taken on the Argentinian side.

Further information

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