Canada's Forest Products Industry: A Vital Partner in Today's Global Bio-Economy

The newly formed Bio-Pathways Partnership Network, facilitated by FPAC and led by industry, provides a forum for member companies to meet, partner on initiatives of common benefit, and exchange knowledge and contacts.

To learn more visit:
fpac.ca/bio-pathways-partnership

@BioPathPartner

Bio-pathways Partnership Network

Forest Products Association of Canada
fpac.ca

@FPAC_APFC

Forest Products Association of Canada

YESTERDAY'S WASTE STREAM: TOMORROW'S REVENUE STREAM

There is more to Canada's forest products industry than wood, pulp, and paper. Years of intensive R&D have resulted in technologies that can transform wood fibre into bio-energy to heat homes and operate vehicles; bio-chemicals for solvents, renewable plastics and cosmetics; and bio-materials such as "intelligent" paper and engineered wood products. In fact, Canadian wood fibre is now being used in the development of such diverse applications as pharmaceuticals and aerospace.

Canada's forest products industry can deliver the bio-energy, bio-chemicals, and bio-materials that the world increasingly needs. It is able to do this through a vast supply of natural resources, the integration of traditional mills with state-of-the-art technology, an existing infrastructure that includes an established supply chain and transportation network, and a record for environmental stewardship.

THE BIO-REVOLUTION: TRANSFORMATION THROUGH INNOVATION

The combination of sustainable forest biomass and leading knowledge is fuelling a transformation that will serve the needs of wider markets, broader applications, and lucrative business opportunities. The market potential of this transformation, supported by Canada's world-class universities and academics, is estimated at $200 billion by 2015.

CANADA'S FORESTRY SECTOR: FAST FACTS

- More than 2.5 million square kilometres of timber-productive forests.
- One of the world's largest suppliers of forest products, with total worldwide exports exceeding $26 billion and a trade surplus of $16.6 billion—second only to oil and gas.
- Forestry sector revenues exceeded $57 billion in 2010 —12 percent of Canada's manufacturing GDP.
- Directly employs nearly 250,000 Canadians.

FPInnovations, the world's largest private, not-for-profit forest research institute, has been supporting this transformation by working to optimize the forest sector value chain, and strengthening Canada's global competitiveness through research, knowledge transfer and implementation.

In May 2010, FPAC members, along with nine leading environmental organizations, signed the Canadian Boreal Forest Agreement, which covers more than 72 million hectares of public forests, and is the largest conservation agreement the world has ever seen.

RENEWABLE RESOURCES FROM A TRUSTED SOURCE

Canada's well-managed forest resources provide the foundation for a dynamic forest products industry that is well positioned to gain major benefits from the bio-revolution. Our vast supply of fibre from the waste streams of conventional forest product processes, for example, is in excess of 80 million tonnes. In terms of renewable fuels alone, this represents up to one third of the current U.S. mandate for renewable energy sources. While not the lowest-cost source of renewable energy, it is significantly cheaper than solar, marine, and offshore wind sources.

WHAT WE CAN OFFER OUR PARTNERS

Canada offers low tax rates, trade benefits, government funding, and the lowest corporate tax rates in the industrialized world. As well, by the end of 2012 Canada will be a trade-barrier-free zone on machinery and equipment, lowering the costs of plant development and refit.

A range of tax incentives are also available, for example, the Scientific Research and Experimental Development (SR&ED) tax program, which provides cash refunds and tax credits for expenditures on eligible R&D work performed in Canada. This program provides businesses in all sectors with the means to conduct R&D leading to new, improved, or technologically advanced products or processes.

The federal and provincial governments provide a variety of funding programs to encourage research and technological innovation that enables the industry and its partners to reap the benefits of developing bio-products. Federal programs include:

- Transformative Technologies Program (TTP)
- Pulp and Paper Green Transformation Program (PPGT)
- Investment in Forest Industry Transformation Program (IFIT)
- Sustainable Development Technology Fund
- NextGen Biofuels Fund

CANADA'S ENVIRONMENTAL ADVANTAGE

Canada is seen as the world's most environmentally advanced supplier of forest products because it is committed to sustainable forest management and abides by forestry regulations and laws that are among the most stringent in the world. Members of the Forest Products Association of Canada (FPAC) adhere to strict environmental principles: harvest legally, regenerate harvested lands promptly, reduce waste, promote paper recovery and recycling, reduce greenhouse gases, and remain open to public scrutiny. All FPAC members are third-party certified under one, or more, internationally recognized standard for good forest management – Canadian Standards Association (CSA), the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification Standards (PEFC), and/or the Sustainable Forestry Initiative (SFI).

SPOTLIGHT

TEMBEC INDUSTRIES
Tembec produces engineered wood products that are increasingly popular because of their versatility, flexibility and workability versus steel and concrete.

CANADIAN FOREST PRODUCTS LIMITED (CANFOR)
Canfor, a bio-energy innovator, has installed a 50 MW biomass-fuelled turbine in Prince George, B.C., and has proposed several projects under B.C. Hydro's bio-energy initiative.

TOLKO INDUSTRIES
Tolko recently partnered with Nexterra Energy Corp. to install a multi-million dollar gasification system that annually converts 25,000 tonnes of green, bark wood residue into clean, renewable thermal energy.