

Vision 2020

Canada's Natural Advantage



Forest Products
Association of Canada
fpac.ca

By 2020, the Canadian forest products industry will power Canada's new economy by being green, innovative and open to the world. It is a place to grow and prosper. Our goals are:

PEOPLE

Renew the workforce with at least 60,000 new recruits including women, Aboriginals and immigrants.

PERFORMANCE

Deliver a further 35% improvement in sector's environmental footprint.

PRODUCTS

Generate an additional \$20 billion in economic activity from new innovations and growing markets.

PERFORMANCE

What we've done

Canada's forest products industry is widely recognized as one of the most environmentally friendly forest industries in the world. For example, Canada has more than 40% of the world's certified forests — an independent assessment that companies follow for the highest standards of sustainable forest management practices.

The Forest Products Association of Canada (FPAC) member companies embrace the following sourcing principles: harvest legally; regenerate promptly; reduce waste and recycle; reduce greenhouse gases and welcome independent scrutiny.

Less than 1% of Canada's total forest area is harvested each year, and about 650 million seedlings are planted annually to ensure regeneration.

The forest products industry has reduced greenhouse gas emissions by 60% since 1990. The pulp and paper sector in Canada now gets almost two-thirds of its energy needs from forest biomass (wood waste and pulp liquor) and in some cases is selling excess energy to the grid.

The industry has invested more than \$9 billion since 1990 in becoming more "green", and it is also working toward being carbon neutral without the purchase of carbon offset credits by 2015.

Most notably, the industry received worldwide attention when member companies of FPAC and major environmental groups signed the historic Canadian Boreal Forest Agreement (CBFA) to jointly work towards conserving the environment while protecting jobs and communities.

Where we are going

FPAC has identified twelve parameters where the industry will attempt to further reduce its environmental footprint. This includes in the areas of greenhouse gas emissions, energy and water use, recycling, forest management practices, caribou action plans, air contaminants and waste.

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PRODUCTS

What we've done

The Canadian forest products industry has consistently outperformed the general economy in terms of labour, capital, and multi-factor productivity growth. It's one of the few Canadian industries that has higher productivity than its U.S. counterpart.

FPAC led a landmark study called Bio-Pathways that looked at the economic, environmental and social potential of extracting more value from every tree. This study concluded that traditional lumber and pulp and paper mills could indeed add on the production of high value bio-energy, bio-chemicals and bio-materials, and it identified a potential global market of \$200 billion for these products by 2015.

Mills in Canada are now being revitalized and transforming themselves with the help of strategic government programs such as Investment in Forest Industry Transformation (IFIT), with many companies vying to produce world-first innovative products. FPInnovations, a unique industry/government partnership, has been in the lead in researching groundbreaking innovations, resulting for example in the world's first demonstration plant for nano-crystalline cellulose (NCC) which can be used in such varied applications as bone replacements, auto parts and cosmetics. Canadian forest companies are also in the process of producing such innovative products as rayon, methanol, and thermal energy.

FPAC has also set up the Bio-pathways Partnership Network, bringing together representatives of various sectors including chemical, plastic, energy, auto parts and others who are interested in partnering in ways to produce innovative new products from wood fibre.

FPAC is now studying how to produce more value from the lumber side of the business such as innovative construction systems for multi-storey buildings.

The forest products industry has also been aggressively tackling new markets and is now Canada's number one exporter to Asia, including China. Over the past 10 years the percentage of our exports to the United States has gone from 80% down to 62%. Canada has a trade surplus in forest products of \$17.2 billion, second only to oil and gas.

Where we are going

The challenge for companies, working with governments and other partners, is to find ways to generate an additional \$20 billion in economic activity from new innovations and new markets by 2020. FPAC member companies expect to derive more of their profits from these new products and markets with each passing year. The forest products industry is now a \$57 billion business.

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PEOPLE

Where we've been

The forest products industry is now hiring and facing a skills shortage.

The sector did face a difficult decade where mills closed and jobs were shed. However, the industry has turned the corner and there are now huge career opportunities for those with the skills, knowledge and desire to work in the sector.

A recent study by the Conference Board of Canada for the Forest Products Sector Council underscored the aging demographic in the industry and the urgent need to replace retiring workers. In addition, it said there would be a need for tens of thousands of additional workers as the industry successfully transforms itself.

Forest product companies throughout the country are looking for such employees as millwrights, industrial engineers, foresters, electricians and heavy machine operators. As companies continue to find new ways to use wood fibre, they will also need more innovators, bio-chemists, and high-tech specialists.

The industry has to compete with other sectors, especially oil and gas, that are aggressively recruiting employees with similar skill sets. This has made retention as important as initial recruitment.

The forest products industry now employs about 17,000 Aboriginal workers, making it the largest employer of First Nations individuals. The percentage of women and immigrants in the industry remains low.

Where we are going

The industry has set its goal based on the analysis done by the Conference Board for the Forest Products Sector Council. Companies will need to work with partners to develop strategies to better reach out to Aboriginal people, women and immigrants. This will include continued efforts to change perceptions about the industry and reassure prospective workers that the sector has a dynamic future that is brimming with opportunity.