

Forestry for the Future: Delivering on Canada's Bioeconomy Potential

By Robert Larocque – Senior Vice President, Forest Products Association of Canada (FPAC)

Forest products have been a lynchpin of the Canadian economy for centuries, if not millennia. Our forests have allowed for a dynamic and resilient forest industry that is a world-leader in innovation and sustainability. Thanks to a combination of Canada's rich forests, a drive to innovate and a commitment to creating a greener environment, our nation is uniquely positioned to lead the world in next generation thinking around the bioeconomy. However, without a modern, adaptive regulatory framework and policies that supports innovation and investment, the full potential for Canada to lead the world in biomaterials, biofuels and biochemicals might never be realized.

It should come as no surprise that Innovation is a critical requirement for long-term growth and success. For its part, the forest products sector has been in the business of innovation for decades – long before the potential of the bioeconomy was fully understood. Since 2008 alone, more than \$2 billion has been invested in cutting-edge science and technology that has allowed for the creation of sustainable, renewable bio-based energy and products that help in the fight against climate change.

Thanks in part to this innovation, household products like bath towels, nail polish and paints can now be manufactured by breaking wood into its component parts: cellulose, hemi-cellulose and lignin. What's more, biofuels derived from biomass (harvesting and mill residues, and demolition wood waste) can help reduce dependence on fossil fuels, cut greenhouse gas emissions and minimize environmental impacts from industrial operations.

The exciting potential made possible by biofuels is already a reality in several locations in Canada. For example, thanks to \$4 million in technological upgrades since 2014, the Mercer Peace River Pulp Mill in Alberta meets more than 90% of its on-site energy needs through biomass and renewable fuel sources, including sludges, pulping soap, non-condensable gases and turpentine. Since 2014, the mill



has produced over 300Gwh of green electricity and plans to exceed 98% bio-energy use in the near future.

In addition to biofuels and technologies that will enable everything from toothpaste to LCD screens to be made from wood products, the environmental advantages associated with building with wood products are now undeniable. Wood products require less energy to extract, process and transport; and wood buildings can require less energy to construct and even operate over time – all factors that result in fewer and lower greenhouse gas emissions.

Wood buildings also provide a unique and effective solution regarding the rising demand for green buildings. Not only does wood make beautiful and sustainable structures, it is more cost effective than other building materials and maintains proven safety and performance records against fire, seismic and wind conditions. British Columbia has already identified the green implications of wood buildings by making changes to its building code one year ahead of scheduled changes to the national building code – changes FPAC warmly welcomes.

Though industry must do the heavy lifting to create the bioeconomy of the future, governments are uniquely positioned to support innovation and market development to help spur capital investment and solidify Canada's place as the world-leader in the bioeconomy. The Canadian Council of Forest Ministers has acknowledged the important role played by governments at all three levels by publishing a Forest Bioeconomy Framework, highlighting areas of innovation collaboration and investment to further enhance the sustainability of the forest sector through research, innovation and strong, coherent public policy.

In its most recent budget, the federal government committed more than \$250M in investments to accelerate innovation, diversify export opportunities, address supply chain bottlenecks and modernize regulations. A nimble and effective regulatory system is paramount to Canada seizing its opportunity in the bioeconomy. This will require policies that are responsive to changes and enable innovation, while providing a level of certainty to industry and investors.



With all this in mind we, at FPAC, believe it is imperative that Canada's government and business leaders commit to continue to work together to leverage the forest products sector's innovations and successes to ensure Canadians can go on harnessing the full potential of this fast-evolving, future-ready industry.

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