



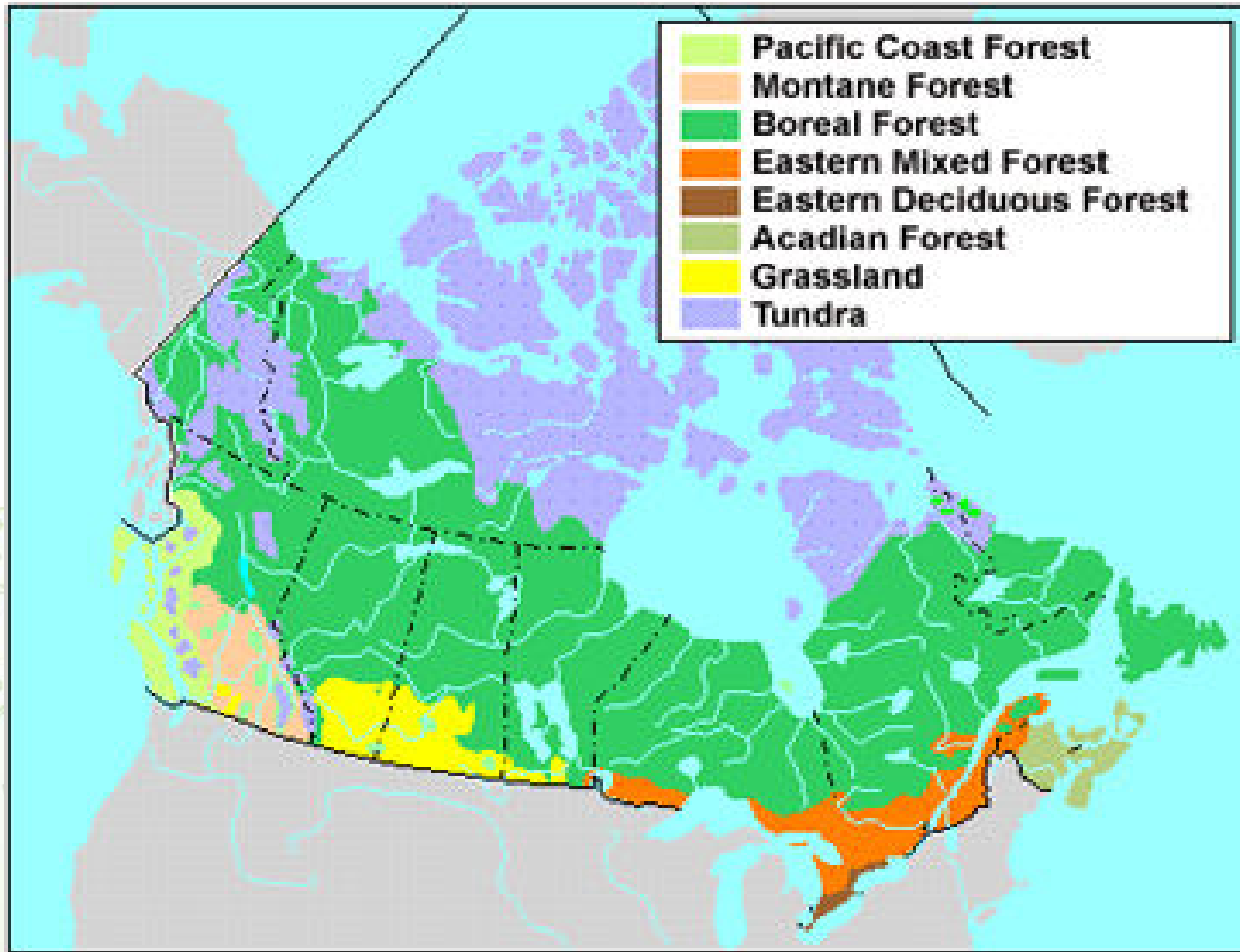
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Forest Sector Transformation: Maximizing Value from Canada's Forest Resource

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Marcus Wallenberg Prize Symposium
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Canada's Fibre Reality



Canada's Case For Change: The FIVE SQUEEZES

- Demand shifts
- Production shifts
- Technological shifts
- Wood supply shifts
- Unsatisfactory economic performance

Urgent need for transformation

Pursuing A Comprehensive Approach

- Strategies & Roadmaps
- R&D and Innovations
- Analytics: The Pathways Program
- Partnerships and New Business Models
- Vision 2020

Forest Sector Transformation Strategy

Our 4-pronged strategy:

1. Increasing productivity and competitiveness
2. Diversifying markets and products
3. Growing and capitalising on our green credentials
4. Maximizing fibre value



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Innovation System



Creating an Innovation System

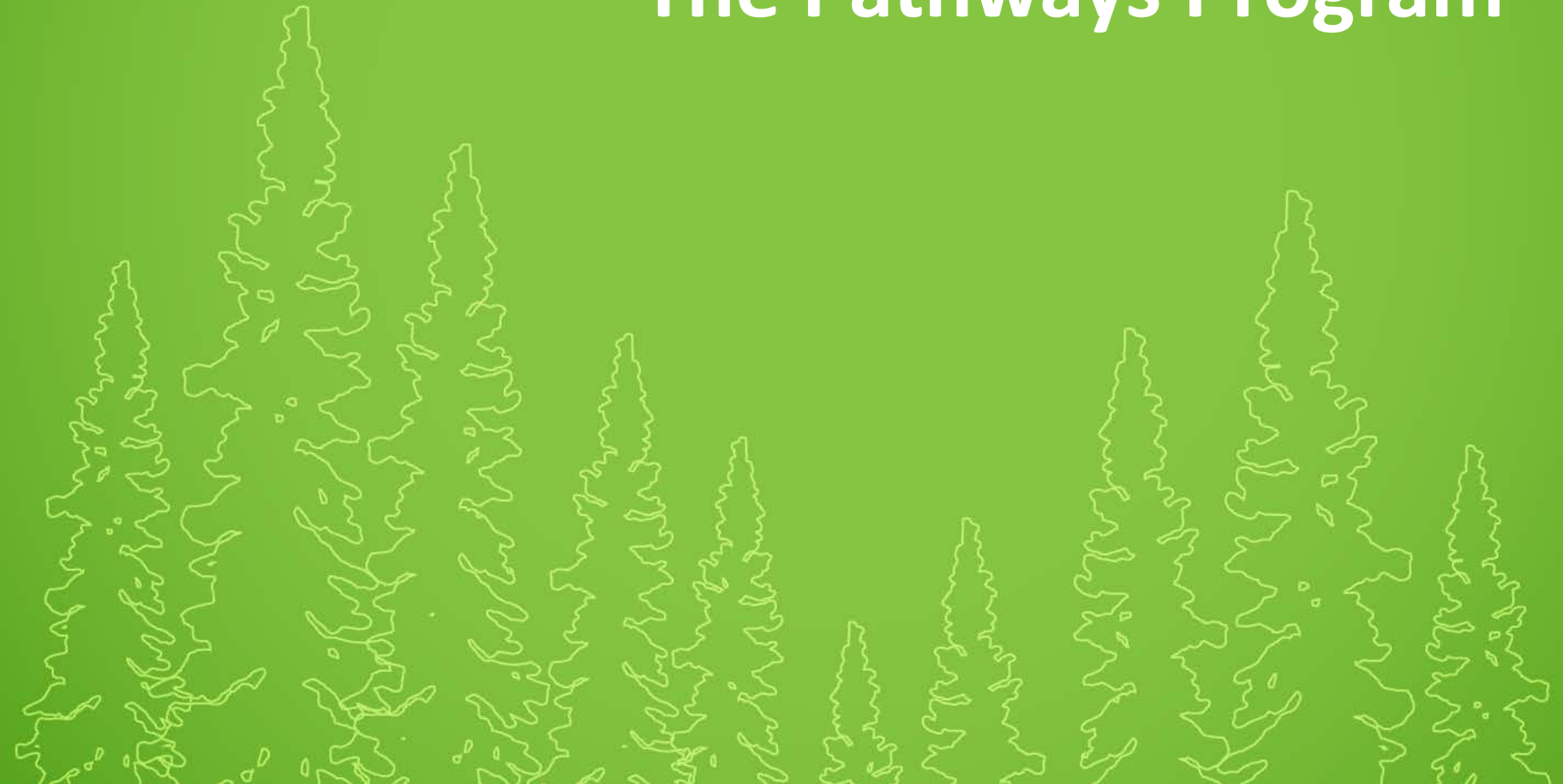
- FPInnovations
- 27 Canadian Universities
- Forest Sector Transformation Strategy and Vision2020

Goals: Commercial relevancy; faster adoption and best and brightest of tomorrow!



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The Pathways Program



Pathways Program

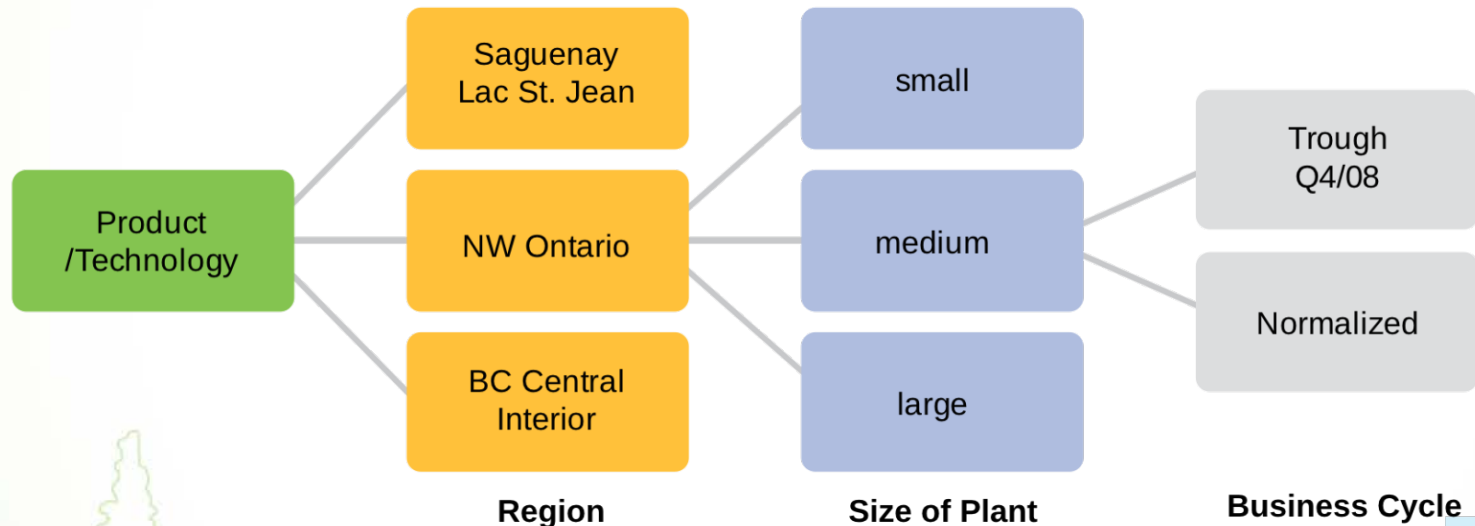
Initiative #1: Bio Pathways Project (2009 – 2011)

- Phase I – Financial / Social / Environmental
- Phase II – Markets

Initiative #2: Construction Value Pathways (2011 – Ongoing)

- Transformation takes many shapes; sizes

Biopathways Approach



- 36 traditional/emerging technologies
- Traditional; bioenergy; biochemical; biomaterials
- Market readiness

Gross Market Opportunities

PRODUCTS	GLOBAL MARKET POTENTIAL, 2015 (US\$ billion)	CAGR (%), 2009-2015 (approximate)
Green chemicals	62.3	5.3
Alcohols	62.0	5.3
Bio-plastic and plastic resins	3.6	23.7
Platform chemicals	4.0	12.6
Wood fibre composites	35.0	10.0
Glass fibre market	8.4	6.3*
Carbon fibre	18.6	9.5
Revenues Canadian Forest Products Industry	50.0	Neg. or 0-2

- Emerging market potential 4 times greater than our current market!

Biopathways Observations

- The Canadian forest sector needs to transform
- Great opportunities to improve now
- Sustainable forest practices can not be compromised
- Integration of old and new is key
- Bioenergy a starting point: not the END game
- Partnerships have an important role to play

Construction Value Pathways

- What does the future of the construction industry look like?
- Role for wood products?



Deliverables

- Construction Value Pathways Models and Roadmaps
- Construction Market Report
- Voice of the Construction Industry Report
- Business Models and Product Adoption Pathways



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Partnerships and Sectoral Integration





Bio-pathways Partnership Network



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Natural Resources
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Ressources naturelles
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Bio-Economy Network

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Pulse Canada 



**Chemistry Industry
Association of Canada**



Canadian Renewable Fuels Association

Association Canadienne Des Carburants Renouvelables



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Vision 2020

CANADA'S NATURAL ADVANTAGE

L'AVANTAGE NATUREL DU CANADA

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2020 Vision “Canada’s Natural Advantage”

“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.”

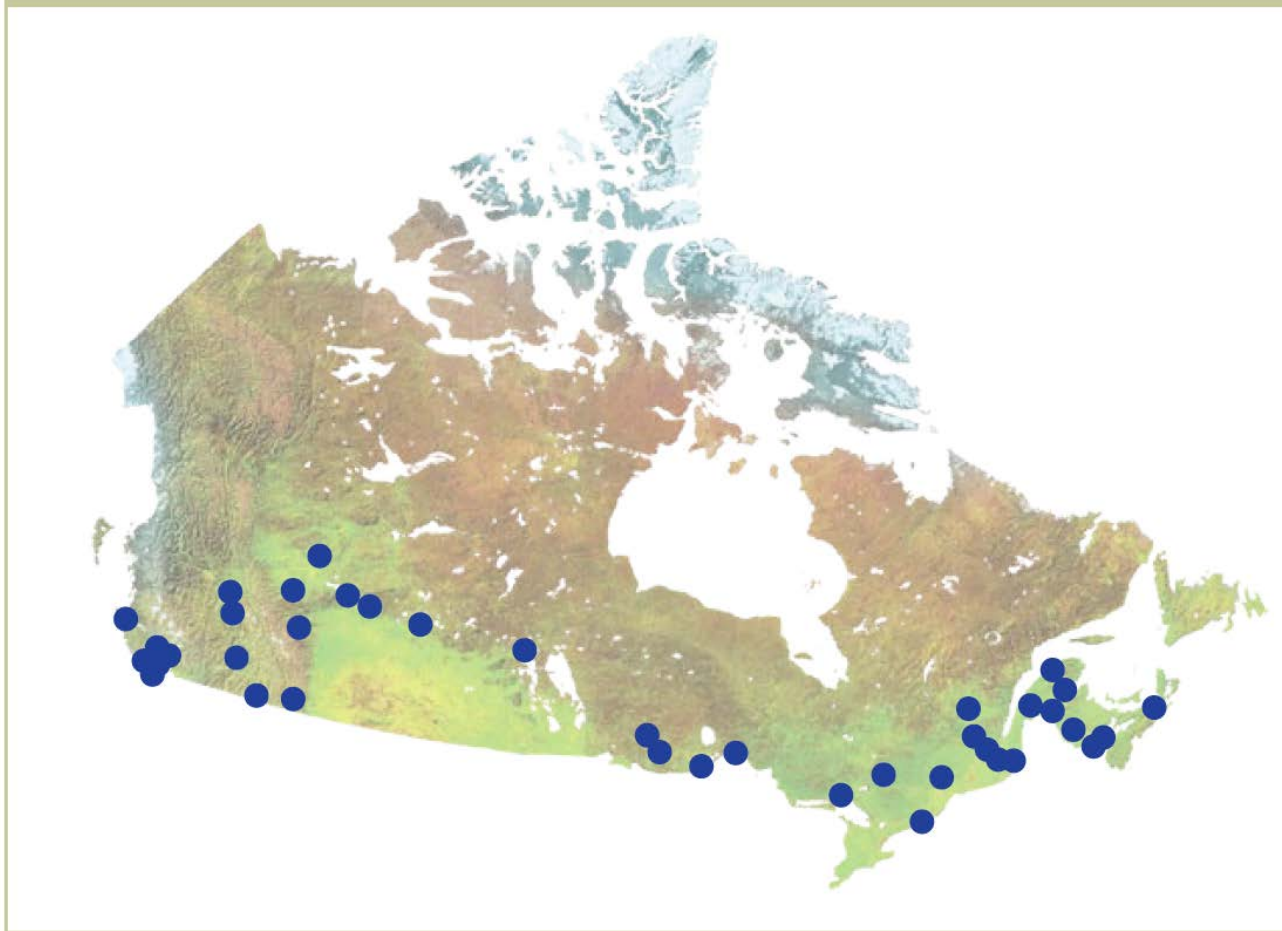
2020 Stretch Goals:

Performance -- Deliver a further 35% improvement in the sector’s environmental footprint

Products -- Generate an additional \$20 billion in economic activity from new innovations and new markets

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

Transformation Progress: 98 Projects: \$1B Investment Completed



The Future

NEXT EXIT 