



Donna Harman

ICFPA President

*Forest Products in the Green Economy:
The Perspective of Large-Scale Forest Industries*

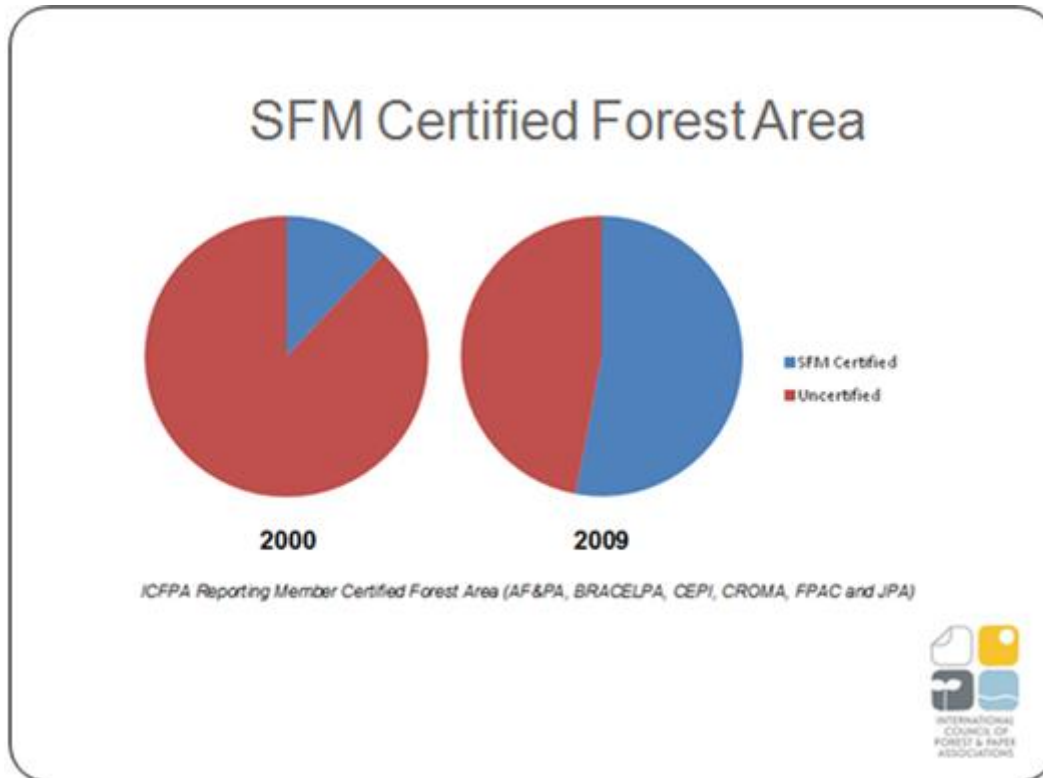
World Forest Week - COFO
September 24, 2012

- Thank you for inviting me to speak to you today on the topic of forest products in the green economy.
- ICFPA's members include 41 forest and paper association from 40 countries around the world. Together, they represent over 90 percent of global paper production and more than half of global wood production.
- At the Rio+20 conference in June 2012, world leaders agreed that forests can play a significant role in addressing many sustainable development challenges.
- This week, COFO will translate Rio+20 agreements into action and strengthen the links between forestry's different sectors.
- Just last week, the World Business Council for Sustainable Development released a report that highlighted the key role forests and forest products play in furthering sustainable solutions in a resource-constrained world.
- Today, I would like to share some insights about how forests, forest products and our industry can contribute to a greener, more sustainable economy.
- For centuries, forests have enabled humans to make products to improve their lives. Today, forest products are used in nearly every aspect of human life: homes, heating, furniture, tools, transportation, communication...

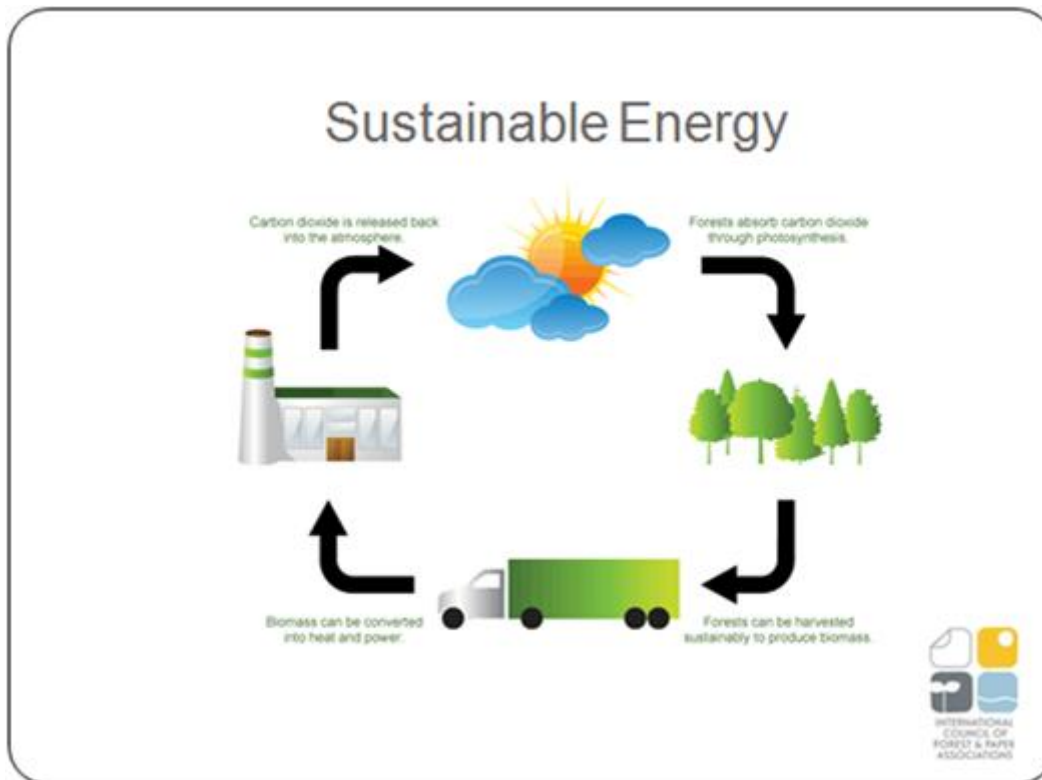
- Even in today's rapidly changing world, forestry has the potential to be a solution to global needs for food, fuel, fiber, medicines and other necessary products that improve quality of life for this generation and for those to come.



- Sustainable forest management is a key strategy and development opportunity. It enables our industry to leverage the multiple benefits of forests and forest products while meeting the world's growing demand for forest fiber.
- Global industry is committed to eradicating illegal logging around the world by preventing trade in illegally harvested wood.
- Different national legislations, economic conditions and infrastructures make it difficult to develop a common framework to eradicate illegal logging.
- ICFPA members work with governments, environmental organizations and community groups to implement policies and laws that aim to stop the import and trade of timber that is harvested in violation of respective country laws.



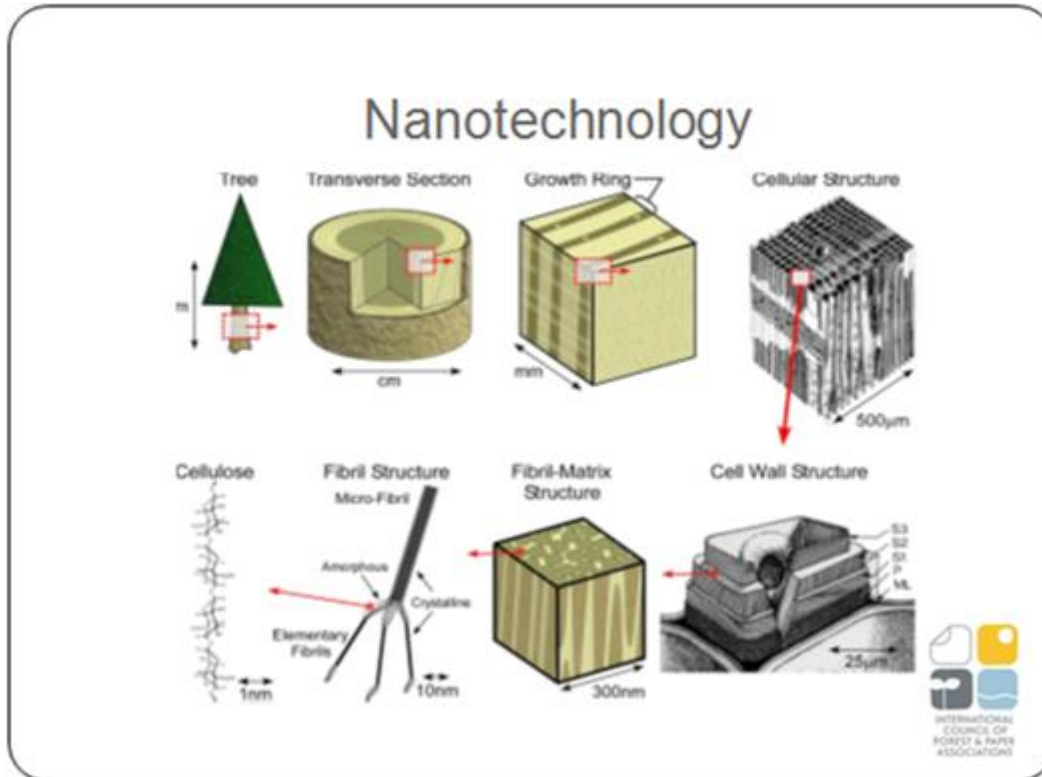
- ICFPA members support high forest management standards around the world and are committed to using forest management and manufacturing practices that meet environmental, social, and economic objectives.
- Forestry certification is a significant voluntary, market-based tool for promoting sustainable forestry management, improving forest management on the ground and assuring customers that they can be confident about the sustainable nature of the forest products they are buying.
- The above image shows the progress in increasing sustainable forestry management-certified forest area.
- The industry participates in multiple certification standards, reflecting the diversity of the forested landscape not just in terms of ecosystem diversity, but also in terms of tenure diversity and other national operating contexts.



- Sustainable practices are also factored into the production of our industry's products and energy production.
- Forest products contribute to carbon sequestration and a lower carbon footprint, giving them an environmental advantage over products that are not produced from renewable resources.
- Both the recently released report of the World Business Council for Sustainable Development and the Fourth Assessment Report of the Intergovernmental Panel on Climate Change concur that sustainable forest management strategies that maintain or increase forest carbon stocks – while sustaining yield of timber, fiber or energy – will generate the largest sustained climate change mitigation benefit over the long term.
- In addition to the more traditional products, new uses for forest-based materials are continuously developing innovative products that contribute to environmental, economic and social well-being.
- The forest products industry has much experience as a consumer and producer of biomass energy.
- Biomass energy presents an opportunity for countries to increase their energy security, reduce their dependence on traditional fossil fuels, and reduce greenhouse gas emissions.
- There have been concerns that the increasing demand for wood biomass as an energy source could impact the availability of fiber for the manufacture of traditional forest

products. Governments should recognize that the economic value derived – including jobs created and preserved – from the production of traditional wood and paper products is significantly greater than from combusting wood biomass for energy alone.

- Fortunately, new technologies are being developed that will allow the forest products industry to produce these innovative bio-based products – such as cellulosic nanomaterials and transportation fuels – from renewable biomass while also continuing to make pulp, paper and lumber products.
- Currently, new forest-based bio-refineries are in the early development stages. These bio-refineries help reduce electric power consumption and generate bio-liquids that can be transformed into energy.
- Bio-refineries will likely play a larger role in the forest products industry's future. Managing the transition of a mature mill into a bio-refinery supports the continued generation of revenues and provides future employment opportunities.



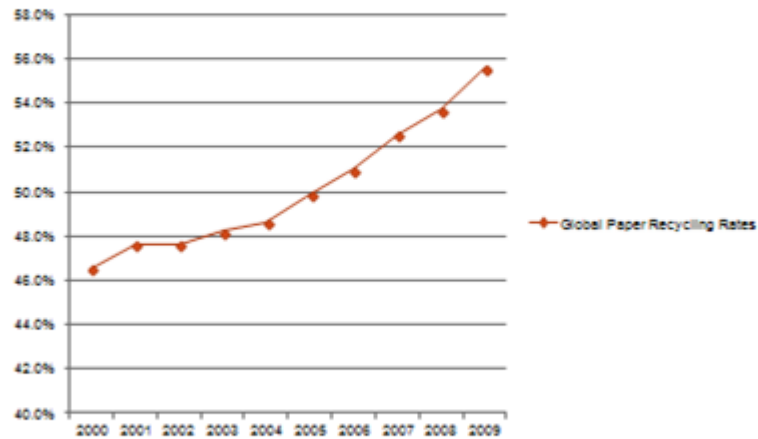
- Through nanotechnology, which manipulates matter on an atomic and molecular scale, scientists are looking into ways that trees can
 - deliver a new generation of sustainable products, including high-tech materials that are only beginning to be imagined; and
 - improve the sustainability of existing products – such as paper, packaging, medical and sanitary products.
- These innovations will help to meet the growing global demand for sustainable products.

Paper Recovery for Recycling



- Finally, I would like to highlight one of the more traditional ways our industry is contributing to a sustainable future.

Global Paper Recycling Rates



- The recovery of paper for recycling continues to grow: global paper recycling rates have increased to over 55 percent of the paper used around the world, shown in the graph above.
- The increase can be attributed to improved recovery infrastructure and programs to increase public awareness of recovery possibilities and benefits. These efforts are led by the forest products industry.
- We have invested in technologies to increase the input of recovered fiber into products. This will reduce the amount of materials going to landfills, and enable us to reuse them, thereby extending their life-cycle.



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- In conclusion, while the forest sector continues to make significant sustainable progress, it is an interdependent part of the global economy.
- Global economic issues may restrict the amount of capital available to industry in the short term, but in the longer term, forest and forest-based industries are a bright spot in solving global sustainability issues that contribute positively to housing, food, fuel, fiber, medicines and other products necessary for a healthy environment, healthy communities and a healthy global economy.
- Thank you. I look forward to any questions you may have.