THE 2012-2017 STRATEGY TO TRANSFORM QUÉBEC’S FOREST PRODUCTS INDUSTRY


TRANSFORMING QUÉBEC’S FOREST PRODUCTS INDUSTRY: A REAL CHALLENGE!

The challenge facing Québec’s forest products industry can be summarized in three words: diversify, innovate and adjust. With its 52,000 direct manufacturing jobs and a trade surplus of $5.6 billion at the height of the 2011 crisis, the forest products industry is truly a pillar of Québec’s economy. However, in recent years it has undergone some profound changes due among other things to:

- the rise of the Canadian dollar against the American dollar;
- the long slump in the United States construction industry;
- the meteoric rise of the electronic media, which has completely and permanently changed the market for newsprint, stock paper and writing paper;
- the ageing of the workforce and its exodus to other economic sectors following permanent or temporary wood processing plant closures;
- fierce competition from traditional partners and emerging countries.

However, Québec has a number of strategic assets in the forest sector. It has a good quality, diversified, well-managed resource, globally recognized expertise, an industry with roots throughout its territory, and remarkable training, research and innovation structures. In addition, since wood is a renewable, biodegradable and recyclable resource that also captures carbon from the air, the international demand for products made from wood is growing steadily. All these assets will be put to good use in order to transform the industry and make the necessary adaptations.

The 2012-2017 Strategy to transform Québec’s forest products industry is based on the involvement of all forest industry stakeholders, who must work together to make the most of Québec’s assets and institute a major technological shift. The Strategy proposes a vision based on three main areas of focus in the forest industry: wood products, pulp and paper, and bio-energy.
WOOD PRODUCTS

Diversify to become less dependent on a cyclical economy

The industry must take steps to diversify and become less dependent on the American market and a cyclical economy. Not only must it preserve its current market shares for the items it produces, but it must also minimize the negative impacts of the American construction market. It has become urgent for the industry to diversify its products and open up new markets, by taking advantage of the new opportunities generated by changing consumer tastes and new wood use technologies. The major transformation proposed by the Government will also help assert the value of wood products exported by Québec companies.

In the next five years, working in partnership with the wood products manufacturing industry, the Government will focus on the following strategic guidelines:

- Open new markets for existing products.
- Adapt wood processing plants to available resources and new needs.
- Introduce leading-edge technologies to minimize operating costs.
- Train and renew the workforce.
- Invest in the development of new products:
  - for sawmills, adjust equipment to manufacture products for new markets (export, non-residential and multi-family construction)
  - for board mills, target niche markets (e.g. the use of boards for engineering wood)
  - for the secondary and tertiary processing industry, promote the use of wood as a means of responding to the growing need for green construction

PULP AND PAPER

Develop new products and new markets

The pulp and paper industry uses wood chips from sawmills as its primary resource. Taking advantage of the chemical properties of wood, the pulp and paper mills process chips mainly into pulp, paper and cardboard.

The industry is currently in the throes of a profound transformation, especially in North American, due to a sudden decline in the demand for newsprint, stock paper and writing paper. It must therefore focus specifically on one goal, that of reacting to the decline of its traditional markets by developing new products and new markets. Among other things, the pulp and paper industry must make better use of the chemical properties of wood, investing not only in processing methods but also in the promotion of wood as a material. Its situation is different from that of the wood products sector. It is not a question of diversifying to become less dependent on a cyclical economy; on the contrary, it must respond quickly to a permanent structural change that has affected the entire industry.
In the next five years, working in partnership with the pulp and paper industry, the Government will focus on the following strategic guidelines:

- Continue to develop intelligent papers and ultra-resistant cardboards.
- Target new products compatible with existing technologies in order to use current infrastructures.
- Optimize transportation logistics in order to minimize operating costs.
- Innovate by creating and marketing high value-added products (crystalline nanocellulose, cellulosic microfibril, fibre composites, extractables, jet fuel).
- Prepare the workforce to hold highly specialized jobs for bio-product development.

BIO-ENERGY

Seize business opportunities for forest biomass development

Québec has access to a considerable volume of forest biomass throughout its forests. The resource can be developed and used to produce green energy, generating economic activity in Québec’s regions.

In a context dominated by sustainable development and greenhouse gas prevention, forest biomass is gaining in popularity as a potential resource. Currently, Canadian demand for bio-energy from forest biomass is underdeveloped, but production capacity is fairly high. Many different technologies (densification, gasification, carbonization, torrefaction and pyrolysis) can be used to produce bio-fuels from forest biomass, although some are not yet marketable. A further avenue that must be explored is cogeneration of electricity and heat through direct combustion of forest biomass.

In the next five years, working in partnership with companies in the bio-energy sector, the Government will focus on the following strategic guidelines:

- Support the development of forest biomass markets for energy production.
- Invest in the use of forest biomass as a replacement for fossil fuels (pyrolysis (biooils and biochar), transportation liquids, pellets, torrefied pellets).
- Promote the use of forest biomass for energy production (cogeneration).
- Invest in equipment and facilities for the production and handling of pellets so that it becomes viable to harvest forest biomass.

IMPLEMENTATION

In the next five years, the companies will have access to financial resources totalling nearly $268 million, in addition to other potential means under the 2013-2020 Climate Change Action Plan, which has a budget for the components in question of $447 million. Most of these means are aimed at the forest products industry, while others target different sectors.

Complete and summary versions of the 2012-2017 Strategy may be consulted in French only at:

mrn.gouv.qc.ca/fr/forets/strategie-2012-2017

2013 Version