

FOREST INDUSTRY ON JENKINS REPORT: FOCUSED INVESTMENTS IN INNOVATION KEY TO CANADIAN COMPETITIVENESS

OTTAWA, October 18, 2011: Canada's forest products industry welcomes the release of the Jenkins Panel report on innovation, and looks forward to engaging with the government on improving support to business research and development (R&D).

Both the Forest Products Association of Canada (FPAC) and FPIInnovations feel the report is an important step forward in discussing ways to improve federal support for innovation and help the forest industry transform and benefit from the promising opportunities in the emerging bio-economy.

"The Canadian forest products industry is in the midst of re-inventing itself," says Avrim Lazar, the President and CEO of FPAC. "Government has already used smart spending to help us improve our environmental performance, develop and deploy new ideas and technologies and create a future-oriented, diversified industry. It is imperative to continue this R&D partnership so we can create a next generation forest products sector in Canada."

FPAC and FPIInnovations agree with the panel's guiding principles in that programs should be transformative, flexible and tailored to the needs of specific sectors. In this context, FPAC is asking the government to support our transformation strategy by continuing the funding of existing programs such as FPIInnovation's Transformative Technologies Program; making Sustainable Development Technology Canada's (SDTC) funds more open and flexible and supporting the commercialization of promising technologies through the Investment in Forest Industry Transformation program (IFIT).

FPIInnovations, a world leading forest sector research organization, was recognized in the report as a model example for large-scale collaborative R&D with industry, governments and academia.

"Integrated research, development and deployment linked to market intelligence is a clear strategy for Canada to pursue, and to deliver new growth opportunities," says Pierre Lapointe, the President and CEO of FPIInnovations. "Focused investments in innovation are key to the success of a renewed and diversified forest sector and for the Canadian economy overall".

The Scientific Research and Experimental Development (SR&ED) tax credit program has been an important driver of innovation in our sector, and the industry looks forward to working with the government on enhancing the efficacy of the program for large-scale enterprises.

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About FPAC:

FPAC provides a voice for Canada's wood, pulp, and paper producers nationally and internationally in government, trade, and environmental affairs. The \$57-billion-a-year forest products industry represents 2% of Canada's GDP and is one of Canada's largest employers operating in hundreds of communities and providing 240,000 direct jobs across the country. Visit www.fpac.ca.

About FPIInnovations

FPIInnovations is a not-for-profit world leader that specializes in the creation of scientific solutions in support of the Canadian forest sector's global competitiveness and responds to the priority needs of its industrial and government members. It is ideally positioned to perform research, innovate and deliver state-of-the-art solutions for every area of the sector's value chain, from forestry operations to consumer and industrial products. FPIInnovations' staff numbers more than 500. Its research laboratories are located in Québec City, Montréal, Thunder Bay and Vancouver, and it has technology transfer offices across Canada. For more information about FPIInnovations, visit: www.fpinnovations.ca

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