



BY ELIZABETH DE CARVALHAES,
EXECUTIVE PRESIDENT OF THE BRAZILIAN
PULP AND PAPER ASSOCIATION (BRACELPA)
✉: FALECONOSCO@BRACELPA.ORG.BR

PRIORITIES OF THE SECTOR IN 2012

Confirming Bracelpa's projections divulged in December, export revenues in the pulp and paper sector totaled US\$ 7.2 billion in 2011, representing an increase of 6.2% in relation to 2010. Pulp production in Brazil totaled 14.0 million tons, while paper production amounted to 9.9 million tons – both at the par with 2010 figures, which can be deemed good performance in view that the year was considered one of good results.

The global economy, however, continues to cause concern and requires austere measures on the part of companies in order to maintain their competitiveness and productivity levels. In Brazil, issues such as the exchange rate, reduction in economic activity expectations, risk of increased inflation and the effects of the international economy on commodities are factors influencing industry activities the most, today, and need to be permanently monitored.

Top priority themes on the agenda for 2012 include negotiations to reduce taxes on investments, progress in relation to the new Forestry Code, negotiations with the federal government to allow productive foreign capital to purchase land, and effective actions for supervising and controlling tax-exempt paper. One of the main proposals is for the Recognition and Control System over Tax Exempt Paper Operations (RECOPI), created by the São Paulo Department of Finance, to be adopted by all states in Brazil.

It is also important to mention the sector's participation in the Conference on Sustainable Development, Rio+20. One of the main activities will be the international seminar on the forest industry's participation in building a green economy, a joint initiative of the United Nations' Food and Agriculture Organization (FAO), International Council of Forest and Paper Associations (ICFPA) and Bracelpa, to be held June 18th, in Rio de Janeiro.

Two themes are on the sector's negotiation

agenda for Rio+20: the debate regarding the use of biotechnology and recognizing higher value of forest carbon credits. Biotechnology will allow for the application of new forest planting techniques, essential for satisfying the growing demand for the so-called 4Fs: Food, Fuel, Fiber, Forests. In relation to the second point, the objective is to show that since planted forests sequester carbon, they represent a viable alternative for mitigating the effects of climate change.

Additionally, Bracelpa is also focusing this year on other things pertaining to climate, for example: the pulp and paper industry is one of the eight sectors in the economy chosen by Brazil's government to help in the National Climate Change Plan (PNMC), a federal initiative aimed at mitigating the effects of global warming. Until early April, Bracelpa member companies will work on the guidelines of this document, the objective of which is to develop an integrated strategy between forest base and industry base activities to reduce greenhouse gas emissions through CO₂ absorption by forests.

The sector's agenda for 2012 also includes a pioneer program. With the objective of financing forest recovery activities on a large scale, along the Atlantic Rainforest, and also looking to create jobs and income, the National Bank of Economic and Social Development (BNDES) through its social investment fund will earmark roughly R\$ 350 million to be applied in approximately 35,000 hectares of land, in projects in the states of Bahia, Minas Gerais, São Paulo, Paraná and Santa Catarina. Details of the program are still being defined.

In the next issues, we will address these topics again individually. This general overview shows the main activity fronts being worked on to expand and consolidate the sector based on the three pillars of sustainability, since they address economic, environmental and social aspects, increasingly more interdependent and transversal. ■