

International Council of Forest and Papers Associations Annual Meeting

Tokyo Japan

Steering Committee, 11 June 2018

ICFPA full group, 12 June 2018



Membership

Our friends from China Forest and Wood Products Distribution Association, (CTWPD) followed up on my invitation to join ICFPA and attended the meeting. Efforts are also being made with India but only with Pulp and Paper. CTWPD have members with forest and wood processing investments and so qualify for membership. I did make a plea for wider representation in ICFPA. Forestry interests are thin on the ground.

The possibility of associate membership was mooted to allow involvement of those who are not either producers or processors, a discussion not dissimilar to what Woodco NZ has been through. There has also been interest expressed by Malaysia and Vietnam. Agreed that CTWPD be offered membership.

ICFPA Meeting in Canada with CEOs roundtable

Suggested move from late 2019 in Quebec to around May 6 in Vancouver.

FAO wish to be involved with the Canadian “Woodrise” meeting and so ACSFI meeting may need to be in October. Australia (AFCPA/Ross Hampton) are very interested in participating in Woodrise and have offered to help support to the Canadians.

At the next ICFPA meeting at the CEOs roundtable they will be asked to adopt a Leadership Statement on behalf of the global industry which means each of the member associations need to have reviewed and endorsed.

Blue Skies Award

Brazil have produced a video to support Mike Wingfield who is still the chair of IVFRO and could be available as a judge. I have already added Julian Elder. Everyone needs to now move ahead on their local young innovator nominations including supporting videos. All information related to applications is on the ICFPA website.

Bio-economy / Sustainable intensification

An ‘information’ paper (with NZ input) was tabled on the above topic and heavily focused on bio-technology including gene-editing. It is not the time for the ICFPA to be taking a position on GM or even gene-editing, but the paper was produced to provide clarity on the topic for members.

FSC and PEFC are both giving consideration to ‘sustainable intensification’. This was reinforced in a discussion I had with Kim Carstensen in his recent visit to NZ hosted by Timberlands. Recommendations are being prepared for the PEFC General Assembly in 2020. Brazil (IBA) are well involved.

Natalia (IBA) is to circulate a potential support letter to members of ICFPA and encourage their own domestic PEFC entities to endorse PEFC’s efforts to develop this discussion. ICFPA will also engage with other groups than just FSC and PEFC.

Communication

Considerable discussion about the use of social media and twitter and re-tweaking. I spoke against this because ICFPA does not have the resources or control over multiple entities commenting. Proposed instead the communications newsletter is made public. This got support. It provides an opportunity for us to have a more topical website but also for us to use it to reinforce our position domestically.

There is an also strong interest in maintaining the health and safety section and sharing of alerts. These have been well received. The proposal is that these are posted by members, where they are able to, but available only under a Members only section on the website.

Recycled Paper

The issue of the position statement on China’s action on recycling came up again. It is a significant concern for the US but there is not sufficient agreement within the ICFPA to be taking China to task for a breach of WFO rules.

The problem for the US, South Africa etc is a large over supply of mixed paper now because of the Chinese action and very volatile price. US considers they haven't followed WFO adequate notification procedure, where China maintain they have.

This reinforces, that there will be times when the ICFPA just agrees not to prosecute issues or take public positions because of the diversity of membership. Everyone accepts this. The issue here for the US is not what China is doing to cut back on mixed paper imports but the way they are doing it.

The same criticism, in fact could be levelled against recent US actions on tariffs being at odds with WTO processes.

JPA were asked their position and are much less concerned because they consider that mixed paper is in decline generally and they are also interested in exporting to China cleaner paper (which is more economically viable when you are closer to the market).

Controlled Wood (FSC)

The FSC Economic Chamber has responded to efforts by some ENGOs to get Controlled Wood banned. IBA came up with a paper with key messages. Point 1. FSC relies on Controlled Wood. This will be a background document for the global meeting two weeks from now. Other associations are invited to consider and add logo's if they support IBA's position.

Japan Stats

Decline in printed media. Peaked in 1997. Internet advertising has increased 4-fold since then while magazine etc have declined. Production capacity paper and paperboard down 13%. Graphic papers down by 20%. Recently one Japanese giant announced 760,000 tonnes over 2 years will be taken out of production. Emphasis also on exports as an alternative strategy to cope. 2017 was a record year for exports. Interestingly, as a result, the Japanese identify overseas plantation resources have also been declining. JPA aiming for 65% recovered paper utilisation by 2020.

Country issues

Europe

The pending closure of the European parliament and new elections.

Canada

90% of forests are on public land and thus the licence to operate is proving increasingly challenging. A process of reconciliation is also underway with the indigenous population. Multi-million-dollar anti-forestry campaigns by Concrete and Steel.

Forest health, 65% of pine trees in BC lost to MPB. 25m ha lost to fire.

Brazil

2018 is election year in Brazil. Outcome uncertain.

Exports, production, prices all positive. So, the industry is in good shape but the national economy much less so.

Regulations are now being introduced which are effectively introducing a carbon tax and setting a carbon price.

Australia

Forestry has calculated that by 2020 it can contribute sequestration of 18 megatonnes. This is 20% of governments Kyoto target, government about to present a new goal for forestry.

Sweden

Focussed on a fossil free goal for industries. Big challenge is transport. Forestry will be a big part of the goal but to cover all industries would require the whole national forest estate to be used for biofuel.

Election this year as well. Governing party are a minor party but hold balance of power and don't want to see trees harvested.

USA

Economy going well and that has seen pulp, packaging production increase.

The EPA announced a carbon neutrally process in April for forestry.

Corporate tax rate has been reduced to be more international competitive to stimulate capital investment. Now at 21%.

Some states looking at a tax on single use paper products along with the tax on plastics.

Trade could be an issue. NAFTA is on-going, and the trade policies of the Trump administration raise real concerns about retaliation.

Health and Safety in Japan

No of accident with lost workdays, 708 in 1962, 27 in 2017. No accidents without lost workdays 1498 in 1962, 36 in 2017. However, paper industry is above the average of manufacturing industry largely due to more fatal accidents. JPA (Japanese Paper Association) set a goal in February 2018 of zero fatal accidents in the workplace of member companies.

Sumitomo presentation – Mr Nakajima General Manager, Tsukuba Research Institute

Presentation on the revolutionary wooded skyscraper to be built largely in wood to a height of 350m.

327th anniversary. Started in 1691. Commenced in 1881 with large-scale forestation. Building is planned to be finished for 350th anniversary of the company.

Slogan – Happiness Grows from Trees.

185,000m³ or 8000 houses worth of wood, and 100,000 to of CO₂ will be contained.

Wood to steel ratio = 9:1.

Tokyo is an earthquake prone area, and this has been considered in the design as well and eigenvalue analysis undertaken.

More than a building. Sumitomos concept is sustainable cities. Development of 3 new fire-resistant timber materials.

The building was announced via a press release in early 2018

[sfojp/English/news/pdf/20180214_e_01.pdf](https://www.sfojp.com/English/news/pdf/20180214_e_01.pdf)

Leadership Statement

Agreed a smaller working group, Canada, US, Europe and NZ would review the existing draft and provide final comment within two weeks. Comments to all.

ISO Standard PC 287 Chain of custody of wood and wood-based products.

Professor Michael Kohl (Hamburg University)

Reinforced it does not apply to forest management that belongs to and is covered by input categories. Ether:

- Verified
- Certified
- Recycled
- Specified

Control methods for Chain of Custody

1. Physical separation method
2. Percentage method (single %, rolling average options)
3. Credit method. Ups and downs and credit added or subtracted from the previous period balance.

Having said that this does not apply to forest management Prof. Michael Kohl showed a diagram of “Future Planning” and this showed a few potential technical groups listed for further consideration. One of these was a standard on “Low Impact Logging”.

Kohl acknowledged that this, if it proceeded, would be a forest management standard. He also acknowledged that this would be in addition to PEFC and FSC and argued on the basis that these systems didn’t necessarily address sustainability.

France, New Zealand and Australia all expressed concern about this.

Future meetings

The ICFPA Steering Group is to meet in South Africa in January / February 2019. Likely that the ACSFI steering group will also meet at the same time.

David Rhodes

28 June 2018