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A NEW YEAR, AND THE SAME CHALLENGES...

Another year is coming to a close, but without having settled the challenges we set out to accomplish in 2012. Through the month of October, pulp and paper production remained at the same level as 2011, as reported in *Conjuntura Bracelpa* – Issue #48. Pulp and paper production remained stable: while pulp totaled 11.6 million tons, paper amounted to 8.5 million tons.

Domestic pulp sales grew 6.6% this year in relation to the same period in 2011, totaling 1.3 million tons. However, export revenues dropped 9.3% between January and October 2012, totaling US\$5.5 billion. Export revenues for the same period in 2011 amounted to US\$6.0 billion.

The main highlight at the end of this year is the start-up of Eldorado, as reported in this month's Cover Story. Additional coverage will be available through the *O Papel* website, due to the early closing date of this month's stories. A major achievement for an industry that has strived so much to remain competitive within the global economic scenario.

In fact, the greatest challenge for 2013 will continue being the pursuit of industry competitiveness. A better logistics infrastructure focusing on the needs of the pulp and paper industry, coupled with a more modern taxation policy, capable of providing businesses the assurance of return over invested capital, are important and short-term factors.

In this sense, a few achievements by Brazil's Pulp and Paper Association (Bracelpa) this year were important, such as the inclusion of the sector in the Special Regime of Reinstatement of Tax Amounts for Exporting Companies (REINTEGRA); unburdening of the production chain; and greater control over the importing of tax exempt paper.

However, the pursuit of operational excellence and innovation is what will make the difference in the years to come, as these two factors will lead the sector to improve our competitiveness. It is important

to point out that the pursuit of excellence in all business activities has proven to be an important tool in seeking continuous improvement.

More than a tool, this perseverance towards excellence is a work concept. Based on a vision of the future and practices that make processes more productive, the focal point of this concept resides in developing people, since they are responsible for defining and implementing the necessary improvements for organizational processes.

Additionally, innovation plays a key role in improving competitiveness. The highly important control over costs can be executed in a more effective manner whenever processes are defined that allow reducing expenses in a consistent manner. And this is achieved whenever more efficient and innovative processes substitute those that currently being used.

On top of this, environmental sustainability also contributes to controlling costs, since innovative processes that require less energy and, consequently, cause less greenhouse gas emissions, as well as less water consumption, not only contribute to a cleaner environment but also work in favor of sustainability.

Lastly, innovation is fundamental whenever there is a need for market differentiation. The development of new products stemming from our forests and based on biorefinery and nanotechnology is fundamental for positioning Brazil's pulp and paper sector in an even more competitive position in the international market.

As such, ABTCP must prepare itself to face these new challenges. A new structure will take place in 2013, favoring even more our Technical Committees, investing in the qualification of our professionals and seeing to that our Association plays an even more important role in the pursuit of effective and consistent competitiveness.

We count on all of you to be successful in these ever-present challenges in our sector.

Looking forward to a 2013 full of opportunities!!! ■