



FIBRIA DISCLOSURE

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## PERSPECTIVES AND OPPORTUNITIES FOR THE PULP INDUSTRY

**B**razil's pulp sector has been, for years, a source of good news for the country. Investments have been continuous, generating jobs, social and economic development, as well as improving quality of life. Our exports are shipped to the four corners of the world, contributing positively to our trade balance. All this competitiveness, recognized internationally, stems from the combination of having efficient forests and industries, based on the most modern forest management practices and production technologies, implemented respecting both people and the environment.

The world, however, is changing – faster and more and intensely than many imagined. What has worked so far may no longer work tomorrow. It is necessary to rethink our competitiveness in the long-term. Bottlenecks and difficulties grow in geometric progression, ranging from a weak logistics infrastructure, with insufficient ports, highways and railways to satisfy the country's needs, to the so-called Brazil Cost, of high taxes and charges, as well as labor legislation that many times proves outdated and even negative towards the productivity that the country needs.

Since resilience is part of our DNA, it is our obligation to seek paths and alternatives. We need to invest more in innovation, be it disruptive or incremental. By innovating, we expand opportunities in terms of business, product diversification, processes and technologies. We also need structural projects that improve our business environment. It is becoming ever more necessary to strengthen Brazil's production chain as a whole so that the gain in competitiveness has a positive impact on all economic sectors and geographic regions, in order to resume a sustainable growth rate compatible with the country's potential.

Within this scenario, diversification must be one of the pillars of the pulp industry's strategy in Brazil. The development of new products, business and services will ensure the inflow and survival of our sector in relation to society's demands in the new millennium. Bioenergy, biocompounds and biomaterials produced from planted forests are already being developed with sustainability as premise. The pursuit of a green economy, inserted within the context of low carbon emissions and aligned with the global concern about climate change, will create a wide array of opportunities to offer ecosystematic services. By combining all this, we will broaden our participation in different global chains, maximizing the planet's need for our products and solutions well beyond just pulp.

And how to implement all these points?

All these development routes – competitiveness, innovation, productivity and agility – depend on key support factors: EDUCATION, COLLABORATION, DIALOGUE and TRUST. We need to have a high performance culture mindset in the country and in our sector, capable of training and developing human and intellectual capital adapted to this new context. Developing technical, leadership and management knowledge is fundamental. A possible and desirable path is to establish consortia between companies and universities to develop the so-called sector-competitiveness platform. Together, we will be stronger and reduce risks associated to this prospecting. Our sector needs to mature in the development of transformational competitiveness projects together. We have ahead of us a Volatile, Uncertain, Complex and Ambiguous (VUCA) world, but, above all, full of opportunities for companies and professionals in our sector. ■

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