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ADVANTAGES AND OBSTACLES IN BRAZIL'S FORESTRY SECTOR

Brazil's forest base sector continues with the possibility of growing in terms of exports and investments, since it receives leveraging from sectors that utilize planted wood in their productive processes, notably: pulp and paper; civil construction; furniture; mining; and biomass energy. These industrial segments will recover upon the expected return of growth in Brazil.

In addition to productive functions, tree plantations play an important role in providing environmental services: they avoid deforestation of natural habitats, thus protecting biodiversity; protect the soil and springs; recover degraded areas; are sources of renewable energy and contribute to reduce greenhouse gases for being natural carbon inventories.

All this puts us at an advantage, including with regards to the Paris Agreement. In it, Brazil commits to reduce by 2025 37% of greenhouse gas emissions registered in 2005, with a subsequent indicative contribution of these gas emissions by 43% below 2005 levels by 2030. For such, the country commits to increase the share of sustainable bioenergy in its energy grid to approximately 18% by 2030, restore and reforest 12 million hectares of area, as well as reach an estimated share of 45% of renewable energies in its energy grid by 2030.

Brazil's economy is giving signs that it's beginning to grow again and this is very positive, so that we can also monitor demand for products coming from planted forests. This global demand rises systematically. According to the Brazilian Tree Industry (Ibá), the world has a major challenge ahead: to plant 250 million additional hectares of forests to satisfy the growing demand for wood and products stemming from it by 2050.

And what about Brazil? What part of this are we going to absorb? It is important that Brazil prepares to keep up and satisfy part of this demand. We have all the favorable conditions for this: high technology employed in the sector, availability of land for new plantations (we have roughly 200 million hectares of degraded areas that, in part, can receive new planted forests). Considering all this, we bet that a major part of this global demand will be serviced by Brazil and also by Bahia, given the sector's characteristics in the state.

But there are obstacles to be resolved. One example is legal assurance, which implies in private ownership rights and safety of plantations; the creation and freeing up of tax credits; environmental licensing; permission for companies of foreign capital to purchase land; and better logistics.

Economic growth counts on the expectation of allowing foreign investments in the forestry sector, which have been blocked for more than four years. There are agreements established with the Civil House and party leaders in Congress for the return of these investments.

Allowing foreigners to purchase land in Brazil should provoke a major flow of investments in the country, especially on the part of international funds seeking safe and long-term profitability. Foreign investments in planted forests help both the country and Bahia state's economy. Investments in the forest sector are estimated at around R\$50 billion over the next 5 years. And Bahia, as the global leader in eucalyptus productivity, should work to capture a considerable portion of these investments. ■

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