

News Release

FOR RELEASE
January 17, 2008

CANADA AND MANITOBA INVEST \$1.18 MILLION IN VALUE-ADDED WOOD PRODUCTS SECTOR

WINNIPEG, Manitoba – The Canada-Manitoba Economic Partnership Agreement (EPA) is contributing \$1,178,000 to FPIInnovations-Forintek Division for its Value-Added and Wood Technology Program in Manitoba. The program will assist Manitoba wood product manufacturers in diversifying their products, increasing their competitiveness, and extending their market reach.

The announcement was made today by the Honourable Rona Ambrose, President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Western Economic Diversification, and the Honourable Oscar Lathlin, Minister of Aboriginal and Northern Affairs, on behalf of the Honourable Jim Rondeau, Manitoba Minister of Competitiveness, Training and Trade.

"The Government of Canada is working in partnership with other orders of government and industry to bring real and lasting benefits throughout Manitoba," said Minister Ambrose. "We are pleased to invest in the wood products industry as it adjusts to global conditions."

"The forestry and wood products sector is a vital part of Manitoba's growing economy," said Minister Lathlin. "The funding provided to FPIInnovations for their Value-Added and Wood Technology Program will assist in strengthening and diversifying the wood products sector in the province - creating a positive future for the industry."

The Value-Added and Wood Technology Program 2007-2009 will build on the success of a previous program funded through the EPA by offering the technical and market knowledge base for a renewed wood products industry in the province. The program, which will also encourage industry-related business opportunities in northern and First Nation communities, will have eight elements: resource-based initiatives; research implementation support; product development & design activities; technology transfer activities; training and skills upgrading initiatives; business practices support; raw material supply and sourcing services; and market development, access & intelligence services.

– more –

Three industry advisors located in Winnipeg and The Pas will carry out the program activities.

“Faced with a number of significant challenges that include the slowdown in the US housing sector, a high Canadian dollar, a shortage of skilled labour and cheaper offshore imports, the sector is looking for technical and market intelligence advice to remain competitive,” said Roland Baumeister, Manager of Value-Added Manufacturing at FPInnovations. “The investment made through the Canada-Manitoba Economic Partnership Agreement will bring best practices manufacturing knowledge to businesses throughout the province”

In Manitoba, there are over 325 businesses in the value-added wood products sector. The value-added wood products sector includes such products as millwork, furniture, flooring, kitchen cabinets, housing components, and wood pellets. These products are referred to as value-added because the unfinished wood is transformed into a product that sells for a high value.

Forintek is a division of FPInnovations, a not-for-profit research organization involved in the wood products sector. Forintek was originally established as Canada’s Wood Products Institute by the government of Canada in 1913, but was privatized as a not-for-profit research partnership in 1979. In April 2007, Forintek merged with FERIC and Paprican to become the largest research organization focused solely on wood products research and development. The current EPA agreement supporting Forintek’s Value-Added and Wood Technology Program ended in September 2007.

Under the Canada-Manitoba Economic Partnership Agreement, the governments of Canada and Manitoba are working together and in partnership with community stakeholders to build the economy and strengthen communities. These priorities promote economic growth and diversification in the province. For more information on this and other projects funded under EPA, visit: www.epa.gov.mb.ca.

--30--

FOR ADDITIONAL INFORMATION, CONTACT:

Terri Hooper
Communications Coordinator
Canada-Manitoba Economic Partnership
Agreement
(204) 945-7805

Joe Czech
Communications Coordinator
Communication Services Manitoba
(204) 945-6778
www.gov.mb.ca

David Meister
Senior Communications Advisor
Western Economic Diversification Canada
(204) 983-0789
www.wd.gc.ca

Roland Baumeister
Manager – Secondary Manufacturing
FPInnovations – Forintek Division
(604) 224-3221
www.fpinnovations.ca