

"New Zealanders have to understand the scale of the increases in wood supply that will arise from New Zealand forests in the next 15 years. Basically we are looking at an increase from 10 million cubic metres a year to 20 million cubic metres a year.

"We can plan for only a small increase in domestic consumption, so the vast bulk of it will have to be exported.

"To export this as processed timber products requires three basic things – the ability to produce processed products that are internationally competitive, the ability to gain entry to overseas markets, and the desire by consumers to buy what we're offering.

"The truth is that international acceptance of radiata other than for low-grade uses such as boxing and packaging has lagged well behind our ability to produce superb quality timber suited to a multitude of uses from framing to panelling and furniture. We have a massive education and marketing job to do.

"Even then, processing in New Zealand involves major capital expenditure. To cope with the increased output of New Zealand's forests in the next 15 years would take some \$6 to \$7 billion invested in processing industries. When you are investing that sort of money you have to be very sure you're right."

Mr Cullinane said the assessment of current and future processing options is a key part of the planning work already being undertaken by the new State Owned Enterprise.

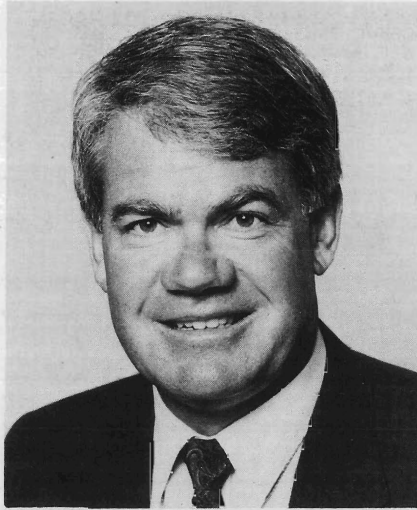
"We have to plan the wise use of the present and projected wood resources. We have to replant to ensure that these forests produce in perpetuity. And we have to strive for excellence of product to compete internationally. This goes right back to genetic research to get top seedlings, and carries on through the management of the growing forests to the processing and handling operations.

"My personal view is that we can also do more to promote radiata internationally, and can explore some new markets.

"However, we need to remember that although the timber industry is a major one in New Zealand, and a major earner of overseas funds, we are as yet still a small player by world standards, supplying less than 1% of the world's timber needs. In the Pacific rim countries we are a much more significant supplier, principally of one timber species, although we will also have Douglas fir to offer for some time yet.

"Radiata pine is therefore a niche market, and we have to find ways of developing that market to maximise the return to New Zealand."

Mr Cullinane said one of the advantages New Zealand has is that the public generally understands the fact that



Tim Cullinane

radiata is a crop to be harvested and managed in the national interest like any other crop.

"Other countries are increasingly facing restrictions on the export of timber from their native forests – such as we already have here – and there is international concern about the felling of

hardwood forests in South East Asia and in South American countries.

"We, on the other hand, are fortunate to have extensive man-made forests, grown to be harvested and replanted on a regular cycle to ensure a yield in perpetuity.

"Hardwood shortages may create new markets for New Zealand radiata, in the same way that the use of versatile treated radiata has already taken much of the pressure off New Zealand's own native forests.

Mr Cullinane said people who criticised the overseas sale of logs should remember that the conversion of a radiata seedling worth a few cents into a mature export log worth hundreds of dollars in Japan, Korea or China is a massive added value exercise already, creating significant employment and economic activity during the 25-year growing cycle.

"We will be assessing what can be done to increase the value of that log, as well as what can be done to process that log into products with a secure and rewarding future on the international market."

Bright outlook for NZ forestry exports to Japan

Don Wije-Wardana (who recently attended an International Tropical Timber Organisation meeting in Japan)

The Japanese market

Japan imports 84 million m³ of wood products annually, 87 per cent of the country's consumption. Of the total imports, 35 per cent of logs, 18 per cent of lumber and 98 per cent of plywood come from tropical countries. A study commissioned by ITTO suggests that while the volume of imports over the next 10 years is likely to remain around the same level, the share of tropical wood imports will decline sharply. The decline will be largely in the supply of logs and plywood.

The declining trend in tropical wood supply was confirmed by Malaysia, which is the largest exporter. Malaysia is agreeing to a study recommendation suggesting drastic reductions in felling of forest in Sarawak. The strong presence of conservation NGOs who were lobbying not only the delegates but also the Japanese media and the importers made it clear the conservation movement will continue to press for halting the felling of tropical forests.

A meeting with the Japan Lumber

Importers Association indicated the impact of this on the Japanese buyers. Its Executive Director, Mr Matsuki, said they are looking seriously for sources of wood to replace tropical timber, especially to plantation forest suppliers who are not subject to the same environmental constraints. Also, supplies from Russia, a major non-tropical wood producer, have declined by about 10 per cent over the last three years. This further complicates their wood supply outlook.

End uses of radiata pine

One factor which has prevented radiata pine being used in construction has been its non-approval for building and construction under the JAS standards. While limited approval has been given for both lumber and glue laminated timber recently, this has not helped in creating a major demand.

There were several indications from the Japanese that this situation is going to change. Matsuki indicated that contrary to what was believed earlier they

now find radiata pine suitable for plywood and construction. The Japanese "two by four" association has already approached New Zealand for supplies of timber. A large delegation of plywood manufacturers were also here last year looking for suitable log supplies.

More importantly, the MAFF consumer affairs officials indicated that they will soon be moving into using stress grading as the basis of selecting construction timber. Such an approach will prevent any discrimination on the basis of species. The Japanese have already simplified the procedures for foreign testing organisations to certify standards without having it done in Japan.

Tariff restrictions

Tariffs on processed products entering the Japanese market have been another obstacle to exporting timber and other products. For instance, dressed radiata timber of less than 160 mm has an 8% tariff and rough sawn 4.8%; glue laminated timber and plywood are subject to 15% and 10% tariff rates respectively but indications are that Japan is now ready to negotiate "substantial reductions" in tariff rates for wood products at GATT negotiations.

CONCLUSION

The main conclusions that can be drawn from these discussions are:

- a) the future for plantation forestry is extremely good, given the projected rapid decline in tropical wood supplies;
- b) the Japanese are desperately looking for alternative sources of wood to replace their large tropical timber imports;
- c) the Japanese are liberalising their

building standards and changing the methods of selecting construction timber from a species basis to a strength basis; this should prevent the present discrimination against radiata pine;

- d) tariffs which discouraged the import of processed wood products are to be reduced substantially as part of the GATT round negotiations (confidential), and this should allow more processed products exports to Japan.

Taskforce to investigate pollution from sawmills and timber preservation plants

In late December the Minister for the Environment, Simon Upton, announced the formation of a Task Force to investigate and report urgently on potentially contaminated sawmill and timber treatment sites.

"The task force will identify the exper-

tise required to arrange for the identification, assessment and management of any site contamination and will report back to me," said the Minister. "It will include representatives of local government, timber industry management, unions and key government agencies."

Research funded by the Ministry for the Environment, and carried out by the Cawthron Institute and the DSIR, has shown that potentially serious contamination by toxic chemicals could have occurred at these sites.

The research shows that pentachlorophenol (PCP), an antiseptic agent widely used in New Zealand for about 40 years until 1988, contains dioxins. These dioxins, which are highly toxic, may have accumulated in the sludges at the bottom of dip tanks on treatment plants.

Fulbright fellow for Canterbury Universities

Agroforestry research and studies at the School of Forestry and Lincoln University will get a boost with the appointment of Dr W.R. (Bill) Bentley as a visiting Fulbright fellow. Dr Bentley is currently Director of the Tropical Resources Institute at Yale University and also provides leadership to the Winrock International Institute for Agricultural Development research programme on agroforestry. His background is in forest economics, social aspects of agroforestry, and biomass energy, and he has had extensive experience in tropical agroforestry, particularly in India.

There are two main objectives for his visits which will total eight to nine months over the next three years. First he will be assisting in the design of and teaching into, the new agroforestry undergraduate course which will be taught to both forestry and agricultural science students at Lincoln University. Next year will be the first time School of Forestry students, under the new curriculum, will be taking most of their third year lectures at Lincoln. Dr Bentley's input will be vital to strengthen the tropical and social aspects of agroforestry –

aspects of great importance to those wishing to understand or help implement agroforestry schemes in developing countries.

Secondly, the Universities are keen to promote greater research into agroforestry in the Canterbury region. It is hoped that the background of Dr Bentley and his regular visits will provide a catalyst for more co-operative and intensive research. This could be across various departments within the Universities as well as other Government research organisations in the region. Last year the School of Forestry and Plant Sciences Department, with the help of Tasman Forestry Ltd, established a joint agroforestry field trial. But this is seen as only the beginning of co-operative research.

Dr Bentley's first visit here under the Fulbright programme is later this year, at which time he will be travelling extensively in New Zealand. But before then foresters will have a chance to get to know him as he will be a keynote speaker at the ANZIF meeting in Christchurch in September – October.

D.J. Mead

Health Risk

"It is important that this hazard is treated seriously because of the risk to the health of workers, as well as the risk to the environment," said Mr Upton.

The Government has already taken the steps necessary to safeguard workers' health. An interim code of practice to protect the health of employees, and prevent the future release of toxic chemicals into the environment was released recently by the Occupational Safety and Health unit of the Department of Labour and the Ministry of the Environment.

Co-operation

"I appreciate the co-operation of the industry up to this stage," said the Minister. "I look forward to continued co-operation as the affected sites are identified and the clean up is undertaken."