

of the Developed World who have the financial and intellectual resources to develop more sustainable and less exploitive patterns of behaviour seem only to pay lip service to the concept.

In these countries the power of the mainline conservation groups is now very large – the RSPB was recently described as “more powerful than the Conservative Party” – and they represent the most affluent, best educated and vocal sections of the community (also it must be said, the most consumptive). But increasingly their power is being used to defend an achieved position of lifestyle and affluence, rather than conservation principle.

Yet developed nation status does not necessarily depend on domestic deforestation, as the following comparison between two of the largest wood importers shows:

	Japan	UK
Land area (million acres)	93.4	60.5
Population (million)	123.1	57.2
People per acre	1.32	0.95
% forest cover	67%	10%
Annual wood consumption (million m ³)	108.5	54.5
Annual wood consumption per head (m ³)	0.88	0.95
Source of wood supply		
Homegrown	30.5%	11.7%
Imported	69.5%	88.3%

On all counts the Japanese appear to do rather better: despite a denser population, a more extreme climate, more difficult topography and soils and great war damage, they have conserved a much greater share of their forest cover, supply a much larger share of their wood need and consume individually slightly less. But who is universally pilloried as the destroyer of the world's forests and whose record is entirely undiscussed?

So, from where should the missionaries come, and where should they go? Where are the lessons to be learnt and who needs assistance in finding the truth? It begins to look as if, in this area at least, the aid thrust has got turned upside down.

Would it not be useful for savants from the developing world to study where countries like the UK went wrong, how they lost their forests and what cultural attitudes militate against their return? The Japanese appear to have handled things better, so perhaps there are lessons to be learned there too.

Maybe we can look forward to some World Bank studies of this nature. The vision of a gentrified planet is not an appealing one, nor is it sustainable.

J.R. Purey-Cust
International Forestry Consultant

Kiwi xenophobia stunts progress

New Zealand must back away from Kiwi xenophobia or distrust of foreigners if it is to progress its forestry sector.

That's the opinion of Director of Investment Banking for Fay, Richwhite & Company Limited, Mr Rob Cameron, speaking in the latest Forestry Bulletin, the official magazine of the New Zealand Forest Owners' Association.

In the front page article, Mr Cameron says “forestry is a specific example of where our anxiety and suspicion of foreigners could cost New Zealand jobs, income and growth opportunities. Like many other sectors in which New Zealand is competitive, we must take a worldwide perspective, see the benefits of working in a cooperative environment and maximise the return for New Zealanders.”

Enormous Profits

Mr Cameron says the limited availability of hardwoods worldwide coupled with a strengthening global demand for clear woods, have seen hundreds of millions of dollars of foreign investment poured into New Zealand in the last couple of years.

He says the new processing technology learned in some recent joint ventures will push New Zealand a further five years along the learning curve – “and that technology is transferable within the industry”.

“These partnerships play to our strengths, not our weaknesses. The foreign partner provides the finance, technology and the market access, and we provide the management, skilled labour and resources. Put that together in one joint venture deal and the profits can be enormous. Moreover we benefit further from technological transfer and are able to continue renewing or replacing the resources used.”

Postscript If the above appears to be unduly critical of the United Kingdom, so be it: that is a product of English being my mother tongue and present residence there. In fact, the phenomenon is not at all confined to the UK, but seems to be commonly spread through both the European and American developed worlds.

It is also present in New Zealand, where sustained yield forest management at home is still criticised whilst being actively preached to our Pacific neighbours.

J.R. P-C

Sufferers of Kiwi xenophobia forget that in many instances of foreign investment, land ownership is not moving out of New Zealand hands – merely the right to cut or harvest forests, says Mr Cameron.

“We can retain as much control as we need and still enter into relationships that can generate a lot of benefits for the country.”

Millions Invested

Mr Cameron, says that in the last couple of years foreign investment into former Crown forests represents some \$440 million, while added value processing ventures are in excess of \$200 million. Add to this the respective investments by International Paper and Weyerhaeuser into Carter Holt Harvey and Forestry Corporation; then the total amount of foreign investment in New Zealand in the last two years is in the vicinity of three-quarters of a billion dollars.

Managing Director of Groome Poyry and forestry representative on the Foreign Direct Investment Advisory Board, Colin McKenzie says he holds absolutely no amount of anxiety over the level of foreign investment ploughed into New Zealand so far.

“Look at Juken Nissho's plant in Masterton; it's 100% Japanese owned but it is employing New Zealanders and adding value to jobs in the Wairarapa area. If you wait for that sort of capital to come along, in New Zealand terms it may never arrive. In terms of New Zealanders being upset about foreigners being here they have to realise that apart from providing the capital, foreign investors are also providing solutions to problems of marketing and distribution channels abroad. Some of those countries are pretty difficult to crack if you try to operate on your own.”

Nevertheless, the President of the New Zealand Forest Owners' Association, Bryce Heard, says that while foreign investment in forestry can be positive for the country he warns against a policy of unconditional overseas investment being developed in search of a quick-fix solution to unemployment.

Retain Control

“We have tended to give up the ownership of resources far too early. The control of resources should remain in New Zealand's hands as far down the

processing and distribution chain as is practical, if we are to extract the maximum value possible from our primary industries."

Overseas investment that brings market opportunity, jobs and new wealth in overseas earnings is definitely positive, he says. But an unqualified, carte blanche overseas investment philosophy can be extremely dangerous for New Zealand.

"We should not lose sight of the level of investment in the industry by existing players, which (in 1992 \$ terms) runs into more than \$10 billion. Overseas investment that simply uplifts the resource in raw form and removes it from the country is not good.

"We have to make sure the investment we attract to New Zealand does not take control of the resources out of New Zealanders' hands. It has taken more than 50 years to develop our forests and in a few months we can undo much of the hard work of the old Forest Service and the private sector.

"The sort of overseas investment that is beneficial would cover things like joint ventures with existing New Zealand players, or investment that is made into New Zealand companies themselves.

"Alternatively, it may open up new markets or provide more opportunities to provide more added value to New Zealand-based processing. I am extremely supportive of that type of investment."

Ken Shirley
Executive Director, New Zealand
Forest Owners' Association

Mauritius – a neglected forest products market for NZ

The expanding Mauritian economy and its proximity to New Zealand

We tend to think of the Pacific rim as being where New Zealand has its comparative trading advantage but Mauritius, in the Indian Ocean, is about as far away from New Zealand as Japan and Korea are. Mauritius could also be a good stepping off point to penetrate wealthy Middle Eastern markets.

Mauritius is now considered by many economists to be a "young tiger" with an economy which is booming and reminiscent of Singapore or Hong Kong a few years ago. Although only 180,000 ha in area, it has a population of 1.3 million. Only 2% of the working force is unemployed and Mauritius has vibrant sugar, textile and tourism industries.

Forest products demand and supply – No significant imports from New Zealand

Mauritius has 56,000 ha of forest or potential forest land but because of the frequency of cyclones few trees grow large enough to produce sawlogs. There are no panel, pulp or paper industries on the island.

Page 16 of the latest published annual report of the Mauritius Forestry Service shows that about six times as much timber grown in Mauritius is imported to meet local demand. Page 28 shows that 475 million rupees (about \$NZ 50 million) of forest produce is imported annually, but apart from some specialised

papers none of this is imported from New Zealand.

Import duty on wood and wood products recently removed

Page 1 of the annual report says: "All customs and other duties on wood and wood products were abolished in order to give a boost to the furniture industry". This means that there is a level playing field and New Zealand should be able to compete successfully.

First point of contact

A.W. Owadally, the Conservator of Forests, Forestry Service, Ministry of Agriculture, Fisheries and Natural Resources, Port Louis, Mauritius, says he would be pleased to be a first point of contact for anyone wanting to find out more about Mauritius or its forestry sector.

Conclusion

The Mauritian forest products market, which has the potential to equal about one-third of the New Zealand domestic market, needs investigation by the New Zealand forest industry. This could fit in well with other initiatives. According to the December 1991 issue of "NZ Forestry Bulletin", a generic promotions strategy for New Zealand radiata in identified offshore markets is being considered by the Executive Council of the Forest Owners' Association.

Hamish Levack

Forestry could be the country's leading export sector by the year 2000

New Zealand's forestry industry plans to be the country's top export earner by the year 2000.

The goal was decided at a Forest Industries Council workshop held recently in Rotorua, the Council's Executive Director, Mr Paul Quinn, said.

'Easily Achievable'

The combination of an expected increase in the forestry resource and a greater emphasis on value-added processing, meant the eight-year goal would be "easily achievable", Mr Quinn said.

At present forestry ranks third behind

the meat and dairy industries among export earners. Last year it accounted for 11% of the country's \$16 billion of export earnings.

Dairy and meat products accounted for 14% and 16% respectively.

"We recognised that if we're to benefit from the increasing harvest then we're going to need to work together much more closely to ensure value-added processing is done in New Zealand," Mr Quinn said.

However, the turnaround was unlikely to happen overnight.

In the year ending June 1991, raw logs accounted for more than a quarter of

New Zealand's total export earnings from forestry.

Right Balance

"Log exports have their place, but what we want to ensure is that the right balance is achieved.

"Another result of the strategic workshop, which was attended by more than 100 of New Zealand's top names in forestry, was that different sectors were now more aware of each other's requirements," Mr Quinn said.