

experienced managers from overseas – for instance, Messrs Oskin, Margiotta, Seidner(s), Song, Nakamoto, Tachikawa, Inagaki, Snavelly and others now too numerous to mention.

The attraction of New Zealand's plantation forests, and radiata and Douglas fir wood fibre is of course a two-edged sword.

It would be a pity if New Zealand companies and management are edged out totally by new international players. However, local companies will have to accelerate the development of a new innovative and opportunistic strategic focus, product development and market distribution efficiency – and move quickly – to survive. The status quo is a deadly and stealthy enemy, and a strong preference for the status quo has characterised too much of our industry thinking in the past.

Difficult Challenge

The next two years will provide a difficult challenge for solid wood processors as radiata improves its position in international markets from a largely low-grade utility product to a high-grade appearance and, increasingly, a fashion product. This should increase product prices but is likely to increase log values even more. Prices, even for pruned logs will probably not reach the \$NZ12,000 per m³ FOB that #1 grade Myanmar teak logs fetch today, at least for some years. However, we are likely to see prices for higher log grades moving up in a regular series of increments of \$20-\$40 per m³ or more from now through the mid 1990s and beyond. Medium/low grade log prices are likely to be dragged up by this process (or in some instances even lead the charge as their value is re-rated). Only the most efficient

Why the Institute should sign the forest accord

The Institute has changed from Foresters to Forestry to encompass a wider membership, and with the passing of the Resource Management Act in 1991

businesses will have the ability to pay these prices.

Finally, the challenges facing the industry on a national basis will need to be managed by a distinctly different industry association structure than currently exists. The industry needs to move quickly to dismantle the current structure which may have suited a long since obsolete view of the different product categories arising from our forests, and to replace it with a market-driven structure which can more readily adapt to a rapidly changing environment. If it does not take the opportunity soon New Zealand will be the loser, because international developments will tend to overtake us. Some of the new overseas executives now in New Zealand may be able to help in the restructuring process.

It is certainly an exciting, if a little disconcerting, period in the history of the New Zealand forest industry. – **Reprinted from Ministry of Forestry Marketing**

Development Group Quarterly Report

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further changes will be forced onto the Institute. Our signing of the Forest Accord would herald that the Institute has begun to view forestry as part of New Zealand's environment society; not just a technical industry hell bent on seeing endless rows of pine trees replacing areas of regenerating shrubland, particularly kanuka. How can we be so presumptuous to say that trees naturally adapted to our environment which are already protecting the soil should be destroyed and replaced by pine trees which would take at least five years to achieve the same effect?

Act of Goodwill

The New Zealand Forest Owners were able to sign the Forest Accord in 1991 as an act of goodwill. The partners to the Accord have worked together in small regional groups, working on a case by case basis, building up goodwill. Many would argue that technically the definitions of indigenous forest are cumbersome and too restrictive. However, as with any agreement there has to be give and take.

A Commitment

Recent articles in the paper indicate that the Forest Accord is being tested by the East Coast Reforestation Scheme. With Forest and Bird, a signatory to the Accord, walking away from the discussions with Tasman Forestry and Ngati Porou, some would say the Accord is failing. I take the opposite view. The Accord represents a commitment by the signatories. Its very presence should make the opposing parties try that little bit extra to make it work. It raises the important issues of economic gain compared to the values of biological diversity and an increasing area of natural forest throughout New Zealand.

Over 1993 I hope the Institute will discuss the pros and cons of signing the Forest Accord. As one of many forestry people working off-shore I would like to see the many private forestry consultants who operate throughout New Zealand planting rows of pine trees for their clients having a commitment to saving areas of regenerating shrubland.

Ket Bradshaw (Smith)

SUSTAINABLE WORKING PARTY

Sustainability of Exotic Forest Yield Management in New Zealand

Chairman – Graeme Whyte, c/- School of Forestry, Ilam, Christchurch

The Institute shares the view with members of the New Zealand public that organisations have important responsibilities that go along with any rights to practise industrial forestry and earn profits. The Institute has a code of ethics for its members and is concerned that its members who are forest industry practitioners feel that they can discharge both their normal working duties and ethical responsibilities without conflict.

One such aspect that has arisen recently, and was the subject of an investigation by the Institute, is the claim that New Zealand's planted forests are allegedly being overcut. A working party reported on the difficulties of defining and establishing sustainable levels of cut for these forests (see Grayburn, NZ Forestry, Volume 37(2):27-29, August 1992).

The Institute intends to have a working group that examines this and related issues, and the group will report to the Council regularly on its findings.