

A photograph of a worker in a red shirt and yellow hard hat using a chainsaw to cut a log in a mill. The worker is positioned on the left side of the frame, and the log is being cut horizontally. The background shows a stack of logs.

Opening Up New Markets

British Columbia relies on customers around the world to buy our forest products, from lumber, pulp and paper, to building products and finished goods. Without these sales, B.C.'s forest economy would stagnate.

Most of our exports go to only a few customers. About 70 per cent of lumber goes to the United States, while Japan is a major market for coastal forest products.

While we depend on the world, the world also depends on us. British Columbia contributes 12.5 per cent of the world's pulp exports, as well as 9.8 per cent of wood products. For this reason, B.C. is directly affected – for better or worse – by world events and trends in timber consumption.

In the last 10 years, trade disputes and weaknesses in B.C.'s traditional markets, along with new, aggressive, more cost-effective competitors, have cost us profits, jobs and revenues that support public services.

Diversifying our markets and expanding the demand for forest products generally will help B.C. weather fluctuations in demand and trade disputes, and allow us to take advantage of global demand, thus creating new jobs and opportunities at home.

To this end, government is acting on a New Era commitment to spend one per cent of direct forest revenues on marketing B.C.'s forest products and practices every year. In 2002-03, government allocated \$12 million through the Forestry Innovation Investment program to promote B.C. forest practices, to support

existing markets and to pursue new markets in China, Southeast Asia and other countries.

Marketing B.C.'s products

We must demonstrate the many benefits of B.C. forest products, including cost efficiency, safety, versatility, esthetics, and the fact that they come from a sustainably managed, renewable resource.

Action: The Forestry Innovation Investment program, frequently through projects that are cost-shared with industry, is working to make B.C. the forest products supplier of choice by building relationships with buyers, developers and governments around the world. Government's contribution helps provide focus and strategy to diverse industry marketing approaches, as well as a consistent identity for B.C. products in new markets.

Much attention has been focused on China, where the first Chinese building codes that permit wood use in construction are being introduced. Meanwhile, construction is booming, with 10 million housing starts in 2001. While B.C.'s exports to China are small, they are growing.

Marketing is being done in other countries too. For example, following a devastating earthquake in Taiwan in 1999, the government there is interested in building technologies that can minimize damage and loss of life. B.C. is part of a Canadian project that is working with the

Taiwanese government to address that country's high wind and seismic conditions.

In India, the Forestry Innovation Investment program is contributing to a partnership with the B.C. Wood Specialties Group, which represents secondary manufacturers. This supports a showroom in Mumbai, where Indian buyers can see wood and wood products used in a variety of residential and commercial projects.

Benefits: Success in new international markets will not come overnight. But diversifying our markets and increasing the demand for forest products will provide long-term growth for the forest sector that will mean a better future for every British Columbian.

Marketing B.C.'s practices

Consumers around the world demand high quality, cost-effective forest products, but they also want to ensure that these products come from sustainably managed forests. British Columbia delivers both. This means British Columbia must promote not just our products, but our forest practices.

Action: The Market Outreach Network has been launched with the goal of communicating the facts about B.C.'s sustainable forest management around the world. The network is guided by a council representing forest communities, First Nations, industry and government.

Benefits: The B.C. Market Outreach Network's activities will support and build upon existing markets in Europe,

Japan and the United States. They will also reach out to emerging markets to demonstrate the added value that our forest practices bring to the marketplace.

