THE NEW ZEALAND/AUSTRALIA FREE TRADE AGREEMENT AND THE FOREST INDUSTRY OF BOTH COUNTRIES

W. W. G. TRAVERS*

SYNOPSIS

The paper emphasizes the considerable economic significance of the forestry industry to Australia and New Zealand which has a combined factory door value of about one thousand million Australian dollars. Forest products are one of the major groups of items included in the 1965 Free Trade Agreement and its contents as related to this group are discussed.

Surveys of the major forest producing and consuming regions of the world indicate the possibility of a serious shortage of wood, before the end of this century, particularly in the Asia/Pacific region. Even allowing for current plans, Australia predicts inadequate wood supplies by the year 2000 while New Zealand is planning for an exportable surplus of 150 million cubic feet.

Close co-operation is essential for an efficient and rational development of the forest industries. This co-operation is already evident at technical levels, but it could and should be considerably extended in the fields of forest planning and utilization. The concept of a New Zealand/Australia forestry industry is advanced with the Joint Consultative Council of Forest Industries under the terms of the Free Trade Agreement providing a good medium for its development. A form of organization to achieve this objective is suggested.

INTRODUCTION

Forestry and forest-based industries play a very important role in the economies of Australia and New Zealand. The combined factory door value of their forest products is some $A1,000 million and the people directly employed in these forest industries would populate a city the size of Christchurch or 1½ times the size of Canberra. While New Zealand looks to its forestry industry to satisfy growing domestic requirements and to provide a significant proportion of its export earnings, Australia is planning for self-sufficiency in an attempt to reduce an increasing forest products import bill of some $A200 million.

NEW ZEALAND'S AND AUSTRALIA'S FORESTRY INDUSTRY

New Zealand has an indigenous softwood timber resource of 1,700,000 acres unamenable to management and being depleted by over 30,000 acres per annum (Thomson and Williams, 1964). This resource will be conserved by a progressive reduction in the annual cut and it will assist in providing New Zealand's essential requirements of high-quality timbers. Australia has a considerable

timber resource in its thirty million acres of reasonable native forests (Jacobs, 1966a). Much of this area is poorly stocked with low increments of about 10 to 20 cu. ft per acre per annum. However, the State Forestry Commissions consider that they have at least 10 million acres of hardwood forest (Jacobs, op. cit.), which could be greatly improved with silvicultural treatment but unfortunately they lack the funds for such a substantial programme. Australia's sawmill, plywood and pulp and paper industries have largely been based on its native hardwood forest resource.

The exotic resources of both countries, which primarily are based on *Pinus radiata* (D. Don) with its versatile timber and long fibres, can now be considered. New Zealand has about 1.2 million acres of exotic softwood forests for 2.7 million people, or 2/5 of an acre per person, which is nearly seven times larger than Australia with some 700,000 acres for 11 million people, or only 1/16 of an acre per person. New Zealand's exotic plantings are reasonably concentrated and will enable further expansion of the forest-based industries. In contrast, Australia's exotic plantings are relatively fragmented and it will be some time before they will support any sizable integrated utilization units, particularly now that increment reserves are being absorbed by production increases in sawmill, particle board and smaller pulp and paper units.

The forest-based industries, such as the sawmills, plywood and veneer factories, particle board and fibre board plants and, most important of all, the pulp and paper plants of both countries, are too numerous and too varied to describe in this paper. At present it would appear that most of the industries, apart from the pulp and paper industry, will be primarily concerned with supplying their own regional demands — with some inter-regional trade mainly in sawn timber. The pulp and paper industries are worthy of particular comment. New Zealand has two large integrated utilization units and one smaller unit based on local softwood supplies and two smaller units based mainly on imported pulp supplies, producing in all about 350,000 tons of paper and board and 90,000 tons of pulp for sale per annum with a total value of $A70 million. The Australian pulp and paper industry produces about 750,000 tons of paper and board per annum, with an approximate value of $A175 million from its 14 paper mills containing 40 papermaking machines (Connal, 1966). With a few minor exceptions, all the paper mills in Australia and New Zealand have recently completed, are completing, or are planning production expansions to supply the steadily increasing market.

THE FREE TRADE AGREEMENT

The New Zealand/Australia Free Trade Agreement was signed on 31 August 1965 and came into force on 1 January 1966. Its objectives are:

1. To further the development of the Area and the use of the resources of the Area by promoting a sustained and mutually beneficial expansion of trade;

2. To ensure as far as possible that trade within the Area takes place under conditions of fair competition; and
To contribute to the harmonious development and expansion of world trade and to the progressive removal of barriers thereto.

The first real attempt to formalize trade relations between New Zealand and Australia was the 1933 Trade Agreement. Australia's more advanced industrial development and New Zealand's reliance for the bulk of its export income on a narrow range of agricultural products similar to Australia's primary production are the major factors for the development, since 1933, of the current imbalance of trade of about 1 to 4 in Australia's favour. Although both countries attempt to balance their trade multilaterally, this growing imbalance was causing concern. The most desirable solution for both countries' long-term interests was to have an arrangement which by providing improved opportunities for access of goods to both countries would create conditions for improving the balance with an expanding volume of mutual trade. It is not proposed here to discuss the negotiations culminating in the Agreement or the full details of the Agreement, but rather to concentrate on the clauses which are directly related to forest products. At the same time it should be emphasized that there are many factors to be considered in such an Agreement and that those in the forest products industry must appreciate these factors and at times be broad-minded and prepared to compromise.

The area of the Agreement covers metropolitan New Zealand and the states and mainland territories of the Commonwealth of Australia. Article 3 defines the scope of the Agreement in relation to all trade and more particularly the items included in Schedule A which are subject to all the Agreements' provisions. Forest product items constitute a significant section of this Schedule. The Article also provides for the review of the Agreement with the object of adding items to Schedule A and already working committees are consulting for the first review to be held before 1 January 1968. There are a number of forest product items, such as some grades of paper, which could well be included at that time. Provision is also made in the Article for the exclusion of goods whose inclusion would be seriously detrimental to an industry, a national interest, or the trade of a third country. Particle board and some paper grades could be considered in this category.

Article 4 provides for the reduction and elimination of duty on Scheduled goods. The operation of these provisions is generally known but one point of particular interest is that goods which were admissible free of duty under standing by-laws must also remain free. If the by-law is revoked, then the goods remain duty-free and the exporting manufacturer retains the same protection as the domestic manufacturer against third country suppliers.

New Zealand's import licensing policy is the main concern of Article 5. It provides for a flexible policy to suit New Zealand's balance of payments problems. Forest product items which have been removed from import control include sawn and dressed timber, plywood and veneers and a range of packaging materials. Initially this removal has resulted in a relatively large increase in exports from Australia to New Zealand of hardwood timber, plywood and veneers; but, owing mainly to current Australian market conditions, no reciprocal increase.
The possibility of either party obtaining a competitive advantage by using cheap materials from a third party is covered by Article 7. Articles 8 and 9 allow for the protection of new and developing industries and for an industry which is meeting excessive competition from like or directly competitive products from the other country. Protection against dumping or subsidizing by either country or third parties is provided for in Article 10 and is particularly relevant to the New Zealand paper and paper board industries.

Certain of either country's limited native forest resources may have to be preserved and this possibility is provided for in Article 12. Kauri and some other native softwoods are prohibited exports, though recently the New Zealand Government agreed to allow the export of up to 3 million square feet of plywood manufactured from native softwoods, to give New Zealand plywood manufacturers the chance to compete on the Australian market.

Articles 13 and 14 provide for the inclusion of other parties within the Agreement. There is no present intention of adding other parties though it is possible that Papua/New Guinea and the Cook Islands could eventually be included. In time other countries, possibly in South-east Asia, could also be included. The inclusion of Papua/New Guinea, with its considerable timber resources, could have a significant effect on the New Zealand/Australia forest products industry.

Throughout the articles of the Agreement there is ample provision for consultation to ensure the harmonious operation of the Agreement. Accompanying the Agreement is an exchange of letters, one of which refers particularly to the New Zealand industries and their development. This letter will be referred to at greater length later in the paper.

At this stage, three points might be emphasized. First, that, apart from any international obligation to expand the scope of the Agreement, the intention to expand its scope has been agreed by both countries; secondly, that it is the firm and declared intention of both governments to make sure that the Agreement works smoothly and to mutual advantage and, thirdly, that those in the forest industry must realize and accept that there are a number of other, often more important factors, to be considered in addition to trade in forest products. It is now generally recognized that the free trade concept is just one aspect of a general and in many ways inevitable movement towards closer trans-Tasman co-operation and understanding on a broad front—political, defence and economic.

So far the forest products industries and the Free Trade Agreement have been briefly discussed, but what of the future? Is the world and more particularly Oceania going to have sufficient wood? How are New Zealand and Australia to achieve the maximum efficient utilization of their forest resources and how can they assist towards achieving the objects of the Free Trade Agreement?

**PREDICTED WORLD DEMAND/SUPPLY POSITION FOR WOOD**

In this age of transportation and technical advances, it is necessary to consider the world wood supply picture, and particularly that of the Asia-Pacific region, before considering Oceania's.
In a recent appraisal of European timber trends, FAO (1964b) predicts that in the period up to 1975 Europe will have to draw increasingly on supplies of wood and wood products from other parts of the world—particularly Russia, Asia and Africa. Economic activity and wood requirements will increase, and by the year 2000 total industrial wood requirements are estimated to total some 17,655 million cubic feet. Most of this huge volume requirement will consist of small round wood for the manufacture of wood pulp and wood-based panel products. The demand/supply gap from European production in 1975 is predicted to be some 1,059 million cubic feet and by 2000 to be 3,178 million cubic feet, even with increased plantings and improved management and logging practices.

The continents of Africa and South America have considerable untapped forest resources but, with their rapidly expanding populations (some 3% per annum in South America) and improvements in the standard of living, it is unlikely that they will be able to provide increased wood supplies for export to their traditional customers (FAO, 1966).

The FAO (1964a) survey of the Asia/Pacific region specifically excludes Mainland China because of lack of suitable information. In 1963, Dr S. D. Richardson, then Director of Research of the New Zealand Forest Service, made an extensive tour of mainland China and his reports (1965) indicate that existing natural forest resources, ignoring increment, will last some 30 years. Consumption of industrial wood increased eightfold in 1950-60 to about 20 thousand million super feet—about 27 super feet per capita, including 7 lb of pulp and paper products per capita, compared with Australia's 154 super feet plus pulp and paper products of about 225 lb per capita. Net population growth rates of approximately 2% per annum will result in a population by the year 2000 of some 1,500 million people with an industrial wood requirement demand ranging from 17,655 million cubic feet to 21,539 million cubic feet. These projections are frightening and beyond our comprehension. However, they have to be considered as it is very doubtful if China, even with her immense afforestation projects, can provide any but a small proportion of these predicted requirements.

Further north in Siberian Russia the wood supply position is brighter (Nickov, 1964). Their vast resources of softwood timbers are estimated by the Russians as being some 781,280 million cubic feet. This resource is relatively untapped but a series of production plants are being established as the Soviet Union pursues an active policy of forest industry expansion and an increase in exports.

A recent study of America's resources (Landsberg et al., 1963) concluded that the United States' wood requirements by the end of the century may have risen to a level beyond the potential capacity of the existing forest area, while land pressures from a fast-growing population may place serious limitations on the expansion of forest areas to keep pace with the growth in requirements. The United States is already the world's largest timber importer with net imports of timber from all sources increasing from 900 million cubic feet in 1962 to a predicted 1,344 million cubic feet by 1985. However, an even more recent study (U.S. Forest Service, 1965) indicates that the United States will
have a considerable surplus of wood by the year 2000. This prediction is based on the liquidation of the old growth stands of the Pacific West Coast and substantial increment increases in the re-afforested areas. Improvements in management and utilization practices will also contribute to improve the wood supply position. The supply prospects in Canada both now and in the future are good, with improved management and utilization techniques resulting in increased yields per acre. Thus Canada should be in a position to supply considerable volumes of forest products to wood-deficient areas such as Europe and the Asia/Pacific region.

The Asia/Pacific region with one-third of the world's population but only 15% of the world's forests, is relatively poorly endowed with forest land, a position aggravated by uneven distribution (FAO, 1964a). Intra-regional trade is small in relation to consumption and in most countries the forest area is diminishing because of extensive exploitation for fuel wood. In 1963 the region had an adverse trade balance of about 106 million cubic feet and, even with an optimistically assessed increase in industrial wood supplies to 5,000 million cubic ft by 1975, there will still be a deficit of 706 million cubic ft. Even now in certain parts of the region fuel wood supplies are critical. The demand/supply gap will continue to increase after 1975.

In FAO's report of the region it was stated:

Some idea of the urgency and magnitude of the problem of supply may be gained simply by observing that if the population could be stabilized at twice present levels, and if the entire region were to raise wood consumption levels to that presently existing in Japan (where consumption is small, under Europe's average and about ¼ that of North America) this region would require some 24,717 million cubic feet a year, about equal to the total present world consumption.

It is very difficult to predict the parameters of economic activity — population, price, technological change, etc., and the consequent demand for wood, but it is obvious that the world, and the Asia/Pacific region in particular, will experience serious shortages of wood before the end of the century.

AUSTRALIA AND NEW ZEALAND'S DEMAND/SUPPLY POSITION FOR WOOD

What is the predicted demand/supply position for wood resources in Australia and New Zealand? Dr M. R. Jacobs (1966b) in his major address to the 1966 AUSTIS Conference in Hobart predicted on a population and per capita consumption demand basis that, if wood maintained its place in industry, Australia would have inadequate wood supplies by the year 2000. Australia's present per capita consumption of forest products is about 48 cubic feet (log equivalent) which is relatively high by world standards but not very high for Australia's real per capita income. Domestic supplies of wood could service a per capita consumption rate of 40 cubic feet (log equivalent) for a predicted population of 22.5 million people by the year 2000 or the present per capita consumption rate of 48 cubic feet for a population of 18.3 million people. If it is reasonable to assume that the current per capita consumption rate of 48 cubic feet (log equivalent) is of a similar
degree by the year 2000, then Australia will face a supply deficit of some 200 million cubic feet per annum. Dr Jacobs admits that the population figures he uses are considered as conservative. It is known only too well how drastically fire and drought can affect forest volumes and increment. An extension of native forest management could considerably increase their yield and ease the overall supply position but to date there are no funds available for such a programme. However, State Forestry Commissions increased their softwood plantings from about 22,000 acres to 32,000 per annum from 1962 to 1965 and they now have sufficient funds to expand their planting rate to some 65,000 acres per annum. Private softwood plantings are increasing and already one company alone is planting nearly the whole of the allocated private share of 10,000 acres of the Commonwealth’s target of 75,000 acres per annum to provide 3 million acres by the year 2000. With further inducements, this private sector could play an increasingly important role in forest establishment. Even with this expanded softwood planting programme, Dr Jacobs predicted that Australia could only service its likely population at close to 40 cubic feet per capita from the year 2000 to 2010 but after this date the per capita consumption would progressively decrease unless additional provisions are made to ensure further supplies.

New Zealand with its 1.2 million acres of exotic forest (N.Z. Forest Service, 1966) and a diminishing indigenous timber resource, is planning to provide an exportable surplus of some 150 million cubic feet (log equivalent) by the year 2000 (Thomson and Williams, 1964). The current rate of total exotic planting of private plus State sectors is some 28,000 acres per annum and there are proposals to increase this to 40,000 acres per annum. New Zealand is fortunate in having a climate and soils conducive to the growth of exotic pines, particularly radiata pine which comprises some 60% of the total exotic forest area. It is reasonable to assume that this condition will continue to exist, although there are indications that New Zealand may have to contend with developing pathological problems.

New Zealand Forest Service projections of the possible pattern of demand and supply for 1975 and 2000, assuming the existence of a free trade agreement, indicate that by 1975 total wood requirements will approximate 300 million cubic feet (domestic and export markets 220 million cubic feet and 80 million cubic feet, respectively). Of this demand, 80% will be supplied from exotic forests, 15% from indigenous forests, and 5% from imports. By the year 2000, total wood requirements will have increased to 540 million cubic feet (domestic and export markets 390 million cubic feet and 150 million cubic feet, respectively) which provide for a consumption by the predicted 5 million population of some 78 cubic feet per capita. Exotic forests will supply some 89% of these requirements. If New Zealand's forest product industries are to expand, they must have assured export markets which in the short term could be difficult to find. In the long term, there is little doubt that these would be available in the Asia/Pacific region. The Free Trade Agreement brings improved prospects for New Zealand's forest products export trade which should be to the mutual advantage of both countries.
If the demand/supply position for Australia and New Zealand is considered it is obvious that the region must be considered as a "net importer" of wood before the end of this century, unless there is a major change in present afforestation policies. Thus it is most desirable that both countries should utilize their domestic wood resources with maximum efficiency. It is very clear that New Zealand with its softwoods and Australia with its hardwoods should co-ordinate their forest establishment and utilization planning programmes to minimize this potential wood deficit. Both countries have compiled comprehensive reports on their own future demand/supply position for forest products, but as yet there have been no published reports covering both countries' requirements. The concept of a joint policy or a co-ordinated planning approach is not a new one. Thomson and Williams (1964) concluded that "co-ordinated planning of the forests and forest product industries of Australia and New Zealand could be of mutual benefit", and Dr Jacobs, the Director-General of the Commonwealth Forestry and Timber Bureau, has often expressed this opinion in his addresses to timber and pulp and paper groups throughout Australia. Perhaps the strongest expressions of the desirability and need for a joint policy were those made by the Australian Deputy Prime Minister, the Right Honourable J. McEwen (1966) when he addressed the 20th Annual APPITA Conference in Canberra in March 1966. He stated:

I believe in partnership between governments; partnership between industry and government within my own country; partnership between industry and governments within this Free Trade Area; so that all may operate with a knowledge of the other's affairs, intentions, and problems.

In the other opening address at the same Conference, J. M. Connal, Managing Director, Wiggins Teape Australia Pty Ltd., followed a slightly different theme when he said:

In APPITA we have a magnificent example of co-operation in this industry of ours, and I believe very strongly that this industry of ours should form an association which would cover a much wider field than technical matters. I believe that such an association could be invaluable in dealing with union matters, in representations to government departments, in our public relations and in dealing with similar overseas associations, and in future overall planning. I believe that this association should include our New Zealand friends and indeed that it should be a joint Australia-New Zealand association. I realise that problems arise because of the very large variation in size of those who would be member companies, but I do not believe that these problems are insoluble.

I would suggest that we should take the initial steps to inaugurate an Australian and New Zealand association of pulp and paper making industries. — ANZAPPI.

What progress has been made towards achieving this joint approach?

One of the best examples is ANZAAS itself. Since its foundation in 1887 there have been regular meetings, the Thirty-ninth Congress being held in 1966. Subjects covered by representatives of both countries range from geology to microbiology to education and to agriculture and forestry. There is APPITA which is a very good
example of co-operation at technical levels, and Connal (1966) has suggested that this should be extended to an Australia and New Zealand Association of Pulp and Papermaking Industries. An Australia and New Zealand Radiata Pine Council has just been formed to develop a co-ordinated approach to the marketing of radiata pine timber in Australia. There is a regular interchange of foresters, research officers and marketing and producing personnel which all aids the development of a greater degree of co-operation. In the manufacture and marketing of newsprint, fruit wrapping papers and packaging papers and board, there are examples in both countries of co-operation for the mutual benefit of the pulp and paper companies concerned. Within the forestry industry of both countries, there are a number of examples of industry co-operation—i.e., the Australian Forestry Council, the Timber Producers Panel, and the recently formed New Zealand Pulp and Paper Advisory Committee. Also, on a broader front of tourism, culture, defence and commerce, there are many other examples of co-operation between both countries.

Progress towards greater co-operation in the New Zealand forest industries has and is being made and is probably more advanced than in any other major industry. However, this is insufficient to ensure maximum efficiency in utilizing forest resources by the rational development of forest establishment and forest-based industries.

How can this desirable objective of a joint or co-ordinated forest industry policy be achieved?

Before proceeding any further, it should be made quite clear that all of the following suggestions are personal ones and not those of the New Zealand Government or any particular body.

There is a very good medium for achieving this objective, it is suggested, under the terms of the Free Trade Agreement, that is, the proposed Joint Consultative Council of Forest Industries. The establishment of such a Council is the subject of paragraph 4 of Article 5 in the Exchange of Letters attached to the Agreement. This particular paragraph parallels the theme of this paper and so is quoted here:

4. In respect of forest products generally, the Member States shall co-operate with a view to achieving a harmonious and mutually beneficial expansion of trade between them and to promoting the most efficient use of the combined resources of both Member States. To this end, a Joint Consultative Council on Forest Industries shall be established. This Council shall comprise such members and advisers as from time to time may be agreed upon by the Member States and shall meet at least once a year. It shall consider matters referred to it by either Member State. At the request of the Member States it may from time to time report to them on such matters as changes or desired changes in the structure of the forest industries in either Member State, changes in demand or supply of particular types of forest products, and the level of investment needed to secure an adequate expansion of the supply of particular types of forest products.

To date, for a number of reasons, little progress has been made towards the establishment of the Council. This is unfortunate as forestry requires long-term planning and the forest products industry needs considerable capital investment.
A form of organization for the Council to achieve the stated objectives is now suggested. The Council should consist of a small central body representing the trade, forestry and finance departments of each Government — i.e., a council of six or eight members. Attached to the Council would be a series of sub-councils or advisory committees to which the Council could refer for expert advice on matters related to the advisory committees’ particular interests. Such advisory committees could include:

1. Forest planning and management,
2. Research,
3. Timber,
4. Pulp and paper, and
5. Plywood and fibreboard,

i.e., five advisory committees. Again, these advisory committees would consist of three or four representatives from each country. It would be essential for the main Council to meet regularly and at least three or four times per annum and the advisory committees when necessary. Australia has a particular problem regarding representation on the advisory committees because of its Federal and state organization. However, in most cases there is a suitable Commonwealth body from which representatives could be chosen — e.g., the Australian Forestry Council, the Timber Producers’ Panel, and the Australian Plywood Association. The most notable exception of a Commonwealth entity is the Australian pulp and paper industry but it is possible that a similar body to the recently formed New Zealand Pulp and Paper Advisory Council could be established.

At the 6th All-Australia Timber Congress, B. M. Hoffmeister, President of the Council of the Forest Industries of British Columbia, described the organization of the Council of the Forest Industries of British Columbia, which is virtually the Canadian forest industry. This organization represents the major groups of forest products companies in the province on all matters of common interest, with two exceptions, sale of goods and labour relations. The main areas in which the Council operates are in representations to the Provincial Government on forest policies, particularly in the field of tariffs; and to the governments of other countries in the matter of maintenance of markets and possible restrictive legislation. One of the main resolutions passed at the same Congress indicated the need for a similar body in Australia. The resolution reads as follows:

The Timber Development Council of Australia is urged to implement its constitution to embrace the complete ambit of the forest products industry in Australia, and in doing so its title be synonymous with its function in accordance with its Charter.

If such a Council were formed there would be the need for only one Advisory Committee or Council, although perhaps it would be advisable to have a separate one for research. It is also possible that a similar Council could be formed in New Zealand for the same purpose.
The advisory committees suggested would be responsible for all matters in their particular field—e.g., the Forest Planning Advisory Committee would consider whether the concept of regional forest planning as developed in New Zealand (Williams, 1964) could be extended to Australia and New Zealand with the North and South Islands being included as separate regions similar to the Australian states. It is possible that it would be more economical to satisfy wood shortage regions in Australia from regions in New Zealand with surplus supplies rather than from Australian sources. Land use surveys in relation to regional demands would be an important function of such an advisory committee. The Research Advisory Committee would be responsible for co-ordinating research programmes, making results available to the industry in both countries and advising on guide-lines for future research. The Pulp and Paper Advisory Committee would be mainly concerned with the industry’s rational development in both countries. Without wishing to “buy an argument” it is possible that the present disagreement on proposed expansions in liner board production could have been settled or rationalized “around the table” by an appropriate advisory committee and the main Council. The phasing of production expansions to satisfy expanding market demands has been achieved in the Australian fine paper industry. Why should it not be the case in the New Zealand and Australia paper board industry? It is not proposed to elaborate any further on this suggested form of organization. Whether Governmental action is along the lines suggested or any variation thereof, it is most desirable that the Council be established as soon as possible.

Forestry is a long-term business. It is necessary to plan for the next 20, 30, 50 years and longer, so the foresters and forest product industry executives of both countries should plan together to ensure a strong and viable industry for the next century. The Joint Consultative Council on Forest Industries under the terms of the Free Trade Agreement provides a good medium for this essential approach. If the suggestions made in this paper are implemented, the forest industry of the year 2000 may congratulate us on our foresight.

Finally, to return to the international scene, a scene in which both Australia and New Zealand are directly concerned, the final paragraphs of the FAO publication 'Wood: World Trends and Prospects' published for the 6th World Forestry Congress held last year in Madrid, might be quoted:

Thus it is some of the most remote countries, in Australia and New Zealand, Southern Africa, and the southern part of Latin America, which have been among the first to develop thriving industries of their own, based largely upon plantation-grown wood raw material, which are now not only meeting much of their own and their neighbours' requirements, but also competing successfully in the international market. It is therefore important for those concerned—potential producing countries, potential deficit countries, and forest industries seeking new sources of raw material—to recognize that there are areas which have forests capable of producing low-cost wood and wood products which could, and rationally should if wood is to remain competitive, play an increasing role in the more distant future.
But the momentum of further growth can equally be expected to bring into use in due course those of the idle or underutilized resources in the rest of the world which are potentially competitive. What is important is that those concerned with policies affecting the wood sector be aware of the existence, nature and potential of these resources. Above all it is important throughout the world to ensure that any development is a rational use of the type and quantity of wood resource available, is appropriate to the markets available, is in harmony with neighbouring forest industry development, and is consistent with and integrated into overall development plans at the national and regional levels.

Wood remains one of the world’s principal natural resources and raw materials; one that is required in ever-growing quantities and in ever more diversified forms as the economy grows; and one that can be the basis for many different activities which contribute to this growth. It continues to be of the first importance that this resource be managed and developed so that this contribution may be made in full.

REFERENCES


