Juken Nissho Limited

Simon Gresham

Juken Nissho is a joint venture between Juken Sangyo, one of the larger forestry processing companies in Japan, and Nissho Iwai, one of Japan’s largest trading companies.

Juken Sangyo, which accounts for 85 per cent of the joint venture, is a major producer of secondary processed plywood, especially in floorings, fittings and doors. It is a forerunner in the development and marketing of laminated veneer timber. It is the top manufacturer in Japan of stepping boards for stairways using laminated veneer timber.

Nissho Iwai, which accounts for the other 15 per cent of the joint venture, is one of Japan’s largest trading companies. It ranks approximately sixth in Japan and amongst the top ten trading companies in the world as measured by sales. Nissho Iwai has been active in New Zealand for many years. It has, for instance, been involved in a joint venture with Ceramo exporting China clays from North Auckland. In addition, Nissho Iwai has been one of the oldest international customers of the New Zealand Forest Service.

Juken Nissho has purchased Crown Forestry Licences and standing timber for 43,031 hectares of State forests in Northland (Aupouri and Otangawhiti), Wairarapa (Ngatimu) and Northern Hawkes Bay (Wairarata and Putanamu) for a total of $125 million.

Juken Nissho has indicated its intention to invest in further processing of its forest resource within New Zealand. There are no firm plans, but comments have been made regarding a panel board mill in the Wairarapa and a plywood mill at Gisborne. In addition, Juken Nissho’s forests in Northland are close to Northern Pulps’ Tri-board mill which is currently attempting to trade its way out of receivership.

Juken Nissho buys Triboard mill

Chris Lovell

The receivers for Northern Pulp Ltd announced on December 18, 1990 that the Triboard mill has been sold to Juken Nissho Ltd – only three days before they had planned to close the mill. Approval of the purchase by the Overseas Investment Commission is still required. This decision was expected by the end of January. On December 3, the receivers gave notice of the closure to the 90 employees after a long period of uncertainty which began with the collapse of Equitcorp, the financial partner in the Triboard joint venture. Funding by the Bank of New Zealand to continue production at the mill had been exhausted, which left closure the only option if a buyer could not be found quickly.

The new owners, who have also recently bought the major wood resource in Northland, Aupouri Forest, should be able to expand the present markets for the Triboard product and bring the mill to full capacity. Though users have found many advantages with the product, it has suffered in marketing, amongst other things, due to the uncertainty over the mill’s future.

Plywood mill’s future uncertain

Chris Lovell

The plywood mill at Gladstone, near Greymouth on the West Coast, has been under the threat of closure since before Christmas. The mill has been run by International Panel and Lumber (NZ), which is owned by the South Australian Government, since 1985 but debt associated with the mill is now forcing the company to sell. The future of the 92 people employed at the mill may be determined by a consortium of companies involved in the timber industry. Their bid to purchase the mill may save IPL from the unfortunate alternative of selling the mill’s equipment and paying redundancy. The continued operation of the mill is important to the West Coast as it maintains a minimum level of forestry processing which if lost may discourage further wood processing in the region when greater amounts of West Coast timber are produced. It also helps maintain a basic level of infrastructure which is necessary for the continued survival of other firms on the West Coast.

Chief Executive of Timberlands West Coast

David Hilliard was appointed late last year the first Chief Executive of the new State Owned Enterprise, Timberlands West Coast Limited.

The new company came into being early in October under the chairmanship of Mr Rex Loach of Nelson and was formed to take over the forestry assets formerly administered by New Zealand Timberlands Limited, Westland District.

David Hilliard, 39, has been in forestry since 1969 when he joined the New Zealand Forest Service at the Guavas forest in Hawkes Bay.

He moved to the West Coast in 1980 as district ranger, Southern Westland, and was based at Hari Hari until the demise of the Forest Service in 1987.

Mr Hilliard was Manager of New Zealand Timberlands Westland District and in his new position he is in control of a salaried staff of 25 employees.

Mr Loach said that Mr Hilliard’s considerable forestry experience, particularly on the Coast, made him well qualified to lead the company into a dynamic future as a major West Coast business.