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

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.

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 radiates in identified offshore markets is being considered by the Executive Council of the Forest Owners’ Association.

Hamish Levack

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.