

Industry training centre launched

A new world-class training centre for the wood processing industry has been launched in Rotorua by the Minister for Economic Development Jim Anderton.

The "National Centre of Excellence in Wood Processing Education and Training", as the facility will be called, is a partnership among Forest Industries Training, Waiariki Institute of Technology and the University of Auckland.

The aim of launching the facility is to counter an anticipated skill shortage in the wood processing industry.

The project has initial funding of \$2 million from Industry New Zealand, \$580,000 from the forest industry and \$90,000 from training providers. The money will be used for Stage One: Providing the basic infrastructure, developing the curriculum and preparing plans to extend WIT to accommodate the new facility. State Two will include investment in buildings, equipment and software, which could entail a budget in the \$10-\$15 million range.

Citic bids for CNIF

Citic, the Chinese Government investment company, may purchase a 35 per cent stake in Fletcher Challenge Forests for \$439 million, in a deal designed to give the cash needed to take over their failed Central North Island forestry venture.

As this issue of the *Journal* was being published, the future of the Citic/FCF Central North Island Forest Partnership remained uncertain. An earlier withdrawal by FCF from the bidding for the CNIFP left the sale of the assets worth \$1.5 billion uncertain, with the only likely bidder emerging being Vela family interests.

Citic, which earlier said it was withdrawing from business in New Zealand, agreed to pay 37 cents for FCF stock, the funds allowing FCF to bid for 160,000 hectares of forests, and three mills it managed in the partnership with Citic that fail 14 months ago. Citic would get control of FCF and the harvesting and sale of its trees, while FCF would get to keep forests next to its own.

Government position of Kyoto Protocol

The Government has announced its policy on the Kyoto Protocol. The policy is still open to debate through a process of public submission over the next couple of months and then passes through Parliament before being made law.

It appears the government has heeded concerns of the forest industry while remaining committed to what it sees as New Zealand's

responsibilities in ratifying the Kyoto Protocol as soon as possible.

The government has decided to take ownership of carbon credits in all New Zealand forests. Observers suggest this will be seen as interfering with freehold rights, and some reaction is expected from land and forest owners, along with Maori interests, who have Treaty of Waitangi interests to consider.

Log Price Summary

MAF notes: Returns to small growers may be lower than those recorded here owing to scale and buyers' margins. These log prices are historical and indicative only, and may not correspond to actual prices paid, or grades used, in market transactions. The prices are subject to changes when further data becomes available. The sources for this information are Ministry of Agriculture and Forestry industry contacts.

March QUARTER As at: April 2002

Generic Log Type & Pricing Point	Mar 2002 Quarter	Mar 2002 12-Quarter Median
EXPORT (NZ\$ per IAS m³ f.o.b.)		
Pruned	214-230	201
Unpruned A Grade	105-117	114
Unpruned J Grade	98-109	94
Unpruned K Grade	91-113	88
Pulp	65-72	64
DOMESTIC (NZ\$ per tonne delivered at mill)		
P1	153-190	166
P2	99-160	130
S1	86-100	97
S2	87-94	88
L1 and L2	61-75	68
S3 and L3	50-80	63
Pulp	35-51	40

Indicative New Zealand Radiata Pine Log Prices by Quarter

Generic Log Type & Pricing Point	Jun 2001 Quarter	Sept 2001 Quarter	Dec 2001 Quarter	Mar 2002 Quarter
EXPORT (NZ\$ per IAS m³ f.o.b.)				
Pruned	190-217	144-230	190-234	214-230
Unpruned A Grade	100-127	100-136	94-115	105-117
Unpruned J Grade	78-102	85-94	89-98	98-109
Unpruned K Grade	64-78	84-90	87-100	91-113
Pulp	53-69	56-65	65-70	65-72
DOMESTIC (NZ\$ per tonne delivered at mill)				
P1	162-185	150-175	164-190	153-190
P2	101-143	94-165	106-160	99-160
S1	83-99	83-103	77-101	86-100
S2	70-100	70-93	69-92	87-94
L1 and L2	52-70	55-60	62-80	61-75
S3 and L3	52-80	N/A	50-78	50-80
Pulp	36-57	32-42	35-51	35-51

Source: MAF web site: www.maf.govt.nz/Forestry/statistics/logprices/index.html