INTERNATIONAL MARKET POTENTIAL FOR TREATED WOOD PRODUCTS FROM B.C.

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During the 1980's, one can confidently say that the wood industry in B.C. had gone through a massive restructuring. The economic recession during the early part of the decade forced lumber manufacturers to take a serious reassessment at how and where profitability could return in manufacturing wood. One consensus has been to get closer to the customer, and manufacture wood products more suitable to the direct end-user.

What we once sent to Japan and Europe as large, 8" thick flawless and clear cants, are now sending items such as "Hashira", "Kamoi", German window stock, and sauna boards. B.C. sawmills are now starting to make the right sizes, lengths, grain orientation, moisture content, and grade. A lot of this value-added material is coming from remanufacturing, which COFI members play a key role in.

In my few trips to Japan and Europe, I was particularly surprised by the consumption of treated wood. In Japan, it was especially interesting to see that practically all the structural wood components on the first floor were pressure treated! Yet we do very little of the wood treating here. I feel the custom wood treating industry is at its infancy in B.C. (much like the custom remanufacturer was 10 years ago). If we can competitively do more wood treating here (and there is no reason why we can't), it could also lessen the burden of kiln drying all our products going to Japan.

The B.C. remanufacturing industry is now maturing to the point where they now have their own producer's association which is similar to, and affiliated with, the Council of Forest Industries of B.C. They are known as the B.C. Wood Specialties Group (BCWSG), and comprises of over 30 wood remanufacturing companies located from the coast and interior of B.C. It is my opinion that wood treating opportunities truly lies within the framework of remanufacturing, and with the BCWSG.

COFI has offices located in many of the major countries of the world where our wood products go. I asked our people what the approximate size of the treated wood markets were in their countries, and quite frankly, it generated a lot of interest. Very little work has been done to establish the size of these markets, and to effectively promote B.C. treated wood internationally.

Therefore, what you have in this paper, is probably one of the few sources of market information on treated wood from an international perspective. I must caution you that these are only rough estimates, since the material had to be compiled from a wide range of different sources. I have simplified the presentation of the statistics through use of bar graphs, and they are included with this paper.

The next question is, how can we begin to treat more wood for our international markets? I think this market can be developed and approached in three ways:

(1) Become familiar with what the requirements are for the export market. For example; Germany has very strict regulations for CCA treated wood products, and yet other countries continue to pressure treat with pentachlorophenols.

(2) Identify B.C. manufacturers who are "close to their customer"; where they process wood in B.C. that probably only requires the pressure treatment of wood and the foreign end-user could then have all their needs satisfied.

(3) Inform the lumber producers on the capabilities of the domestic wood treating industry.

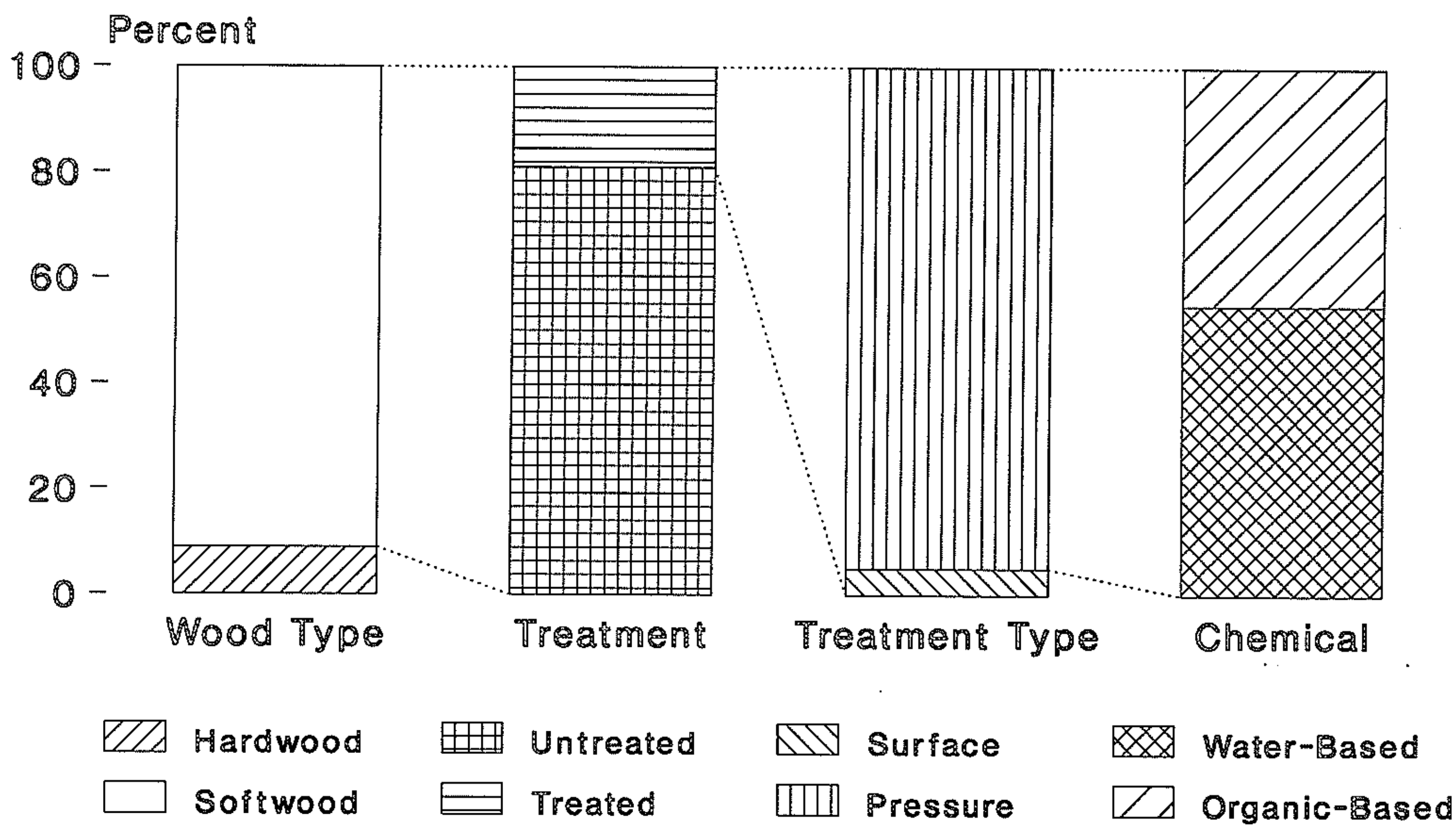
Item number one above would probably be a task the wood preservers will have to do on their own - educating themselves on international standards for preserving wood. My discussions with some of the Canadian research experts reveal that they are completely familiar with wood treating codes and standards from other countries. The other two items is something the Canadian Wood Preservation Association can do in conjunction with the major lumber producers associations in Canada.

As stated previously, this should probably be considered a remanufacturing opportunity, and certainly the B.C. Wood Specialties Group would be an ideal organization to contact. The wood preserver will be able to quickly find out who the secondary manufacturers are, and the myriad of wood products that are being produced which are truly for the end-user.

The CWPA can also improve their association profile. For instance, a contact address or person is not even listed in the Canadian Wood Council directory which identifies key people and organizations in the wood products industry. In addition, I found it extremely difficult to find the CWPA annual meeting notice in the "conventional" sources of information for the wood producer. The CWPA will have to at least convey the message as to where they "hang their hat".

Finally, associations such as COFI and BCWSG can assist the CWPA in identifying who the key contacts are amongst the wood producers. It will be these key market development people who will be receptive in undertaking a program to pressure treat their wood products. The consideration of pressure treating wood (and initially as a remanufacturing opportunity) for export markets is something that should benefit all B.C. wood producers.

Preserved Wood Markets
United Kingdom



Total 1988 consumption 11,500,40 m3

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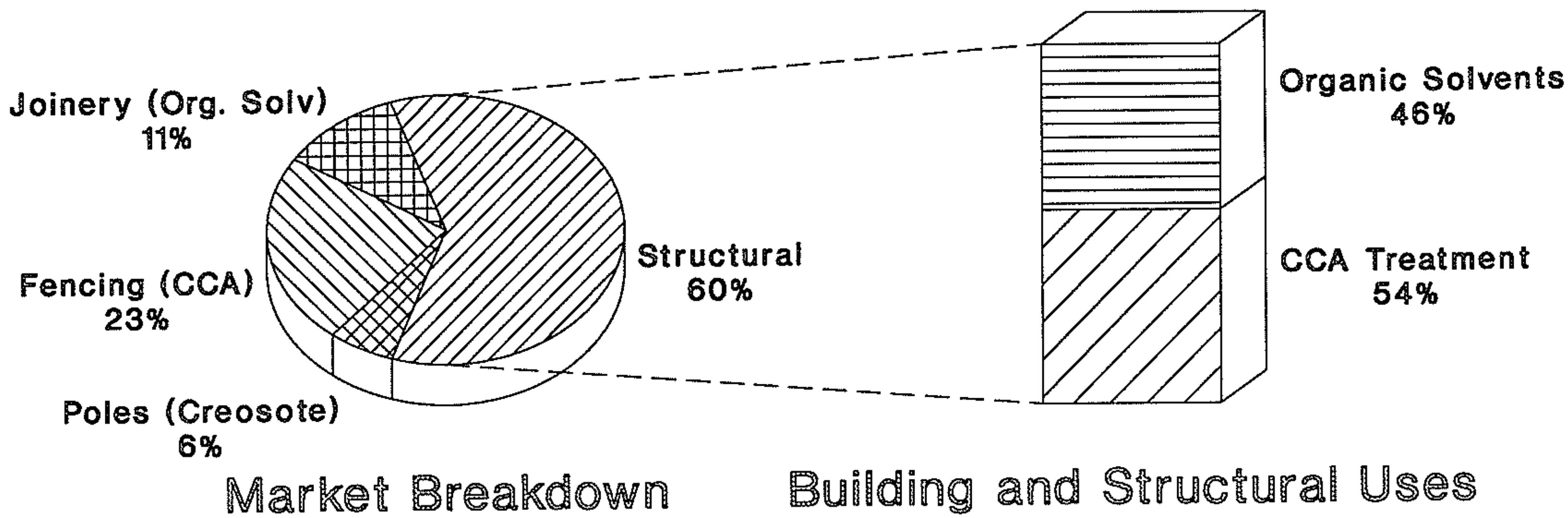
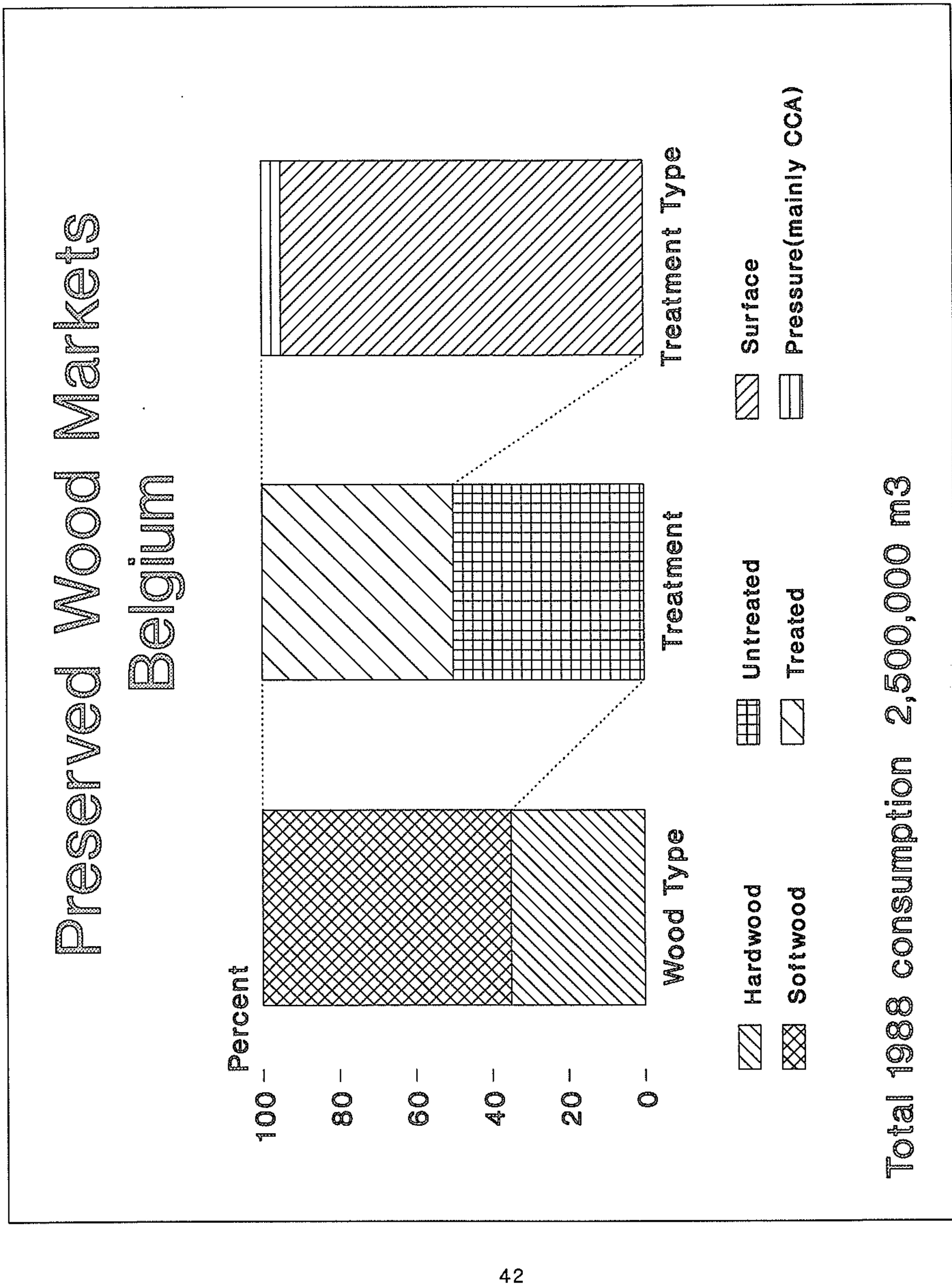
Pressure Treated Wood

U.K. Market Breakdown (Percentage)

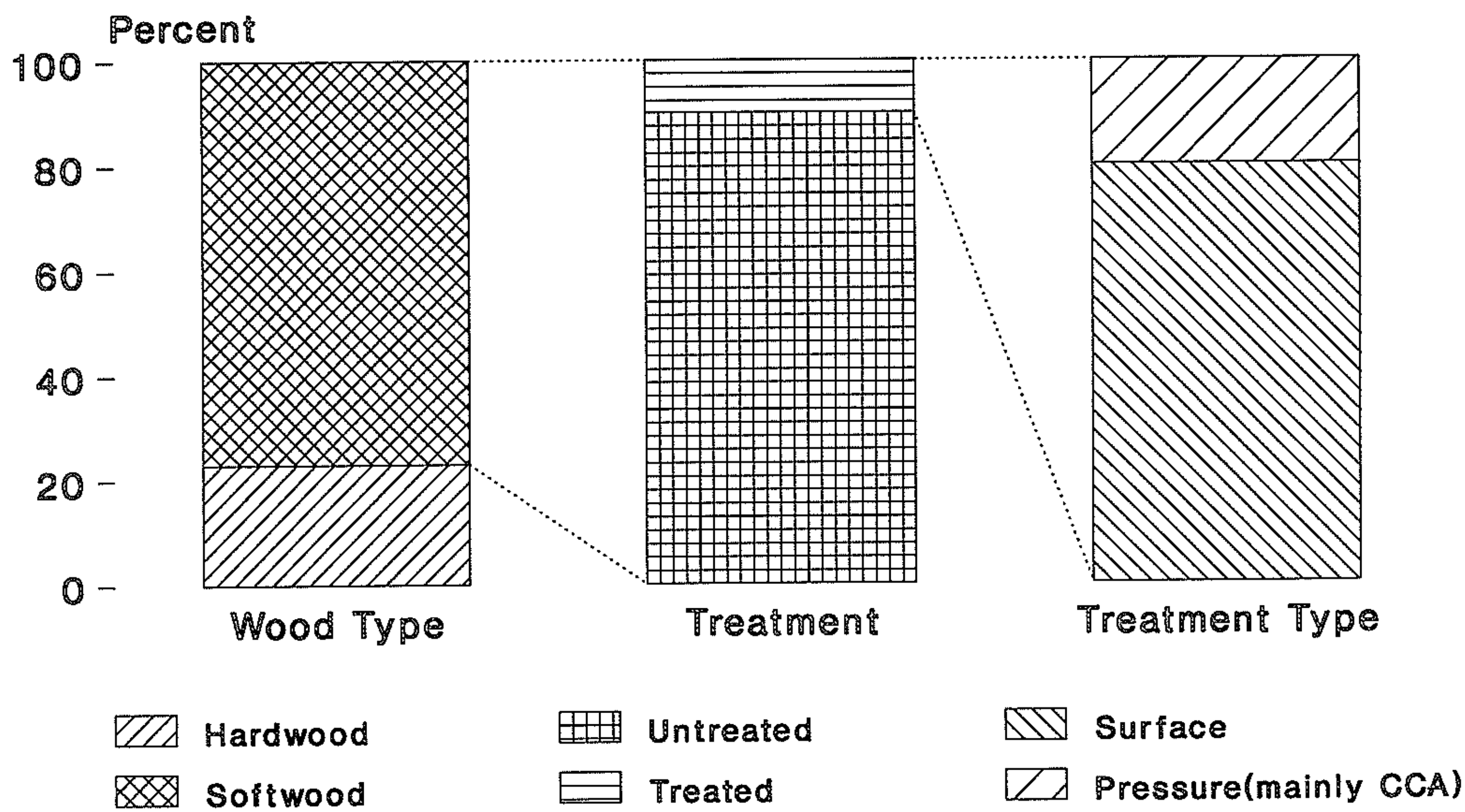


Total 1988 Pressure Treated Wood
Consumption = 2,000,000 m3

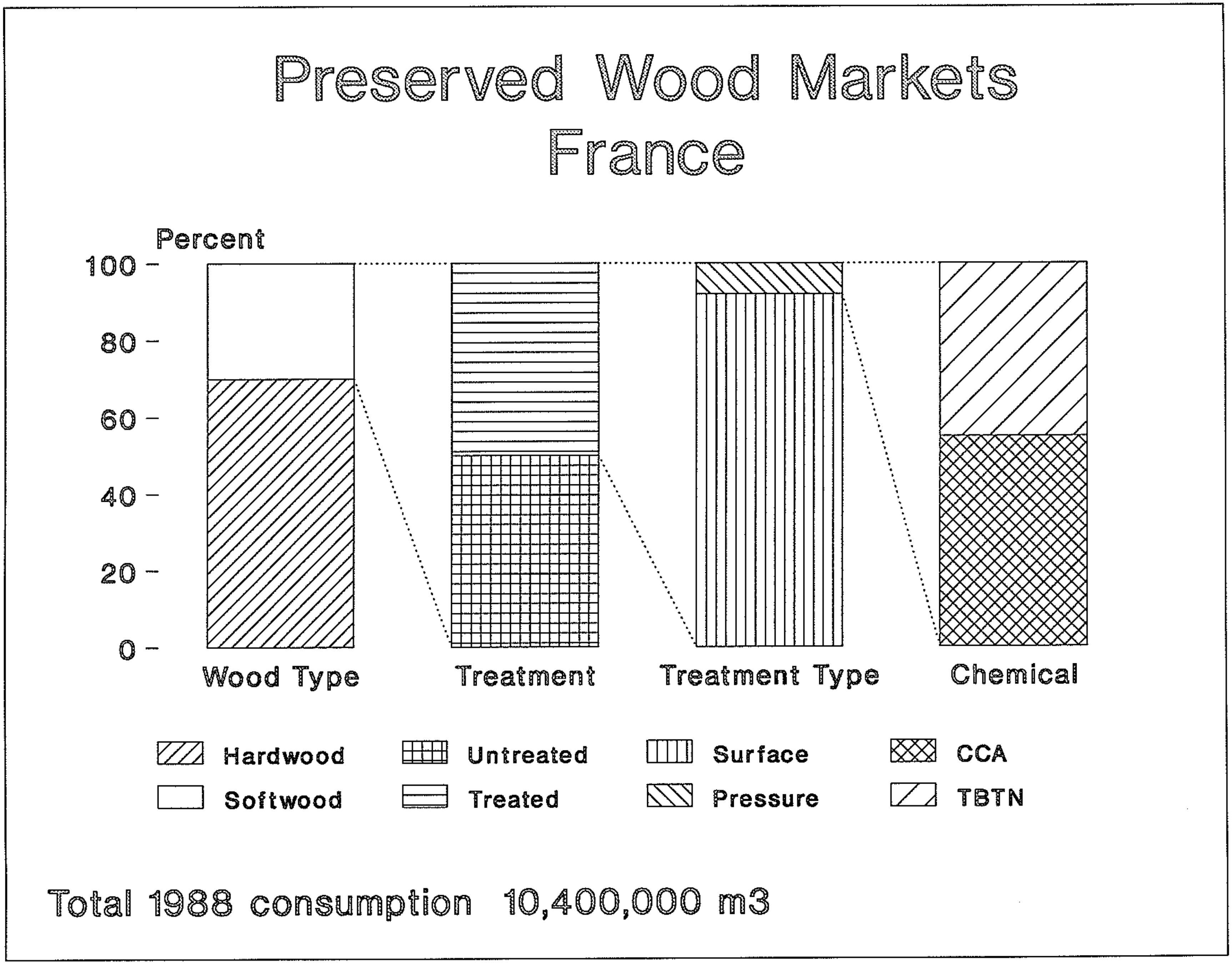

Preserved Wood Markets
Belgium
Percent
100
80
60
40
20
0
Wood Type
Treatment
Treatment Type
Hardwood
Softwood
Untreated
Treated
Surface
Pressure(mainly CCA)
Total 1988 consumption 2,500,000 m3

Total 1988 consumption 2,500,000 m3

Preserved Wood Markets
Holland

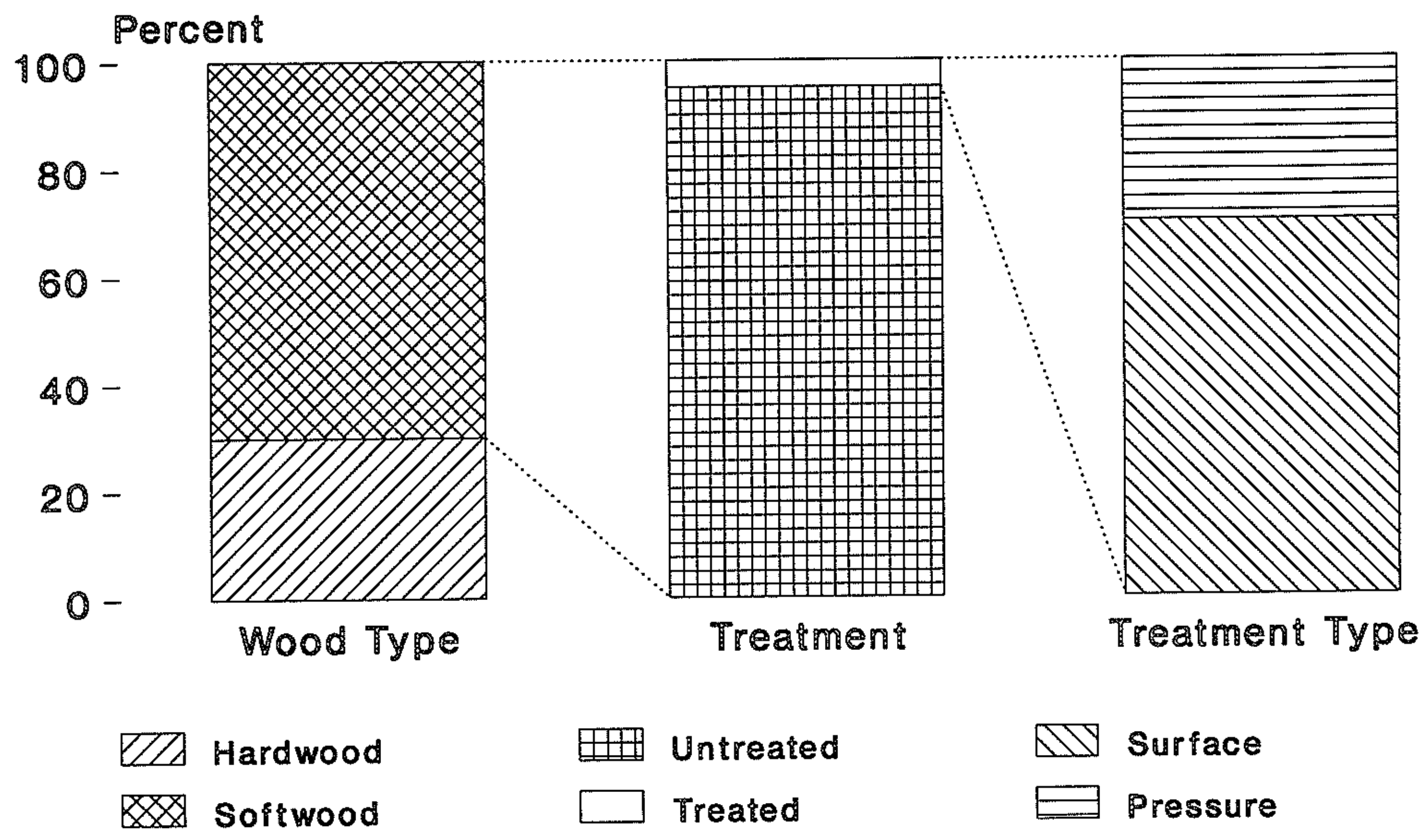


Total 1988 consumption 2,900,000 m3



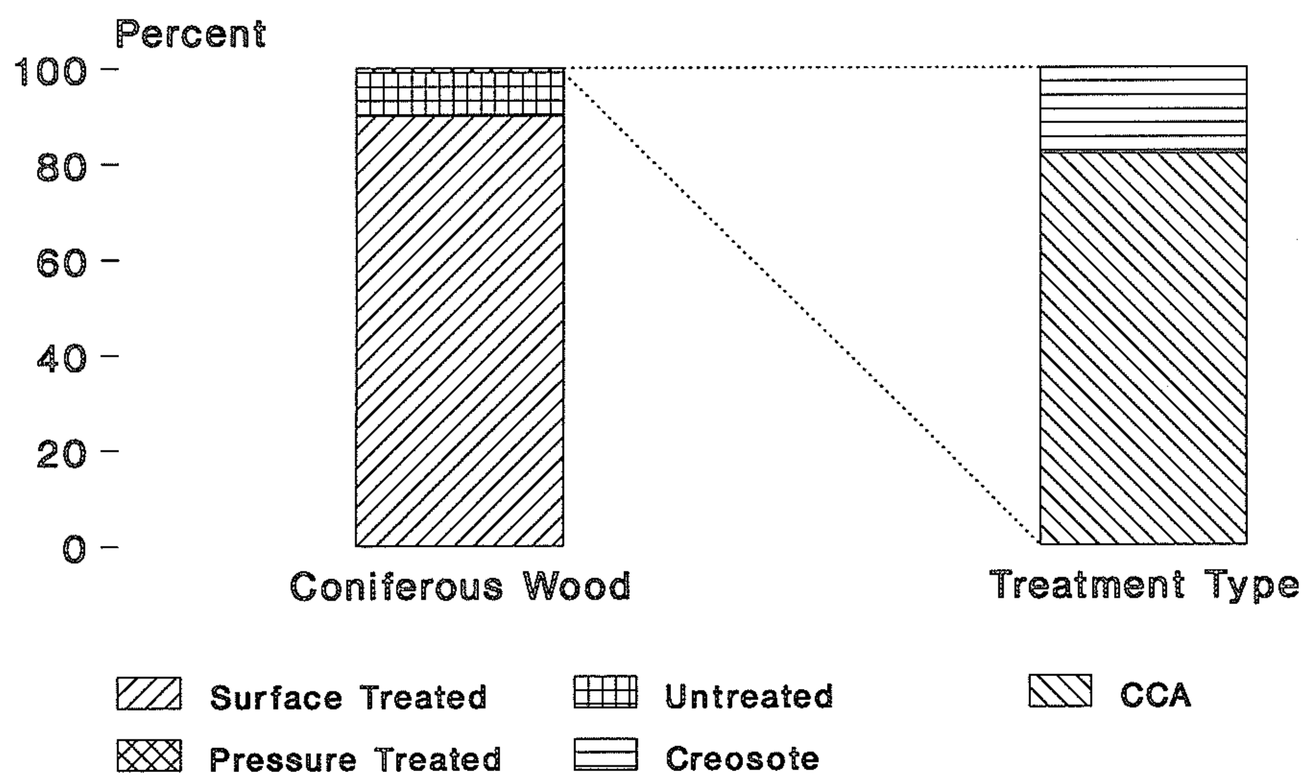
Preserved Wood Markets
France
Percent
100
80
60
40
20
0
Wood Type
Treatment
Treatment Type
Chemical
Hardwood
Softwood
Untreated
Treated
Surface
Pressure
CCA
TBTN
Total 1988 consumption 10,400,000 m3

Preserved Wood Markets
Italy



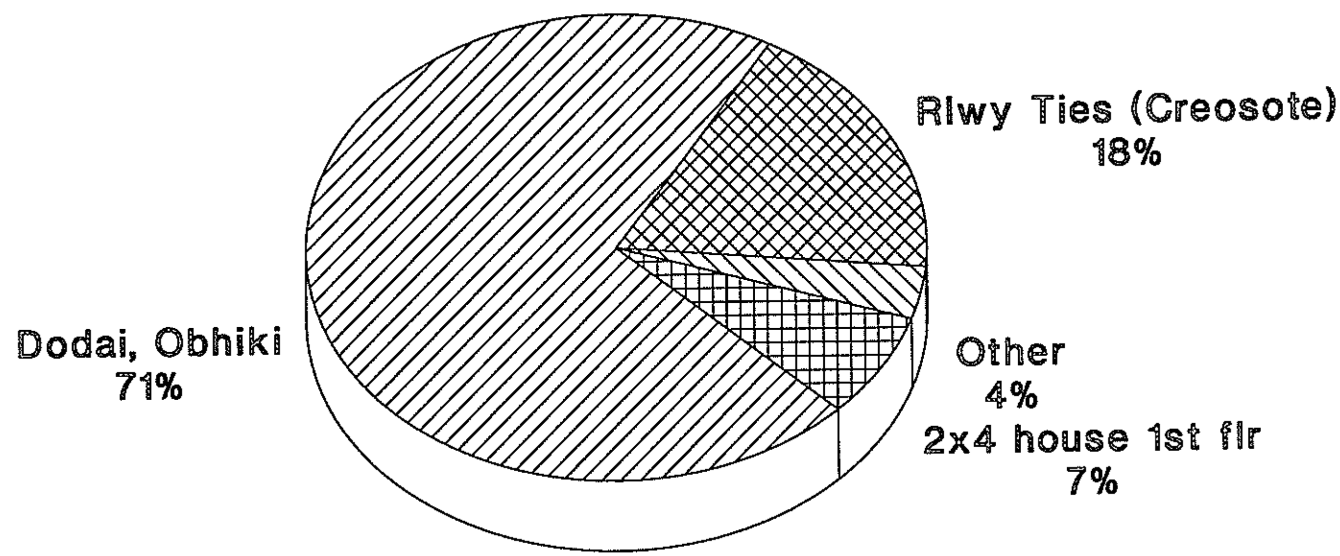
Total 1988 consumption 10,000,000 m3

Preserved Wood Markets
Japan



Total 1988 Coniferous
Consumption = 43,000,000 m3

Pressure Treated Softwoods
Japan Market Breakdown



Total 1988 Pressure Treated Softwood
Production = 550,000 m3