



BUILDING PRACTICES KEY AS CHINA WELCOMES NZ PINE

New Zealand Herald

29.10.2003

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New Zealand radiata pine is to be recognised in Chinese building standards due to be finalised by the end of the year.

The confirmation from Chinese President Hu Jintao during his weekend visit was welcomed by forestry companies but they said details of building practices still being worked out would determine whether a lucrative opportunity was opening. "It means our product will be able to be used in building houses in China, but it is not clear whether the code is based completely on North American standards," Carter Holt Harvey chief executive Peter Springford said yesterday.

The New Zealand Forest Industries Council, with the help of the Ministry of Foreign Affairs, has been working for two years to have pine included in the code with North American species. The lobby succeeded in getting it into draft codes and it has been confirmed as being in the final code.

What is not known is whether buildings with timber frames will catch on in China where concrete is mostly used, or what dimension and specifications of timber will be used in buildings in the country in the future.

The Forest Industries Council had accepted an invitation to assist in preparing a handbook for the new code, council chief executive Stephen Jacobi said.

The inclusion of pine in the code potentially opened a market for higher-valued pine.

Canada has been marketing homes constructed from its softwood species in China.

Springford said Carter Holt had a staff member in Beijing working fulltime on the issue and would try to piggy-back on the Canadian initiative.

"I think there is an opportunity there when there is more demand for stand-alone housing, then we will see timber-framing housing."

Jacobi said the issue of treating structural timber in New Zealand could damage its reputation internationally when the issue was tied up with building construction practices. New Zealand had been open about the issue to a visiting Chinese delegation last year.

China was the forestry industry's fifth-largest market, taking \$345 million worth of products last year, of which about a third was logs.

"This is a longer-term project to supply the right kind of products to that market beyond the logs and sawn timber," Jacobi said.

If structural timber was more accepted in the market, use of laminated veneer lumber and other engineered products would expand.

China itself has been a buyer of forests in New Zealand. China International Trust and Investment Corporation, a company linked to the Chinese Government, was a joint owner of the huge Central North Island Forest Partnership's estate which went into receivership in 2001. Its attempts to buy the asset back have not been successful and last week a sale to a company affiliated with Harvard University's endowment fund was announced.

The Chinese are believed to be interested in buying New Zealand forests but have not participated in the sale of Fletcher Challenge's estate, due to be over by the end of the year.

They could be interested in buying forests from Carter Holt Harvey if they were for sale, sources said, but this has so far been ruled out by the company.

"I believe that long term we have to have some involvement in forestry to protect our long-term assets," Springford said.