NEWS &&& VIEWS

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PMA/WPA/FTMA Joint Conference
21—22 July
NMIT Campus
Nelson
For details see page 2

Inside this issue:

Newsletter Editorial - from Lawrie's Desk

How many times do we see the boom and bust cycle in the forest and wood products industry repeat itself. The easy and off-the-cuff rejoinder is "welcome to the world dealing in commodity products, what else should you expect?"

My response is does it always have to be this way? Should we always just stand by and watch the collateral damage, and then wait to see who is left standing after the dust has settled.

Plantation forestry has been around in NZ now for over 100 years, so one would think we have had enough time to mature and consider how we combat this tri-annual roller coaster ride, where every three years (when export log prices rise) forest growers reap a bonanza (and rightly so, to maximize return on their thirty year investment) and in the following three (when export log prices fall) the wood processing and manufacturers drive raw material prices downward.

Having been both a forest grower and a wood processor in previous lives, it is becoming tiresome to watch this never ending see-saw and I ask myself surely there has to be a better way? What about applying some lateral thinking to the subject?

When all said and done many exporters actively buy forward cover in an effort to smooth expected revenue flows, so why not apply the same logic to our major input costs?

For a primary wood processor like a sawmiller logs comprise around 60% of the total cost of doing business; for a secondary processor like a finger-jointing and laminating business the cost of lumber maybe around 45% of the total cost of doing business. These are major input costs to business so logically worth devoting time toward debating how these historically wildly fluctuating numbers might be combated.

But first it might be worth establishing what is at stake in this debate. The customer of the forest grower in New Zealand is the wood processing and manufacturing sector. How big is this sector? They currently process around 60% of NZ's log harvest, which in turn generates NZ$2.8 billion in exports and NZ$1.2 billion in domestic sales; NZ$4 billion in total. If one includes the forest growing sector with NZ$1.1 billion in exports and NZ$1.3 billion in domestic sales, then overall the sector (growers and processors) generates NZ$6.4 billion to the nation's economy.

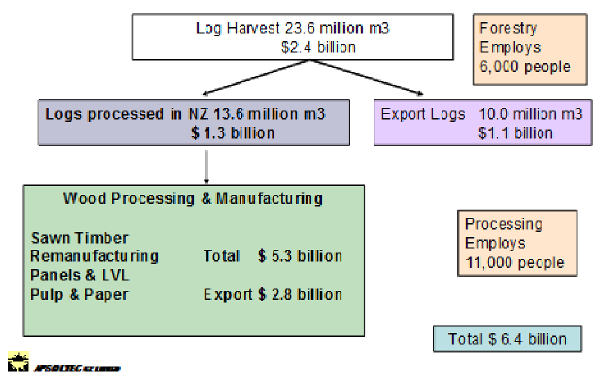
Another factor to consider, especially in the current round of escalating raw material price is that one market – China – is setting the benchmark for raw material price increases across all markets. The bad news for wood processors and manufacturers is that commodities prices are benchmarked against international prices, and NZ wood processors wanting to lift prices in order to pass on rising costs increases, simply cannot. The reason being that in most markets NZ are only marginal top-up suppliers and do not have the dominance in those markets to unilaterally move price.

Additionally market dynamics are different market by market; this is not surprising when China is growing at 10% while the USA and Australia are around 1 to 2 %. In NZ's most important wood products export market - Australia - one of the unique parameters is the relative weakness of the USD to AUD, making Chilean imports into AUS very cheap. The Chilean processors are not competing against export log price parity – because they just don't export logs.
Chile wood processors and manufacturers have lost huge market in the USA and are going into markets like Australia with prices verging on dumping, at 20 to 45% below

Newsletter Editorial—cont. from page 1

existing product prices in Australia.
Another factor is that China, who think and plan decades ahead, have strategies to "corner" raw material suppliers and right now the scenario is potentially playing out beautifully for the Chinese; push log prices up, burn-off NZ based wood processors and manufacturers, and once they are done for go back and renegotiate supply agreements with NZ forest growers. That sort of scenario does not bare thinking about if you are a NZ forest owner. And don't think the Chinese are that dumb, that they don't know what they are doing!
So I believe the time has come for growers and processors to get together and talk about how they might grow the entire forest and wood processing sector and at the same time ensure all players in the value chain make a fair and reasonable return on their investment. That discussion should not be about setting prices as this is illegal, but rather be about types of supply contracts (e.g. longer time frames, that mean wood processors and manufacturers not play the spot market, but commit to dedicated arrangements) and mechanisms to smooth the peaks and troughs in raw material prices. It may also involve a far greater awareness by both sides in terms of knowledge on each other's respective markets. And of course other participants join the debate then additional ideas may be brought to the table.
I have had an initial conversation with the President of the NZ forest Owners Association, Peter Berg, and he is happy to have such a conversation. All we need to do now is set a date and all players in the value chain come together to see if they can develop some lasting solutions.
Return on investment is critical to all dedicated players in the forest and wood products value chain. To ensure there is future growth and prosperity for all efficient players, and a growing and sustainable contribution to our nation's economic wellbeing, then we need to break away from the traditional business model, debate, consider and explore possible alternatives.
If we don't then I see the sector shrinking and the Chinese rubbing their hands in gleeful anticipation.

Wood Processing and Manufacturing Profile



Joint PMA / WPA / FTMA

Where: NMIT Campus - Nelson

When: Thursday 21st and Friday 22nd July 2011

Please mark your diaries for this event.

The joint conference will involve one day of papers and one day of workshop on topics critical to the future of wood processing and manufacturing in New Zealand.

The second day will entail a bus tour around Nelson and Richmond of half a dozen timber structural commercial and industrial buildings, which were once the preserve of steel and concrete!

Come along, listen and debate and witness first hand some exciting developments in our sector, including the NMIT Arts and Media Studies three storey building, a world first in timber engineering.

For more information contact: PMA—Debbie info@pine.net.nz (03) 544 1086
: WPA— Jeanette office@wpa.org.nz (04) 473 9220

Pick & Mix

Timber's share of the house framing market rebounds

Source: NZ Wood 10th February 2011

Timber's share of the residential framing market has rebounded to pre-2005 levels in the latest survey of timber use conducted for NZ Wood by BRANZ.

Nudging over 94 percent of the market, the framing figures cover radiata and Douglas-fir framing as well as "frameless" solid wood house construction.

The main alternatives to timber framing or solid wood construction are light steel frame or concrete/ masonry.

Absolute volumes, however, for all structural materials in house construction have reduced in recent years due to the recession-led downturn in building.

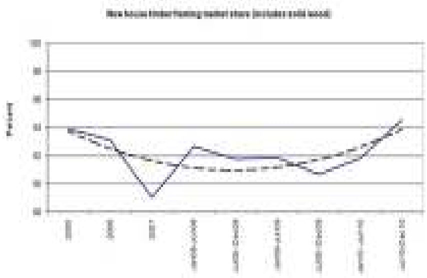
Concrete still enjoys 80 percent of the market for flooring of new house builds, with particle board, ply or strip wood making up the other 20 percent.

Given the findings of relatively superior performance of wooden floors in the Christchurch earthquake, it will be interesting to see if market share changes in upcoming years.

In terms of cladding, timber weatherboard has staged a come back since 2005, now accounting for 13.5 percent of claddings, up from 8.9 percent. Brick cladding still takes almost half of the market.

In the non-residential market, structural timber framing still has between 50 to 70 percent of the market for education, hospital, hostel and motel builds, around 30 percent for farm buildings and less for office, retail, factory and warehouse buildings.

The newly established NZ Wood Design Advisory Centre will be targeting this sector of the construction market. The aim is to convert a greater percentage of these non-residential buildings to a wood alternative, taking advantage of some of the new technologies in wood engineering and structural design.



Decline before pick up

Source: Progressive Builder, March 2011

The total value of building consents in New Zealand is estimated to fall by 5 per cent for the year ended March 2011 due to a downturn in non-residential building, according to leading industry analyst and economic forecaster, BIS Shrapnel.

BIS Shrapnel's Building and Construction in New Zealand 2010/11—2016 report found the decline in non-residential building could be attributed to steep contractions in office and sports stadium-related projects.

Looking longer term, BIS Shrapnel says the value of building authorization is expected to stage a strong rebound, particularly in the second half of 2011/12.

The five-year forecast to 2016 also shows relatively solid building activity, which will be underpinned partially by earthquake reconstruction activity and also remediation work on leaky homes and buildings on the North Island.

Total dwelling consents are forecast to rebound strongly in 2011/12, albeit from a low base.

The solid rebound will continue over the following two years, to take dwelling consents to just under 25,000 units—which is still below the peak of 30,000 units per annum over the two years to 2004/05.

Industry Training

Source: FITEC—March 2011

2011 FITEC NATIONAL TRAINING AWARDS

Nominations open until 20th May 2011. winners will be announced at a gala dinner and ceremony in Rotorua on 7th September.

The FITEC National Training Awards are part of the Forestry and Wood Processing Festival 2011 (Winning with Wood) which is a series of events to promote the wood sector in September—October 2011.

For more information: http://www.fitec.org.nz/Awards/Award-Categories/

Email: events@fitec.org.nz or contact: Annabel Huskinson DDI: 09 356 8022 / Mob: 021 745 663 or Jill Causer DDI: 09 356 8275 / Mob: 021 618 270.

Wood in the Construction of Multi-Storey Buildings

Source: Jason Guiver - NZ Wood—March 2011

1. How possible/feasible is it to use wood in multi-story or commercial buildings?

a. Can you really build high multi-storey buildings in wood?

- The recently completed Murray Grove tower in East London is nine-storeys made from structural wood – Cross Laminated Timber. More similar buildings are under construction in London.
- A 14-storey building is being planned in Melbourne and a 20-storey building in Norway.
- Medium-rise buildings of three-six storeys are quite common – eg. the brand new NMIT building in Nelson, the Old Government Buildings in Wellington.

b. What about earthquake resilience?

- Wooden buildings – even multi-storey - have been shown to have superior earthquake resistance.
- A seven-storey design was recently successfully tested on a shake table in Japan up to magnitude 7.5 earthquake.. It showed no damage to its structure.
- Because wooden buildings generally have less mass than reinforced concrete buildings or steel, they don't exhibit the same damaging shaking and swaying behavior that a heavier building can exhibit in response to ground movement.
- Steel still plays a vital role in wooden buildings – as connectors for the wooden structure (that are ductile/ flexible) – and for tensioning in some new wooden structural design.

c. What about fire safety?

- Contrary to conventional wisdom, well-designed wooden buildings can be as safe, or safer, than concrete or steel buildings.
- Average building fires reach temperatures of 700 -1000 C.
- Large wooden members char in a fire – forming an insulting layer over the wood and slowing its degradation – they lose only around 25mm per hour of their physical dimensions – retaining most of their strength and retaining their structural integrity at least long enough for safe evacuation.
- In contrast, steel is very susceptible to collapse from the intense heat of a fire – starting to weaken at as little as 230 C retaining only 10% of its strength at 750 C. Steel members need to be protected by insulating material to avoid this.
- (There is no such thing as a 'fireproof' building. The contents of most buildings are combustible – and it is the contents rather than the structural components which pose the greatest fire hazard to life and property.)

d. International experience/examples (eg. Italy, Chile? San Francisco? China? Japan?)

- L'Aquila – Italians turned to wooden buildings (including apartment buildings) for almost the first time after the 2009 L'Aquila earthquake. (More details to come)

e. Availability of knowledge/experience in New Zealand

- There is an expert pool of timber engineering specialists and researchers in our engineering consultancies, universities and research institutes who are designing award-winning wooden structures internationally.
- There is EXPAN a joint venture company set up between researchers and private companies to commercialise innovative wooden multi-storey structure technology developed at the University of Canterbury.
- The NZ Wood Design Advisory Centre has been established to co-ordinate expert timber engineering and design advice.

f. Relative cost

- Generally, wooden construction is expected to be on a par with construction using traditional materials. The experience in Italy and London has shown much shorter construction times, due partly to the lighter weight of the material and pre-fabrication off-site, which can also lower total construction costs.
- Multi-storey wooden buildings in the UK currently enjoy a 15% cost advantage over concrete and steel

g. Availability of wood/engineered wood

- The wood industry has confirmed there are more than adequate supplies of wood to meet a greatly increased demand to rebuild Christchurch.
- Processing companies which produce the engineered wood – such as LVL and Glulam – required for large scale structures also have the capacity to meet the demand.

2. What are the benefits of using wood?

a. Safety

- Wood has superior earthquake resilience and fire resistance
- Building holds, rocks and will "spring back into place
- Damage free seismic structural system and low weight makes the system very safe and allows immediate occupancy after an earthquake.

b. Performance

- Structural engineered wood components are durable with superior weight to strength characteristics of either concrete or steel.
- Wood is usually easier to handle and fabricate than concrete or steel.
- Offsite manufacture means components are easily transported to site and much quicker to build than steel and / or concrete equivalents.

c. Environmental

- Wood is the most renewable building material available
- Wood removes CO2 from the atmosphere and stores it – a 10,000 square metre building in wood would release up to 5000 tonnes less of CO2 into the atmosphere than a steel or concrete building.
- Wood is a good insulator and is energy efficient.

MARKET ROUNDUP

New Zealand

"NZ Economy—Summary"

Source: BNZ Weekly Overview March 2011

With regard to the financial markets this week the story has been one of further firming in the Kiwi dollar, especially against the Japanese yen, and small rises in wholesale interest rates. Although business margins are tight, input costs are rising, and food prices are ahead 4% from a year ago (half of that is GST), inflationary pressures in the economy are for the moment low due to the absence of growth. This means monetary policy will not be tightened again by the Reserve Bank for quite some time – especially as they have said they will make their calls based now on real data rather than forecasts – at least presumably until most of the uncertainty surrounding the earthquakes has settled down.

But inflation is not dead and next year stronger growth is likely to give businesses scope to rebuild margins through raising selling prices, and the housing market is likely to be generally rising throughout the country – though led by Auckland. That means that well before the Reserve Bank next raises its official cash rate we will see medium to long term borrowing costs rise. That means business borrowers in particular should not be averse to locking in maybe 20% - 40% of their core debt in the 2 – 3 year term. We are finding a growing trickle of borrowers doing this and one suspects this flow will hasten in the next few weeks.

Largest testing facility in the world for earthquakes

Source: Jason Guiver—NZ Wood

Japan shake table at E-Defense, Hyogo Earthquake Engineering Research Center.

http://www.bosai.go.jp/hyogo/ehyogo/access.html

Professor John van de Lindt, from Colorado State University lead a multi university team to Japan to test a multi-story timber apartment building. When John was in New Zealand recently with some of the Simpson Strong Tie engineers, he spent some time in Christchurch and met with professor Andy Buchanan and Professor Hugh Morris and attended a workshop instigated by Professor Buchanan on the performance of houses and timber buildings in the Christchurch Earthquake.

Interview with Professor John van de Lindt, see video at bottom of page, (45min).

http://www.nsf.gov/news/newsmedia/neeswood/index.jsp

On the left hand side of the page is a 4min time lapse video of the structure build-up. At the end of the video the building is then lifted into position on the shake table, seeing the people in the video gives an idea of the scale.

A 45 second video of the quake test, 7.5 magnitude.

http://inhabitat.com/wooden-house-can-withstand-severe-earthquakes/

and a slightly longer test video, and the second video show the furnished room in the condo.

http://www.popularmechanics.com/science/environment/natural-disasters/4324941

Manufacturing Export Domination — Lessons from Germany

Source: NZ Manufacturer—Feb 2011

NZ manufacturers and the NZ economy could benefit a lot by learning from the manufacturing and exporting success stories of Germany, which have been studied by business academics Bernd Venhor and Klaus E Meyer. They found that Germany tops the charts in manufactured exports; largely due to a large number of "hidden champions: they call "Mittelstand".

Despite low economic growth in Germany, an ageing workforce, high unemployment, over-regulated labour markets and high labour costs, these "hidden champions" have helped propel German to a bigger trade surplus than China.

These are companies which are medium in size, usually privately owned and have developed global leadership despite their relatively owned and have developed global leadership despite their relatively small size. How have they done it?

- Focus on a global niche and aim to dominate it (focus scared resources)
- They pursue technology based product leadership to stay ahead of competitors (constantly innovating)
- Private ownership allows for a culture of long term relationships within firm and with external partners.
- Are relentless about customer service and control the value chain through wholly owned distribution channels (stay close to customer feedback)
- Have passionate sales people (partly achieved through private ownership of the companies) determined to open up new markets.
- Again revenue from services as well as selling hardware.
- They significantly out-perform other German companies

Read the full report at www.manufactingnz.org.nz/news-and-info/latest/?a=19364 (highly recommended).

One of the observations the academics made is that the German education system has a strong traditional emphasis on vocational training, which is something that has fallen off in New Zealand.

The other observation is that they have good applied research institutes that facilitate the transfer of scientific research into innovative products and services.

House Prices Plummet

Source: Business Day—Stuff.co.nz 12th April 2011

House prices fell by nearly $12,000 in the three months to March as market volatility continued, according to the latest figures from valuation firm QV.

The average New Zealand sales price over the last three months is $400,656, down from the $411,712 reported last month.

Over the past 12 months nationwide values declined gradually till December and have been a bit more variable this year.

Values were 2 per cent lower than the same time last year, and 5.9 per cent below the market peak of late 2007, QV.co.nz research director Jonno Ingerson said.

This was largely driven by a slight recovery in values in Auckland and Wellington, offsetting the continued declines in provincial and rural areas.

'Hybrid' Tower Good News for Timber

Source: Australian Broadcasting Corporation March 2011

This 16 storey twin tower block being constructed by Hawkins Construction for the University of Auckland to provide accommodation for students could set a trend for structures utilizing timber, concrete and steel, both in New Zealand and overseas.

It's the largest structure of its type in the country and is built using wood framed modules that sit within a steel and concrete framework. When completed it will offer 442 beds for students attending the university.

Whilst not a fully timber building, it uses more wood than any tower block of this size and its modular construction has reduced the on-site build time considerably—above-ground work started in the last quarter of 2010 and the 16th floor is due to be installed early May, though finishing off work will go n for a while longer.

The University building is a showpiece for a nationwide push towards more prefabricated building in the commercial and housing sector that will see a greater use of timber in the future. A number of businesses and interested parties have come together under the PrefabNZ banner to champion the prefabrication cause. This includes the Pine Manufacturers Association and a number of its individual members.

Pamela Bell, the CEO for PrefabNZ, told a seminar in Auckland last month that prefabrication offers a number of advantages over traditional building methods, including more efficient design, a reduction of materials wastage, better quality buildings and better use of resources. An aim of PrefabNZ is to use more sustainable materials and building practices.

"We grow timber very efficiently here in New Zealand and it is a sustainable resource," says Ms Bell. "We can overcome the issue of volume and economics of scale in New Zealand if we look to export—there is enormous scope outside our shores."

The Warren & Mahoney-designed building in Auckland highlights a novel way to utilize timber in prefabricated commercial buildings.

Each bedroom is constructed off site by Stanley Modular in its Matamata factory, using timber frames, plywood walls, composite floors and plasterboard walls and ceilings. They arrive completely fitted out with windows, doors, carpets, wooden furniture and prepared for electricity and computer links. Within each concrete structural zone there are three storeys of these 1-bedroom units, stacked into place by crane, which are then connected to corridors, bathrooms and lift access. The exterior of building will be clad in ceramic tiles for weather-tightness.

This isn't the first time this type of modular building system has been used—five years ago Stanley Modular constructed similar units for an extension to the historic Tongariro Chateau Hotel—but it is the largest project of its type. More recently the company built the new Albany High School from 30 modules constructed in its factory and transported to the site.

Australia

Bunnings continues expansion in Australia

Source: Australian Broadcasting Corporation March 2011

SYDNEY: Hardware franchise Bunnings' new A$53 million, two-storey warehouse in the northern Sydney of Chatswood is the forerunner to four large, multi-level warehouses in the territory, the Australian Broadcasting Corporation (ABC) reported.

According to the ABC Bunnings plans to roll out up to 26 new stores a year across Australia, including 10 to 14 warehouses, four smaller stores and four to eight trade centres, with plans for 18 new format stores over the next three years.

"People are moving away from more expensive products to DIY... People are doing more in and around their homes. The new Chatswood store will include new categories such as kitchen appliances, glass pool fencing, expanded ranges in landscaping and kid's play equipment," the ABC reported Bunnings managing director John Gillam as saying.

Australian Economy

Source: Westpac Australian Weekly 11 April 2011

As expected, the Reserve Bank Board kept the cash rate unchanged at 4.75%. The key themes from the earlier statements in 2011 have been retained—asset values little changed; credit growth subdued; slower employment growth than in 2010; skills shortages not widespread; wages picking up pace; inflation consistent with policy target; global economy continuing its expansion led by the Asian region; current policy mildly restrictive.

Somber Housing Outlook Demands Urgent Policy Action, says HIA

Source: Westpac Outlook October 2010

The renewed weakness in new home building since mid-2010 is exacerbating housing shortages and requires urgent attention from federal and state policy makers, says the Housing Industry Association, the voice of the residential building industry.

The HIA National Outlook, Australia's most comprehensive quarterly report card on the residential building industry, signals a significant drop in housing starts this year.

"The fate of residential building in 2011 has been all but sealed by higher interest rates, continuing tight credit conditions, and a complete lack of progress on policy reform to reduce excessive new housing costs," said HIA Chief Economist, Dr Harley Dale.

"Housing starts are forecast to fall by 15 per cent to a level of 143,430 in 2011, wiping out a majority of the short-lived, stimulus driven gains of last year," Harley Dale said.

"Housing starts have only increased in two of the last ten years. This fact delivers a very poor scorecard on new home and rental market affordability which especially hurts aspiring first home buyers and lower income households," added Harley Dale.

"The housing supply crisis is upon us now and without proper leadership from the Federal Government it is only going to escalate. HIA is calling on the Federal Government to urgently re-engage in housing policy reform and to:

☐immediately introduce stimulus measures to boost new housing in recognition of building levels in 2011 that won't be much higher than the 2009 GFC-affected level;

☐ appoint a minister whose sole responsibility will be remedying Australia's housing shortage crisis and ensuring we maintain an adequate supply of new housing in the years to come;

☐ include as an agenda item at the October taxation forum the examination of how best to decrease the exorbitant taxes, charges and fees that are currently levied on housing;

☐ not impose any new taxes (including a carbon tax) that have an impact on the cost of new housing; and

☐ resume concrete action to reform the supply side of Australia's housing market, including assisting states to remove stamp duties on new homes and removing planning and development bottlenecks.

"Meanwhile, the renovations side of the housing coin looks in relatively healthy shape and hit nearly $31 billion worth of work last year, the highest level in four years," said Harley Dale.

"We expect activity in the renovations sector to hold largely steady this financial year, which would be a good outcome. Growth of 2 per cent is forecast in 2011/12 and 5 per cent in 2012/13, taking renovations activity to a worth of over $33 billion, close to a record high," Harley Dale added.

For further information please contact:
Harley Dale, Chief Economist 0414 994 186

Australian Currency

Source: Westpac Australian Weekly 11th April 2011

AUD forecasts remains unchanged:

On the 8th of October last year we raised our forecast for the AUD to reach $1.02 by year end and $1.05 by mid 2011. That was bold because the currency was trading around 90¢. Bloomberg consensus surveys at that time had an average forecast for AUD of 93¢ by year end and 91¢ by mid 2011. Of the 42 forecasters in the Bloomberg survey, Westpac's June 2011 forecast of $1.05 was the highest. There were only three other forecasters who predicted AUD would be above the party at this stage. These three did not include the major investment banks or any of the other Australain banks.

Readers will ber aware that AUD finished 2010 around $1.02 and it touched $1.05 briefly on April 7. While over the last six months we have 'tinkered' with those October forecasts the general principles of AUD around $1.05 by mid year / September quarter have been retained. That has been despite major disruptions to markets from an Irish banking crisis; soaring oil prices; geopolitical risks; floods and cyclone in Australia; the tumultuous events in Japan; and a stronger than expected fourth quarter for Us economy.

Last October we predicted that the $1.05 would be the peak for the currency. Our current forecasts are broadly in line with that view. However, we expect that the AUD will stay around the peak for a quarter longer than we expected back in October.

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China

China's International Trade of Major Wood Products in 2010

Source: NZT&E—Beijing Feb 2011

According to custom's statistics data, China's total imports and export trade value of forest products in 2010 amounted to US$ 96 270 million, up 37.1% over 2009. Of the total trade value of forest products, import value was US$ 47 490 million, up 40.1% from last year; export value US$ 48 780 million, grew 34.3%.

China imported a total of 34.35 million cu. m of logs in 2010, valued at US$ 6 071.09 million, up 22.4% in volume and 48.6% in value from 2009. Of the total, imports of softwood were 24.27 million cu. m, accounting for 70.7% of total logs imports.

A Total of 14.8 million cu. m of sawnwood (including sleepers) was imported in 2010, valued at US$ 3 878 million, up 49.1% in volume and 66.6% in value over 2009. Of the total imports (excluding sleepers), 9.37 million cu. m were softwood, accounting for 63.7% in volume and 66.% in value compared to last; 5.34 million cu. m were hardwood, amounting to 36.3%, valued at US$ at US$ 2 018.9 million, amounting to 52.5%, rose 48.7% in volume and 64.3% in value.

With the sharp increase of sawnwood imports from Russian, Inner Mongolia (including ports of Manzhouli and Erlianhot) has become the largest region to import sawnwood in China. Besides, sawnwood imports were mainly concentrated in provinces of Guangdong and Zhejiang, and Shanghai City.

China exported a total of 298.3 million pieces of wooden furniture, worth US$ 16 157 million, up 20.6% in volume and 34.3% in value over 2009.

Norway

20 Storey Wood Building

Source: Bernie Neufeld BIS Shrapnel Forestry

Norwegian architects Reiulf Ramstad Arkitekter have designed a 20-storey building that will have a timber structure.
The architects are in close collaboration with engineers and specialists in constructions and fire safety, representatives from the Norwegian wood industry and the technical wood institute of Norway. A study has concluded that the project is technically possible to realise.
Andy Buchanan, professor and timber expert from the University of Canterbury Department of Civil & Natural Resources Engineering says:
"The Timber Engineering Team at the University of Canterbury is excited by multi-storey timber buildings such as this.
There is no reason why tall buildings cannot be designed constructed in wood, with all the benefits of using a sustainable lightweight renewable material."
The construction consists of a system of columns and beams using glue laminated wood, with diagonal elements dealing with stability. Massive floor elements of cross laminated timber (CLT) are fitted into the construction. The façade glass system is a secondary construction attached to the primary one.
The high-rise measures 24×24m, with a 25 column grid. Due to the massive forces the construction has to deal with, especially because of the heavy windloads in Northern Norway, construction elements are mounted with a special steel plate joint. The building will rise up to 80m, consisting of 20 floors.

STRATALAM NZ ENGINEERED GLULAM

Check out the Stratalam website on http://www.stratalam.co.nz

solidwood Build Smart. Build Natural.

Check out the Solidwood website on:- http://www.solidwood.co.nz

Canada

Export diversification key for forestry industry's future

Source: Vancouver Sun 7 April 2011

Can British Columbia's forestry industry ever learn to diversify its export portfolio?

It seems as if the industry and its policy-makers in government have replaced a historical market reliance on the United States with a newfound, emerging reliance on China.

Canadian softwood lumber was so dependent on the American market that -after the American housing crash in the latter half of the last decade -the softwood lumber industry collapsed into a doomsday crisis that saw prices, production levels, and, subsequently, forestry-related jobs plunging to unimaginable lows.

As most timber in Canada is owned by the provinces, the responsibility for sensible forestry management lies with the provincial government.

Since taxpayers essentially pay for the ownership of timber lands, policymakers have a fiduciary duty to work with industry in order to maximize the return from this resource in a way that best benefits the province.

So whether it was the stress from depressed stock prices or out-of-work mill workers, provincial policy-makers mobilized to pull the industry out of calamity.

The "new" vision was clear: Develop the Chinese market for B.C. lumber exports.

In the Ministry of Forests and Range's Service Plan for 2010-11 - 2011-12, a key priority is to "dramatically increase exports to China" with no mention of any other export market.

To the government's credit, record shattering lumber exports to China have lifted prices and production while creating jobs.

Indeed, the consensus within the industry is that China is the saviour of the B.C. lumber industry due to the efforts of the provincial government.

But was our declining American juggernaut simply replaced with a rising Chinese dragon?

The demand of one single, yet large, market still determines the price of our lumber with little foresight to temper our optimism.

When the Chinese bubble pops, our industry may relapse into crisis mode.

China has historically exhibited precarious purchasing habits.

If lumber prices rise to the levels of the mid-2000s, there may be enough elasticity in Chinese demand for our softwood lumber to eliminate exports to China altogether.

China was a major importer of saw logs and lumber from the United States in the 1980s -a time when the North American log and lumber market suffered from a deep economic and housing recession that caused the demand and prices to plunge.

When prices recovered in the 1990s, North American wood exports to China all but vanished.

In fact, when the Random Lengths Framing Lumber Composite Price spiked above the $360 level in the second quarter of 2010, offshore sales to China sharply dropped.

The Composite Price then crashed by nearly $120 within the same quarter.

Evidently, China is only a viable export market when prices are below a certain price ceiling.

Given the recent announcement by B.C. chief forester Jim Snetsinger that British Columbia's allowable annual timber harvest will be reduced by as much as 25 per cent in some forest districts, B.C. will have even more limited lumber supplies in an already supply-driven market.

With the emphasis on China, B.C. might be losing an opportunity to diversify the industry's export portfolio, while Europe and New Zealand sink their claws deeper into other markets.

In an industry where the first-mover advantage in a new market allows an exporting country to develop and consolidate appetites for sizes, species, and standards in that market, relinquishing exports to other lumber producing countries is simply not an option.

While British Columbia has established trade and opportunities offices throughout Asia (and not just in China), the Ministry of Forests should make a concerted effort with BC Wood so that the necessary firm -and state -relationships are fostered to promote B.C. lumber abroad.

Former forests, mines, and lands minister Pat Bell has done an excellent job in developing the Chinese market.

Our industry has a more outward looking (albeit, still narrow) global focus both in its production and its marketing.

However, export diversification does not end with China.

It is time for British Columbia's forestry industry to adopt an overarching strategy of export pluralism.

Our policy-makers are determined to sustain the industry, our mills are technologically advanced, and our workforce is disciplined.

A pluralist philosophy toward B.C. softwood exports may just be what the industry needs to stabilize its growth and future.

Mo Amir is the general manager at SPF Precut Lumber, exporter of Canadian wood products to over 15 different countries and winner of the 2010 BC Export Award.

NZ WOOD
For a better world

USA

OSB / Plywood

Source: Bernie Neufeld BIS Shrapnel Forestry

BIS Shrapnel's *Plywood and Oriented Strand Board in the Pacific Rim and Europe, 2011 – 2015* report forecasts strong growth in the production and consumption of plywood and OSB as the global economic upturn strengthens. The economic upturn will be driven by housing construction, furniture manufacturing and other sectors where plywood and OSB are used. BIS Shrapnel says housing construction in the United States is now in the early stages of an upturn and is expected to strengthen considerably from 2011 to 2015.

Production of plywood is projected to increase from 71 million cubic metres in 2010 to 84 million cubic metres in 2015, and OSB from 18 million cubic metres to 28 million cubic metres respectively, based on current expansion plans and estimated capacity utilisation rates. By 2015, North Asia will be producing 54 per cent of the world's plywood, down marginally from 56 per cent in 2010, and North America will be producing 77 per cent of the OSB.

USA Promoting Wood through Legislation

Source: Wayne Miller, Tenon Ltd

"The one person who had a vision for how wood should be viewed by Government in New Zealand was Jim Anderton - the article below tells how one state in America is making that happen".The New Zealand Government needs to follow through what Jim Andertion started". Lawrie Halkett NZPMA.

Putting Wood Back in Oregon's Future

Virtually at the same time and for many of the same reasons, a federal agency and Oregon's forest sector have put forth initiatives that favor wood as a green building material.

Just last week, Agriculture Secretary Tom Vilsack announced a new strategy to promote wood in construction for U.S. Forest Service and other USDA buildings to help meet green building requirements. "Wood has a vital role to play in meeting the growing demand for green building materials, and Forest Service studies show that wood compares favorably to competing materials," Vilsack said.

And earlier in March, Oregon's House Agricultural and Natural Resources Committee held a public hearing on House Bill 3429 -- a bill that would direct the state of Oregon to use wood as a preferred building material. Called the Oregon "Wood First" bill, it states that for structures built with state funds after July 1, 2012, the building materials used should be -- to the maximum extent possible and economically feasible -- made from wood. The bill was introduced by Rep. Mike Schaufler, D-Happy Valley, and Rep. Sherrie Sprenger, R-Lebanon, and is supported by the Oregon Forest Industries Council.

The Oregon bill is modeled after British Columbia's Wood First Act, passed in October 2009. Passage by the Oregon Legislature would make the bill the first of its kind in the United States.
British Columbia's minister of jobs, tourism and innovation, Pat Bell, steered the bill through that province's legislative assembly.

He testified in person at the Oregon House hearing: "Government on both sides of the border can lead by example by making wood its preferred choice for public buildings. With wood used in just 15 percent of commercial and institutional construction, we have a major opportunity to expand the market for wood products." Bell said the program is producing positive results in his district and elsewhere in the province, and even those who opposed the legislation now recognize its merits.

If this were any state other than Oregon, we might toss these initiatives aside as so much industry posturing. But consider that Oregon is the nation's number one supplier of softwood lumber and plywood panels. We are among the nation's most forested states, second only to Alaska. The forest and wood products sector makes up about 8.5 percent of Oregon's total payroll and ranks in the top four among Oregon traded sectors -- those industries producing income for goods and services sold out of state.

From an environmental perspective, wood holds a competitive advantage over other building materials. It requires less energy to produce. It stores carbon, reducing its contribution to climate change. It's renewable, reusable and recyclable. The use of wood encourages investment in responsible forest management. Landowners are rewarded for keeping Oregon's working forests in a forested condition, conserving clean water, fish and wildlife habitat and recreation instead of selling them for a non-forest use. And Oregon's forests are protected by strong laws that require replanting.

Just think of the possibilities if Oregon were to become the nation's leading advocate for wood products -- more innovation, more stable markets, more jobs and a cleaner environment. The sustainable use of forests and wood products defines us as Oregonians. In this state, it just makes sense to embrace "wood first."

USA Housing Starts

Source: USA Census Bureau News 23rd March 2011

Privately-owned housing starts in February were at a seasonally adjusted annual rate of 479,000. This is 22.5 percent (±9.8%) below the revised January estimate of 618,000 and is 20.8 percent (±9.0%) below the February 2010 rate of 605,000.
Single-family housing starts in February were at a rate of 375,000; this is 11.8 percent (±10.0%) below the revised January figure of 425,. The February rate for units in buildings with five units or more was 96,000.

U.S. Housing Starts Forecast
New Privately Owned Housing Units Started. Thousand Units Annual Rate.

Month	Date	**Forecast Value**	50% Correct +/-	80% Correct +/-
0	Feb 2011	**479.0**	0	0
1	Mar 2011	**525**	40	90
2	Apr 2011	**560**	50	113
3	May 2011	**550**	57	129
4	Jun 2011	**530**	63	142
5	Jul 2011	**550**	68	152
6	Aug 2011	**580**	72	162
7	Sep 2011	**610**	76	170
8	Oct 2011	**650**	79	178

Updated Wednesday, March 23, 2011
All forecasts are provided AS IS, and FFC disclaims any and all warranties, whether express or implied, including (without limitation) any implied warranties of merchantability or fitness for a particular purpose

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MISSION STATEMENT

"Dedicated to developing profitable value - added production onshore and expanding demand for high quality New Zealand pine products in selected over-seas markets."

Check out the Calendar of Events on page 12

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Calendar of Events

11—13 May 2011	DesignBUILD Expo—Sydney Convention and Exhibition Centre, Darling Harbour, Sydney. PMA PINENZ Group will be exhibiting at this Expo. http://www.designbuildexpo.com.au/
25th—28th May 2011	Interzum Trade Fair for suppliers for furniture products and interiors. http://www.interzum.com/thefair/
30th May—3rd June 2011	LIGNA tour in Hannover, Germany. Weinig and Jacks are organising a tour to LIGNA. Contact weinig@jacks.co.nz
21—22nd July 2011	**PMA / WPA / FTMA Joint Conference Workshop, NMIT Nelson, for further information: contact PMA 03 544 1086 or www.pine.net.nz**
23rd—25th June 2011	Master Joiners Conference—Novotel Rotorua Lakeside. For more details visit: http://www.masterjoiners.co.nz/conference.php?id=2
26th—28th June 2011	Build NZ, ASB Show grounds, Auckland New Zealand.
5th—7th July 2011	The 2011 Global Innovation in Construction (GIC) Conference will be held at the University of Calgary, Canada. See the Call for Papers at http://loughborough2009.org.doc.GICC_2
11th—14th July 2011	AWISA—The Exhibition will be held on the 11th to 14th July at the Sydney Exhibition Centre, Darling Harbour, Sydney. Visit: www.awisa.com
21st—22nd July 2011	PMA / WPA Joint Conference in Nelson at the NMIT Campus. Please mark your diaries for this event. More information will follow. For more information please contact PMA on phone number: 03 544 1086.
2—4th September 2011	Kawerau Woodfest 2011 (Kawerau • Kawerau Woodfest and National Woodskills Competition • Premier event for carving and wood turning
5-7th September 2011	FI 2011 Expo (Rotorua Events Centre) • International showcase for wood technology • www.FI2011.co,nz
6th September 2011	FITEC Awards (Rotorua Events Centre) • National training awards for the wood sector
21st March 2012	• **ForestWood 2012** - Te Papa - Wellington Please mark this date in your calendar. This is a pan-industry conference being jointly hosted by PMA / FOA / WPA / FICA and supported by Woodco, NZFFA and FTMA