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Value-Added Wood Manufacturing in B.C.

Industry Statistics:

- Secondary manufacturing wood sector sales in the province grew by 70% in the last decade. If those growth rates continue, the sector could double sales in less than seven years to \$10 billion.
- Employing over 20,000 British Columbians, value-added wood products represent \$4.68 billion of total export in the province.
- 73% of value-added wood companies export to the U.S. In the midst of U.S. anti-dumping and countervail duties being imposed on our wood, most value-added products cross the border relatively untouched.
- Northern B.C. accounts for 11% of the value-added wood sector in B.C. There is tremendous growth potential for this area of the province. What's missing is the infrastructure and trained people.
- It's suggested that moving away from the current model of making a product and then looking for a market should change to finding a market and then developing products that best suit market needs.
- The market value for value-added products in the U.S. is estimated at \$200 billion of which B.C. only holds a 1% share.
- The Prince George Forest Region, which covers the northeastern quarter of the province has 39% secondary manufacturing firms, or about 5% of the province's total.
- In the Prince George region, there are 14 remanufacturing plants - seven millwork firms, six producing engineered wood products, two products, two producing cabinets and one manufacturing furniture.
- For value-added to meet its potential, and for the B.C. forest products sector to stabilize as a viable source of revenue and employment, there must be a re-thinking of traditional approaches. With appropriate strategic product and marketing efforts, tight manufacturing cost controls and complementary public policy there is every reason to be optimistic about these major gains continuing.

Tactics for industry success: (BC Wood)

- Shift from a focus on volume, to a focus on value; evolve from an industry that primarily turns logs into 2X4's to an industry that cuts a portion into feed stock for value-added companies.
- Move from the current model of making a product and then looking for a market, to finding a market and then developing products that best suit market needs.
- Innovate, upgrade and anticipate international needs in order to grow and expand the forest-based economy.
- Invest public and private funds in the sector by assisting value-added manufacturers to find global market opportunities.