



# Forest & Wood Strategic Review 2009

A Comprehensive Analysis of the  
Australian Forest & Wood Products Industry  
– its Opportunities & Growth Constraints

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## A Comprehensive Analysis of the Australian Forest & Wood Products Industry – Its Opportunities & Growth Constraints

The Forest & Wood Strategic Review 2009 provides a unique combination of highly incisive qualitative strategic analysis of the industry, together with an equally strong quantitative assessment of its component sectors. The authors are Robert Eastment and Brian Stafford who have four decades of experience in the industry between them.

Following years of rapid expansion the industry is now entering a phase of consolidation as demand turns down under the influence of the international financial crisis. On the resource creation side, the rate of plantation establishment will be impacted by the likely demise of the two most prominent MIS companies, which have been brought down by their inability to roll their not inconsiderable debt. Also on the resource side, the Queensland government will sell its softwood plantations, and the parlous nature of New South Wales state finances must surely mean it is potentially considering also placing a 'for sale' sign on its softwood resources. All of these factors mean that the industry will be in a state of considerable flux for the foreseeable future. Having these two large softwood resources in private hands would transform the log pricing environment in eastern Australia.

Nevertheless, policy-driven developments, chiefly Australia's signing of the Kyoto Protocol and the consequences of ambitious renewable energy undertakings in Europe, are opening up new opportunities for growers and processors alike.

The 2009 edition of the *Forest & Wood Strategic Review* analyses the opportunities presented by the drive towards bio energy, itemising and assessing the significance of both primary and secondary methods of biomass energy utilisation.

The objectives of achieving 20% of its energy requirements from renewable sources is creating a substantial market for wood pellets in Europe and it is one that Australia is well equipped to exploit given its burgeoning hardwood plantation resources that will find it difficult to find buyers in the international pulpwood

market. Wood pellets, as well as providing an alternative market, have the advantage of utilising a much larger proportion of the available tree biomass. Also, forest residues from saw and pulp log production can be utilised in what is shaping up as a lucrative export market.

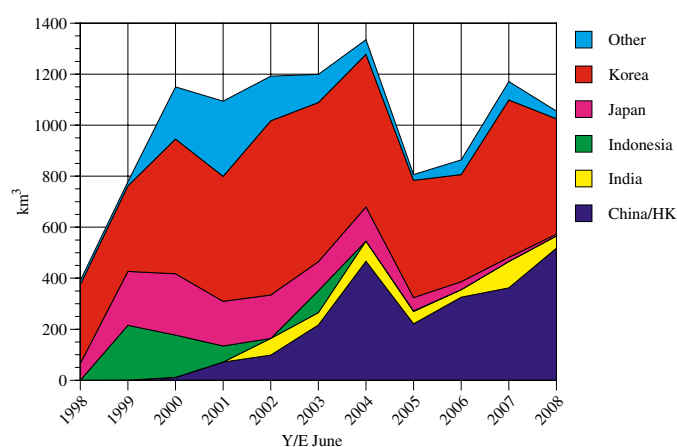
Australia, as a signatory to the Kyoto Protocol, has the opportunity to participate in developing international agreement on the use of plantations and forests as carbon sinks. Once the terms of use are agreed, Australia's extensive timberland resources can be exploited for the commercial sequestration of carbon.

As well as an in-depth examination of these very topical issues, the 2009 edition of the *Forest & Wood Strategic Review* presents a comprehensive assessment of resource availability for both the softwood and hardwood sectors on a regional basis.

It examines the primary markets of sawnwood and pulpwood in detail followed by similar analyses of the veneer, panel and pulp and paper sectors. *The Review* is thus a convenient and valuable compendium of data and analysis of the industry.

See back cover for a subscription form. Alternatively, *the Review* can be ordered from our website. The cost is AUD1,995 + GST and is available in either hardcopy or CD.

**ROUNDWOOD EXPORTS BY COUNTRY**



# The Authors

## ROBERT EASTMENT

Robert Eastment is a Director of IndustryEdge and is a professional economist and forester. He has a strong background in the corporate finance sector in Australia, as well as Asia and Europe. Robert is the editor of the monthly market intelligence report *Pulp and Paper Edge* and the annual *Pulp and Paper Strategic Review*. He has an intimate knowledge of the pulp and paper sector in Australia and New Zealand and has contributed to a number of leading reports and studies on the forest and wood products sectors in Australia.

## BRIAN STAFFORD

Brian Stafford is an economist by profession with extensive experience in strategic analysis in the forest products and pulp and paper industries going back more than two decades. Subsequent to being employed at senior executive level in the pulp and paper industry, he formed his own market intelligence organization, *Ausnewz Pulp & Paper Intelligence Service*, which he ran for fifteen years. During this time, as well as a monthly pulp and paper intelligence report, he published numerous in-depth analyses of the pulp and paper and forest industries in Australia, Indonesia, Japan and China. In particular, he has co-written seven studies of the Australian forest and wood products industry.

# The Publication

The 2009 edition of the *Forest & Wood Strategic Review* presents a comprehensive assessment of resource future availability for both the softwood and hardwood sectors on a regional basis. It examines the primary markets of sawnwood and pulpwood in detail, followed by similar analyses of the veneer, panel and pulp and paper

sectors. *The Review* is thus a convenient and valuable compendium of data on the industry. A major risks analysis is provided and other industry issues are also analysed in the context of the local market and their impact on international competitiveness.

A summary of the main chapter headings follows:

## EXECUTIVE SUMMARY

- Strategic Issues
- Resource Trends

## INDUSTRY OVERVIEW

- International Competitiveness
- Industry Significance
- Self-Sufficiency
- Structure
- Log Pricing

## WORLD FOREST RESOURCE

- Introduction
- Area
- Wood Volume & Biomass
- Standing Volume/Hectare
- Apparent Consumption of Forest Products
- The Role of Plantations

## AUSTRALIA'S FOREST RESOURCE

- Native Forests - Public and Private
- Plantations – National, State & Territory
- Forecast Potential Plantation Log Supply

## PULPWOOD & ROUNDWOOD

- Introduction
- Roundwood Removals
- Pulpwood Availability
- Hardwood Pulpwood
- Softwood Pulpwood
- Log Exports

- Log Pricing

- Future Pulpwood Supplies

## SAWNWOOD

- International
- Australia

## PLYWOOD

- Introduction
- World Production
- Australia
- Industry Structure

## MEDIUM DENSITY FIBREBOARD

- World Production
- Australia
- Industry Structure

## PARTICLEBOARD

- Australia
- By State
- Industry Structure

## VENEER

- Decorative Veneers
- Rotary Peeled Veneers

## HARDBOARD

- World Production and Consumption
- Australian Producers
- Trade and Production

## PULP, PAPER & PAPERBOARD

- Pulp
- Wastepaper
- Paper & Paperboard
- Australian Manufacturing
- Locations & Capacities

## THE BIOMASS PELLET MARKET

- Policy Driven
- Coal Comparison
- Producers
- Consumers
- The Pellet Market in Sweden
- Grades
- Forest Biomass Potential
- Wood Pellet Production Process

## ALTERNATIVE METHODS OF WOOD UTILISATION: BIOMASS ENERGY

- Overview
- Introduction
- Primary Conversion Technologies – Thermal Processing
- Properties of Bio-Oil
- Upgrading
- Economics
- Primary Conversion Technologies – Bio-Chemical
- Wood Bioenergy Processes in the Wider Bioenergy Context
- Secondary Energy Conversion Technologies
- Cost of Electricity

## STATE FOREST ENTITIES

- Forests NSW
- Vicforests
- Queensland Forestry
- ForestrySA
- Forest Products Commission (WA)
- Forestry Tasmania

## MAJOR RISK FACTORS FOR PLANTATIONS

- MIS Schemes and Taxation
- Drought
- Fire
- The Relevance of Location
- Reducing Risk
- Markets
- Water Catchments

## MANAGED INVESTMENT SCHEME COMPANIES

## INDUSTRY ISSUES

- Carbon Credits
- Australian Forestry Standard
- Certification
- Chain of Custody Certification
- Illegal Logging Policy
- Skills Shortages

## TIMBER PROCESSING COMPANIES

