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Different Offshore Markets, Different Needs

Over the past decade, the Government of Canada has been supporting initiatives to expand Canadian wood product exports to a larger number of end markets. These initiatives have included expanding opportunities for the wood products sector in offshore markets, in both traditional (e.g. Japan, Europe) and emerging (e.g. South Korea, China, India, Middle East) markets.

However, each of these markets presents particular opportunities to the Canadian wood products industry. These opportunities are largely determined by that specific market's economic, demographic, and social priorities.

To reflect these evolving priorities, the industry adopts dynamic market strategies in each country. As a result, these strategies can change from year to year.

For example, Japan is a country with an aging population. This means the country must continue to build elder care centres and multi-family housing, structures well suited for Canadian wood frame construction techniques. This directly benefits Canada's wood products sector. The sector can also seek opportunities in this market in high-end cabinetry, millwork, and hardwood products since Japan covets high quality wood products and finishes.

Over in South Korea, the focus is on single family housing and the appearance qualities of wood products. Widely available Canadian

timber species such as spruce-pine-fir, hemlock and western red cedar are well-suited to meet these needs, providing new opportunities for Canada's wood products sector in this rapidly-growing offshore market.

Meanwhile, China's rapid industrialization has resulted in a large migration of its people to the cities, with some estimating that over the next decade more than 100 million people will move to the country's urban areas. China will therefore need to build new residential and social housing quickly and sustainably in its fast-growing urban centres. The advantages of Canadian wood-frame construction, which include speed of construction, versatility, and seismic resistance, can help address these needs, thus directly benefiting Canada's wood products sector.



Korean semi-detached house. Photo courtesy of Hyun Wook Lee, architect



Wood frame building in China's Tianjin Economic Development Area. Photo courtesy of FII China and Canada Wood China

To support its objectives of sustainable development, the Chinese government has also expressed a desire to develop many eco-cities throughout China. These eco-cities will showcase sustainable building materials and technologies.

In keeping with this overall commitment, Chinese and Canadian officials are currently collaborating on the design and conception of a potential eco-district as part of a larger eco-city development in China. Wood-frame construction will likely play a key role

in this eco-district due to wood's attributes as a resource that is renewable, energy-efficient, and has a low-carbon footprint.

Direct Benefits

Canada's wood products sector has directly benefitted from rising exports to traditional and emerging offshore markets in Asia. Between 2001 and 2012, for instance, exports of Canadian wood products to China rose to \$1.4 billion, a forty four fold increase. Over in South Korea, they grew 467% in the same period. Canada has also maintained a stable level of wood product exports to Japan, our second largest offshore market after China in terms of value of wood product exports.

Market opportunities in these various offshore markets have helped cushion the Canadian wood products sector from cyclical factors and from an over-reliance on the United States which has traditionally been its main export market. While lumber exports to the United States have recently started to rebound, they remain well below historical averages. End market diversification has therefore helped create forestry jobs across the country and support the economies of forest-dependent communities which had been adversely affected by the drop in US lumber demand.