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JANUARY 29, 2008**

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B.C. COASTAL FOREST INDUSTRY TAPS \$1.5 BILLION MARKET IN CHINA

VANCOUVER – B.C.'s coastal forest industry is tapping into a new market in China for treated outdoor wood products that could be worth \$1.5 billion a year by 2010. Representatives of Coast Forests Products Association, Forestry Innovation Investment (FII), and the Guangzhou government attended the official opening celebration of the Guangdong-British Columbia Pacific Gateway Park in Guangzhou, Guangdong on January 22, the first landscaping demonstration project in China to feature pressure-treated outdoor wood products made up entirely of B.C. wood.

Premier Gordon Campbell attended the sod turning ceremony in November 2006 to officially kick off the project. The park is meant to be both a show of friendship – B.C. and Guangdong are sister provinces – and promote sales of B.C. forest products. Guangzhou, a city of approximately 13 million people, is known as the Garden Capital of China with nearly 20 major parks.

“Coastal forest products producers and distributors view China’s growth in landscaping as a potential niche market, particularly for pressure-treated coastal balsam, Western Red Cedar and yellow cedar,” says Rick Jeffery, President & CEO of Coast Forest Products Association.

Outdoor wood products from coastal B.C. are well suited to China’s climate because they are resistant to moisture and insects making them ideal for use in recreational buildings and a wide range of landscaping applications, including walkways, bridges, trellises and benches.

Treated wood products have shown rapid growth in China since their introduction in 2000. Greening initiatives linked with the 2008 Olympics in Beijing, the 2010 Expo and 2010 Asian Games have spurred massive landscaping projects all over China. According to the goals set by the State Council directive, treated wood will account for 5 per cent of China’s industry wood consumption by 2010, which means an annual demand of over 3 million cubic metres of treated wood products. Assuming outdoor applications are 50 per cent of the market, this translates into a demand of approximately 1.5 million cubic metres, worth as much as \$1.5 billion annually by 2010.

“The project in Guangzhou is part of a larger strategy to strengthen the forest economy by building new markets for B.C. forest products around the world,” said Forests and Range Minister Rich Coleman. “China is key to these efforts and the partnership between associations like Coast Forest, individual companies and FII is paying off.

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In the first half of this year, wood sales to China were up 58 per cent, putting B.C. exports on track to double in less than five years.”

The demonstration project will not only introduce B.C. products to China but will also serve as a platform for transferring technology and experience to park officials for use in future projects. Coast Forest is helping China move toward more environmentally friendly methods for pressure treated products by working with its government on codes and standards that will hopefully lead to the adoption of the ACQ preservative system used in North America.

The project was led by FII's Shanghai office, working in partnership with Guangdong's Garden Bureau, the Canada Wood Group and FP Innovations. FII is a provincial Crown agency responsible for promoting B.C.'s sustainable forest practices and products internationally.

The project includes a 2,500 square foot pavilion, meeting room and extensive boardwalks made from pressure-treated wood and cedar products from the B.C. coast and interior.

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