

Marketing Forest Products

Globalization, concerns about the environment, and the increasing diversification in consumer demands are significantly changing the supply of demand for forest products in Asia and the Pacific. On the supply side, rapid deforestation in the past and the emergence of the sustainability issue in development have prompted many countries to introduce policies to ensure more efficient use of forest products and to encourage the export of more processed wood products rather than raw materials. On the demand side, economic growth and greater urbanization have led to an increase in demand for forest products, both numerically as well as in variety. Trade in forest products has also grown worldwide and in the region. Advances in wood-processing technology are enabling a greater variety of products to be made, especially for housing construction. All of these developments are making the marketing channels for forestry products more complex.

To provide an opportunity for its member countries to study the marketing of forest products in Japan with the objective of deriving useful ideas that could contribute to increasing the efficiency and sustainability of their own manufacturing and marketing of forest products, the APO organized a multi-country study mission on “Marketing of Forest Products” in Japan, 7–14 May 2002. The program was hosted by the Japanese Ministry of Agriculture, Forestry and Fisheries, and implemented by the Association for International Cooperation of Agriculture and Forestry. The 16 members in the mission came from 13 member countries.

The mission members were briefed by two local resource speakers. Mr. Yoshiaki Masuda from the Wood Products Division of the Forestry Agency spoke on “Marketing of Forest Products in Japan,” while Mr. Tsuneo Aihara of Chugoku Lumber Co. dealt with “Changes in Wooden Houses and Trend of Demand for Lumber.” For their field studies, the participants visited Tokyo Lumber Terminal Co., Ltd.; Koshigaya Distribution Center, Nice Co., Ltd.; Minami Kanbara Forestry Cooperative; and Niigata Prefecture Forest Cooperatives Federation. From these visits, mission members gained a good insight into how the Japanese forest-based

industry was coping with the changing requirements of consumers and the increasing importation of timber and timber products.



Participants on a field trip

In their deliberations on the marketing of forest products in the region, mission members addressed the following challenges: 1) availability of cheaper wood substitutes and imported timber; 2) inadequate R&D activities; 3) lack of extension/outreach programs; 4) conflict between market needs and environmental concerns; 5) poor distribution system; 6) a need for a certain level of trade protection until local products are more competitive; 7) low customer confidence in local products; 8) dumping by other countries which undermines the price of local timber products; and 9) shortage of raw materials.

To deal with the above issues, the following remedial measures were suggested: 1) technical improvement of products; 2) establish a regional R&D organization; 3) organize massive promotional campaigns; 4) encourage regional cooperation in marketing; 5) improve product quality; and 6) intensify afforestation programs. 🌀