



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 10/11/2005

GAIN Report Number: NZ5018

New Zealand

Solid Wood Products

Annual

2005

Approved by:

David Rosenbloom
U.S. Embassy

Prepared by:

Alastair Patterson

Report Highlights:

New Zealand's soft wood harvest in 2006 is forecast to remain at a similar level to the previous year. Log and lumber export volumes in 2006 are both forecast to decline approximately 2 percent in the face of lower production levels. New Zealand is currently reviewing alignment of its Import Health Standard (IHS) with the latest International Phytosanitary Standard for Wood Packaging, ISPM15. Completion of this review is anticipated in March 2006. Two new industry good organizations are being formed in New Zealand's wood industry. These are the Wood Processor's Association and a new 'association of associations', temporarily referred to as WoodCo.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Wellington [NZ1]
[NZ]

SECTION I. SITUATION AND OUTLOOK

New Zealand's soft wood harvest in 2006 is forecast to remain at a similar level to 2005. Domestic log consumption in 2006 is forecast to continue at similar levels to that of 2005. Log and lumber export volumes in 2006 are both forecast to decline approximately 2 percent in the face of lower production levels.

New Zealand is currently reviewing alignment of its Import Health Standard (IHS) with the latest International Phytosanitary Standard for Wood Packaging, ISPM15. Completion of this review is anticipated in March 2006. New Zealand's current IHS for wood packaging material was last updated in April 2003. Under the current standard, wood packaging material must be free of regulated pests, relatively free of extraneous material (for example, leaves or soil) and be made of bark-free wood. The IHS also lists treatment options and requirements, as well as certification requirements and other information.

Two new industry good organizations are being formed in New Zealand's wood industry. The Wood Processors Association (WPA) is being created to replace the New Zealand Forest Industries Council (NZFIC). As the name suggests, the WPA will represent the interests of wood processors who are members. The WPA was established as an incorporated body in early September 2005. Additionally, a new industry body is being launched as a pan-industry 'association of associations'. In other words, its membership will be the forestry sector's industry associations. This new industry body is currently referred to as WoodCo, although its final name has not yet been determined. It is being formed due to the fragmented nature of the industry and its difficulty in speaking with a unified voice to government and coordinating marketing efforts overseas.

In August 2005, International Paper (IP) entered an agreement to sell its 50.5 percent controlling stake in Carter Holt Harvey (CHH) to Rank Group. Rank Group is the private investment company controlled by New Zealand businessman Graeme Hart. IP received NZ\$ 1.65 billion for its share of CHH. This follows speculation by many analysts earlier in 2005 that the buyer of IP's stake in CHH would break up the company as many felt that the sum of its components were worth more sold separately. CHH is currently New Zealand's largest forestry company and is listed on both the New Zealand and Australian stock exchanges.

During 2004, Tenon sold all of its forests, as well as its structural timber assets (see NZ4015). The company has retained control of a sawmill and moldings plant in Taupo, a distribution network into North American DIY chains and a furniture joint venture with a Danish company. Under this new structure, most of the company's earnings have come from the distribution business, which the company is hoping to expand through acquisitions. Tenon will change its reporting currency to U.S. dollars in 2006 and its new Chief Executive will be based in the United States.

SECTION II. PS&D TABLES

| New Zealand Softwood Logs | | | | | | |
|--------------------------------------|--------------------------------|--|--------------------------------|---|--------------------------------|---|
| | 1000 CUBIC METERS | | | | | |
| | 2004 USDA Official [Old] | Revised Post Estimate [New] 01/2004 | 2005 USDA Official [Old] | Estimate Post Estimate [New] 01/2005 | 2006 USDA Official [Old] | Forecast Post Estimate [New] 01/2006 |
| Market Year Begin | | | | | | |
| Production | 17080 | 20900 | 15395 | 19100 | 0 | 19000 |
| Imports | 5 | 5 | 5 | 5 | 0 | 5 |
| TOTAL SUPPLY | 17085 | 20905 | 15400 | 19105 | 0 | 19005 |
| Exports | 7100 | 5520 | 5700 | 5100 | 0 | 5000 |
| Domestic Consumption | 9985 | 15385 | 9700 | 14005 | 0 | 14005 |
| TOTAL DISTRIBUTION | 17085 | 20905 | 15400 | 19105 | 0 | 19005 |

| New Zealand Softwood Lumber | | | | | | |
|--|--------------------------------|--|--------------------------------|---|--------------------------------|---|
| | 1000 CUBIC METERS | | | | | |
| | 2004 USDA Official [Old] | Revised Post Estimate [New] 01/2004 | 2005 USDA Official [Old] | Estimate Post Estimate [New] 01/2005 | 2006 USDA Official [Old] | Forecast Post Estimate [New] 01/2006 |
| Market Year Begin | | | | | | |
| Production | 4200 | 4297 | 4100 | 4177 | 0 | 4110 |
| Imports | 17 | 40 | 17 | 40 | 0 | 40 |
| TOTAL SUPPLY | 4217 | 4337 | 4117 | 4217 | 0 | 4150 |
| Exports | 1630 | 1850 | 1632 | 1732 | 0 | 1700 |
| Domestic Consumption | 2587 | 2487 | 2485 | 2485 | 0 | 2450 |
| TOTAL DISTRIBUTION | 4217 | 4337 | 4117 | 4217 | 0 | 4150 |

| New Zealand Softwood Plywood | | | | | | |
|---|--------------------------------|--|--------------------------------|---|--------------------------------|---|
| | 1000 CUBIC METERS | | | | | |
| | 2004 USDA Official [Old] | Revised Post Estimate [New] 01/2004 | 2005 USDA Official [Old] | Estimate Post Estimate [New] 01/2005 | 2006 USDA Official [Old] | Forecast Post Estimate [New] 01/2006 |
| Market Year Begin | | | | | | |
| Production | 296 | 345 | 290 | 320 | 0 | 310 |
| Imports | 7 | 14 | 5 | 12 | 0 | 10 |
| TOTAL SUPPLY | 303 | 359 | 295 | 332 | 0 | 320 |
| Exports | 95 | 110 | 95 | 100 | 0 | 95 |
| Domestic Consumption | 208 | 249 | 200 | 232 | 0 | 225 |
| TOTAL DISTRIBUTION | 303 | 359 | 295 | 332 | 0 | 320 |

TRADE MATRICES

| New Zealand Log Exports by Volume | | | | | |
|--|---------------|-----------|-----------|-----------|-----------|
| Partner Country | Calendar Year | | | Jan - Jun | |
| | 2002 | 2003 | 2004 | 2004 | 2005 |
| Korea South | 3,934,919 | 3,822,964 | 3,070,314 | 1,587,595 | 1,460,890 |
| Japan | 1,514,415 | 1,399,343 | 1,142,758 | 560,049 | 457,420 |
| China | 1,516,864 | 1,608,100 | 801,685 | 483,873 | 303,807 |
| India | 294,832 | 254,433 | 253,582 | 96,554 | 94,628 |
| Taiwan | 108,881 | 99,836 | 109,609 | 55,008 | 39,960 |
| United Arab Emirates | 71,460 | 31,778 | 105,711 | 19,670 | 20,695 |
| Other | 438,501 | 323,391 | 35,357 | 24,770 | 7,816 |
| World | 7,879,872 | 7,539,845 | 5,519,016 | 2,827,519 | 2,385,216 |

| New Zealand Lumber Exports by Volume | | | | | |
|---|---------------|-----------|-----------|------------|---------|
| Partner Country | Calendar Year | | | Jan - June | |
| | 2002 | 2003 | 2004 | 2004 | 2005 |
| United States | 546,373 | 414,149 | 472,660 | 197,335 | 202,754 |
| Australia | 398,749 | 392,615 | 381,343 | 187,590 | 173,341 |
| China | 138,820 | 133,140 | 209,264 | 101,461 | 93,350 |
| Japan | 227,247 | 234,431 | 206,563 | 107,959 | 94,286 |
| Taiwan | 164,358 | 122,766 | 132,076 | 66,024 | 64,164 |
| Vietnam | 52,828 | 69,247 | 95,167 | 42,233 | 53,907 |
| Thailand | 62,291 | 75,816 | 75,222 | 34,315 | 27,780 |
| Korea South | 66,005 | 48,583 | 60,582 | 32,417 | 25,055 |
| Philippines | 52,069 | 49,796 | 54,187 | 27,287 | 29,026 |
| Other | 126,156 | 90,325 | 161,080 | 71,622 | 93,213 |
| Total | 1,834,896 | 1,630,868 | 1,848,144 | 868,243 | 856,876 |

SECTION III. PRODUCTION, POLICY AND TRADE

PRODUCTION

Forestry Situation/Outlook

New Zealand's soft wood harvest in 2006 is forecast to remain at a similar level to 2005. This follows a revision of New Zealand's 2005 harvest levels by FAS Wellington. Domestic log consumption in 2006 is forecast to continue at similar levels to that of 2005. Log and lumber export volumes in 2006 are both forecast to decline approximately 2 percent in the face of lower production levels. Key forestry owners, implementing a long-term investment strategy, continue to tighten supply by delaying their harvest schedule. This is in response to weak international demand and poor profit margins (see NZ4015).

New Zealand's ongoing reduced timber supply will be beneficial to its forestry industry as the trees are left to age, improving their construction quality. This is due to a change in ownership in recent years to investment companies that have a long-term investment focus purchasing the majority of New Zealand's commercial forests. Prior to this change in ownership, harvests were increasingly characterized by marginally lower overall quality, as younger timber was harvested to satisfy a strong export demand and maintain cash flow and debt servicing of the larger companies. This has changed, with these companies divesting their forestry assets to focus on processing. The decline in timber production will be temporary. The industry anticipates that forestry owners will return to full harvesting operations in five to eight years once the age profile of forests and export prices improve. Additionally, timber production will respond to the large number of trees planted during the 1980's and early 1990's that will begin reaching harvestable age by 2010.

The poor profitability of New Zealand's forestry industry continues (see NZ4015). Despite reasonable prices in New Zealand's main international markets, most exports are currently unprofitable due to the continuing strength of New Zealand's dollar and high shipping costs. As a result, many processors rely on the domestic market to maintain a profit margin. The primary cause of the drop in New Zealand's export returns in recent years has been a substantial decline in import demand for logs in the Korean market. Korean importers seek to reduce high inventory levels by adjusting import purchase volumes. Import demand for both New Zealand logs and lumber also remains weak in other key markets. Strong log and lumber export competition from Russia, and lumber from Chile and Brazil, has adversely impacted export profitability. Korea is New Zealand's largest log export market, purchasing twice the volume of the next largest export destinations, China and Japan. These three markets together account for 90 percent of New Zealand's total log export shipments.

STRATEGIC INDICATOR TABLE – FOREST AREA

| New Zealand Forest Area 2004 | | | |
|---|------------------|-----------------|------------------|
| | Previous 2003 | Current 2004 | Forecast 2005 |
| Total Land Area (million hectares) | 27 | 27 | 27 |
| Total Forest Area (million hectares) | 8.23 | 8.23 | 8.23 |
| --Of which, Commercial ('000 hectares) | 1827 | 1842 | 1841 |
| ----Of commercial, tropical hardwood ('000 hectares) | 0 | 0 | 0 |
| ----Of commercial, temperate hardwood ('000 hectares) | 55 | 56 | 56 |
| ----Of commercial, softwood ('000 hectares) | 1772 | 1786 | 1785 |
| Forest Type | | | |
| --Of which, virgin ('000 hectares) | 6.4 | 6.4 | 6.4 |
| --Of which, plantation ('000 hectares) | 1827 | 1822 | 1815 |
| --Of which, other commercial (regrowth) ('000 hectares) | n/a | n/a | n/a |
| Total Volume of Standing Timber (thousand cubic meters) | 398000 | 400000 | 400000 |
| --Of which, Commercial Timber ('000 cum) | n/a | N/a | n/a |
| Annual Timber Removal ('000 cum) 1/ | 18540 | 17080 | 17080 |
| Annual Timber Growth Rate ('000 cum) | 25000 | 25000 | 25000 |
| Annual Allowable Cut ('000 cum) | n/a | n/a | n/a |

1/ If Removals exceeds growth rate, analyze impact in text.

NEW ZEALAND'S FORESTRY INDUSTRY

The New Zealand forestry and logging sectors account for 1.2 percent of national economic activity. Further processing of wood and wood products, paper, and pulp manufacturing account for an additional 4 percent of GDP. Forestry directly employs approximately 23,000 people. Forests cover 8.2 million hectares, approximately 30 percent of New Zealand's total land area. Of this area, 6.4 million hectares are indigenous or natural forests and 1.8 million hectares represent commercial plantation forests. Of the commercial area, seventy percent is located in the North Island and thirty percent in the South Island. Eighty-nine percent of all commercial forests are planted with radiata pine and 6 percent in Douglas Fir. The balance consists of hard woods (3 percent) and other softwoods (2 percent). Plantation forests account for more than 99 percent of New Zealand's total timber production. Approximately 15,000 hectares of new forest were planted in 2003, well below the 30-year average of 43,500 hectares per annum. For more information, see MAF's [National Exotic Forest Description](#) and MAF's [forestry statistics](#).

New Zealand accounts for 0.05 percent of the world's forest resource and 1.1 percent of world trade. New Zealand's major competitors are South Africa, Russia, Chile, Brazil, Argentina, and Uruguay. Approximately 35 percent of New Zealand's harvest is exported as logs. The remainder is either milled or used in the production of pulp, paper, or other wood products such as medium density fiberboard (MDF) and panel products. The volume of logs exported as a proportion of New Zealand's total harvest has increased in recent years due in large part to industry processing capacity constraints.

New Zealand's forestry sector has undergone great structural change in recent years. It has become more fragmented as the large companies that previously dominated New Zealand's industry have divested much of their vertically integrated businesses. Forests and processing

are now separately owned as they are considered to be greatly differing investment vehicles. Forests are considered a long-term, low-risk, lower return investment, which has attracted a large amount of international investment, mainly by Timber Investment Management Organizations (TIMOs). Wood processing, on the other hand, is considered higher risk, but can potentially provide much higher returns.

Most industry participants argue that there is little motivation to invest in infrastructure in New Zealand's post harvest industry. Reasons they give include stringent regulations and difficulty in gaining consent for new plants (as a result of the current structure of the Resource Management Act), rising energy costs, low availability of trained staff and the short-term nature of supply contracts for most industry participants. As a result, by world standards, New Zealand has older plants that vary in size from small to medium. The low profitability of the industry has motivated forest owners (including Carter Holt Harvey) to reduce their harvest in anticipation of better future prices, as well as increase the age profile of their trees, increasing their value. This decrease in the need for wood processing infrastructure has further decreased motivation for investment by post harvest operators.

POLICY

New Zealand's Wood Packing Material Requirements

New Zealand is currently reviewing alignment of its Import Health Standard (IHS) with the latest International Phytosanitary Standard for Wood Packaging, ISPM15. Completion of this review is anticipated in March 2006. New Zealand's current IHS for wood packaging material was last updated in April 2003. This standard includes items such as dunnage, crates, fillets, spacers, pallets, drums, reels and gluts. Under the current standard, wood packaging material must be free of regulated pests, relatively free of extraneous material (for example, leaves or soil) and be made of bark-free wood. The IHS also lists treatment options and requirements, as well as certification requirements and other information.

For more information, New Zealand's IHS for wood packaging material can be found at: <http://www.biosecurity.govt.nz/imports/forests/standards/non-viable-forest-produce/wood-packaging.htm>

The Kyoto Protocol

Despite the New Zealand government's aim to increase plantings of forestry in New Zealand, the total area of commercial forests is not increasing. Although new plantings continue, a large amount of existing forestry is being converted to dairy farming or other land uses. Total land area planted in commercial forests is therefore predicted by many industry participants to be stagnant or even decreasing. Investors are not motivated to invest in forestry at present due to increasing land prices (driven by strong returns in agriculture rather than forestry), decreased returns and increased compliance costs. In addition to this, the New Zealand government has taken control of carbon credits created by forestry under the Kyoto protocol, while at the same time limiting its own liability in relation to the removal of forestry. The government will cover the Kyoto protocol related cost of forestry removal for a certain area each year, but beyond this the cost has to be covered by forestry owners.

The government is eager to increase forestry plantings as it re-estimated in June 2005 that instead of accumulating a NZ\$ 500 million (U.S.\$ 350 million¹) profit through surplus carbon

¹ NZ\$ 1 = U.S.\$ 0.70

credits under the Kyoto Protocol, New Zealand would face NZ\$ 500 million in costs between 2008 and 2012. This change in value is due to an above predicted increase in emissions, a change in which forests can be considered carbon sinks and a reduction in plantings of new forests. Other estimates of New Zealand's liability vary, ranging between NZ\$ 375 million and NZ\$ 2 billion (U.S.\$ 260 million and U.S.\$ 1.4 billion).

The Wood Processors Association and New 'Umbrella' Industry Organization

Two new industry good organizations are being formed in New Zealand's wood industry. First is the Wood Processors Association (WPA), created to replace the New Zealand Forest Industries Council (NZFIC). As the name suggests, the WPA will represent the interests of wood processors who are members. The WPA was established as an incorporated body in early September 2005, with an interim Director and Chief Executive appointed. NZFIC was disestablished on September 30, 2005.

The fragmented nature of the industry and large number of industry good organizations has meant that the industry has had difficulty speaking with a unified voice to government and coordinating marketing efforts overseas. A new industry body is being launched as a pan-industry 'association of associations'. In other words, its membership will be the forestry sector's industry associations. This new industry body is currently referred to as WoodCo, although its final name has not yet been determined. WoodCo is being created to act on issues important to New Zealand's forestry sector as a whole. The different sectors of the industry, however, will at times have differing priorities on some issues, which will be dealt with by the separate sector groups. The majority of industry participants view WoodCo favorably, as the fragmented nature of the industry has made it difficult to deliver a cohesive message to the New Zealand government and led to unnecessary competition in some international markets. Many, however, see it as more unnecessary cost.

Scion

In June 2005, Scion became the new trading name of the New Zealand Forest Research Institute Limited. Scion remains a Crown Research Institute. As part of the restructuring, approximately two-thirds of Scion's business is invested in a joint venture called Ensis, with the Commonwealth Scientific and Industrial Research Organization (CSIRO). CSIRO is an Australian government funded research organization. The main objective of this joint venture is to remove duplication of efforts and create an organization with large enough economies of scale to adequately target markets in the Asian region.

The focus of Ensis is mainly on improving forestry production, with a focus on areas such as genetics, wood quality, wood processing and the environment. The remainder of Scion not involved in Ensis focuses on creating new uses for wood. This includes three main areas. Biomaterials research focuses on areas such as biomaterials engineering and eco-smart technologies. Sustainable consumer products looks at bioenergy and the built environment. The third area encompasses the organization's business units, which focus on areas such as biosecurity, forestry surveillance and software development. This reflects a changing in thinking at Scion, from being that of material engineers to instead providing customers with solutions.

Scion is funded by a mixture of government and private enterprise. The majority of funding is direct from the Foundation of Research, Science and Technology. Some funding is also allocated by the Ministry of Research, Science and Technology. Smaller amounts of funding are sourced from the Ministry of Agriculture and Forestry, as well as the Ministry for the

Environment. Much of the industry funding is provided through consortia. Consortia are a group of commercial enterprises that band together to provide funding for research (of at least NZ\$1 million), which is then matched dollar for dollar by the New Zealand government. Despite the forestry sector's ongoing poor profitability in New Zealand, commercial enterprises have continued to invest in research.

For more information on Scion, view the organization's website at: www.scionresearch.com.

FIFA Replaced

The Forest Industry Framework Agreement (FIFA – see NZ 4015) has been replaced by the Forest Industry Development Agenda (FIDA). Many feel that the FIFA failed due to its association with the Kyoto Protocol, a source of tension between New Zealand's government and forest industry. FIDA focuses on attempting to fund market access, market development, bio-energy projects, training and wood design. The government is planning to invest NZ\$ 18 million over five years if the industry contributes NZ\$ 3.8 million. The industry's contribution will most likely have to be levy funded, which is another source of contention in New Zealand's forest industry.

TRADE

Carter Holt Harvey – Sale to Rank Group, Sale of Forestry, Purchase of Assets

In August 2005, International Paper (IP) entered an agreement to sell its 50.5 percent controlling stake in Carter Holt Harvey (CHH) to Rank Group. Rank Group is the private investment company controlled by New Zealand businessman Graeme Hart. IP received NZ\$ 1.65 billion for its share of CHH. This follows speculation by many analysts earlier in 2005 that the buyer of IP's stake in CHH would break up the company as many felt that the sum of its components were worth more sold separately. CHH is currently New Zealand's largest forestry company and is listed on both the New Zealand and Australian stock exchanges.

Due to New Zealand's regulatory rules, as Hart has taken a controlling stake in a publicly listed company he has had to extend his NZ\$ 2.50 bid per share to all shareholders. Analysts consider it unlikely that Hart will increase this bid as he has already gained control of CHH. Many shareholders are likely to hold their shares with the hope that Hart will greatly increase the profitability of CHH, as he has done with previous acquisitions. CHH's directors have recommended that shareholders not accept the NZ\$ 2.50 bid, as it is less than the NZ\$ 2.55 to 2.95 valuation placed on CHH shares by independent appraiser Grant Samuel.

In July 2005 CHH entered into an agreement to sell 94,300 hectares of non-core forests to a consortium comprising Rayonier Inc and RREEF Infrastructure (an arm of Deutsche Bank) for NZ\$ 435 million. Following Overseas Investment Commission approval in September the sale is likely to take place in early October. Investors reacted positively to this news in July, increasing the share price. This follows Tenon's (formally Fletcher Challenge Forestry) earlier successful sale of its forestry assets. CHH retains control of over 220,000 hectares of forestry in New Zealand.

CHH completed its full takeover of Australian packaging company Wadepack Limited in early 2005, valued at NZ\$ 94 million. CHH initiated the bid in November 2004 to acquire Wadepack in an off-market takeover. The bid was unanimously supported by Wadepack's board of directors and received Australian regulatory approval. This acquisition boosted CHH's Australian presence in the specialist cardboard carton market.

CHH acquired some of Tenon's mills for NZ\$ 170 million in December 2004. CHH purchased two sawmills and one plywood mill from Tenon, complimenting the eight sawmills and two plywood mills the company already owned. The mills are close to CHH's remaining forests in the central North Island.

Tenon's Restructuring

During 2004, Tenon sold all of its forests, as well as its structural timber assets (see NZ4015). The company has retained control of a sawmill and moldings plant in Taupo, a distribution network into North American DIY chains and a furniture joint venture with a Danish company. Under this new structure, most of the company's earnings have come from the distribution business, which the company is hoping to expand through acquisitions. Tenon will change its reporting currency to U.S. dollars in 2006 and its new Chief Executive will be based in the United States.

Ongoing International Investment in New Zealand Forests

The international investment in New Zealand forests is ongoing. This is due to New Zealand's perceived low risk as a result of its stable government, good infrastructure and the large amount of surplus wood volume available for export. A large amount of this investment comes from Timber Investment Management Organizations (TIMOs), the majority of which are U.S. based. The TIMOs have a long-term view of their investments (often 10 to 15 years) and are financed by illiquid funds. This means that they are not focused on short-term gains and do not require a consistent cash flow to service operating costs and debt. Forestry offers TIMOs a modest, but reliable, rate of return over a long time period. As such, harvest volumes can be adapted to markets. This can be seen at the present time – with the current low profitability of the forestry sector the TIMOs are reducing their harvest volume in anticipation of improved returns in the future. At the same time the value of the trees increases as the wood quality improves with age, allowing a larger percentage of the tree to be used in more profitable applications. This has created some fear in the post harvest sector that the TIMOs will cause their throughput to wildly fluctuate, greatly reducing their profitability. The TIMOs, however, are aware of the need to continue a sustainable harvest level in order to maintain a robust processing sector, reducing their own costs.

TARIFFS AND SUBSIDIES

| New Zealand Forest Product Tariffs and Taxes (percent) 2004 | | | | | | |
|---|--|-------------|-------------|-------------------------|-------------------------|------------|
| H/S Code | Product Description 1/ | Tariff 2004 | Tariff 2005 | Other Import Taxes/Fees | Total Cost of Import 2/ | Export Tax |
| 4401 | | Free | Free | n/a | Free | Free |
| 4403 | | Free | Free | n/a | Free | Free |
| 4404 | | Free | Free | n/a | Free | Free |
| 4405 | | Free | Free | n/a | Free | Free |
| 4406 | | Free | Free | n/a | Free | Free |
| 4407 | | Free | Free | n/a | Free | Free |
| | Sanded or Finger Jointed | 7 | 7 | n/a | 7 | Free |
| 4408 | | Free | Free | n/a | Free | Free |
| | 4408.10.09 | 7 | 7 | n/a | 7 | Free |
| | 4408.31.90 | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4408.39.90 | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4408.90.08 | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4408.90.19 | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4408.90.29 | 7 | 7 | n/a | 7 | Free |
| 4409 | | Free | Free | n/a | Free | Free |
| | Molded Wood | 5 | 5 | n/a | 5 | Free |
| 4410 | | 5 | 5 | n/a | 5 | Free |
| 4411 | | 5 | 5 | n/a | 5 | Free |
| 4412 | | 7 | 7 | n/a | 7 | Free |
| | 4412.22.90 | 5 | 5 | n/a | 5 | Free |
| | 4412.23.00 | 5 | 5 | n/a | 5 | Free |
| | 4412.29.90 | 5 | 5 | n/a | 5 | Free |
| | 4412.92.10 | 5 | 5 | n/a | 5 | Free |
| | 4412.92.90 | 5 | 5 | n/a | 5 | Free |
| | 4412.93.00 | 5 | 5 | n/a | 5 | Free |
| | 4412.99.90 | 5 | 5 | n/a | 5 | Free |
| 4413 | | Free | Free | n/a | Free | Free |
| 4414 | | 5 | 5 | n/a | 5 | Free |
| 4415 | | Free | Free | n/a | Free | Free |
| | 4415.2 | 7 | 7 | n/a | 7 | Free |
| 4416 | | Free | Free | n/a | Free | Free |
| 4417 | | Free | Free | n/a | Free | Free |
| | 4417.00.11 | 5 | 5 | n/a | 5 | Free |
| | 4417.00.21 | 5 | 5 | n/a | 5 | Free |
| 4418 | | 6.5 | 6.5 | n/a | 6.5 | Free |
| 4415.5 | | Free | Free | n/a | Free | Free |
| | 4418.9 | 5 | 5 | n/a | 5 | Free |
| 4419 | | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4419.00.09 | 7 | 7 | n/a | 7 | Free |
| 4420 | | Free | Free | n/a | Free | Free |
| | 4420.10.09 | 6.5 | 6.5 | n/a | 6.5 | Free |
| | 4420.90.01 | 5 | 5 | n/a | 5 | Free |
| | 4420.90.09 | 6.5 | 6.5 | n/a | 6.5 | Free |
| 4421 | | 7 | 7 | n/a | 7 | Free |
| | 4421.90.01 | Free | Free | n/a | Free | Free |
| | 4421.90.09 | Free | Free | n/a | Free | Free |
| | 4421.90.11 | Free | Free | n/a | Free | Free |
| 4422 | | n/a | n/a | n/a | n/a | Free |
| 4423 | | n/a | n/a | n/a | n/a | Free |
| 4424 | | n/a | n/a | n/a | n/a | Free |
| 4425 | | n/a | n/a | n/a | n/a | Free |
| | Pre-fabricated Houses, a subsection under chapter 96 | n/a | n/a | n/a | n/a | n/a |

1/ Insert additional lines for Commodity tariff identification should tariffs vary within the four-digit designation for major products exported by the U.S. (e.g., 4412.19: softwood plywood 3%, 4412.XX: other plywood, 9%).

2/ Calculate as tariff plus other import taxes/fees assuming a commodity value of \$100.

WOOD PRODUCTS SUBSIDIES

| New Zealand Wood Product Subsidies 2005 | | | |
|---|----------|---------|----------|
| | Previous | Current | Forecast |
| | 2003 | 2004 | 2005 |
| Total Solid Wood Export Subsidy Outlay (\$US million) | N/a | n/a | n/a |
| Is there a ban on the export of logs, lumber, or veneer? 1/ | No | No | No |
| Are there export taxes (yes/no)? 2/ | No | No | No |
| Total Wood Production Subsidy (\$US million) | N/a | n/a | n/a |
| Scope (thousands of hectares) | 1827 | 1822 | 1815 |
| Are there other wood products export expansion activities? 1/ | No | No | No |

1/ If yes, describe in report.
2/ If yes, identify in Tariff and Tax Strategic Indicator Table.

FURTHER INFORMATION

MAF Forestry Statistics

<http://www.maf.govt.nz/statistics/primaryindustries/forestry/index.htm>

MAF National Exotic Forest Description and other publications

<http://www.maf.govt.nz/forestry/publications/>

New Zealand government and the Kyoto Protocol

<http://www.climatechange.govt.nz>

Forest Stewardship Council

<http://www.fsc.org/fsc>

Tenon (formerly Fletcher Challenge Forests)

<http://www.tenon.co.nz/>

Carter Holt Harvey

<http://www.chh.com>

New Zealand Forestry Industries magazine (includes statistics)

<http://www.nzforest.com/>