

25 January 2024

### **Message from Mark**

Welcome to the first newsletter for 2024 from the Wood Processors and Manufacturers Association. I trust that you have had a good holiday break and are refreshed for the year ahead.

With Parliament to recommence from the 30 January further implementation of the coalition Government's 100-day plan will be a priority. Much alteration has already taken place with the axing of various Bills and the previous government initiatives, such as the RMA reform, Three Waters and the Ute Tax. The first stage of the ambitious 49 actions to be delivered by the National-led government within 100 days are expected to be completed by mid-February. The next stage being how to enact the changes and action the new direction.

What is important is that as a major export earner, employer, and deliverer of solutions for meeting our carbon emissions reduction targets is that our wood products and forestry sectors remain supported by government to enable future growth. The initial noise from the Minister and others appears constructive, with an intent of supporting sector development in the coming year.

### **Disruptions to NZ wood product exports to Europe**

Similar to other primary sector groups that are exporting to Europe, the Middle East conflict is becoming significant for local wood product exporters with higher shipping costs and longer timeframes to markets. As an example, shipping companies are applying additional surcharges up to USD\$1800 per 40-foot containers and transit times have increased by up to 4 weeks. This in turn is adversely affecting landed costs and service delivery for our members. From the wood products side our main exports to Europe include sawn timber, panels, and pulp and paper. At \$125 million in wood product exports the Europe market is not insignificant and makes up an estimated 5% of our wood products export trade. As this could be a long-term issue WPMA will look at working in with our forestry partners and others as what support can be offered and potential impacts on the wider industry.



## Peak wood and forestry sector group established

The Pan Sector Accord for the NZ Forest & Wood Sector Forum is now final with the 10 organisations in agreement on the purpose and workings of the group. The Forum will ensure continued sector growth and through proactive communication manage issues with the interest of the whole sector in mind. The Forum's collective advocacy will be for policies that are socially responsible, environmentally, and ecologically sustainable, internationally competitive, and profitable. Foundation Signatories include New Zealand Institute of Forestry (NZIF), New Zealand Forest Owners Association (NZFOA), Forest Industry Contractors Association (FICA), New Zealand Farm Forestry Association (NZFFA), Wood Processing and Manufacturers Association (WPMA), Ngā Pou a Tāne (NPOT), Log Transport Safety Council (LTSC), New Zealand Timber Industry Federation (NZTIF), Forest Industry Safety Council (FISC) and the Bioenergy Association.

## European Union Deforestation Regulations

The European Union has introduced a new regulation to prevent companies from placing commodities (incl. wood products) linked with deforestation and forest degradation, onto the EU market, or exporting them from the EU. At this stage the regulation will be effective from 24 December 2024. A key requirement is the obligation for exporters of timber and timber products to the EU to implement a due diligence system to avoid sourcing of commodities or products which are not deforestation-free or have not been produced in accordance with the relevant legislation of the country of production. WPMA is working with our members, government, and industry on how to manage the compliance procedure and how New Zealand timber and timber product exporters to Europe can gain a competitive advantage by implementing an NZ industry-based solution. For more information contact [mark@wpma.org.nz](mailto:mark@wpma.org.nz)

**What products does the EUDR apply to?**

Cocoa, Coffee, Soy, Palm oil, Cattle & beef, Rubber

**MUST BE DEFORESTATION FREE**

**Wood**

Wood has additional requirements under EUDR: all wood products need to be **deforestation-free, degradation-free and legal.**

Before placing any product on the EU market or exporting from the EU, companies must produce a due diligence statement.

For companies, this means wood products must:

1. Not come from land that has experienced deforestation and forest degradation after 31 December 2020;
2. Be produced in accordance with relevant legislation of the country of production;
3. Be accompanied by a due diligence statement.

**MUST BE DEFORESTATION AND DEGRADATION FREE**

## India Trade opportunities

Trade opportunities for log and wood product exports into India were part of the discussions held in late 2023 between Minister McClay and his Indian counterparts. There appears to be interest and momentum in improving our trade with the Minister saying he is targeting \$250 million in log and wood product exports to India. As a comparison New Zealand log and wood exports to India peaked at \$308 million in 2017 dropping to \$31 million in 2023. Wood products, including pulp and paper, making up \$86 million of the total exports in 2017 and dropping to \$25 million in 2023, with the balance being log exports. Hence, there are opportunities to seek further export growth within India.

### **ACC Recovery at Work Project**

To assist businesses in transitioning injured employees back into the workforce ACC are working in with wood and forest industry associations and select businesses from across the forestry sector on a proof-of concept trial to support the employees to recover while returning to work. The project will run for six months, from February to August 2024, to determine if the trial initiatives make a difference to how well people recover and return to work after an injury. If successful, this trial could be rolled out across the wider forestry sector.

### **Environmental Product Declaration expression of interest**

An Environmental Product Declaration (EPD) is an independently verified and registered document that communicates transparent and comparable data and other relevant environmental information about the life-cycle environmental impact of a product. WPMA published a group EPA in 2019, which has involved interested members contributing data and the shared cost of analysis, presentation, and publication. The WPMA EPD can be viewed on the EPD Australasia website – see here [https://epd-australasia.com/?s=wpma&post\\_type=epd](https://epd-australasia.com/?s=wpma&post_type=epd) An EPD is valid for 5 years and the WPMA one will be expiring in October this year. We are now seeking expressions of interest from wood processors and manufacturers who are interested in joining the next group EPD. It is likely you will need to be a member of WPMA to participate. Members and non-members are welcome to register their interest. To learn more please email our Technical Manager, Jane Cuming at [jane@wpma.org.nz](mailto:jane@wpma.org.nz).

### **Covid 19 – Royal Commission of Inquiry**

To represent the whole supply chain the Forest and Wood Sector Forum partners are preparing a survey for their members and will be using the feedback to complete a joint submission to the Royal Commission. The purpose of the Inquiry is to strengthen New Zealand's preparedness for, and response to, any future pandemics by identifying lessons learnt from our response to Covid-19 that should be applied for any future pandemic.

### **Women in the Manufacturing Sector Eligible for Leadership Development Scholarships**

Women & Leadership New Zealand has announced new scholarships to enable more women to access world-class leadership and workplace skill development programs. With partial scholarships ranging from \$1,000 to \$5,000, there are four programs to suit women in non-leadership roles all the way up to senior executives. These scholarships are aimed at encouraging more women to increase their impact at work, progress their career, and step into leadership roles. As a member of WPMA you are eligible to apply for these leadership scholarships. Registrations of interest close on 22nd March 2024. See here: <https://www.womenandleadership.co.nz/industry/manufacturing>

### **In the News**

#### **Peak wood and forestry Industry group established**

<https://www.farmersweekly.co.nz/news/forestry-to-launch-whole-of-industry-lobby-group/>

#### **Report – Recycled posts boost cyclone recovery**

<https://www.farmersweekly.co.nz/farm-management/recycled-posts-boost-cyclone-recovery/>