



## BANNING LOG EXPORTS IS NOT THE TOP PRIORITY

Bill Bourgeois, PhD RPF (Ret)

The topic of banning log exports is increasing in popularity again reflected in examples of recent articles (<http://www.policynote.ca/forestryjobsbc/> ; <http://vancouversun.com/opinion/opinion-raw-log-shipments-cost-forest-industry-jobs>). The issue has been with us for decades. The argument presented is that if log exports were banned, the timber would be available to increase jobs through secondary wood (value-added) manufacturing. However, even if more logs were available, it would not necessarily result in an increase in jobs or higher value products. This is not as simple an issue as presented.

There are two major barriers to increasing secondary wood manufacturing in BC. One is related to securing fibre supply and the other a positive economic investment climate. In some instances these are connected.

Not all secondary wood manufacturers are limited by timber/fibre supply. However, those who are, need a secure long-term fibre supply at a competitive cost. This barrier is mainly related to the timber supply control by the major tenure holders. Without removing it, either through tenure reform or encouraging sharing of timber by the major tenure holders, the level of BC secondary manufacturing will be limited as it has been for years. Tenure reform is complex, messy, disruptive, costly and a long-term initiative that will take several years to achieve any advancement, but this is a topic for another time. BC has tried a number of methods to release the grip by major tenure holders on timber available to the secondary wood manufacturing sector over the last 30-40 years. None have been successful to any significant degree. However, the Interior Lumber Manufacturers Association (ILMA) members (mainly secondary wood manufacturers) have proposed a method ([http://forestnet.com/LSJissues/2016\\_october/seeking.php](http://forestnet.com/LSJissues/2016_october/seeking.php)) that might have a chance, if the major tenure holders are willing to collaborate on a solution for the betterment of the communities while maintaining their economic status. The challenge will be to get agreement on a significant change from the norm which is not a favoured environment of the forest sector as a whole but worth a try to assist communities in diversifying their forest sector and assisting in becoming economically resilient. Real and effective Government assistance will be required! Are the political parties willing?

The other major barrier to increasing secondary wood manufacturing has been identified as creating an investment climate that supports the sector so they can increase community economic diversification and growth. Without the financial support from investors and regulatory support from Government, having more logs through banning exports will not move us forward in BC. Government has been working on this to some extent through the recent *Value-added Action Plan*. Is there enough being done?

Banning log exports resonates well in the political world. However, it is not a silver bullet and deflects attention from the harder issue of removing the two priority barriers to growing the BC secondary wood manufacturing sector and therefore increasing community economic diversification. We need to encourage the political parties to focus on these two major barriers rather than emphasizing banning log exports. We need real action rather than focusing on an issue that may be more politically attractive but a lower priority.

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