

6. CONCLUSION

In sum, the Indian timber market scenario may be outlined as follows:

- The current shortfall of industrial wood and pulpwood will continue to grow as supplies from natural forests within the country are being steadily reduced.
- The policy of wood substitution to reduce the demand for conventional wood produce may only marginally help in mitigating the crisis.
- Plantation-grown wood will be primarily consumed as firewood, poles, pulpwood and wherever small-sized timber is required. However, planted areas will be a major source of supply of wood in the country in future.
- The country will continue to import timber to meet the shortfall.
- Bulk of hardwood timber is currently being imported from Malaysia, Burma, Papua New Guinea, and Indonesia in log form. A small quantity of softwood is also imported. It is being increasingly realised that there is a growing reluctance on the part of traditionally exporting countries to export tropical timber in log form. Hence import of sawn timber has to be encouraged. The Ministry of Environment and Forests is already seized of the problem and is pressing for reduction in custom duty on imported sawn timber.
- Import of timber has already made significant inroads in the consumer market. Imported timber is being used for a variety of purposes, i.e., Railways, construction industry, plywood industry, etc. The price of indigenous teakwood in sawn form (size 5" x 5" x 7") is about Rs.18,000 to 20,000 per cu.m. The price of other important hardwoods—Shorea, Dalbergia Sisso—is between Rs.8,000 to 10,000 per cu.m., whereas the price of imported timber after sawing is between Rs.5,000 to 8,000 cu.m. Import of timber is also helping in stabilizing the price of local timber.

7. MARKET SEGMENT AND STRATEGIES FOR CANADIAN COMPANIES

India being the second most populous country in the world, offers tremendous opportunities for Canadian companies to export timber. Currently, acute shortage of wood and spiraling prices are discouraging people to use wood. This gap can be, to a certain extent, narrowed by imports.

One major problem, however, is that plywood manufacturers are not accustomed to using coniferous wood (softwood) and there is initial reluctance to use softwoods in place of familiar tropical hardwoods. This initial resistance can be overcome by promotional efforts such as, exhibitions, demonstrations and short training programmes at the actual users level, i.e. construction industry people, furniture makers and even carpenters in metropolitan cities, to popularise the use of Canadian timber on the basis of their strength, properties and usability.

The most important segment for imported timber is plywood industry and saw milling industry for building construction and packaging purposes. The plywood industry in the country is currently not using softwood. Investment may be required for machinery upgradation for this purpose. However, in this sector there is lack of knowledge about the utilization potential of exotic softwood species vis-a-vis conventional hardwoods.

The CIF price of sawn wood should be cheaper than indigenous timber to make it attractive for buyers. So commercial feasibility and acceptability of Canadian timber in the market needs to be ascertained from construction, furniture and veneer users.

Technical data about Canadian timber, price list, specifications and measurement standards should be widely disseminated to importers. To start with, booklets containing relevant technical data, wood samples, price list of different sizes, quality parameters, current uses in Canada, etc. should be widely distributed among potential importers. A list of some leading importers is provided in Appendix I. Besides private parties, State Government-owned Forest Development Corporations are potential buyers. They have a wide distribution network and are actively involved in logging and timber trade business. Due to Government's ban on felling trees, the Corporations are finding it difficult to do business. Some of them have already started importing timber. The Canadian companies must develop close contacts with these agencies. Their current addresses are given in Appendix II.