



Flying the Kiwi flag in Guangzhou (from left): Rachael Snowball (Red Stag Timber), John Duncan (McAlpines) and Peter Crighton (South Pine)

There is no doubt about the potential for New Zealand and Australian wood processing companies to carve out strong and lucrative business relationships in China – but doing it on a shoestring is not the answer, as **John Halkett** reports from Guangzhou.

LESSONS AT INTERZUM FOR CHINA HOPEFULS

KIWIS WAVING the export flag at the recent Interzum exhibition in Southern China looked rather like poor cousins compared with the efforts of other wood product exporting countries. Perhaps it was a reflection of the environment currently being experienced by New Zealand's wood processing sector.

The New Zealand effort at the Guangzhou show was left to a small collective of wood processors operating under the New Zealand Pine Exporting Companies (NZPEC) banner. And they were not particularly happy about an alleged lack of government support for their efforts.

NZPEC member and timber general manager for McAlpines John Duncan told *Inwood* the Interzum promotion was without government assistance: "And this in one of the best export market prospects for the value-added and well credentialled pine products that are the international signature of the New Zealand industry. Guangzhou offers great prospects to promote clear grade pine prod-

ucts in Southern China's furniture manufacturing heartland and demands a strong New Zealand presence."

The group's chairman and general manager of South Pine, Peter Crighton, said Guangzhou was where New Zealand exporters needed to be seen and should be supported by the Government.

But when we followed up with New Zealand Trade and Enterprise (NZTE) wood sector spokesperson Sandeep Bhim, he said the organisation had contributed NZ\$29,000 via the Government's Enterprise Network programme to support the NZPEC visit to Guangzhou. "Significant funding" had also been provided to the group over the last couple of years to support trade visits to India and China. And NZTE also has a "major project" under way in Guangzhou to extend the reach of the New Zealand Wood Innovation Centre beyond Shanghai.

Meanwhile, the big boys were at Interzum in force, with the US, Canada, Germany and Italy all strongly 'badged' and heavily backed

by their governments – and no wonder when one considers Chinese furniture exports for 2006 were worth an estimated US\$17.5 billion.

According to Michael Dreyer, vice president of Koelnmesse's Asia Pacific (a global trade fair facilitation specialist), for countries like New Zealand and Australia where there has been an exodus of manufacturing, good opportunities have emerged to do business with Chinese companies.

"Taking a head-on approach to Chinese manufacturing is simply a path to disaster, but collaborative arrangements and business alliances that play to the strengths of materials suppliers like New Zealand and Australia are worth pursuing.

"Supporting Chinese manufacturing with well credentialled, reliable products is a growing business and there are real benefits in developing strategic alliances with Southern China because of the strength of furniture manufacturing in that region."

China Foreign Trade Center deputy director Dai Xiangdong suggests Interzum Guangzhou and similar exhibitions offer many benefits to New Zealand and Australian companies to do business in China. "The exhibition provides a match-making platform to develop business arrangements with manufacturers and prospective business partners, and to exhibit new products and ideas to a global audience." ■

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