

Achieving a globally competitive industry: Using science, innovation, and best available knowledge

BILL BOURGEOIS*

INTRODUCTION

For the province's forest industry to become globally competitive, companies must produce a quality product at a competitive price. Excellent service in the sale of the product and other services to the customer are also required. These are the traditional components of corporate competitiveness. Additionally, forest sector companies must demonstrate that their forest management practices are socially acceptable. This requirement is not local or provincial in nature, but international. Customers in many parts of the world have increasingly pressured companies to protect environmental and social values, as well as provide quality products and services. The use of science, innovation, and best available knowledge is essential in addressing two of the important requirements for a competitive industry; that is, socially acceptable forest management practices and competitive prices.

SOCIALLY ACCEPTABLE PRACTICES

In general, socially acceptable practices are part of sustainable forest management. This involves the balancing of environmental, social, and economic values so that environmental and economic sustainability and community stability are achieved.

In a specific forest management unit, sustainable forest management requires that you:

- define the forest management area;
- identify the objectives for each of the management components;
- develop and integrate strategic, tactical, and operational plans;
- provide and use updated resource inventories in plans;
- conduct forest practices that lead to meeting sustainable forest management objectives;
- analyze the impacts, both positive and negative, of forest practices on resource values;
- collect research and monitor data for use in evaluating practices; and
- use new data when applying adaptive management to plans and practices.

It is one thing for a company to announce that it is practicing sustainable forest management and another for that statement to be accepted. The public does not trust the statements of industry. A third-party evaluation will be required. Who are the trusted third parties? When posing this question to focus groups, they tend to answer "moderate environmental groups with an international presence." Each company could obtain third-party evaluation from one or more groups, or use a system endorsed by several environmental groups. This latter approach is reflected when certification is obtained through an

CITATION —

Bourgeois, B. 2000. Achieving a globally competitive industry: using science, innovation, and best available knowledge. *In* Proceedings, From science to management and back: a science forum for southern interior ecosystems of British Columbia. C. Hollstedt, K. Sutherland, and T. Innes (editors). Southern Interior Forest Extension and Research Partnership, Kamloops, B.C., pp. 17–18.

internationally recognized system such as the Forest Stewardship Council. Although achieving certification provides the documented “proof” that a company is moving towards sustainable forest management, it is wise to communicate this and other achievements to the public at regular intervals.

COMPETITIVE PRICES

Operational constraints and stumpage are the two critical factors in cost-competitive forest management. Clearly, the operational constraints must meet sustainable forest management objectives; however, we do have some unique conditions in the province compared to other jurisdictions. We also do not know as much as we would like to about the effects of forest practices on non-timber resources. Therefore, while a precautionary approach should be taken, this should not become ultraconservative.

Stumpage payments constitute a high cost of operations in British Columbia. The stumpage system must balance both the provincial need for economic rent and the objective of maintaining a competitive industry. Add to this the unique trade situation with our major customer, the United States, and the associated Softwood Agreement. We, therefore, need a stumpage system that reflects the ability to pay, the market price of the product, and the operating conditions. It should also encourage reinvestment in the forest for long-term stability. This is very complicated and not an easy task.

CHALLENGES

Using science, innovation, and best available knowledge will clearly be critical if we are to meet sustainable forest management requirements, provide validation for sustainable management, and apply cost-effective operating constraints. To realize this objective, we must:

- think “outside the box”;
- develop strategic, tactical, and operational plans;
- insist on maintenance of a long-term provincial forest management funding source;
- incorporate the acquisition and application of research and monitoring results into the forest management philosophy of government and companies;
- use the knowledge we have today;
- become certified by one or more internationally accepted systems;
- work more co-operatively with government, industry and environmental organizations to meet sustainable forest management objectives and reduce costs; and
- revise the stumpage system.

To meet these challenges, people must take risks, learn how to manage change, and work co-operatively. This is very possible, and I look forward to working with people who want to create and demonstrate success.

AUTHOR

* *Correspondence to:* Bill Bourgeois, Vice President, Forest Policy, Lignum Limited, Suite 1200, 1090 West Georgia Street, Vancouver, BC V6E 3V7.

E-mail: wwb@lignum.com