

# BACKGROUND

## 2025/26 Market Initiatives Funding

Forestry Innovation Investment (FII) delivers programs that support market diversification activities that generate demand for B.C. forest products, to help develop and strengthen the provincial economy.

FII's Market Initiatives program encourages the diversification of export markets and the development of new market segments for B.C. forest products. Priority is placed on developing and diversifying market segments within established markets in Japan, South Korea, China and Canada as well as new, high-potential markets such as India, Vietnam and Mexico.

Each year, FII manages a competitive Call for Proposals process to fund industry association-delivered market access and market development initiatives in key export markets. In markets that are not yet commercially developed FII often leads and funds market exploration and early market development efforts, in close collaboration with the industry.

By coordinating efforts and drawing on resources and expertise from different segments of the industry and government, FII is able to maximize the effectiveness of its programs and distinguish B.C. as a leader in innovative wood use and market diversification.

For 2025/26, FII is anticipated to invest a total of \$9.81 million in activities to diversify markets for B.C. wood products.

FII is pleased to be collaborating with and funding the following organizations:



## Japan – \$1.9 million

Japan is B.C.'s second-largest international market for softwood lumber by value and third-largest by volume. Japanese government policies encouraging wood use present opportunities for B.C. in hybrid, multi-family, and non-residential construction.

The program's strategic focus is on removing barriers to the use of wood and opening opportunities for B.C. wood products in these segments, including exploring opportunities in mass timber and engineered assemblies. Activities also support B.C. value-added manufacturers in accessing niche markets and biomass producers to tap into opportunities in Japan—the world's fastest-growing major market for wood pellets.

### **Funded activities:**

- Promote B.C. forest products for prefabricated platform frame and post-and-beam residential applications by educating architects, builders, and engineers. (Canada Wood)
- Drive Canadian wood use in mid-rise, non-residential, and mass timber sectors through integrated code development, research, training, education, and focused promotions. (Canada Wood)
- Support promotional efforts by providing technical tools and hybrid building assembly solutions focused on hemlock, Douglas-fir, and Canadian Lumber Standard sizes. (Canada Wood)
- Joint government-industry mission to Japan to advance strategies, reinforce British Columbia as a preferred supplier, and accelerate market diversification activities. (Canada Wood)
- Increase value-added exports to Japan by introducing new Canadian firms, targeting niche sectors (resort, non-residential, renovation), and promoting the benefits of sustainable Canadian products to Japanese buyers. (BC Wood)
- Build wood pellet demand and drive growth across markets through engagement with policymakers and regulators. (Wood Pellet Association of Canada)

## China – \$2.29 million

China is B.C.'s largest market for softwood lumber outside North America by volume and second-largest by value. China has set ambitious carbon reduction goals, leading to an increased emphasis on green building. This is creating opportunities to expand wood use in low-rise buildings (residential and non-residential), and emerging markets such as prefabricated building assemblies, engineered wood and mass timber applications.

Program activities focus on government engagement and relationship building with key stakeholders to expand wood building codes and wood construction friendly policies, to grow opportunities for higher-value B.C. wood products with an emphasis on their low carbon benefits. These efforts will grow wood's acceptance in construction, increase the market opportunity for exports of B.C. wood products and wood construction technologies, and position B.C. wood products as high-quality, environmentally friendly and sustainably sourced.

### **Funded activities:**

- Reduce regulatory and building code barriers and increase market access, including supporting code development for mass timber applications like glulam, CLT, NLT, and DLT. (Canada Wood)
- Build capacity through technology transfer, focusing on non-residential building applications, such as providing education on the use of Canadian wood for structural applications, finished products and manufacturing feedstock. (Canada Wood)
- Support promotional efforts by providing technical tools and mass timber hybrid assembly solutions focused on hemlock and Douglas-fir. (Canada Wood)
- Advance engagement with key Chinese regulatory agencies to position B.C. as the global leader in wood construction, and leading source for wood construction technology, wood products and expertise (FII China)
- Collaborate with key Chinese agencies to advance the acceptance of wood construction as a low carbon construction technology, support code improvements and harmonization, and work to remove barriers, such as phytosanitary issues. (FII China)
- Increase value-added exports through key industry trade events and missions that target high-potential market segments, such as packaged wood home solutions for the resort market. (BC Wood)

## India – \$1.6 million

India, the fastest-growing major economy, presents a long-term market for B.C. wood products due to a growing middle class and strong demand for wood products. An increasing demand for wood from certified, sustainable sources presents opportunities for B.C. in India's manufacturing sector, particularly the production of furniture and interior finishing products, with a growing focus on exports.

Led by FII India, market development efforts focus on increasing awareness and uptake of B.C./Canadian wood species for use in furniture, doors and door frames, windows and interior finishing products.

### **Funded activities:**

- Provide technical support on softwood products to leading architects, interior designers and developers for high-profile commercial projects. (FII India)
- Encourage acceptance and adoption of B.C. wood species by leading Indian wood companies through product trials and technical support. (FII India)
- Build a network of stockists (importers/distributors) to ensure the availability of B.C. supply in the market. (FII India)
- Deliver educational events and seminars in priority regions, targeting high-profile architects, interior designers, manufacturers, contractors, carpenters and wood importers to increase knowledge of B.C. as a sustainable source of high-quality certified wood. (FII India)
- Support B.C. wood manufacturers in their efforts to learn about, enter, and expand their presence in the Indian market. (FII India)

## Vietnam – \$1.96 million

Vietnam has become a leading global manufacturer and exporter of furniture products. The country's wood product industry is far outpacing the growth of the domestic wood supply. This, coupled with declining availability of traditional hardwoods and a growing preference for certified, sustainable wood, presents an emerging opportunity for B.C. softwood products.

Led by FII Vietnam, market development efforts focus on establishing the Canadian Wood brand as a trusted supplier of sustainable, certified wood products.

### **Funded activities:**

- Encourage acceptance and adoption of B.C. wood species by leading Vietnamese wood companies through product trials and technical support. (FII Vietnam)
- Provide education and information on B.C. wood species, their use, and many benefits to potential Vietnamese importers. (FII Vietnam)
- Cost-share with industry an in-market technical resource to work directly with users and potential customers of B.C. wood products, helping promote B.C. wood species and B.C.-based suppliers. (Canada Wood)
- Connect with major international wholesalers, distributors and buyers through trade activities and B2B meetings to further influence the use of B.C. softwoods. (FII Vietnam)

## South Korea – \$360,000

South Korea is a small but valuable market for B.C. wood products, offering export opportunities for solid wood and value-added sectors. Since 2006, market development has positioned B.C. wood as high-performing and energy-efficient. Opportunities for growth include prefabricated buildings, mid-rise buildings, mass timber applications, and green building.

Funded activities focus on removing barriers and code impediments to wood use, providing technical support to advance adoption, and developing opportunities for structural, engineered and mass timber products in emerging sectors. Value-added product opportunities are also supported within niche markets.

### **Funded activities:**

- Accelerate carbon reduction in construction by advancing industrialized wood building adoption through technology transfer and strategic partnerships. (Canada Wood)
- Advance the use of wood and mass timber in mid-rise and larger residential and non-residential buildings, leveraging B.C.'s leadership and successful experience. (Canada Wood)
- Enhance green building practices through targeted education and collaboration, promoting Net-Zero initiatives and updated construction standards in large-scale projects. (Canada Wood)
- Position B.C. wood construction technology and B.C. wood products as a preferred low carbon building solution, supplied from B.C.'s sustainably managed forests. (Canada Wood)
- Increase sales of B.C. value-added wood products by introducing new Canadian companies to the market and targeting market segments such as 2x4 house packages and coastal species for Hanok (traditional) housing. (BC Wood)

## Other markets – \$1.64 million

Beyond the primary focus regions, FII actively monitors global market conditions to identify emerging opportunities and address specific needs in other markets of interest, such as Mexico and Europe. FII recognizes the importance and future potential of various markets and segments, including domestic ones in Canada. Engagement in these areas is typically informed by current research and supported by a compelling business case.

### **Funded activities:**

- Increase awareness of B.C.'s value-added wood products in Mexico, connecting key audiences with B.C. producers through key industry trade events and missions. (BC Wood)
- Monitor the UK's evolving regulatory landscape to ensure B.C. wood products remain compliant and competitive. (Canada Wood)
- Maintain European market access for Canadian wood pellets through ENplus certification leadership, regulatory advocacy, and active participation in key industry conferences. (Wood Pellet Association of Canada)
- Participate in trade activities to connect B.C.'s value-added manufacturers with Ontario's high-end cottage industry, Canadian building products retailers, and First Nations communities. (BC Wood)
- Advocate for wood pellet inclusion in Canadian government programs and construction, support municipal projects, organize industry events, and participate in energy conferences. (Wood Pellet Association of Canada)
- Promote western red cedar to Canadian consumers/specifiers by highlighting market opportunities, educating on design/application, targeting high-growth segments (outdoor living, mass timber), and emphasizing sustainability. (Western Red Cedar Lumber Association)
- Grow the cedar shake and shingle sector through strategic partnerships, including First Nations, and by targeting high-opportunity markets, including Canada, Mexico, the Caribbean Islands, and Europe, through market research, educational seminars, and trade events. (Cedar Shake & Shingle Bureau)
- Conduct market research into new potential markets and market segments for B.C. forest products internationally, and re-evaluate select historic markets to assess potential to increase trade. (FII and various associations)