

# BACKGROUND

## 2026/27 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, the United Kingdom 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 2026/27, FII is anticipated to invest a total of \$9.43 million in activities to diversify markets for B.C. wood products. This amount is leveraged by another \$3.25 million in funding from industry, for a total market diversification program of \$12.68 million.

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



## Japan – \$1,061,480

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:**

- Advance B.C. forest products use in mid-rise, non-residential, and mass timber construction through applied research, code development, technical approvals, and professional training aligned with recent building code changes. (Canada Wood Group)
- Support expanded use of innovative wood construction systems by developing and promoting engineered and hybrid assemblies, including fire-resistant solutions, for residential and non-residential applications. (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 supporting B.C.'s small-medium sized manufacturers through in-market representation, and participation in major construction and design trade shows. (BC Wood)
- Target high-growth niche sectors including resort, non-residential, and renovation markets, to capitalize on inbound tourism and demand for premium, sustainable wood products from B.C. (BC Wood)
- Expand western red cedar's market share through strategic digital outreach, including targeted social media, tradeshow campaigns, and a revamped website to inform and attract key buyers. (Western Red Cedar Lumber Association)
- Build wood pellet demand and drive growth across markets through engagement with policymakers and regulators. (Wood Pellet Association of Canada)

## China – \$2.14 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:**

- Support removal of regulatory and technical 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 for modern wood construction 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 – \$1.00 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, developers and manufacturers for high-profile commercial projects using B.C. forest products. (FII India)
- Accelerate acceptance and adoption of B.C. wood species by leading Indian wood companies through product trials and technical support. (FII India)
- Strengthen the in-market supply chain by expanding relationships with stockists (importers/distributors) to ensure the availability of B.C. supply in the market. (FII India)
- Deliver educational training 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 exploring, entering, and expanding their presence in the Indian market. (FII India)

## Vietnam – \$2.32 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 manufacturers through product trials and technical support. (FII Vietnam)
- Provide education and market information on B.C. wood species, their use, and their 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 – \$307,120

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 highly 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 adaptation of industrialized wood construction through technology transfer, applied research, and strategic partnerships. (Canada Wood)
- Advance the use of wood and mass timber in mid-rise and larger residential and non-residential buildings by leveraging B.C.'s leadership and successful experience. (Canada Wood)
- Enhance green building practices through targeted education and collaboration, promoting Net-Zero and Zero Energy Building 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)

## United Kingdom – \$850,000

The United Kingdom represents a mature but growing opportunity for B.C. exporters, supported by government commitments to housing, climate goals, and the use of renewable, low-carbon building materials. Limited domestic lumber production in the U.K. and current constraints on European supply is further opening opportunity for B.C. species as an alternate supplier to the market.

Led by FII U.K., market development activities focus on re-establishing B.C.'s presence and profile in the U.K. and Central Europe as a trusted source of high-quality, certified, renewable wood products through research, education, and targeted promotion.

### **Funded activities:**

- Position the use of B.C. wood in prefabricated, low-carbon construction, aligning with low-carbon and modular construction priorities (FII U.K.)
- Strengthen relationships with key trade, architecture, and construction stakeholders to identify commercial and innovation opportunities (FII U.K.)
- Support B.C. companies in entering and expanding their presence in the U.K. and Central Europe. (FII U.K.)

## Other markets – \$1.75 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, ASEAN, & MENA. 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)
- 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)
- Expand domestic market share for western red cedar across Canada by strengthening digital marketing targeted to key regions (B.C., Ontario, and Quebec), enhancing Real Cedar website content, using social media and trade show geo-targeting to reach homeowners, builders, architects and retailers, and reinforcing the design versatility, sustainability, and performance advantages to influence specification and purchasing decisions. (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, 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)