



## Forest Industry Contractors Association

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### **For Immediate Release**

#### **Forestry History set to Repeat itself**

With New Zealand's forestry planted in the boom of the 80s and 90s set to be harvested in the near future, it looks like history will repeat itself with another boom in investment and planting.

"The conditions of the last boom in forestry investment and planting are remarkably similar to the conditions we are facing now," says Mr Stulen, Chief Executive of the Forest Industry Contractors Association (FICA).

New Zealand's planting boom which spanned from the mid 1980's peaking in 1993 was caused by high log prices and assisted by sharemarket losses suffered by mum and dad investors who then moved on to invest in hard assets like forestry and farming.

Another factor of the boom of the 80's and 90's was the new forestry rights legislation which protected the rights of forest ownership on third party land.

"Once again we have the same 3 key aspects present which lead to a boom in forestry investment, those are weary investors, high log prices and new legislation making investments in forestry more attractive," says Mr Stulen.

Similar to previous forestry investment booms, again kiwi investors have lost confidence in publicly listed companies and are seeking to invest in "real" assets like forestry and farming.

Furthermore, investing in forestry has been made all the sweeter with high log prices and the introduction of carbon credits.

"Whatever chapter comes next in New Zealand forestry, for the most part it is a real investment in real assets. With a harvesting boom coming up forestry is set to be noticed as a significant contributor to our country's export earnings," says Mr Stulen.

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New forestry planted 1991 - 2010

