

MINISTRY OF INTERNATIONAL TRADE SUCCESS STORIES

HONOURABLE STEVE THOMSON'S TRADE MISSION TO ASIA NOVEMBER 26 TO DECEMBER 3, 2016

Promoting B.C. forest products and strengthening trade ties in Japan and China

From November 26 to December 3, 2016 Steve Thomson, Minister of Forests, Lands and Natural Resource Operations led 25 senior executives from B.C.'s forest companies and trade associations on a trade mission to Asia. The delegation visited Japan and China amplifying the latest efforts to maintain and expand the industry's overseas market reach as well as strengthen key Asian markets.

Japan – Missions Highlights

In Japan, delegates visited a community library and a public market, both constructed with Canadian wood products under the \$4.6 million Canada-Tohoku Reconstruction Project which helped the region rebuild following the devastation of the 2011 Great East Japan Earthquake and Tsunami. The visit provided an opportunity for regional and local officials to thank B.C. and Canadian government representatives and the forest industry contributors for their support to rebuild this important community and commercial infrastructure.

A visit to the Tsukuba Demonstration Projects outside Tokyo highlighted six-storey mid-rise and CLT construction initiatives being led by Japan's Building Research Institute (BRI). Canada Wood and affiliated researchers at UBC, FPInnovations and the National Research Council have a long history of collaboration with Japanese researchers at the BRI and a technical discussion that followed the site visit provided an opportunity to highlight B.C.'s leadership in the area of tall wood and mass timber construction.

China – Mission Highlights

In China, delegates met with major state-owned development groups, as well as other key government and industry contacts. Discussion topics included government policies influencing the construction sector, construction industrialization (prefabrication), and advancing wood design systems in China.

A highlight of the mission was the second annual Sino-Canada Wood Conference, organized by Canada Wood China. The forum leveraged the collective in-market presence of Minister Thomson and Canadian forest executives to attract 250 key Chinese industry and government leaders to share insights on the markets for wood construction in China.

In Beijing, Thomson and senior federal government and industry officials participated in the Canada-China Illegal Logging and Trade Roundtable co-organized by Natural Resources Canada and China's State

Forestry Administration. The conference was part of joint efforts to decrease illegal logging and advance sustainable forest management practices.

Finally, in Nanjing, B.C. government representatives met with senior officials of Jiangsu's Ministry of Housing and Urban-Rural Development to follow-up on progress under an MOU signed between B.C. and Jiangsu, a province that has seen wood use increase since the signing. Other visits in Nanjing included the Nanjing Middle School, a project designed to help advance the use of wood infill technology.

For more information refer to a series of news stories posted at <https://news.gov.bc.ca/stories/2016-forestry-trade-mission-to-asia>

DRAFT

Sumitomo Corp. Meeting

November 28, 2016

Minister Steve Thomson & Government of B.C.

DATE: Monday, November 28, 2016
TIME: 15:00 – 16:00
LOCATION: Sumitomo Corporation Head Office
Harumi Island Triton Square Office Tower Y,
8-11, Harumi 1-chome, Chuo-ku, Tokyo
DRESS: Business Formal

CONNECTIONS TO B.C. / PREVIOUS MEETINGS:

- Minister Thomson met with Sumitomo Corp. in December 2015 where he provided assurance, through the Fibre Working Group paper, that fibre for secondary users will continue to be made available through secondary licences for standing timber.
- Ben Stewart, BCSRA has met with Sumitomo Corp. several times over the last three years, including a corporate luncheon during the Premier's Japan Mission in 2016.

DESIRED OUTCOMES:

- To provide Sumitomo with confidence about the long-term availability of fibre for pellet manufacturing; a fundamental issue in its final investment decision (FID).
- s.13,s.17,s.21
- To explore additional business opportunities in British Columbia.

THEIR INTEREST:

- Sumitomo would like to know:
 1. When the Fibre Working Group recommendations could come into effect (e.g. legislation, regulations)
 2. About any policy initiatives that would potentially increase the security of new fibre access, and further enhance related supply stability in the sawmill businesses.

KEY MESSAGES:

- The BC Government appreciates Sumitomo's commitment to BC and supports initiatives to explore additional business opportunities.

- MFLNRO and the forest industry are aware that global and Japanese demand for wood pellets could increase dramatically from 2018 and believe there is great potential for BC pellet exports. ^{s.16}
s.16
- The BC Government understands that long-term (10-20 years), sustainable supply of wood fibre is one of the key factors for wood pellet suppliers in Japan when they market to Japanese electrical utilities.
- The BC Government would like to continue to expand business relations with Sumitomo Corp. – recognizing its role as a leading global trading & investment company.

BACKGROUND

- Sumitomo Corp. is one of leading BC wood pellets importers in Japan. ^{s.13,s.17,s.21}
s.13,s.17,s.21
-
- Sumitomo appreciates the support it has received from the BC Trade and Investment Office in Japan, BCSRA, MIT and MFLNRO, including on its due-diligence process initiated in September 2016.
- s.13,s.17,s.21
-

Meeting Details:

Location: Sumitomo Corporation Head Office
Harumi Island Triton Square Office Tower Y,
8-11, Harumi 1-chome, Chuo-ku, Tokyo
(Dress Code: Business Formal)

13:30	MST's group and BCSRA, A. Salsberg depart from Tsukuba by hired car
14:50	Bus arrives at Sumitomo HQ and meet with L. Teramoto and I. Mizusawa in the lobby
15:00	Meeting commences
16:00	Meeting ends
16:10	MST's group leaves for the embassy

Participants:

Sumitomo Corporation:

1. Yoshinobu Kusano, General Manager for Biomass, Materials and Supplies Business Development and Promotion Department
2. Satoshi Ishikawa, Deputy General Manager, Materials and Supplies Business Development and Promotion Department
3. Yasuhisa Okamoto, Team Leader, Biomass Team, Wood Resources Business Department
4. Kunihiro Kinase, Biomass Team, Materials and Supplies Business Development and Promotion Department
5. Masanobu Okuda, Log and Lumber Team No. 2, Wood Resources Business Department

Government of British Columbia:

1. Honourable Steven Thomson, Minister, Ministry of Forests, Land and Natural Resource Operations
2. Tim Sheldon, Deputy Minister, Ministry of Forests, Lands and Natural Resource Operations
3. Ben Stewart, BC Special Representative in Asia
4. Leslie Wada Teramoto, Senior Director, Natural Resources, International Business Development Division, Ministry of International Trade
5. Avrom Salsberg, Managing Director, British Columbia Trade & Investment Japan
6. Ichiro Mizusawa, Senior Business Development Manager, British Columbia Trade & Investment Japan

PREPARED BY:

Ichiro Mizusawa/Avrom (Avi) Salsberg
British Columbia Representative Office – Japan
M: ^{s.17}
Email: asalsberg@britishcolumbia.ca