

C I N T R A F O R

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Japan's Forest Production for Increasing Self-sufficiency: A Reassessment of Near-term Capacity and Economic Potential

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Abstract

This paper presents a reassessment of the productive potential of Japan's forest resources along with a qualified refutation of several recent studies in which Japanese domestic timber production is predicted to rise in the medium to long term. After an examination of the biological dimensions of Japan's forest resources and their relation to the studies being questioned, the main argument of the paper is made, concentrating upon economic and political factors surrounding the Japanese timber industry, factors which we see as presenting a substantial barrier to increased production. Of these, three are examined in depth: 1) rising labor costs which, in conjunction with low labor productivity, have seriously eroded profitability in the forestry sector, 2) the Japanese wood products market which we see as being unable to support increased consumption of domestic wood products at prices which Japanese timber production currently demands, and 3) Changing attitudes within the Japanese populace at large which emphasize alternative forest uses and ecological values over and against timber production. It is concluded that, barring major changes in the world market for wood products, Japanese timber production will most likely continue to decline in spite of a growing stock of harvestable timber. This conclusion has direct implications for timber producers in the U.S. Pacific Northwest and bears heavily upon the environmental and economic aspects of Japan's participation in the global wood products market.

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