



## How to get started in Sustainable Forestry

In the midst of the property crash, a pair of business partners made the transition from city slickers to rainforest defenders. *David Brooks* charts their journey.

Five years ago Andrew Skeene and Omari Bowers were on top of the world. Riding the wave of economic prosperity, the two property entrepreneurs had both amassed small fortunes and were setting their sights on taking on the big boys in the world of property development.

Then the slump came and like millions of others around the world Skeene and Bowers began to feel the rug being pulled from underneath them. Skeene recalls “we both had successful property businesses and had been involved in various joint ventures. When the housing market collapsed it was an extremely worrying time.”

Rather than give up, Bowers remembers how the crisis seem to set alight their collective entrepreneurial spirits and they convinced themselves that they could find opportunity in adversity. “We just immersed ourselves in research. We knew the property market was going to take a big hit and we didn’t want to be around when the whole thing collapsed. We knew we going to have to start looking at other markets and it was around this time we stumbled upon the concept of forestry investments.”

### Woodland

Forestry investment essentially involves investing in woodland to grow trees such a timber. Commercial woodlands are defined as property where timber from the forest is actively marketed or sold. “What fascinated us at the time”, continues Bowers, “was

how farmland as an asset class had been historically overlooked by investors and yet over the past 20 years forestry investments had grown at a rate of 20 percent per annum. It was as if we had stumbled upon a whole new property market – but instead of developing houses it was all about growing trees”.

Having noticed this gap, Skeene and Omari spent the next six months looking at potential markets around the world including India and China, but eventually settled on Brazil where they bought their first 1000 hectares of land in the Mato Grosso state – the third largest area in Brazil. This was the start of the film.

### Brazil

Both Skeene and Bowers admit that when they first became involved in the rainforest – sometimes referred to as the ‘lungs of the world’ – entrepreneurial factors rather than environmental concerns were their main driving forces.

They were particularly keen on Brazil because it offers the perfect environment for the growth of Teak wood – large trees, growing to 30-40 metres tall. The growth in demand for teak wood over the past few years, combined with slump in supply lit the initial spark that led Skeene and Bowers to the tropical temperatures of Brazil – yet that was just the start of their journey.

“I remember chatting to Omari on the flight over to Brazil”, says Skeene, “we were

like two excited school boys obsessed with the potential of the Teak market. About a week or so later, when we were flying home, we were like two different people. Rather than talking about the investment opportunities we talked about how GFI could help rebuild people’s lives and combat climate change”.

The Brazilian rainforest is certainly a subject of high tension among environmentalists – and some would say it’s the main battleground in the fight against climate change.

Brazil features one-third of the entire world’s rainforests. It is home to 56,000 different species of plants, 1,700 species of birds, 695 amphibians, 578 mammals, and 651 reptiles. From 2000-2005, deforestation saw Brazil lose 7.3 million hectares (equivalent to the net loss of almost 2 percent of the world’s forests).

### Drought

These facts and figures are a deep environmental concern, not just for those living in Brazil but for the entire planet. “I don’t think either of us really appreciated the situation in Brazil until we saw it for ourselves”, says Bowers.

It is widely believed if deforestation was to wipe out the entire Brazilian Rainforest it would spark changes all over the planet. It would result in huge weather changes around the globe, cause an increase of droughts and deserts, cause massive starvation for many people and we would lose millions of species

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of plants and animals that roughly represent half the species on Earth.

“You are always told about the negative effects that destroying the rainforest will have on the planet, but until you go out and experience it firsthand you simply can’t describe the love that is sparked and a sense of duty you feel to protect it”, says Skeene.

Sustainable forestry has a direct contribution to preventing negative climate change. As trees undergo their natural process of photosynthesis, they use CO2 found naturally in the atmosphere, hence reducing the amount in the ozone that prevents heat from escaping. “When we started out on this adventure we had no idea that we would be having such a positive impact on the environment. But now that we are, we just can’t get enough of it”, explains Skeene

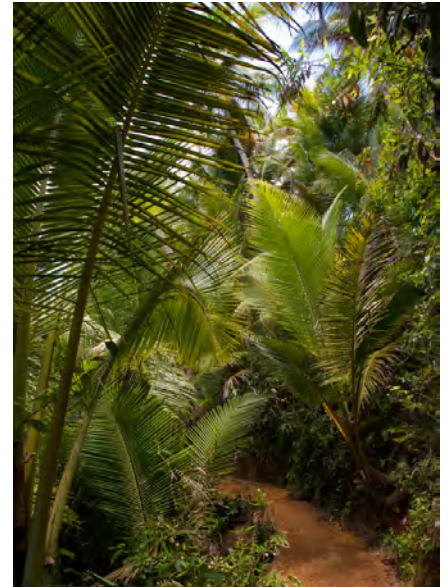
As well as giving something back to the environment, Bowers and Skeene are delighted to be the cause for much needed

employment and training that is desperately needed in the area.

They never expected in a million years, that their move to Brazil would transform them from city slick property entrepreneurs to Green Advocates.

“It’s a dream come true”, explains Bowers. If you’d asked us 10 years ago that we would end up doing this I would have called you mad, but now that we’re here I couldn’t imagine doing anything else that could be this rewarding.” MME

**Andrew Skeene and Omari Bowers are the founders of Global Forestry Investment (GFI) – a company dedicated to creating sustainable mid-long term investment opportunities, while also generating a multitude of ethical and environmental benefits. GFI believe that investments in overseas forestry will bring diversity, growth and stability to any robust investment portfolio.**



## An Alternative: New Zealand

**Picture New Zealand and you see lush green forests, rolling pastures and the promise of a new and better life writes Adam Bannister.**

This is why New Zealand has recently been a buzzword on the lips of adventurous emigrants the world over.

With a blossoming economy and several niche markets that are unexploited and ripe for investment, the business traveller has a lot to gain by discovering this resourceful nation.

Investing in New Zealand offers unique opportunities to leverage dynamic ideas and creative intellect in specialised, valuable industries such as communications technology, biotechnology, film, niche manufacturing, vineyards, wood processing and call centres.

For a country with a relatively small market, New Zealand is a remarkably sophisticated, technologically aware nation and has one of the highest investments in information technology as a proportion of GDP in the world. It’s businesspeople boast a reputation for embracing fresh ideas and combined with the compact size of the country and demographics that mirror those of much larger markets, this makes New Zealand the ideal place to test new market technologies.

With up to the minute telecommunications access, New Zealand is now a virtual suburb to the rest of the

world. Telstra, Bell Atlantic, AT&T, British Telecom, Sprint and Cable and Wireless all have affiliates in New Zealand and there are more than a dozen high capacity links across the globe. The Southern Cross cable recently ‘went live’ and this highly sophisticated fibre optic system links San Francisco, Hawaii, New Zealand, Australia and Fiji and is capable of transferring the equivalent of two full-length movies every second, and at a network availability rate of more than 99 percent.

As well as welcoming fresh technology and perhaps because of this, New Zealand is also a great location for clinical trials and research and development for new biomedical products. In fact, world-class companies active in biotechnology and ICT are already clustering here to research,

develop technology and explore commercial collaborations. Due to New Zealand’s vast forests, industries involved in wood products should also take advantage of the relatively untapped resources here.

The UK is New Zealand’s fourth largest partner in two-way trade, with British companies exporting goods mainly in the agricultural, food and drink, marine, pharmaceuticals, creative industries, motor vehicles and healthcare sectors. Unlike more formidable players in the world market, New Zealand is keen to assist overseas investment and the Government is actively working to provide an environment that enables international investors to bring and establish operations, or to collaborate with New Zealand to mutual advantage.

