Overview of Chinese Timber and Wood Products Market

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3 Oct, 2012
Kuala Lumpur
Total timber consumption in 2010: 431 million m$^3$
(Total Log Equivalent)

Including:

Industrial & construction: 317.26 million m$^3$

Firewood & other farmer’s use: 36.62 million m$^3$

Exported logs & other wood products: 77.88 million m$^3$
Total timber supply in 2010: 431 million m³
(Total Log Equivalent)

Including:

- Commercial harvested timbers: 80.89 million m³
- Wood-based particle board and fiberboard: 937.47 million m³
- Timbers and firewood harvested by farmers: 52.69 million m³
- Stock from previous year and other: 21 million m³
- Imported timbers and other wood products: 183.5608 million m³

Imported : 42.5%; domestic produced : 57.5%
In 2011, China’s main imports include log, lumber, pulp, paper and paper board.

- main exports include wooden furniture and wood-based panel.

### Chinese Timber & Wood Products Import and Export Volume in 2011

<table>
<thead>
<tr>
<th></th>
<th>Import (10,000 m³)</th>
<th>Growth rate compared to 2010(%)</th>
<th>Export (10,000 m³)</th>
<th>Growth rate compared to 2010(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Log</td>
<td>4232.58</td>
<td>23.23%</td>
<td>1.44</td>
<td>-49.23%</td>
</tr>
<tr>
<td>Lumber (excluding special timbers)</td>
<td>2151.82</td>
<td>46.26%</td>
<td>53.88</td>
<td>1.06%</td>
</tr>
<tr>
<td>Veneer</td>
<td>15.02</td>
<td>82.91%</td>
<td>18.52</td>
<td>56.10%</td>
</tr>
<tr>
<td>Plywood</td>
<td>18.84</td>
<td>-11.84%</td>
<td>957.25</td>
<td>26.84%</td>
</tr>
<tr>
<td>Fiberboard (10,000 t)</td>
<td>8.39</td>
<td>-18.18%</td>
<td>242.07</td>
<td>14.94%</td>
</tr>
<tr>
<td>Particle board (10,000 t)</td>
<td>35.53</td>
<td>1.48%</td>
<td>12.41</td>
<td>19.82%</td>
</tr>
<tr>
<td>Wood furniture (10,000 items)</td>
<td>449.85</td>
<td>25.48%</td>
<td>20159.04</td>
<td>-0.99%</td>
</tr>
<tr>
<td>Wood door (10,000 t)</td>
<td>0.59</td>
<td>1025.19%</td>
<td>30.76</td>
<td>-0.91%</td>
</tr>
<tr>
<td>Wood and bamboo flooring (10,000 t)</td>
<td>1.38</td>
<td>30.00%</td>
<td>39.95</td>
<td>-7.52%</td>
</tr>
<tr>
<td>Wood pulp, waste paper and paper board (10,000 t)</td>
<td>4038.31</td>
<td>17.54%</td>
<td>10.27</td>
<td>25.96%</td>
</tr>
</tbody>
</table>
In 2011, China imported 4232.58 m$^3$ of logs, increased by 23.23%; and 2151.82 m$^3$ of lumber, increased by 46.26%.

In 2011, timber (logs and lumbers) were mainly imported from Russia, Canada, New Zealand and America, accounting to 72% of the total import.
2. Log

• Over 75% of China’s log imports are from the temperate/frigid zones, where forest resources are rich and well managed, growing stock far exceeding felling volume.

• In 2011, the sharpest increase is from Oceania, increased by 3.466 million m$^3$ and 31.7%; and the second largest increase is from North America, increased by 3.4195 million m$^3$ and 86.1%.

<table>
<thead>
<tr>
<th>Region</th>
<th>2010 (10,000 m$^3$)</th>
<th>2011 (10,000 m$^3$)</th>
<th>Growth (10,000 m$^3$)</th>
<th>Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oceania</td>
<td>1092.7</td>
<td>1439.3</td>
<td>346.6</td>
<td>31.7%</td>
</tr>
<tr>
<td>Russia</td>
<td>1403.55</td>
<td>1407.1</td>
<td>3.55</td>
<td>0.3%</td>
</tr>
<tr>
<td>North America</td>
<td>397.15</td>
<td>739.1</td>
<td>341.95</td>
<td>86.1%</td>
</tr>
<tr>
<td>Asia</td>
<td>157.19</td>
<td>156.4</td>
<td>-0.79</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>113.37</td>
<td>245.9</td>
<td>132.53</td>
<td>116.9%</td>
</tr>
<tr>
<td>Africa</td>
<td>257.43</td>
<td>212.6</td>
<td>-44.83</td>
<td>-17.4%</td>
</tr>
<tr>
<td>South America</td>
<td>13.6</td>
<td>32.2</td>
<td>18.6</td>
<td>136.6%</td>
</tr>
<tr>
<td>Total</td>
<td>3434.99</td>
<td>4232.6</td>
<td>797.61</td>
<td>23.2%</td>
</tr>
</tbody>
</table>
3. Lumber

• In 2011, lumber imports from Canada increased by 2.84 million m³ and 70.7%; lumber imports from Russia increased by 1.7064 million m³ and 39.1%.

• Increased lumbers imports from Canada and Russia account for 67% of the total lumber import increase.

<table>
<thead>
<tr>
<th>Country</th>
<th>2010 (10,000 m³)</th>
<th>2011 (10,000 m³)</th>
<th>Growth (10,000 m³)</th>
<th>Growth Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>402.2</td>
<td>686.61</td>
<td>284.41</td>
<td>70.7%</td>
</tr>
<tr>
<td>Russia</td>
<td>436.69</td>
<td>607.33</td>
<td>170.64</td>
<td>39.1%</td>
</tr>
<tr>
<td>America</td>
<td>143.23</td>
<td>268.02</td>
<td>124.8</td>
<td>87.1%</td>
</tr>
<tr>
<td>Thailand</td>
<td>140.99</td>
<td>159.41</td>
<td>18.42</td>
<td>13.1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>54.48</td>
<td>80.52</td>
<td>26.04</td>
<td>47.8%</td>
</tr>
<tr>
<td>Other</td>
<td>293.59</td>
<td>205.87</td>
<td>87.72</td>
<td>42.6%</td>
</tr>
<tr>
<td>Total</td>
<td>1471.18</td>
<td>2151.68</td>
<td>680.5</td>
<td>46.3%</td>
</tr>
</tbody>
</table>
Chinese Wood Products Industry

1. Furniture  China is world’s largest furniture producer and exporter

- Over 50,000 furniture manufacturers
- Total output value: 1 trillion RMB
- Annual output accounts for 25% of the world’s total output
- Wooden furniture’s output value reached 314.432 billion yuan
- In 2011, China exported 201.56 million pieces of wood furniture, with export value of USD 11.32 billion.

Wooden Furniture Export by Country in 2011 (Based on Export Value)

- USA 30%
- Others 48%
- Japan 6%
- UK 4%
- France 2%
- Canada 3%
- Australia 4%
- Germany 3%
- Others 48%
Chinese Wood Products Industry

2. Wood-Based Panel

China is the world’s largest consumer, importer and exporter of wood-based panel

- Over 10,000 manufacturers
- Total output value of 200 billion yuan
- Output in 2011 exceeded 209 million m³
- Annual output and trade value accounts for 25% of total world output
- In 2011, China exported 9.572 million m³ of plywood and 124,000 tons of particle board, increased by 15%-27%
- Main export markets are USA, Japan, Russia, UK and Canada
Outlook of Chinese Timber and Wood Products Market

• China’s 12th Five-Year Plan set out the goal of 7% GDP annual growth rate
• In the first half of 2012:
  – GDP reached 22.7098 trillion RMB, increased by 7.8%
  – Investment in fixed assets reached 15.07 trillion RMB, increased by 20.4%
  – Infrastructure investment reached 2.1762 trillion RMB, increased by 4.4%
• The rate of urbanization is estimated to reach 55% in 2020; cities will continue to expand rapidly in the next 20 years
• Wooden construction has large market potential in China
• Promotion of low-carbon, environmental-friendly green economy
• China’s timber and wood products market has a promising future
Timber Legality Verification in China

- Participation in “Forest Law Enforcement & Governance” process
- In 2002, MOU with Indonesia
- In 2007, MOU with USA
- In 2008, MOU with Australia
- In 2009, establish China National Forest Certification System
- In 2009, study the feasibility of establishing TLAS
- In 2010, Bilateral Coordination Mechanism with EU
- In 2012, CTWPDA and WWF China joint study on Chinese Public Procurement Policy for Timber Wood Products
Viewpoints of CTWPDA

• China has robust timber harvesting management system, ensuring undoubted legality of Chinese domestic produced timber
• TLA shall not create disproportionate additional burden on companies
• For China, TLA shall clearly distinguish different level of risks associated to different types of timber according to their country of origin, type and stage of processing. Simplified requirements should be applied to low risk timber.
• CTWPDA requires members to illuminate the use of illegal timber
• newly established CTWPDA’s Timber Importers and Exporters Committee will play a stronger role in helping its members to better understand and respond to changing international market requirements
2nd World Congress of Timber and Wood Products Trade
—Embracing New Pattern of International Trade Together
27–29 November 2012
Taicang, China

www.cnwood.org/congress/congress.html
We look forward to working more closely with you in the future!

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Thank You!