



# China Timber Market

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# Content

- **General Overview of Asian Softwood Markets**
- **Timber Market in China**
- **Softwood Market in China**



# **General Overview of Asian Softwood Markets**

# General Overview of Asian Softwood Markets

- **Key softwood producers: China, India, Japan and Turkey**
- **Key softwood consumers: China, India and Japan**
- **Key softwood importers: China, Japan and Korea, mainly from Russia, and then New Zealand, US and Canada**
- **Other countries: Not significant, mainly tropical hardwood**



# Timber Market in China

# Timber Market in China

- **China is one of the leading producers, importers and exporters of timber and timber products**
- **Production: Government data is quite inaccurate**
- **Government data: Around 66 million cum**
- **Demanding: Sharp increase due to economic growth, and big gap remains**
- **Import: Number 2 in the world, following US, mainly softwood from Russia and tropical hardwood from Malaysia, PNG, African countries**
- **Export: Plywood, other panels, furniture**



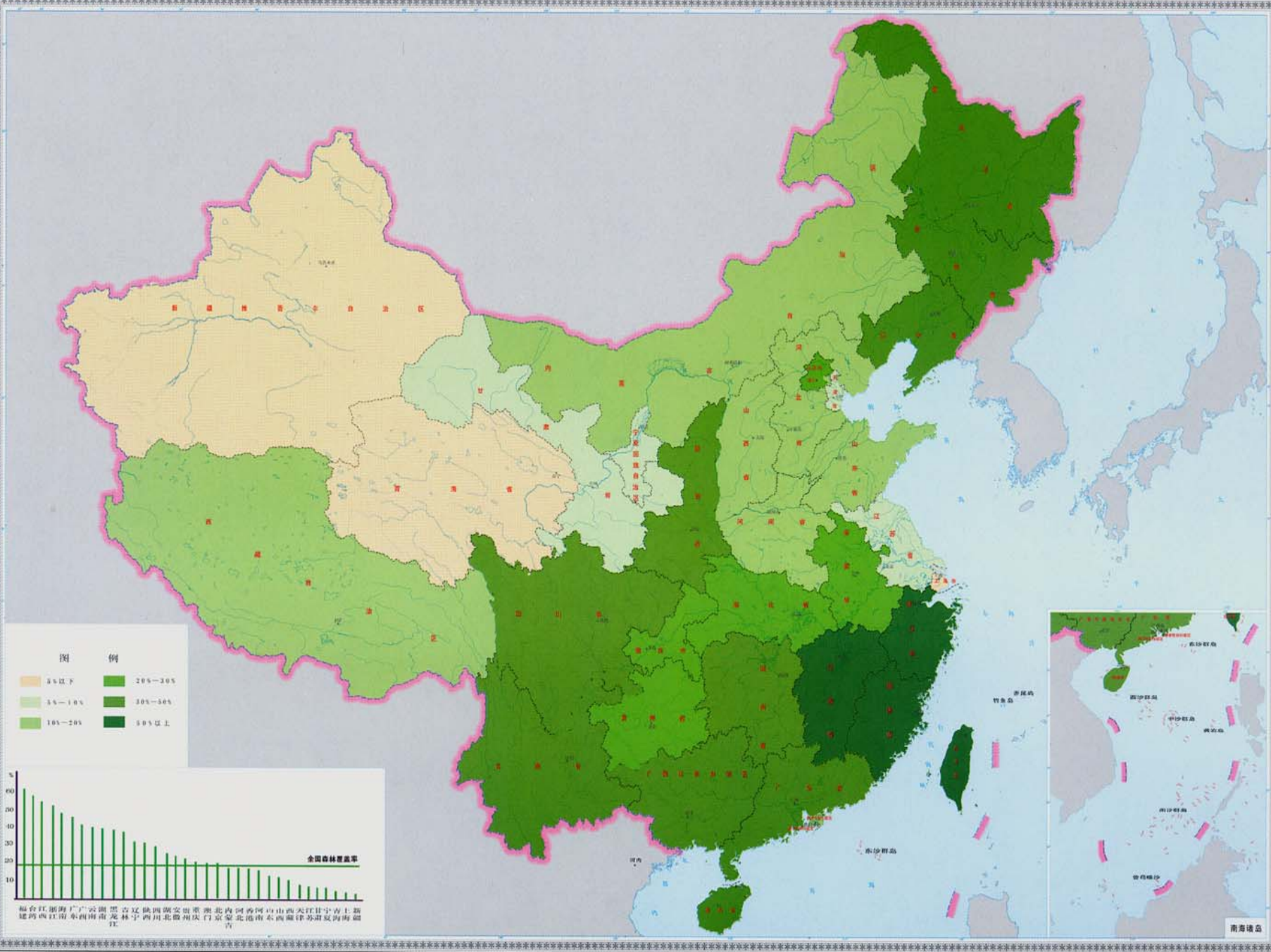


图 例

- |         |         |
|---------|---------|
| 5%以下    | 20%-20% |
| 5%-10%  | 20%-30% |
| 10%-20% | 30%以上   |



黑龙江省 吉林省 辽宁省 内蒙古自治区 河北省 山西省 陕西省 甘肃省 宁夏回族自治区 青海省 新疆维吾尔自治区 西藏自治区 四川省 贵州省 云南省 广西壮族自治区 广东省 福建省 浙江省 安徽省 江西省 河南省 湖北省 湖南省 广东省 海南省

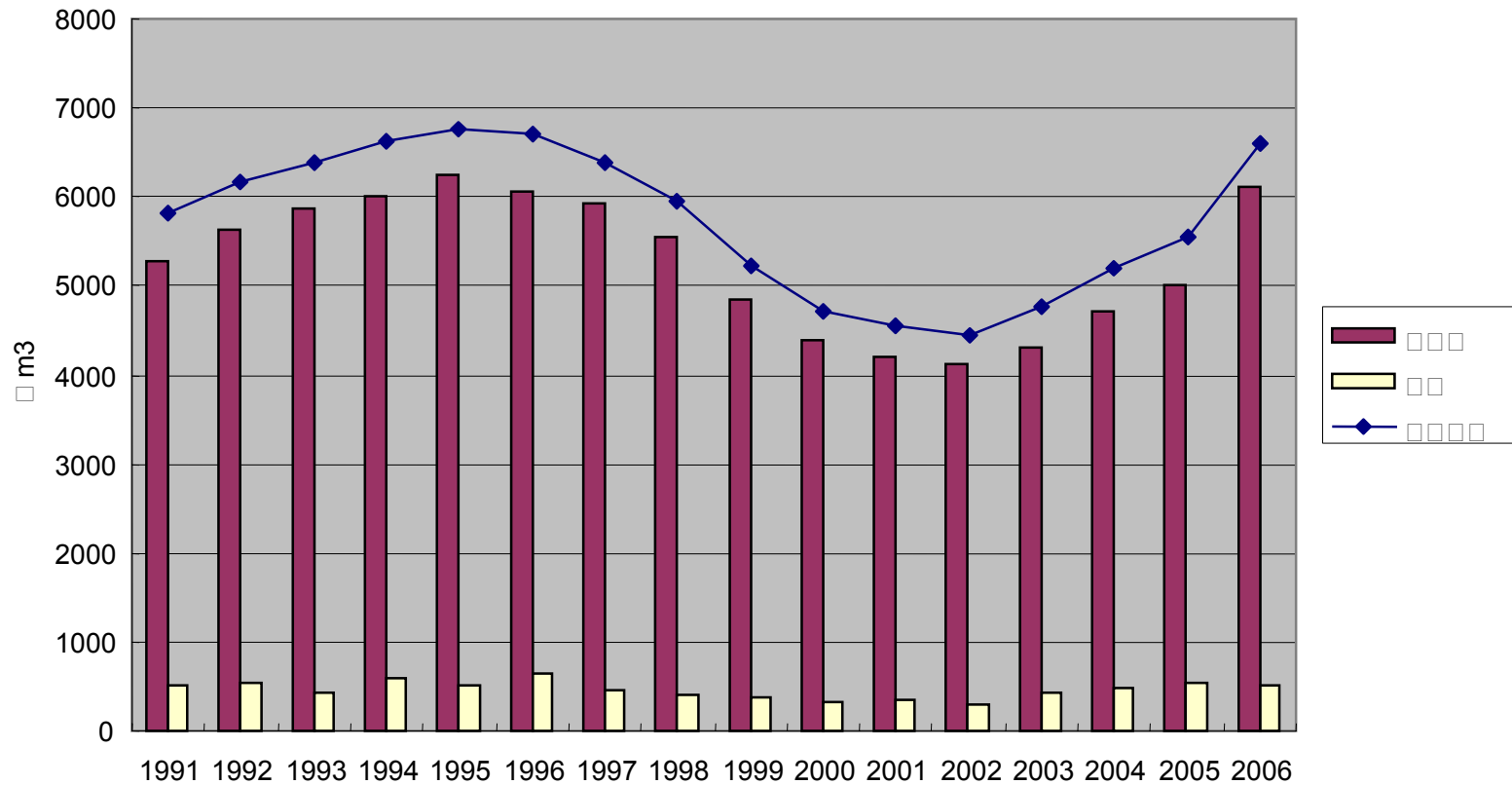
南海诸岛



## Government data for timber production (10,000 cum)

Year	Production	Of which		Year	Production	Of which	
		Industrial	Fuelwood			Industrial	Fuelwood
<b>1991</b>	5 807.30	5 289	518	<b>1999</b>	5 236.80	4 848	388
<b>1992</b>	6 173.60	5 627	547	<b>2000</b>	4 723.97	4 396	328
<b>1993</b>	6 392.20	5 861	431	<b>2001</b>	4 552.03	4 197	355
<b>1994</b>	6 615.10	6 010	605	<b>2002</b>	4 436.07	4 127	309
<b>1995</b>	6 766.90	6 247	520	<b>2003</b>	4 758.87	4 320	439
<b>1996</b>	6 710.27	6 073	637	<b>2004</b>	5 197.33	4 712	485
<b>1997</b>	6 394.79	5 935	460	<b>2005</b>	5 560.31	5 023	537
<b>1998</b>	5 966.20	5 556	410	<b>2006</b>	6611.78	6 112	500

# Government data for timber production 1991-2006 (10,000 cum)



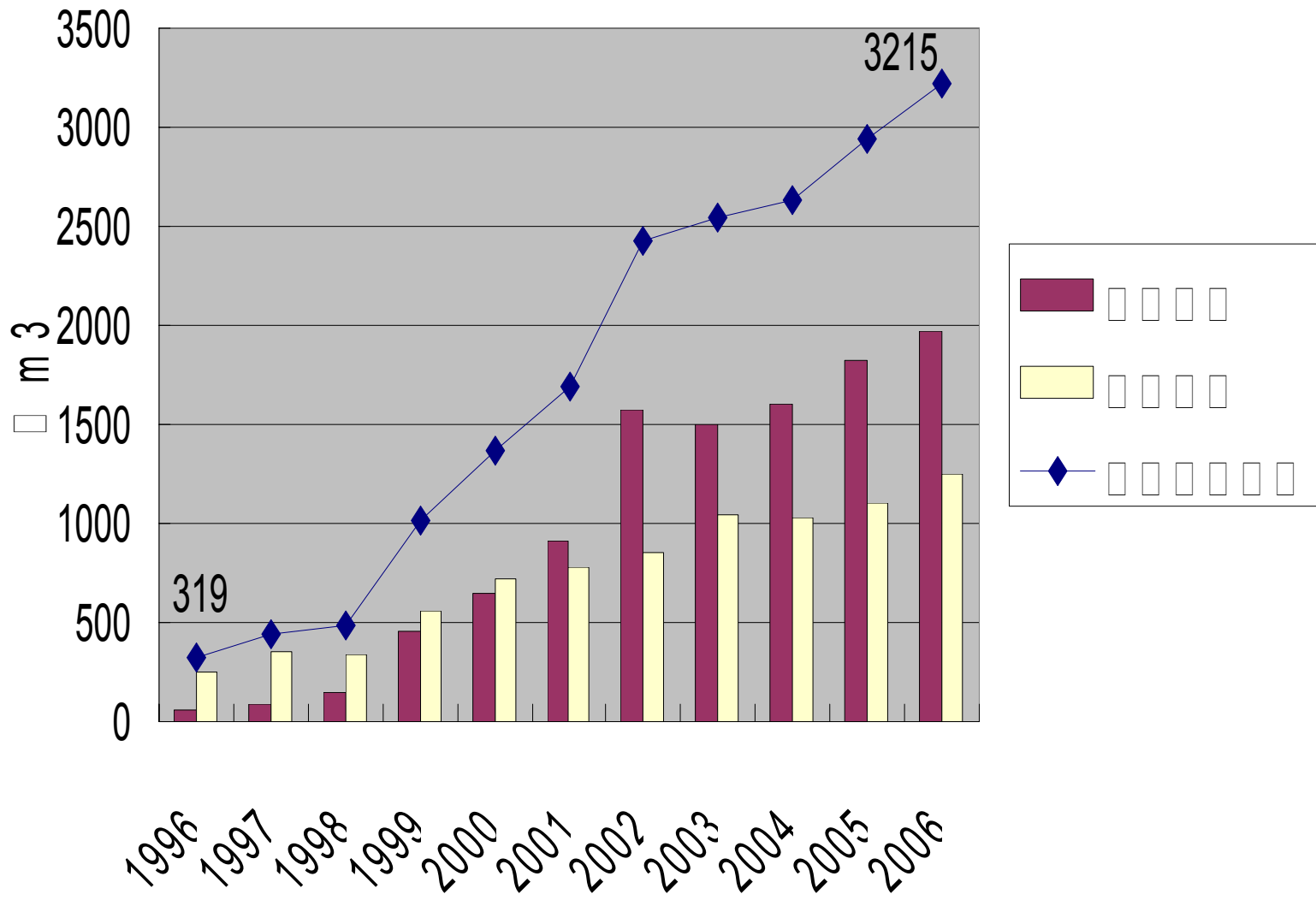
# China's Timber Consumption (Excluding export; 1,000 cum)

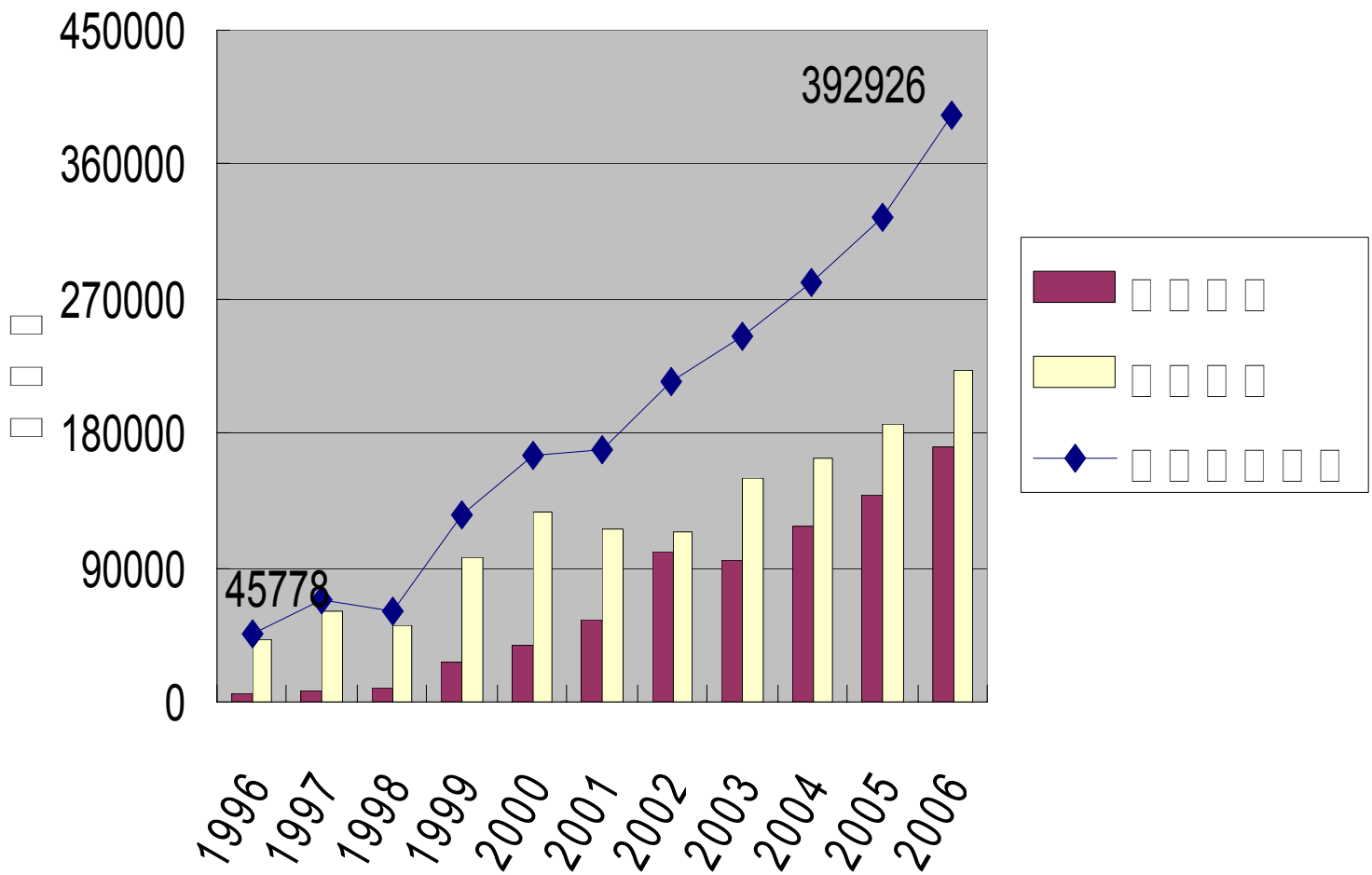
Year	Production	Import	Consumption	Percent
1989	92880	14500	107380	13.0%
1998	113526	43184	156711	27.6%
2004	142350	99109	241459	41.0%
2006	150000	100198	250198	40.0%

(Estimated for 2006)

## China's timber import (main countries) (10,000 cum)

Year	USA		Canada		Russia	
	Volume	Value	Volume	Value	Volume	Value
<b>1996</b>	65.30	4 852.2	253.24	40 925.7	318.55	45 778.0
<b>1997</b>	95.54	6 936.0	350.69	60 766.8	446.23	67 702.9
<b>1998</b>	148.63	9 547.4	333.68	50 316.7	482.30	59 909.1
<b>1999</b>	457.34	27 482.8	556.23	97 380.4	1 013.57	124 863.1
<b>2000</b>	640.07	37 885.9	721.11	127 628.1	1 361.17	165 564.1
<b>2001</b>	914.22	54 191.4	772.15	115 206.3	1 686.38	169 397.7
<b>2002</b>	1 578.30	99 716.4	855.01	114 109.5	2 433.30	213 826.0
<b>2003</b>	1 501.97	94 515.7	1 043.57	150 199.2	2 545.55	244 714.9
<b>2004</b>	1 600.37	116 849.3	1 030.49	163 582.5	2 630.85	280 431.8
<b>2005</b>	1 827.00	138798.0	1 109.80	185556.0	2 936.80	324 354.0
<b>2006</b>	1970.8	171200	1244..5	221700	3215.29	392926.2
<b>1996/ 2006(%)</b>	2932.3	3428.4	392.1	441.7	909.4	758.3





# China's Timber Import in 2006

## Top 10, 1,000 cum

<b>Russia</b>	<b>21826</b>	<b>67.9%</b>	<b>+8.8%</b>
<b>PNG</b>	<b>2046</b>	<b>6.4%</b>	<b>+12.5%</b>
<b>Malaysia</b>	<b>1412</b>	<b>4.4%</b>	<b>-24.1%</b>
<b>Myanmar</b>	<b>1027</b>	<b>3.2%</b>	<b>-9.4%</b>
<b>Gabon</b>	<b>958</b>	<b>3.0%</b>	<b>+17.7%</b>
<b>NZ</b>	<b>905</b>	<b>2.8%</b>	<b>+41.1%</b>
<b>Solomon</b>	<b>775</b>	<b>2.4%</b>	<b>+18.7%</b>
<b>Germany</b>	<b>468</b>	<b>1.5%</b>	<b>+5.3%</b>
<b>Australia</b>	<b>390</b>	<b>1.2%</b>	<b>+65.3%</b>
<b>Equ. Genera</b>	<b>381</b>	<b>1.2%</b>	<b>+25.3%</b>

1996 2006 m<sup>3</sup> US\$

<b>1996</b>	93.85	18 008.7
<b>1997</b>	133.15	26 811.0
<b>1998</b>	169.03	34 826.0
<b>1999</b>	275.64	66 193.6
<b>2000</b>	361.37	98 203.1
<b>2001</b>	403.41	98 851.8
<b>2002</b>	548.37	116 746.2
<b>2003</b>	559.81	119 878.9
<b>2004</b>	605.17	138 714.4
<b>2005</b>	597.30	150 778.8
<b>2006</b>	615.35	1697715
<b>1996/2006 %</b>	555.7	842.7



□ 2006 □ □ □ □ □ □ □ □ □ □

□ □	□ □ □ □ □ m <sup>3</sup> □	□ □ □ □ □	□ □ □ □ □ □ □ □
□ □ □	117.4	19.3	11.1
□ □	102.2	16.8	20.0
□ □	70.7	11.7	-7.2
□ □ □ □ □	45.0	7.4	-37.5
□ □ □	39.8	6.5	13.7
□ □ □ □	37.6	6.2	-20.8
□ □	34.1	5.6	21.8
□ □ □	28.1	4.6	29.5
□ □	17.8	2.9	-44.5
□ □	13.2	2.2	-7.7

# Wood Consumption in China

## Wood Gross Consumption (2001)

- Wood used for construction and decoration: 5400, 21.6%
- used for furniture manufacturing: 2700, 10.8%
- Wood used for paper making: 7500, 30%
- Wood used for agriculture and housing in rural area
- The rest: 3600, 14.4%
- Total: 25000, 100%

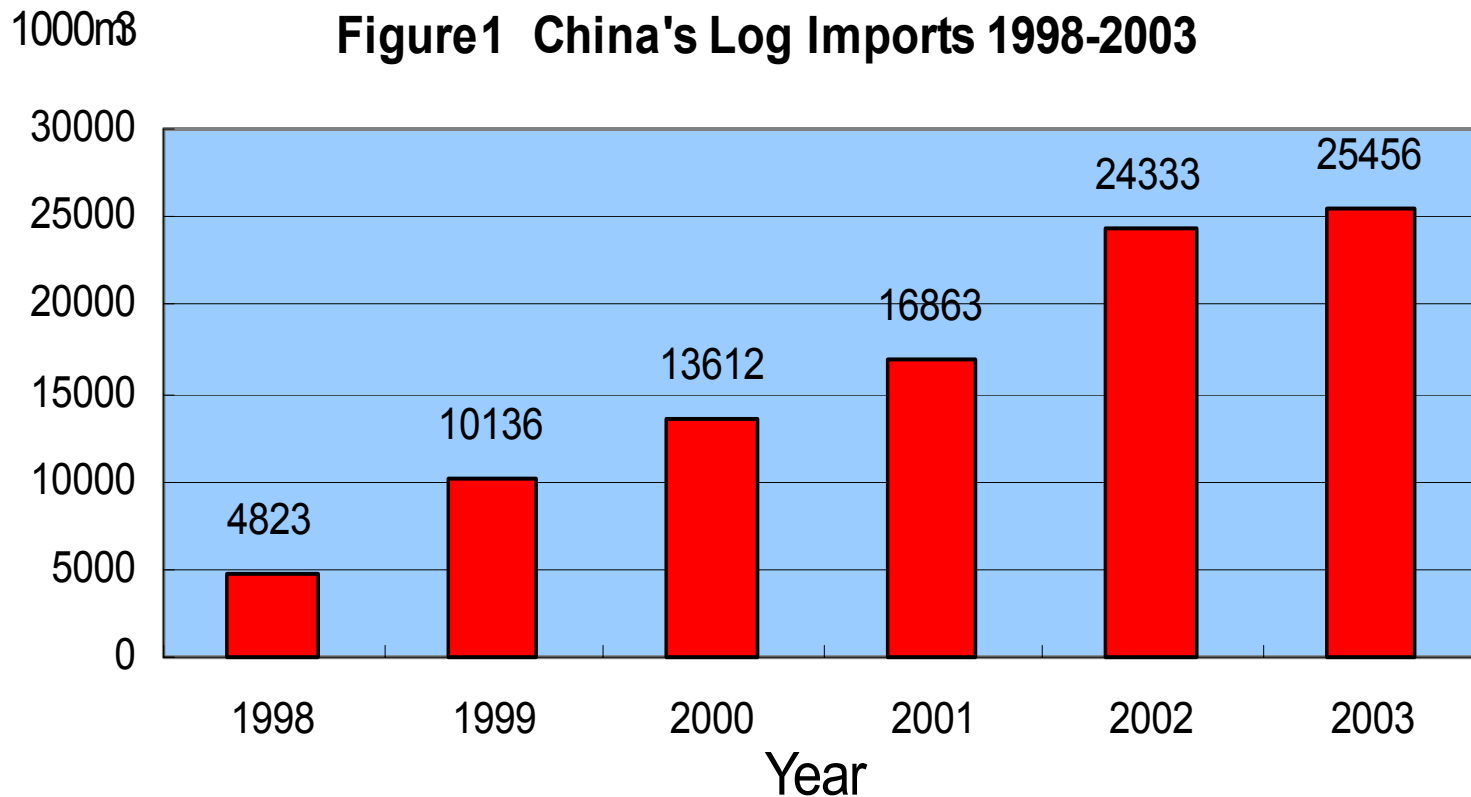
# Wood Consumption in China

## Wood Production (2002)

- **Logs: 4436.07, -2.55%**
- **Sawnwood: 851.61, +11.49%**
- **Wood-based panel: 2930.18, +38.79%**
  - **Plywood: 1135.21, +25.51%**
  - **Fibreboard: 767.42, +34.61%**
  - **Particleboard: 369.31, +7.19%**
  - **The other WBP (blockboard etc): 658.24, +125.33%**
- **Wooden furniture: 54.9532 million pieces, +9.94%**
- **Machined paper and paperboard: 35.0134 million ton, +23.29%**
- **Wooden pulp : 2.14 million ton, +7.00%**

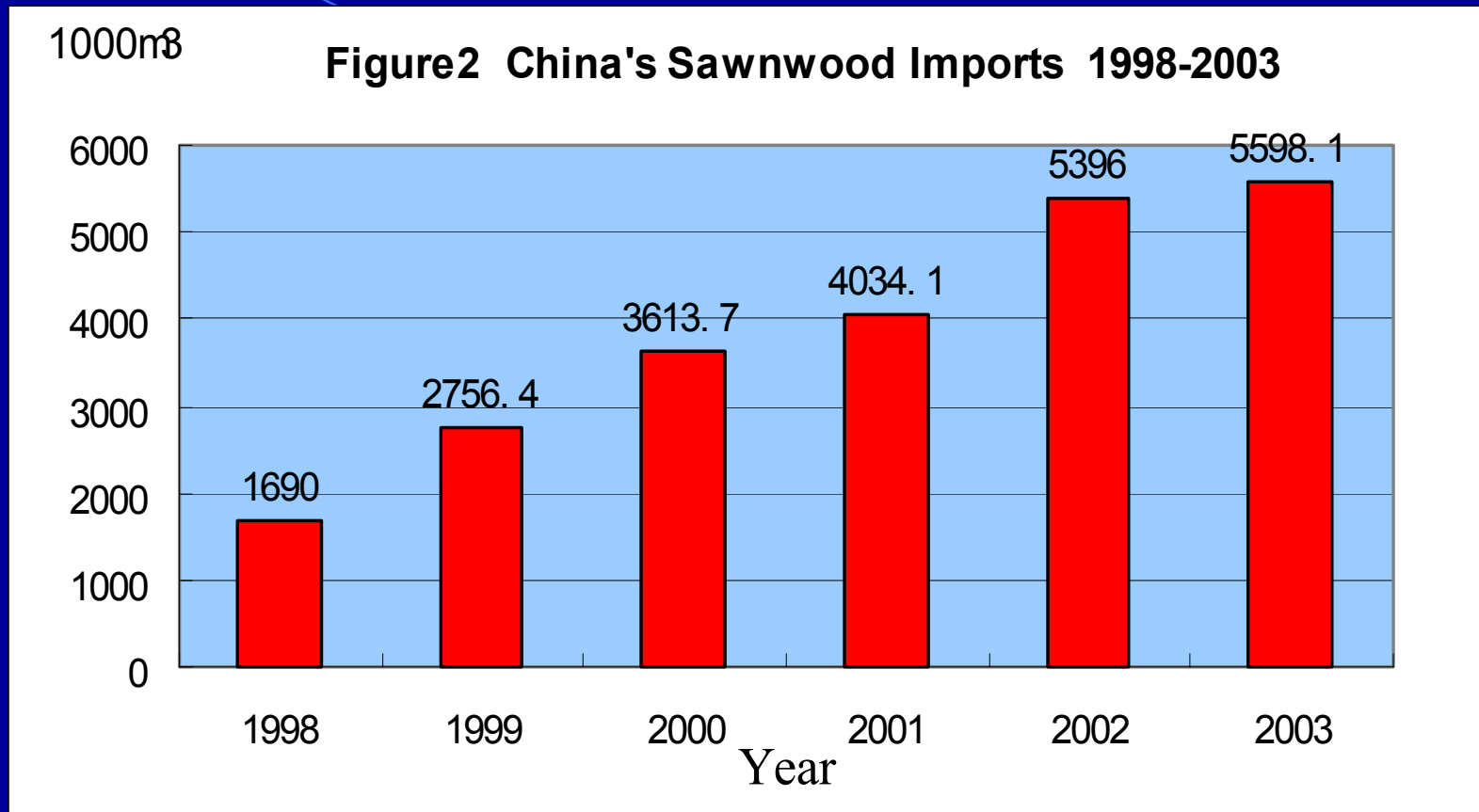
# Wood Consumption in China

## Import



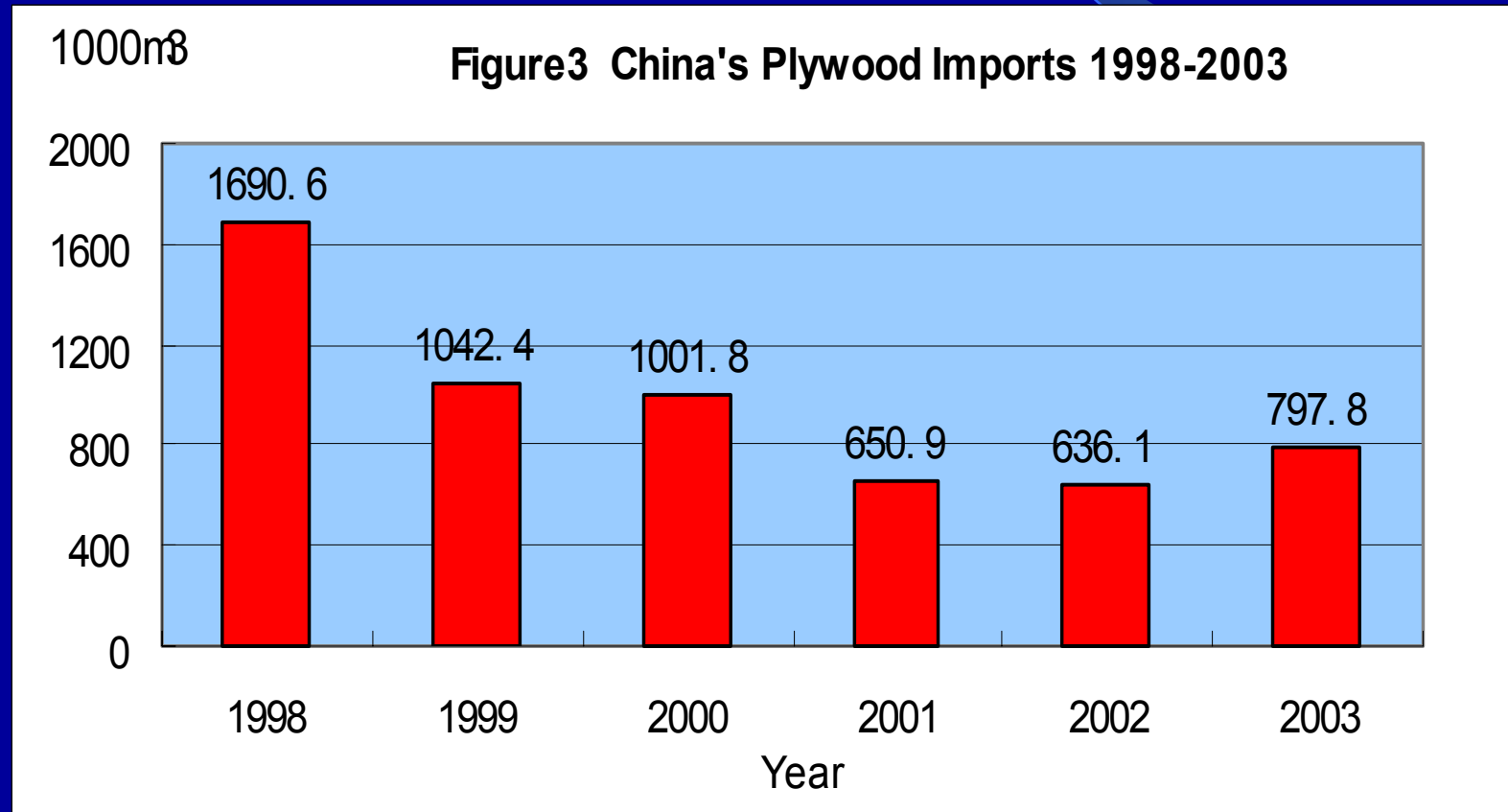
# Wood Consumption in China

## Import



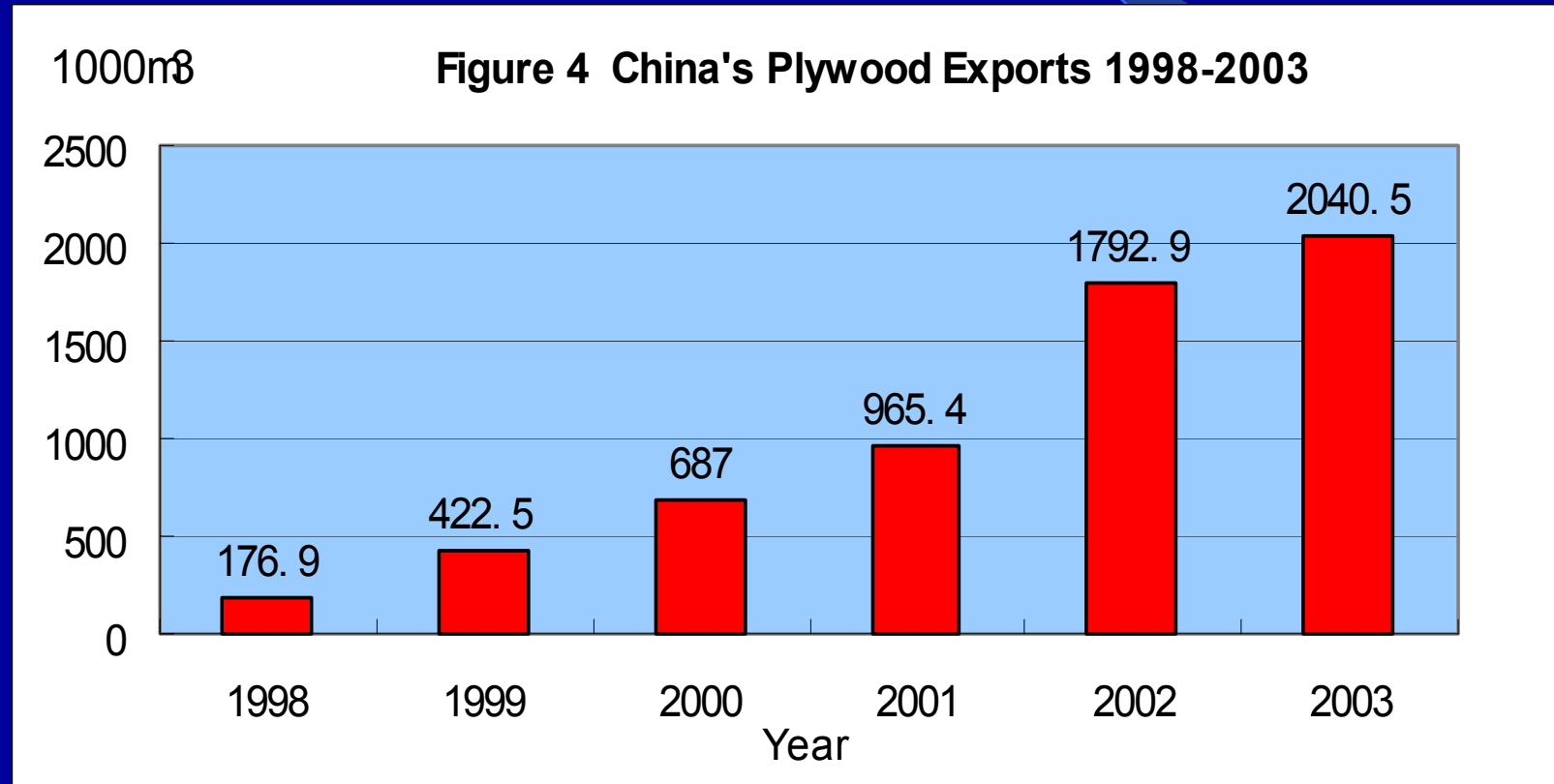
# Wood Consumption in China

## Import



# Wood Consumption in China

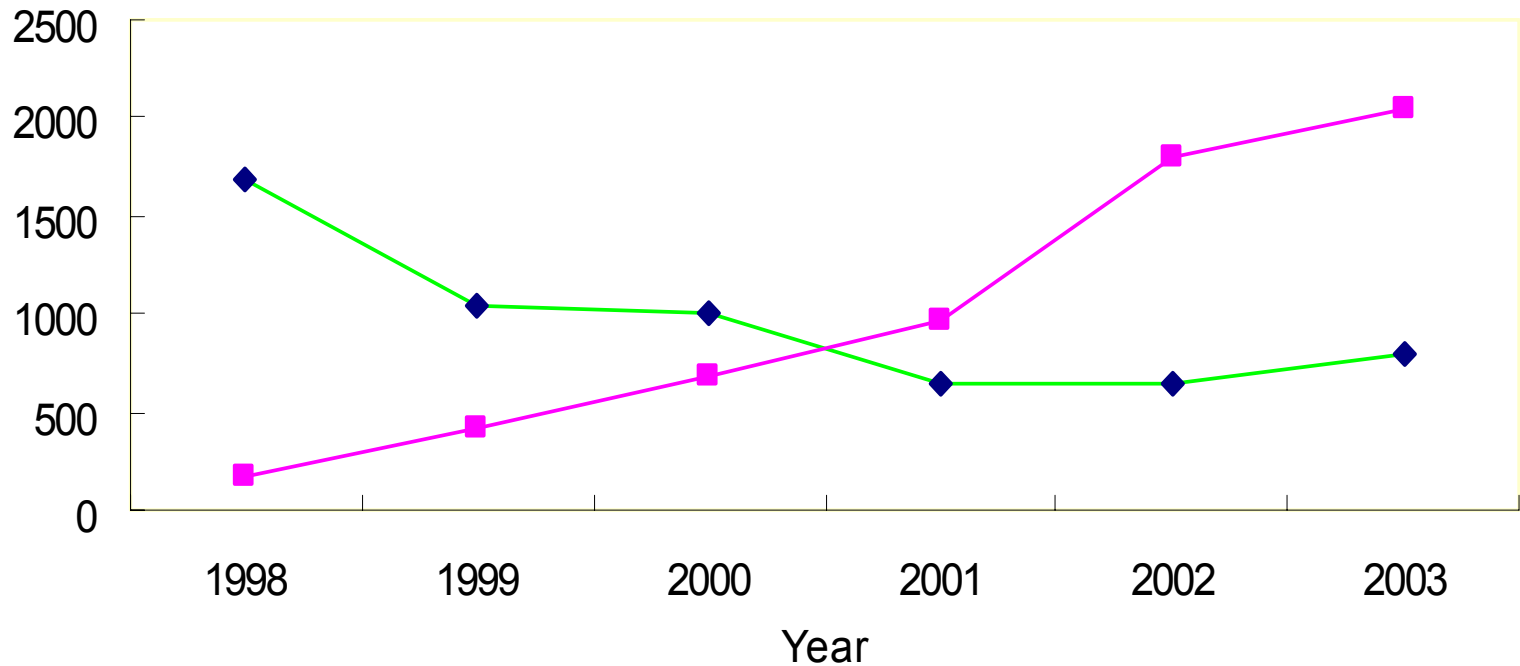
## Export



# Wood Consumption in China

1000m<sup>3</sup>

Figure 5 China's Plywood Imports and Exports





# Prices in Wood Market in China

- **General situation** □ wood market is maturing gradually, imported wood is becoming the main supply source for domestic wood market, and the regional characteristic is appearing gradually.
- **Price: fluctuating continually, generally increasing**
- **Detail: vary with production area, marketing area and time**

# Trends in Wood Market in China

- The demand is increasing steadily and continually
- Domestic supply will decrease continually, then become steady, then increase (plantation)
- Import will increase continually
- Exports of plywood and furniture will increase continually
- Wood price will fluctuate continually, but not rise dramatically
  - The decrease of forestry taxation will reduce the price of domestic wood
  - The price of imported wood will increase (money □ transportation etc. □)



# Softwood Market in China

# Softwood Market in China

- **Domestic production: No classification on softwood or hardwood**
- **Main species:**
  - **Northeast: Pine (Korean pine, Mongolian Scotch pine), fir, birch etc; popular**
  - **South: Pine (Monson pine), fir (Chinese fir); eucalyptus etc**
- **Price: Increase, partially due to demand, and partially due to inflation**
- **Import of logs: Mainly from Russia (Larix and Mongolian Scotch pine, 21.6 m, 68% total or 90% softwood), New Zealand (Radiata pine, 0.9 m) and Australia and US**
- **Import of sawnwood: Russia, US, Canada, NZ and Chile**
- **Uses: Construction, furniture and decoration**

1996 2006 m<sup>3</sup> US\$

Year	m <sup>3</sup>	US\$
1996	93.85	18 008.7
1997	133.15	26 811.0
1998	169.03	34 826.0
1999	275.64	66 193.6
2000	361.37	98 203.1
2001	403.41	98 851.8
2002	548.37	116 746.2
2003	559.81	119 878.9
2004	605.17	138 714.4
2005	597.30	150 778.8
2006	615.35	169 771.5
1996/2006 %	555.7	842.7

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# Softwood Market in China

- **Some cases of softwood price**
- **February 2007**
  - **Radiate pine: 1300 yuan, or US\$ 175**
  - **Larix: 1200 yuan or US\$ 160**
  - **Mongolian Scotch pine: 1300 yuan, or US\$ 175**
  - **Korean pine: 1600 yuan, or US\$ 210**
  - **Monson pine: 900 yuan, or US\$ 120**
  - **Chinese fir: 950 yuan, or US\$ 125**



**Thank You**