

“China’s Influence on forest products markets in  
the UNECE region”

# FOREST CERTIFICATION AND CERTIFIED FOREST PRODUCTS

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Geneva, 3-4 October 2006

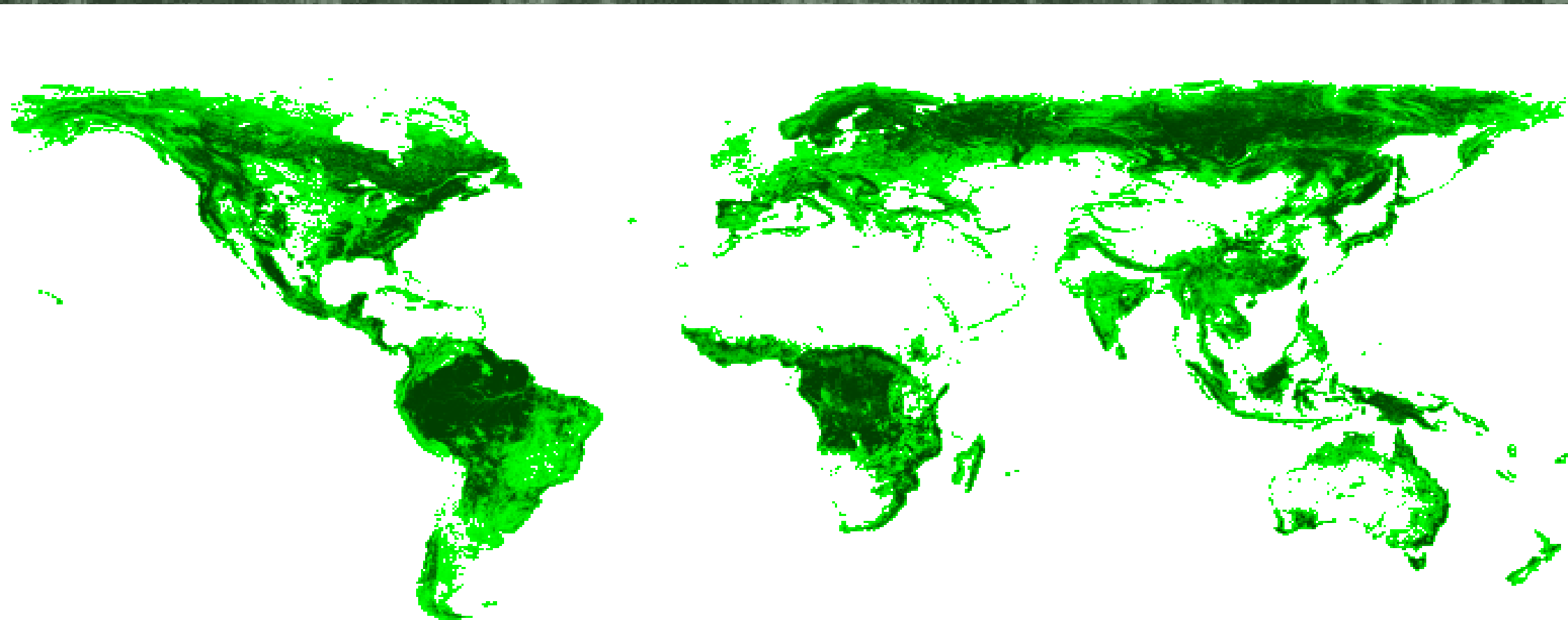
# OUTLINE

- Setting the stage
- Certified forest area
- Certified forest products
- Outlook on China and Asia
- Conclusions

# INFORMATION BACKGROUND

- **No official statistics for trade in CFPs**  
„CFPs do not feature in the Harmonized Commodity Description and Coding System HS“
- **Analysis and data based on other resources (Ch.10, FPAMR, 2005-2006)**
  - surveys (UNECE Timber Committee/country correspondents on certification FAO EFC UNECE)
  - key producers
  - retailers
  - GFTN
  - Auditing bodies
  - CERTIFICATION SYSTEMS

# GLOBAL FOREST MAP



At a first glance...

# THE RESOURCES

Forests cover 30%

Of total land area

Total forest area

=4 billion hectares

= 0.62 ha/capita

64 countries

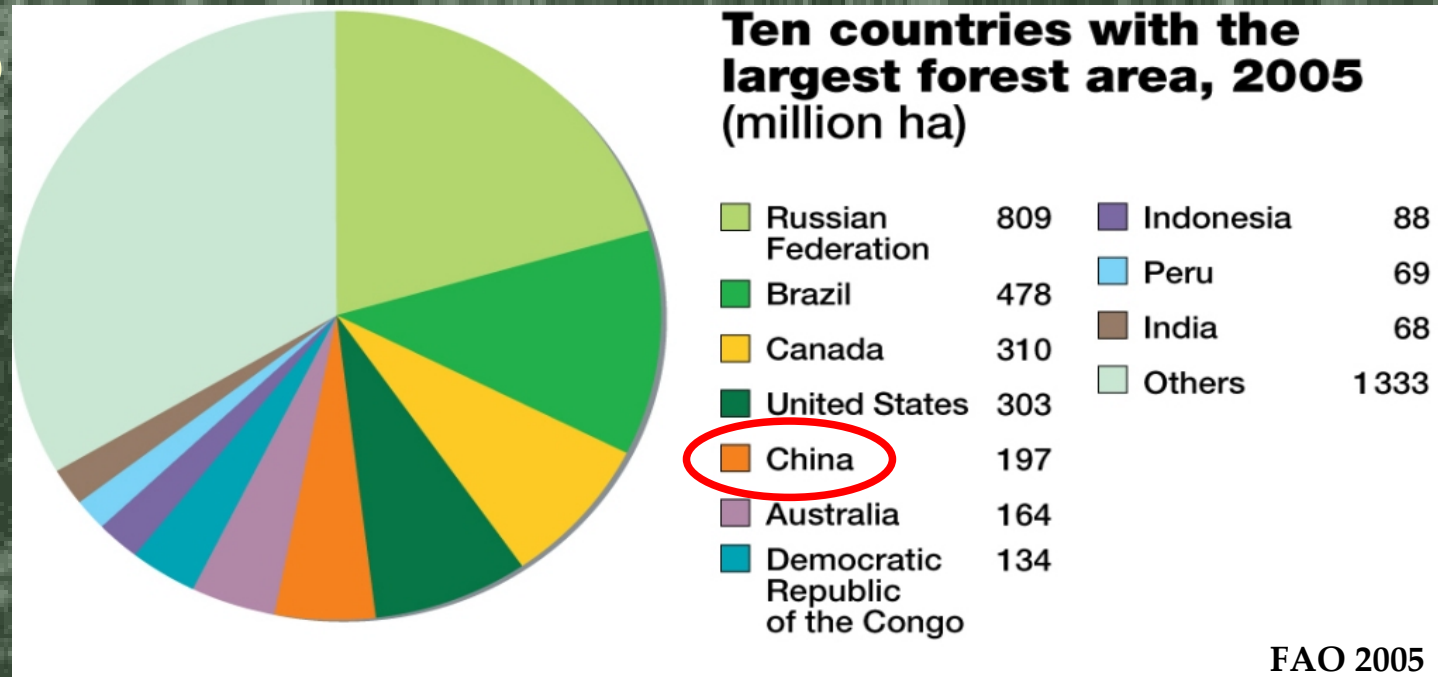
=2 billion

= < 0.1 ha/capita

- 10 most forest-rich countries account for two-thirds of the total forest area.

- 7 countries or territories have no forest at all

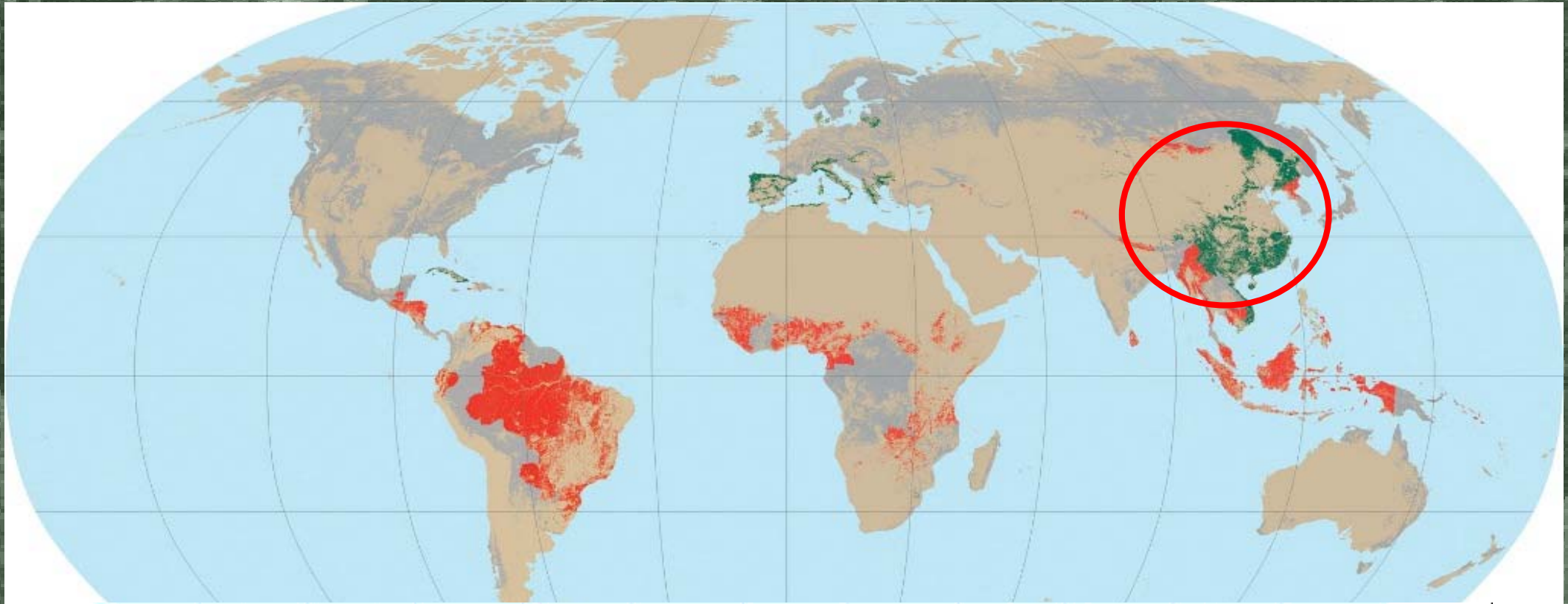
- 57 have less than 10 percent of their total land area.



FAO 2005

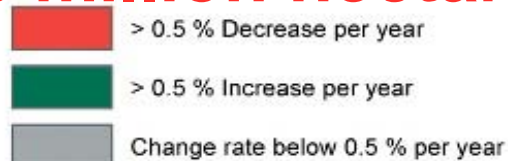


# THE RESOURCES



**Deforestation in the south, while forests increase in the north.**

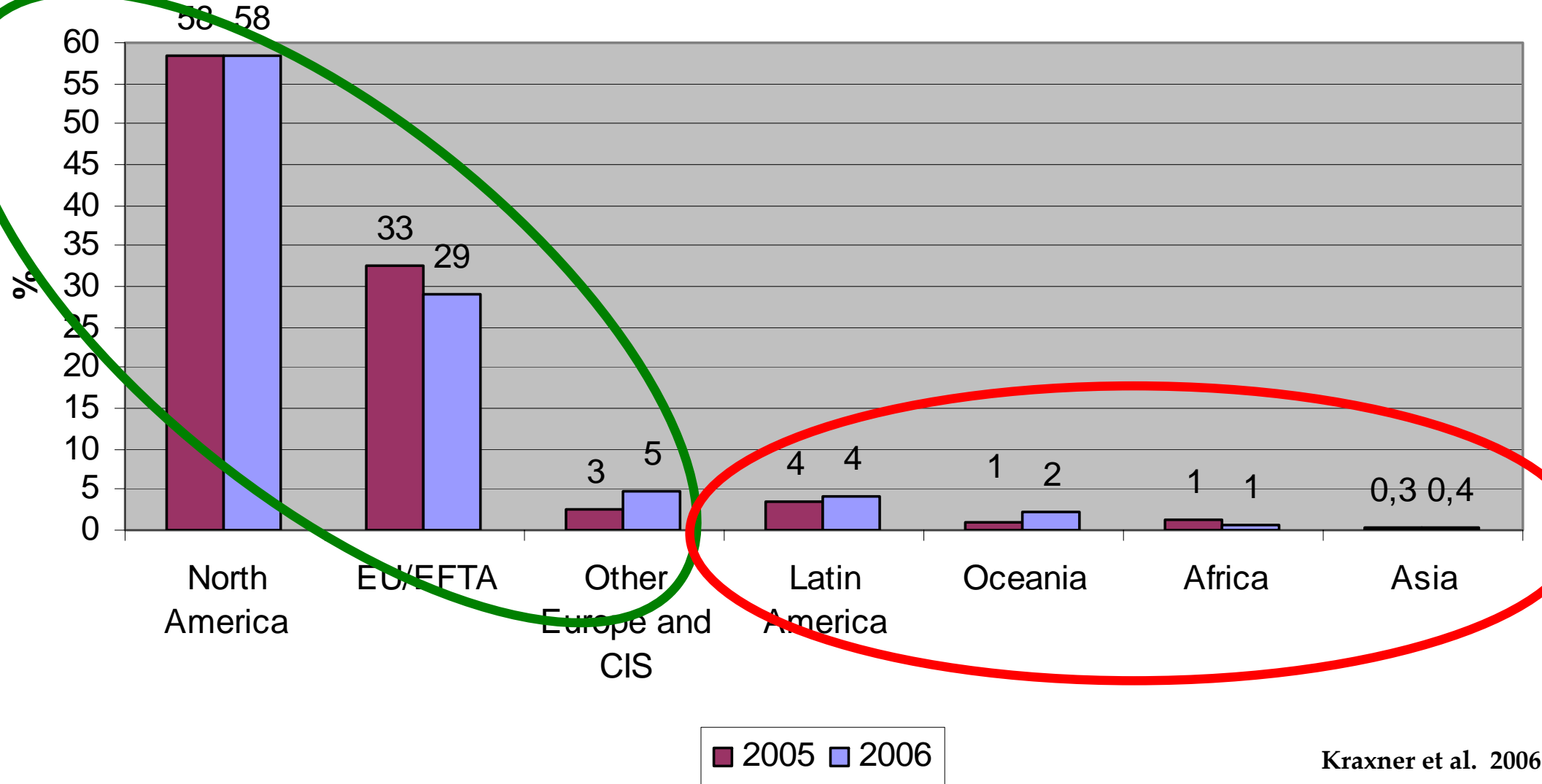
**Deforestation = 13 million hectares per year**



FAO 2005

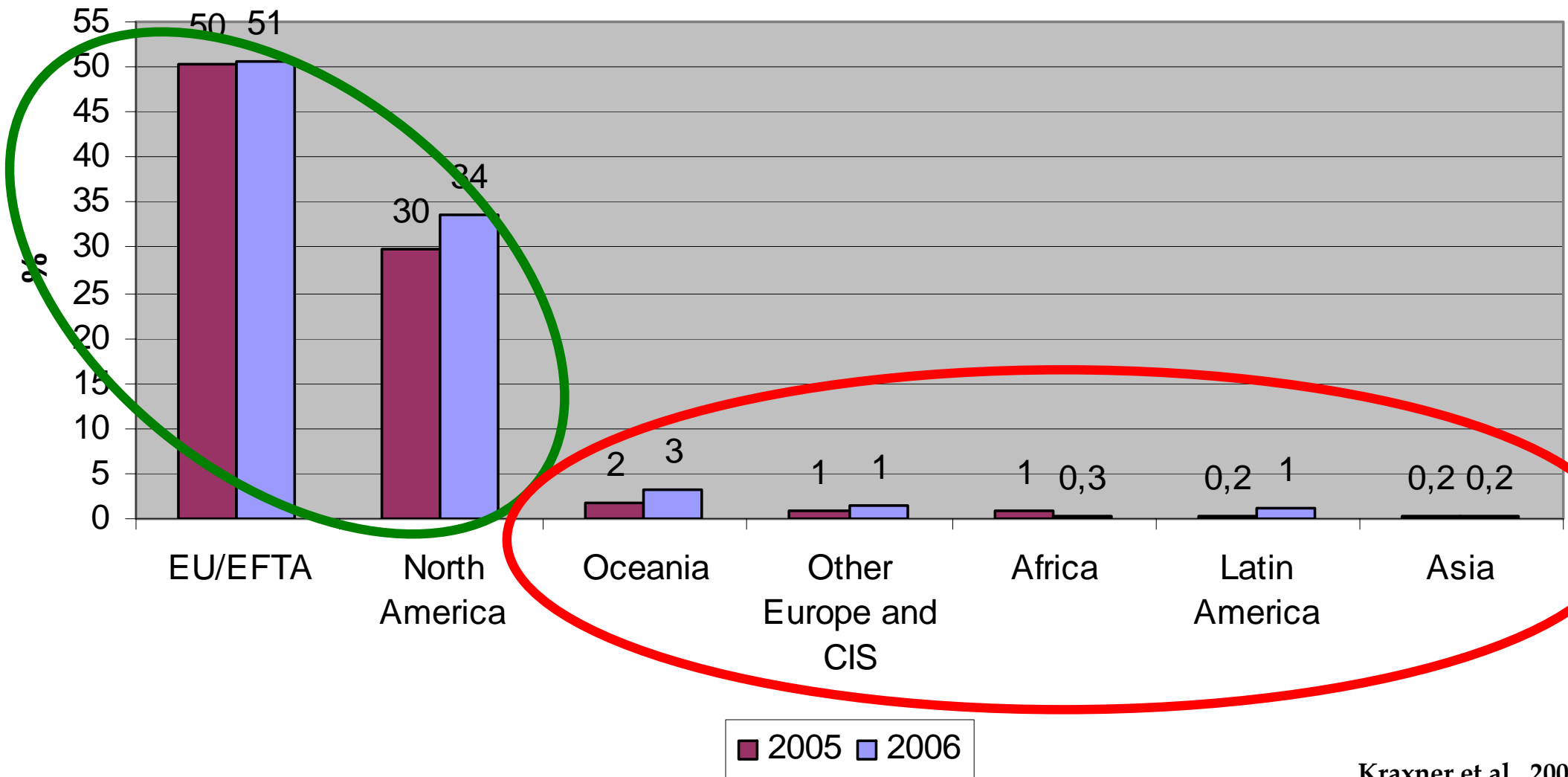
# CERTIFIED FOREST AREA

Geographical Distribution of Total Certified Forest Area  
2005-2006



# CERTIFIED FOREST AREA

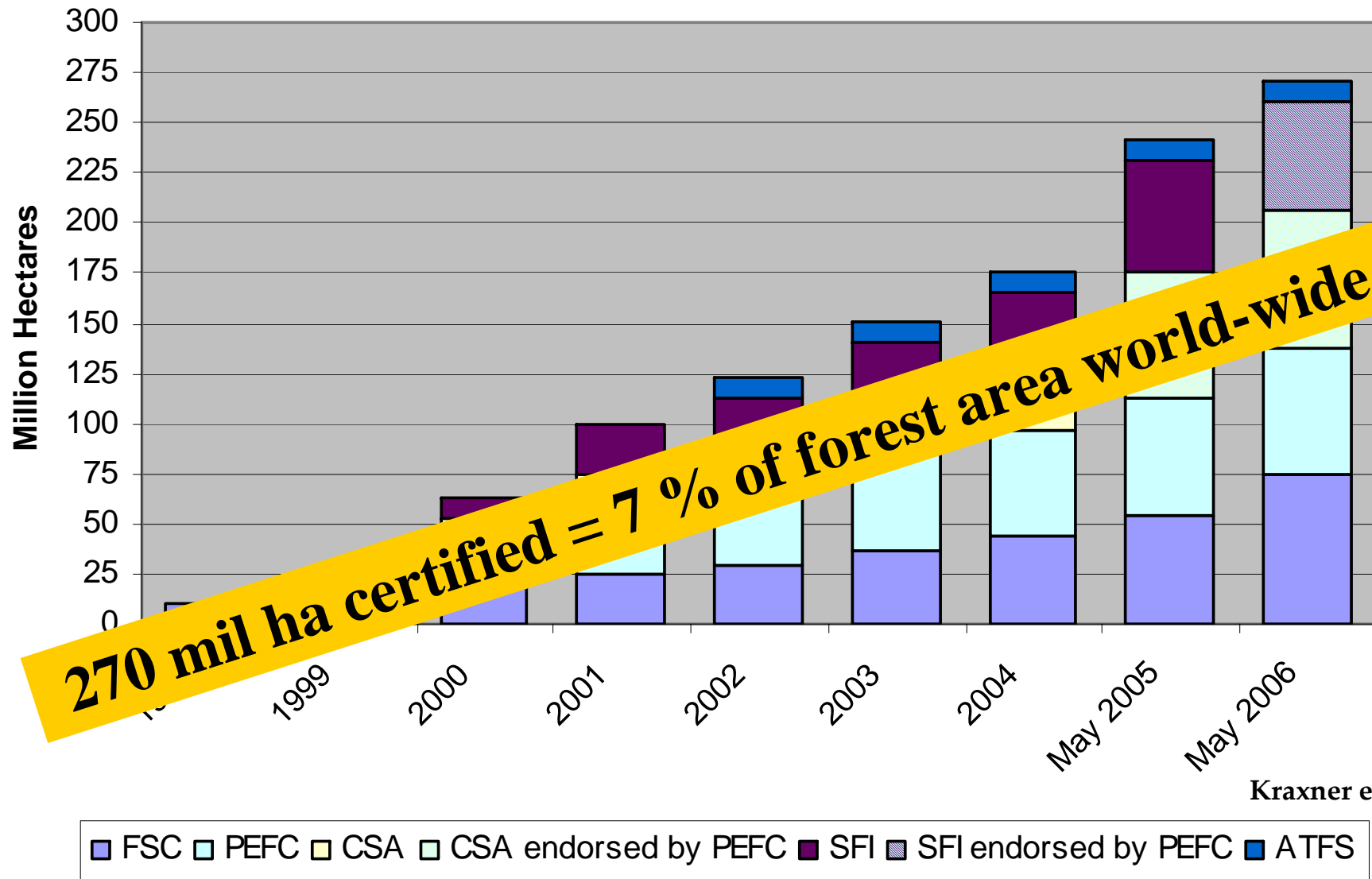
Certified Forest as a Percentage of Total Forest Area,  
by Regions, 2005-2006





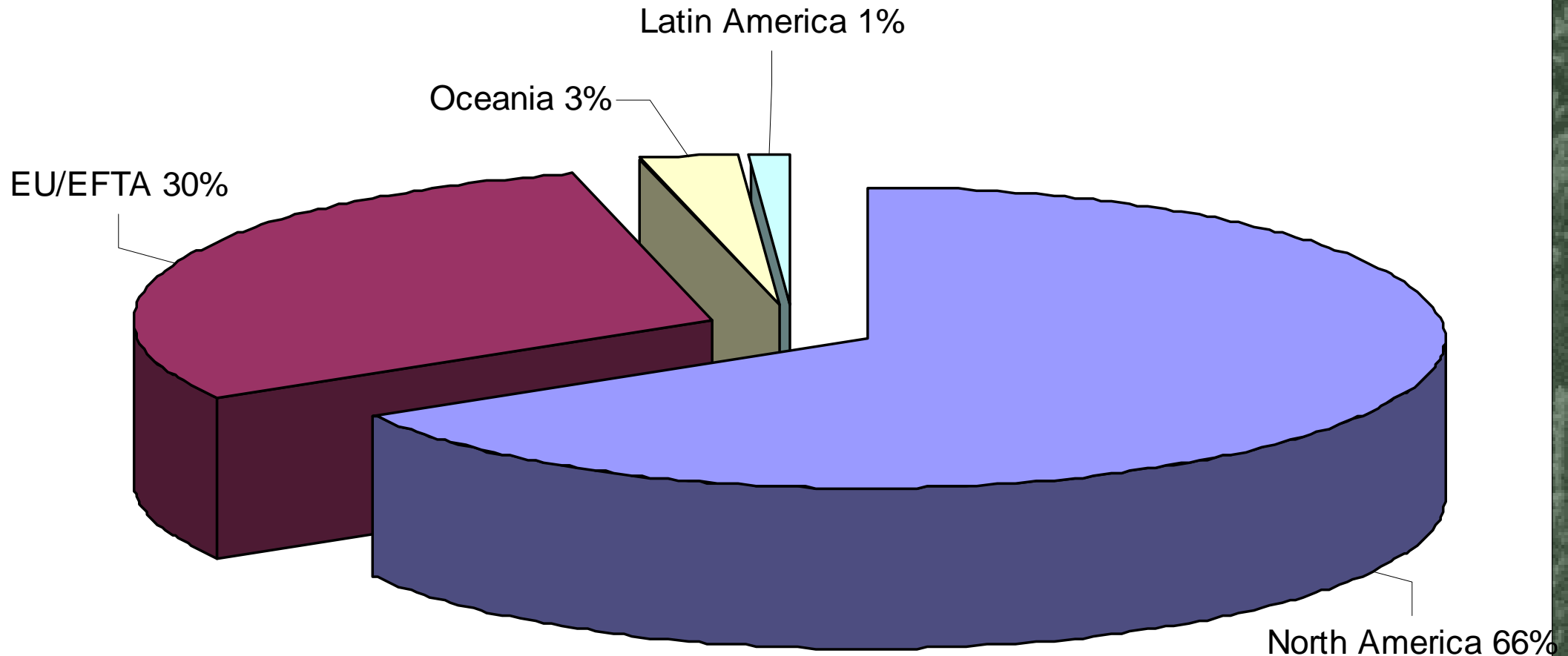
# CERTIFIED FOREST AREA

Forest Area Certified by Major Third Party Certification Schemes, 1998-2006



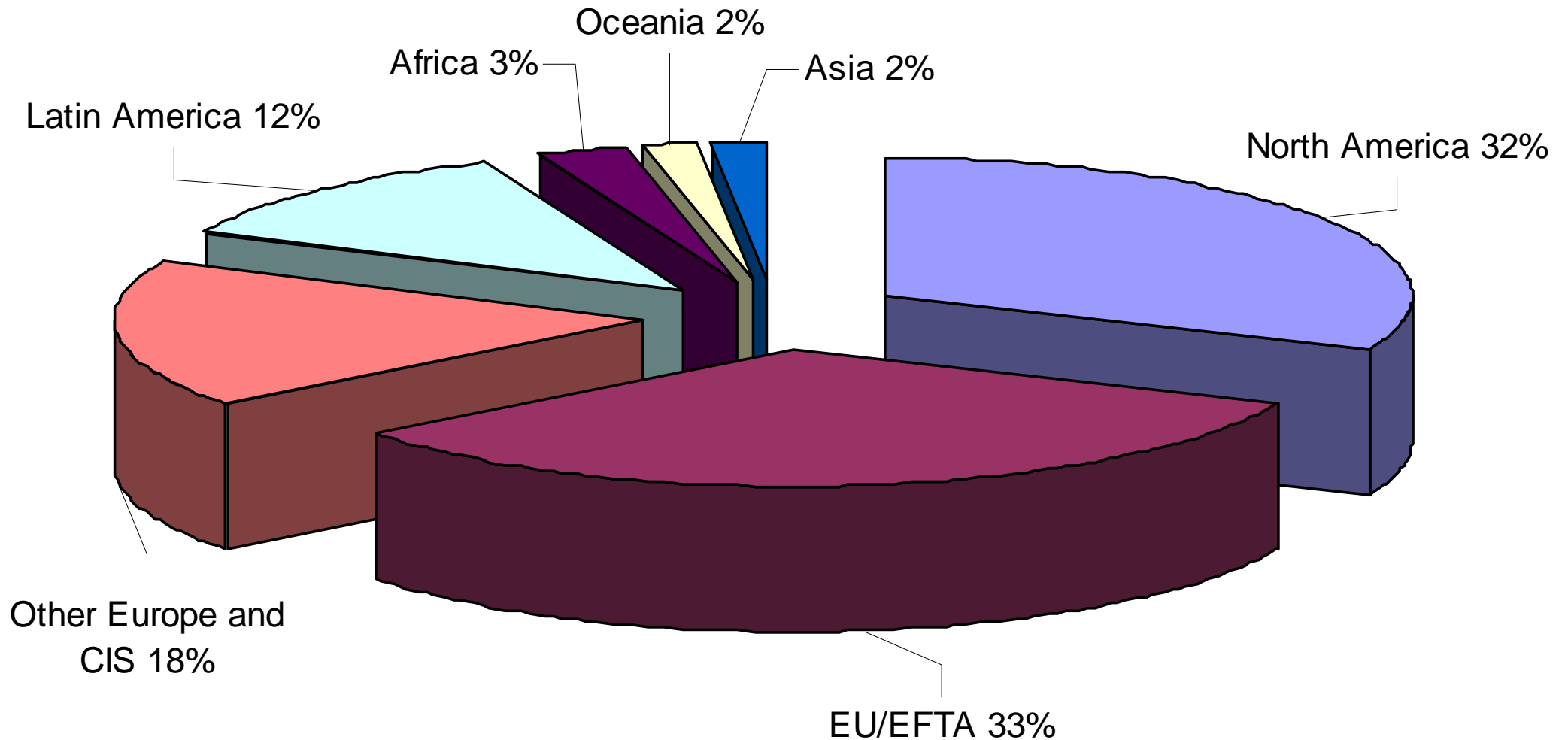
# CERTIFIED FOREST AREA, PEFC

Regional Distribution of Certified Forest Area by *PEFC* (and *PEFC* - Endorsed Systems), 2006

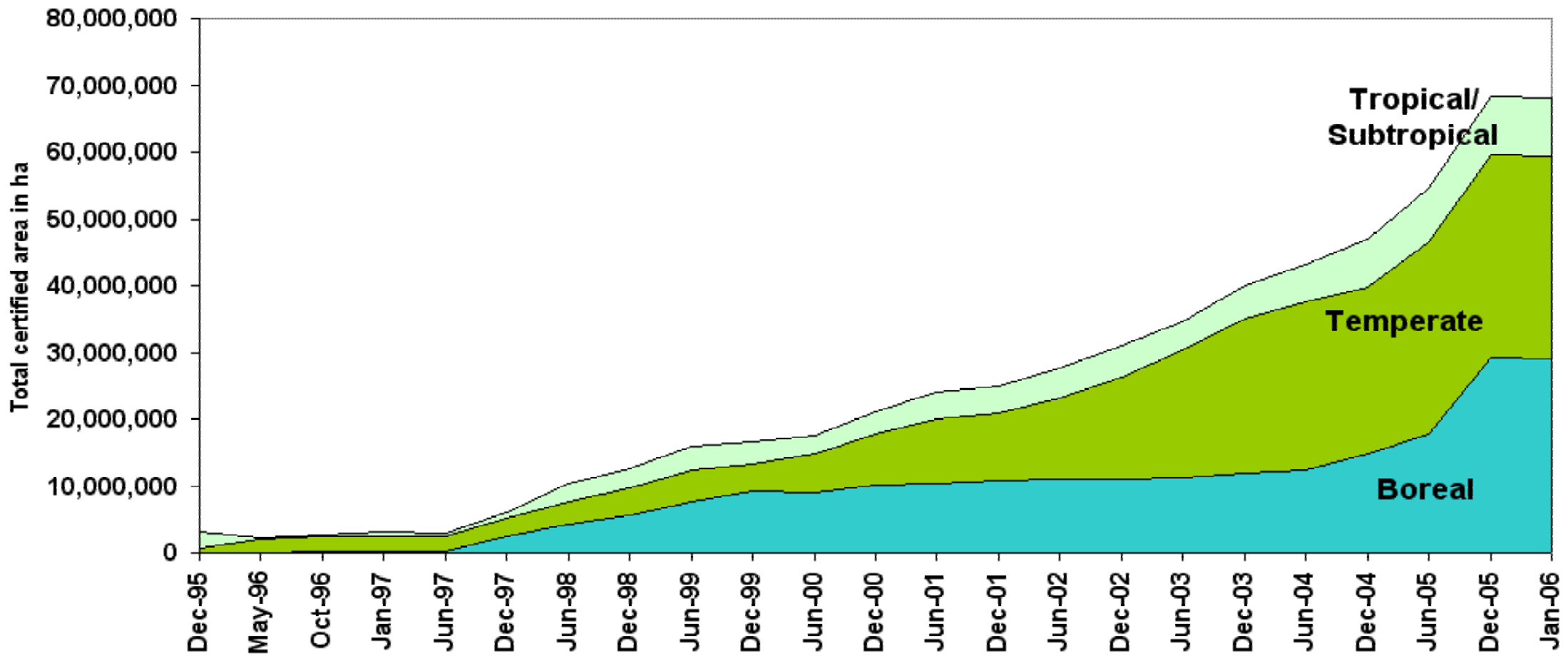


# CERTIFIED FOREST AREA, FSC

Regional Distribution of Certified Forest Area by FSC, 2006



## Rate of Increase of FSC Endorsed Forest Over Time (Dec '95 - Jan '06)

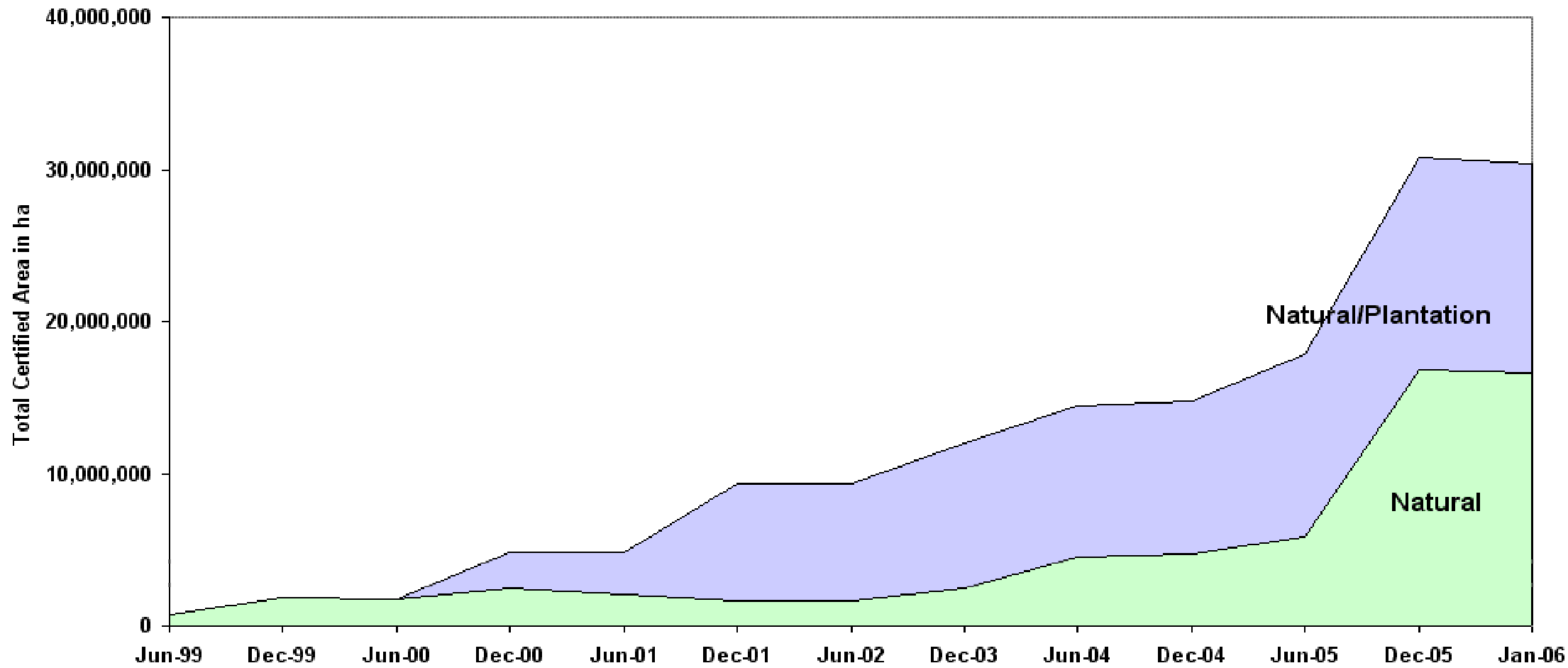


Source: FSC



Forestry  
Program

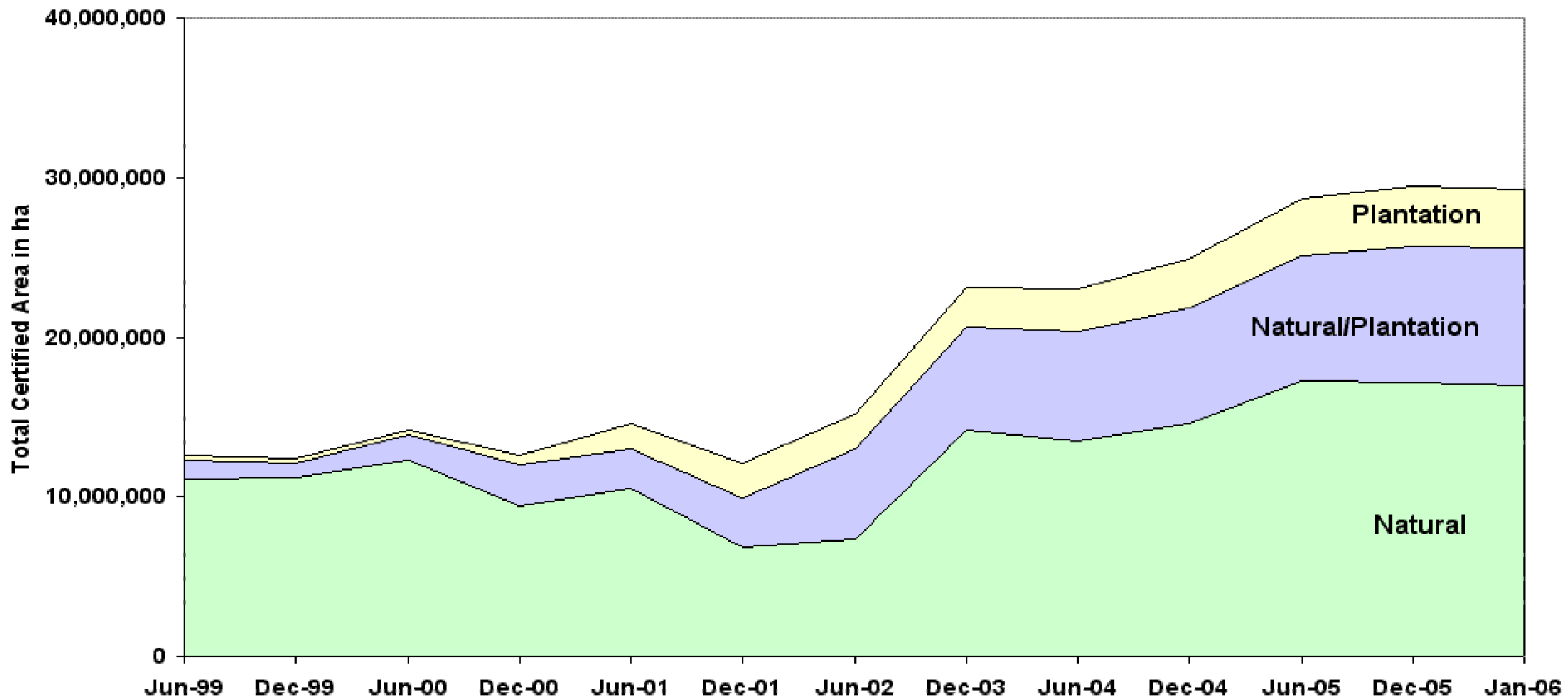
## Rate of Increase of FSC Endorsed Boreal Forest over Time (Jun '99 - Jan '06)



Source: FSC

\*Note. The classification of forest type was redefined in 2002

## Rate of Increase of FSC Endorsed Temperate Forests over Time Jun '99 - Jan '06

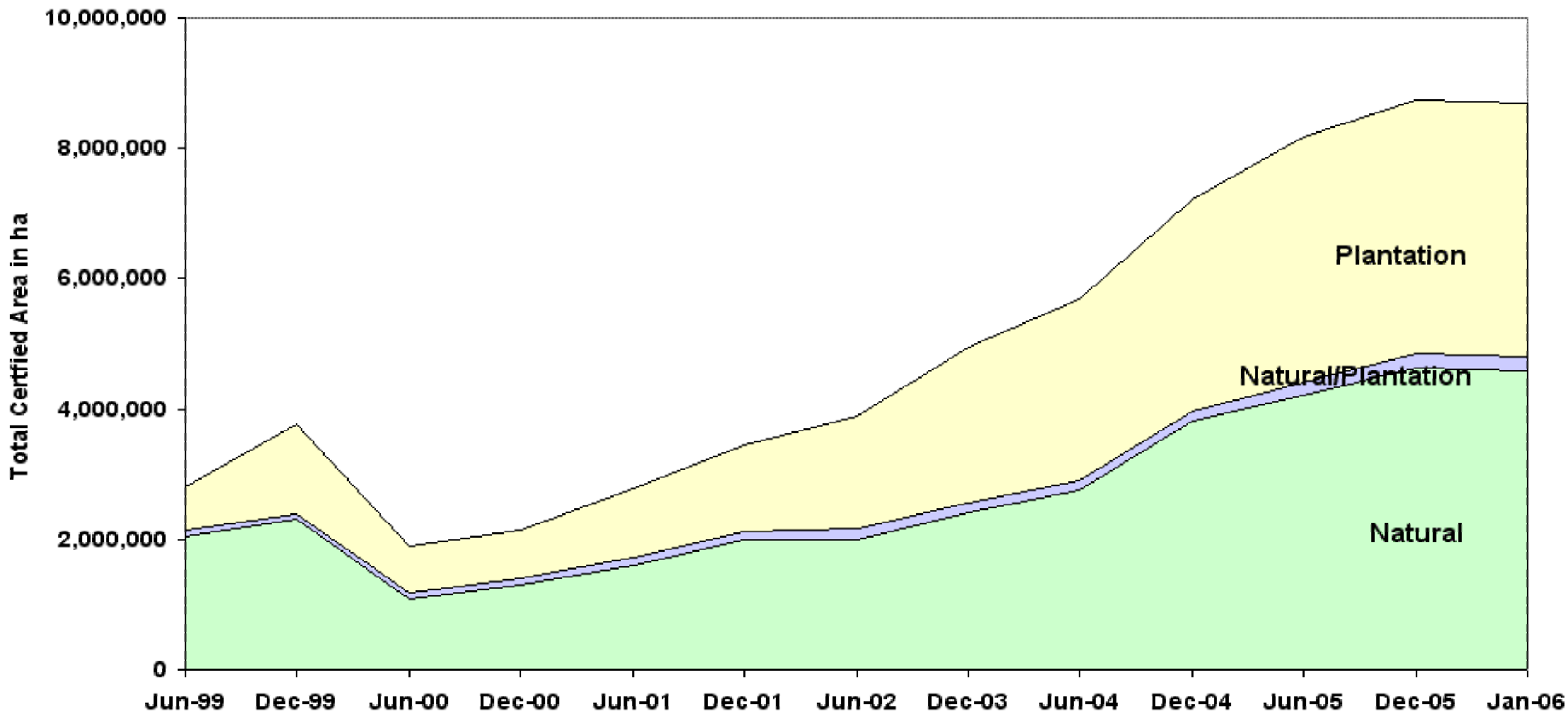


\*Note. The classification of forest type was redefined in 2002

Source: FSC



## Rate of Increase of FSC Endorsed Tropical Forest over Time Jun '99 - Jan '06



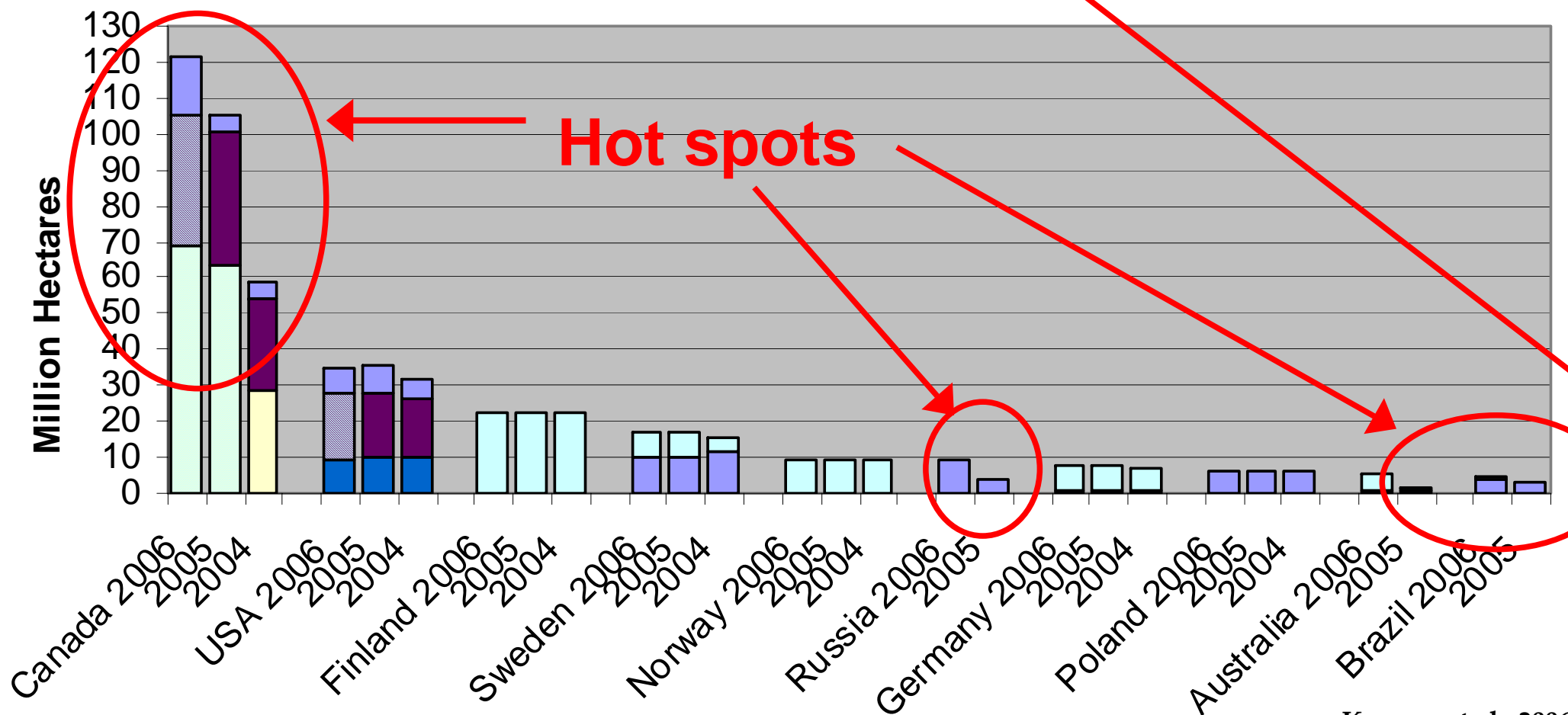
Source: FSC

\*Note. The classification of forest type was redefined in 2002

# CERTIFIED FOREST AREA

Top 10 Countries' Certified Forest Area, 2004 - 2006

**China: 440.000 ha (FSC)**



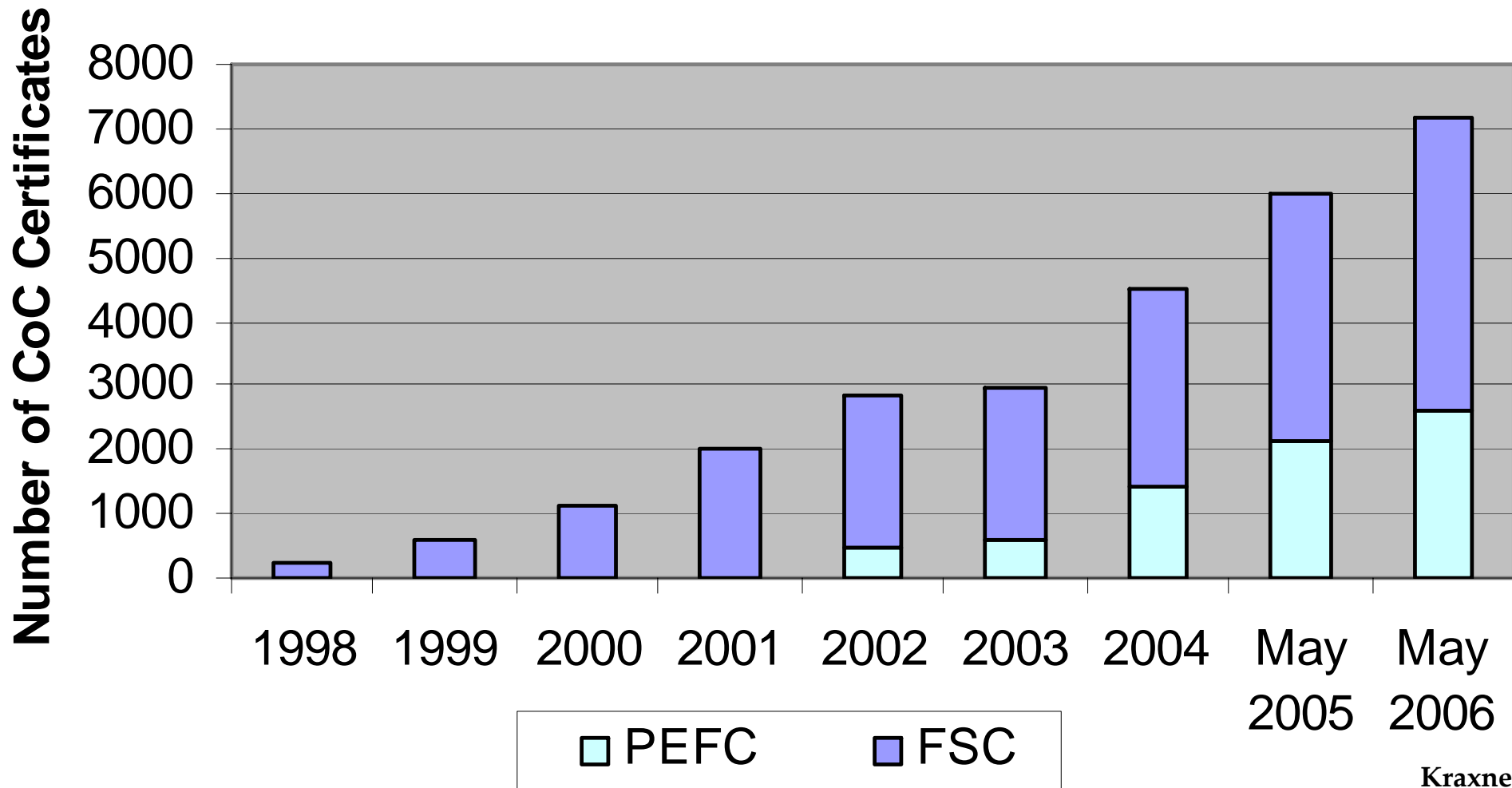
**Hot spots**

Kraxner et al. 2006

- ATFS
- CSA endorsed by PEFC
- CSA
- SFI endorsed by PEFC
- SFI
- FSC
- PEFC

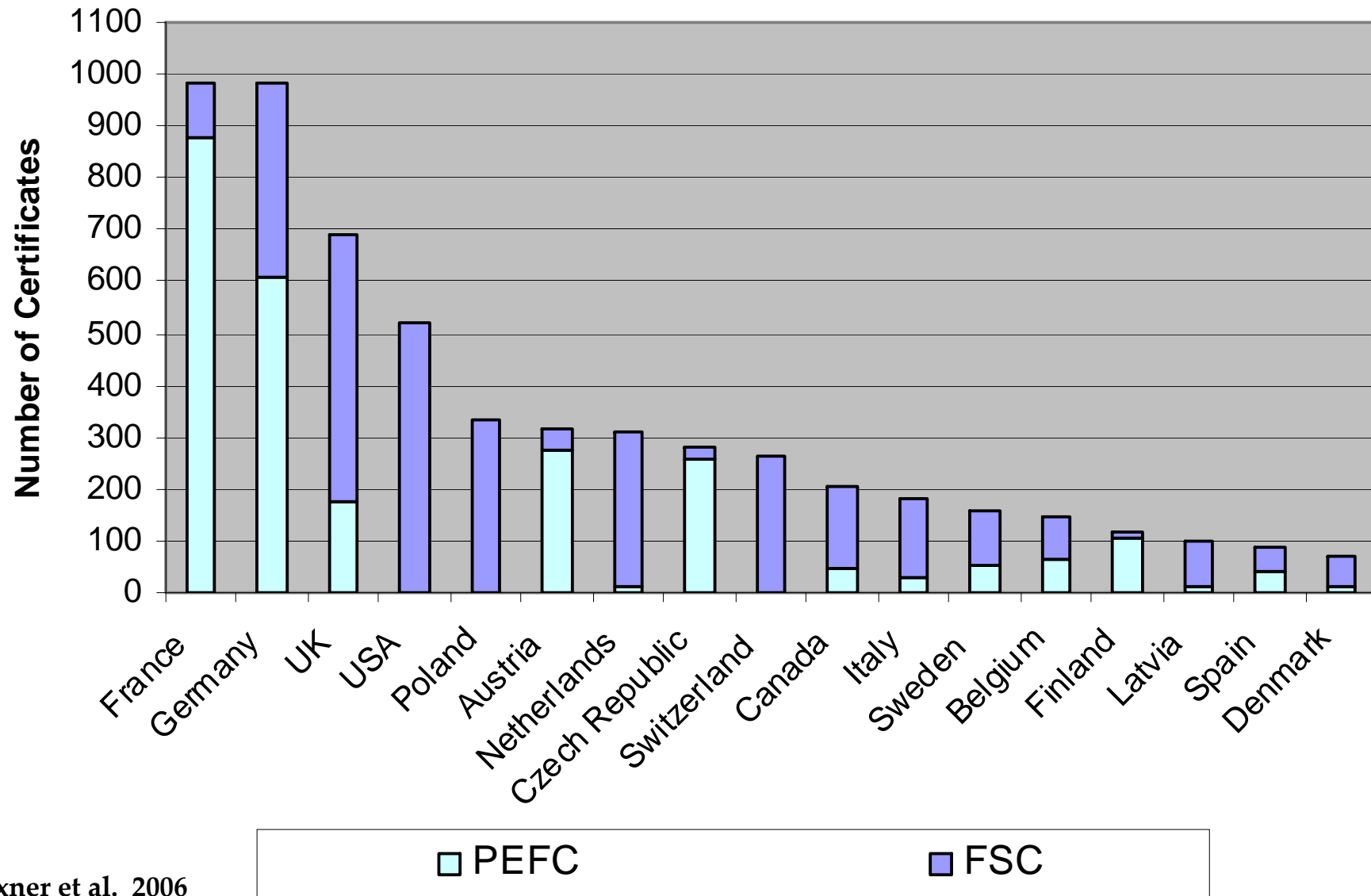
# CERTIFIED FOREST PRODUCTS

## Chain-of-Custody Certification Trends Worldwide, 1998 - 2006



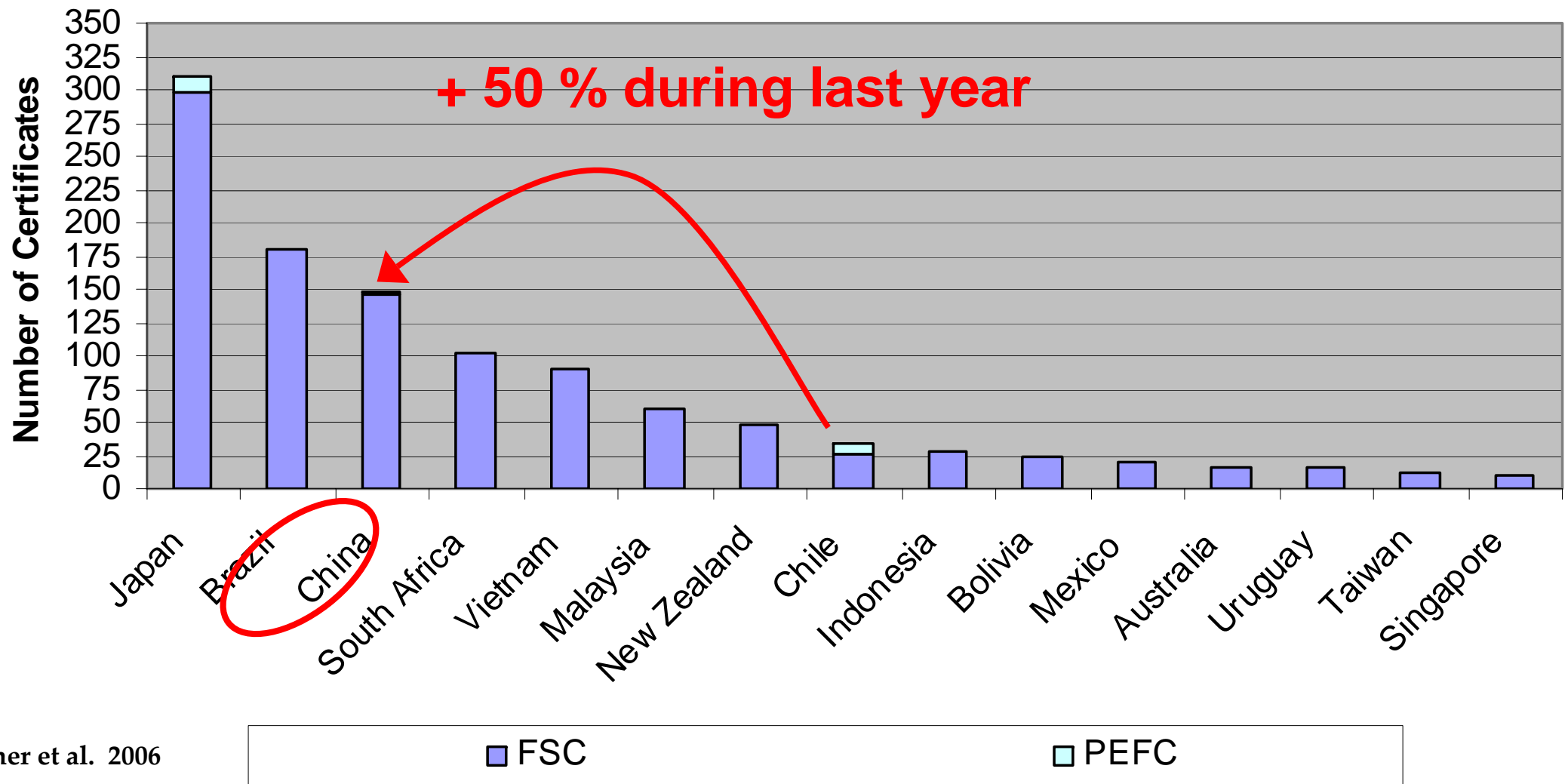
# CERTIFIED FOREST PRODUCTS

Chain-of-Custody Certificate Distribution Within the UNECE Region,  
2006



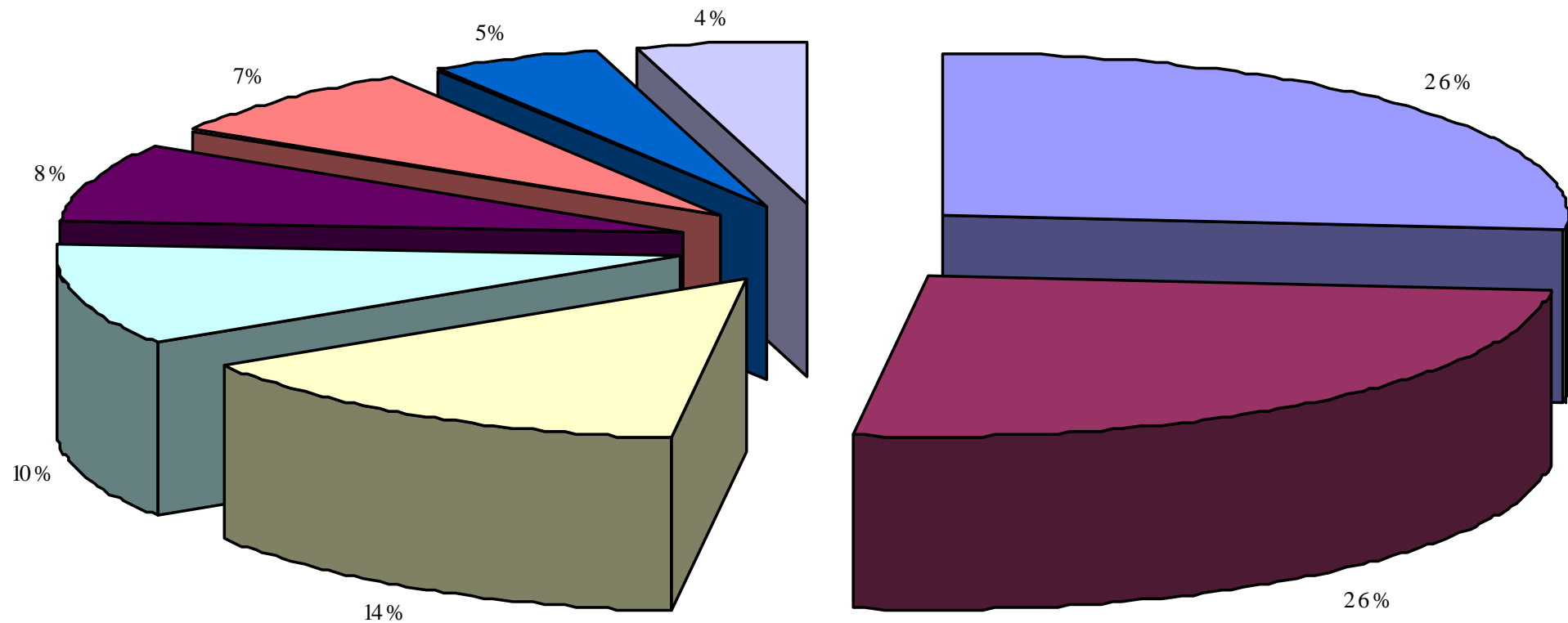
# CERTIFIED FOREST PRODUCTS

Chain-of-Custody Certificate Distribution Outside the UNECE Region, 2006



# CERTIFIED FOREST PRODUCTS, FSC

**FSC Worldwide Chain-of-Custody Distribution by Industry Sector, 2006**

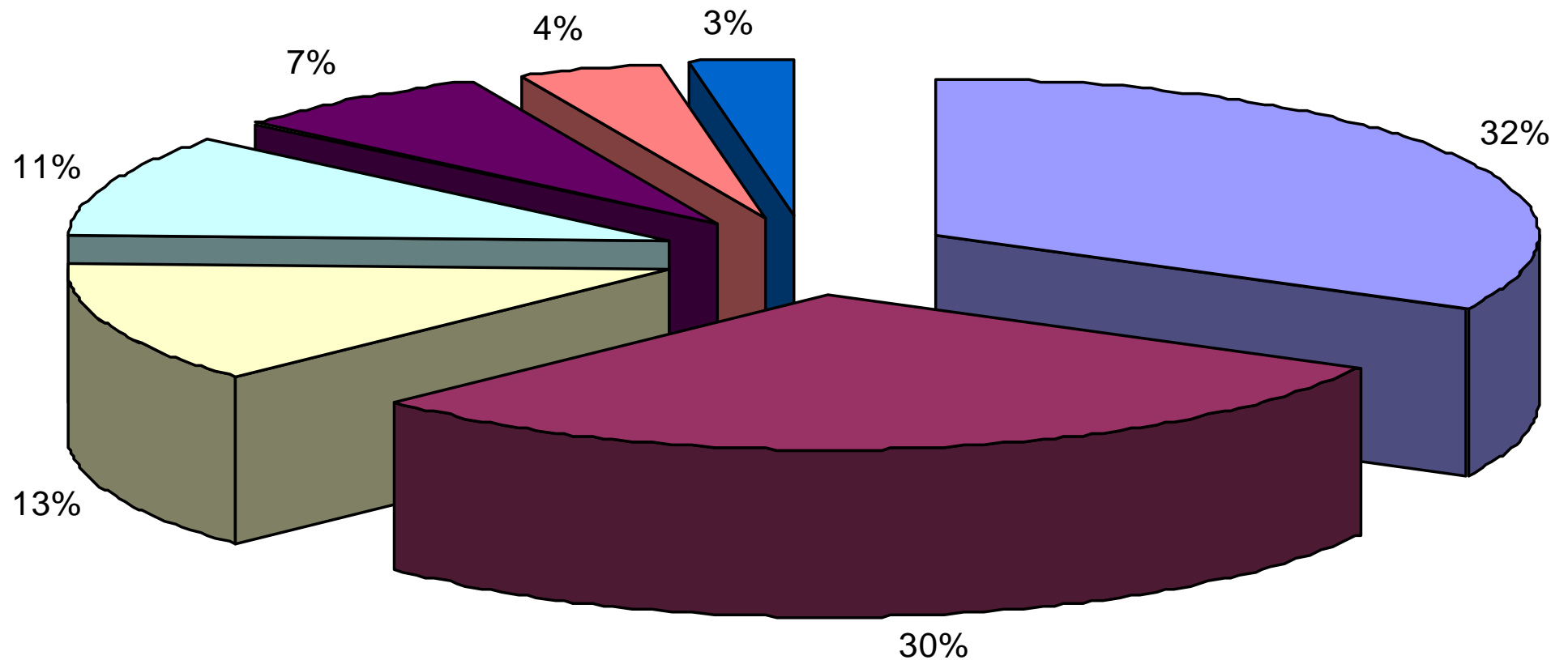


- Wood manufacturing 26%
- Roundwood and other primary forest industry 14%
- Pulp & paper 8%
- Other 5%
- Sawnwood 26%
- Furniture 10%
- Panels 7%
- Windows & doors 4%



# CERTIFIED FOREST PRODUCTS, PEFC

**PEFC Worldwide Chain-of-Custody Distribution by Industry Sector, 2006**



- Timber trade 32%
- Sawmill 30%
- Other primary forest industries 13%
- Wood manufacturing 11%
- Wood products trade / Retailers 7%
- Pulp & Paper 4%
- Other 3%

# Chinese Forest Resources

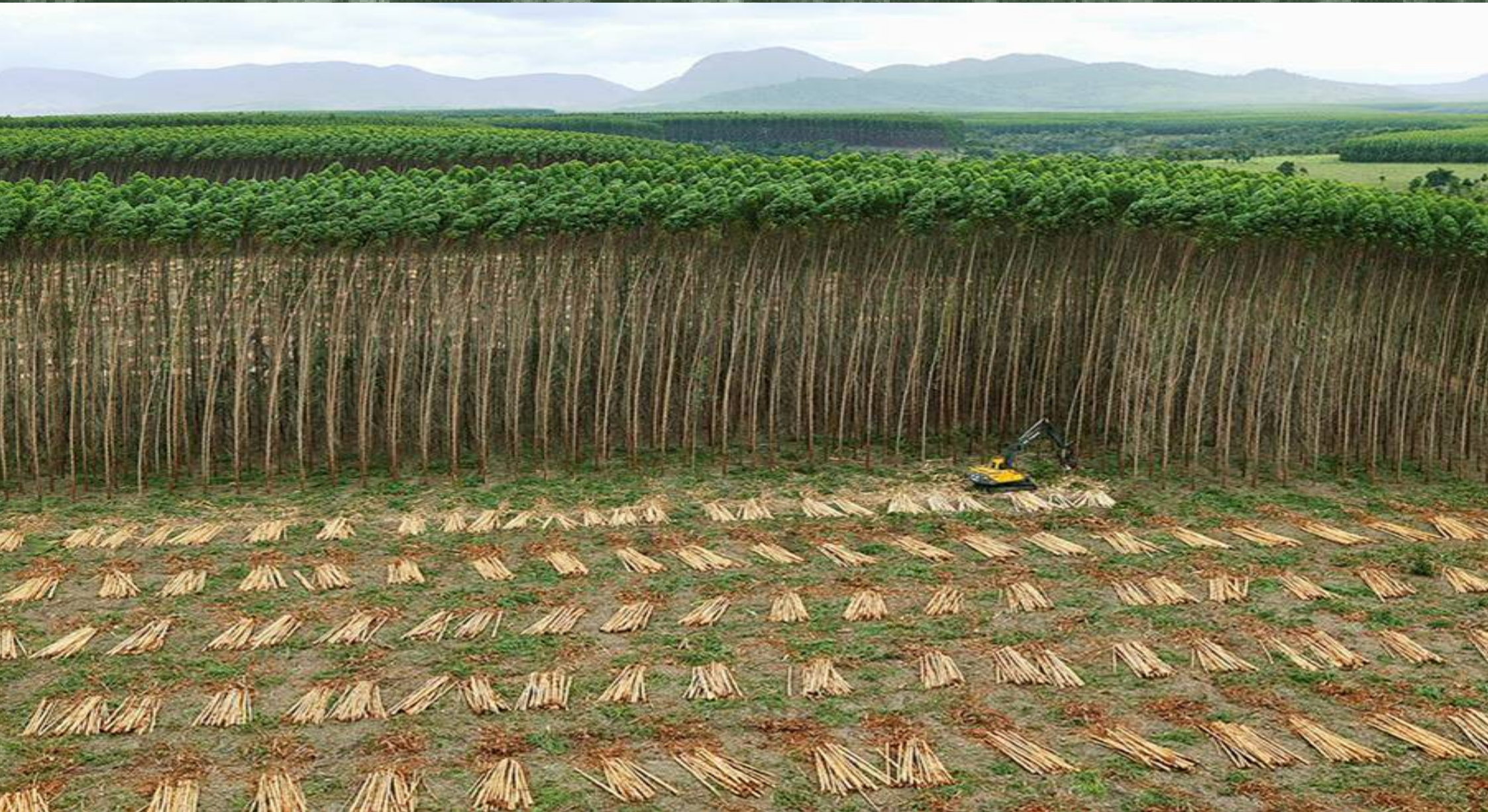
- Removals of industrial roundwood
  - Legal ~45 million m<sup>3</sup> ?
  - Illegal/over harvest ~75–115 million m<sup>3</sup> ?
- Wood Fuels
  - 110–225 million m<sup>3</sup>/year
  - Some 70% of rural households rely on wood fuel and agricultural waste
- We do not really know the extent and qualities of the Chinese forests
- The State Forest Inventory ??

# Chinese Forest Resources

- Timber Forests – forest for industrial wood supply
  - Contradiction of 15 – 20 mio ha
- Area available for wood supply
  - 50 – 60 % of timber forest area?
- Plantations
  - Gross: 53 million ha
  - Fast growing: 4-5 ?
  - Slow growing: 15 – 20 ?
- Growth rates ??

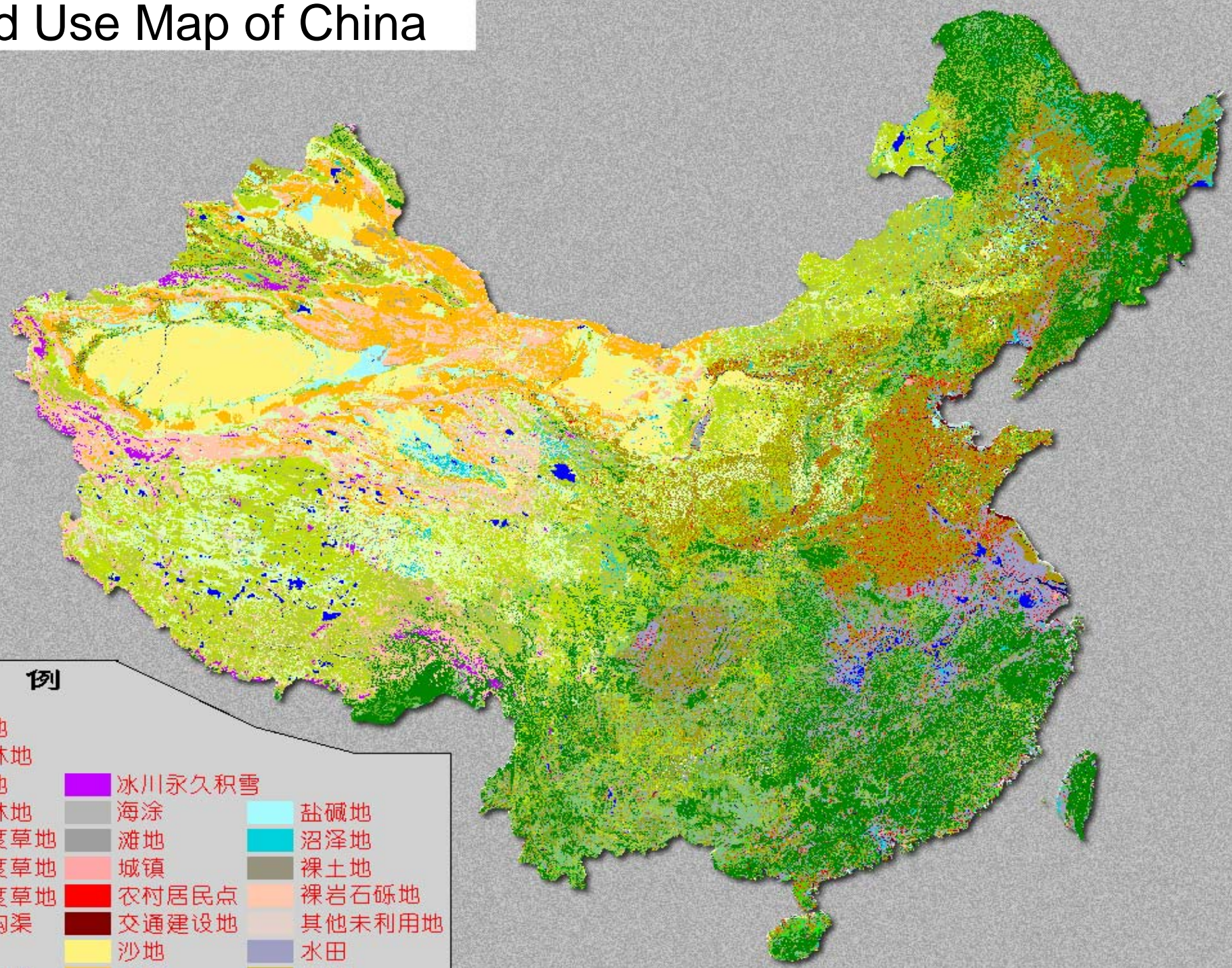


# Plantations in China ?





# Land Use Map of China



## 图例

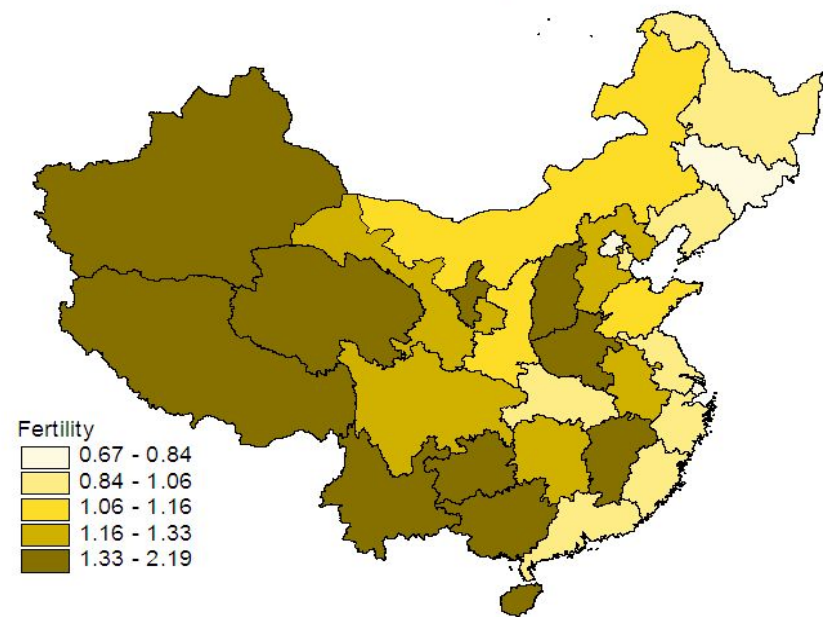
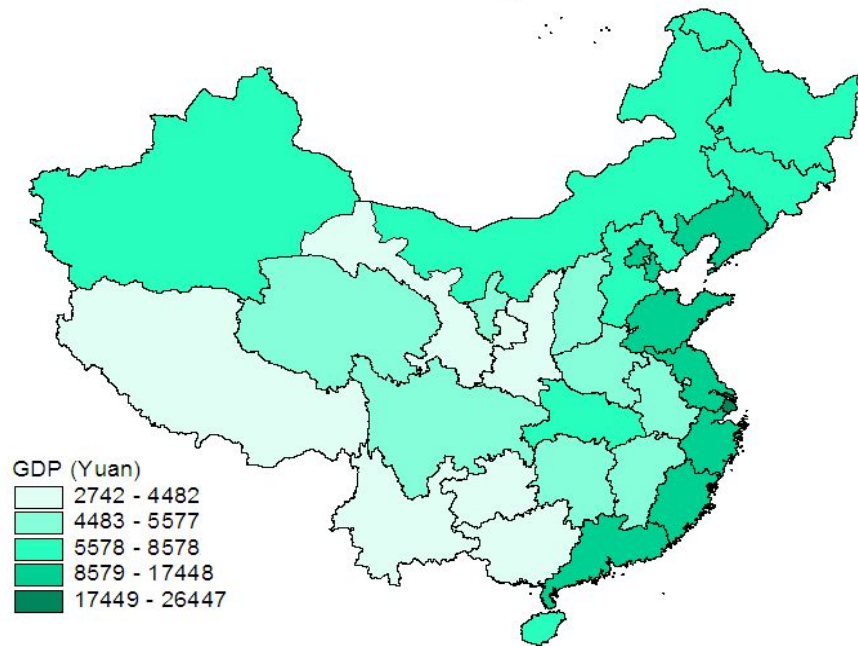
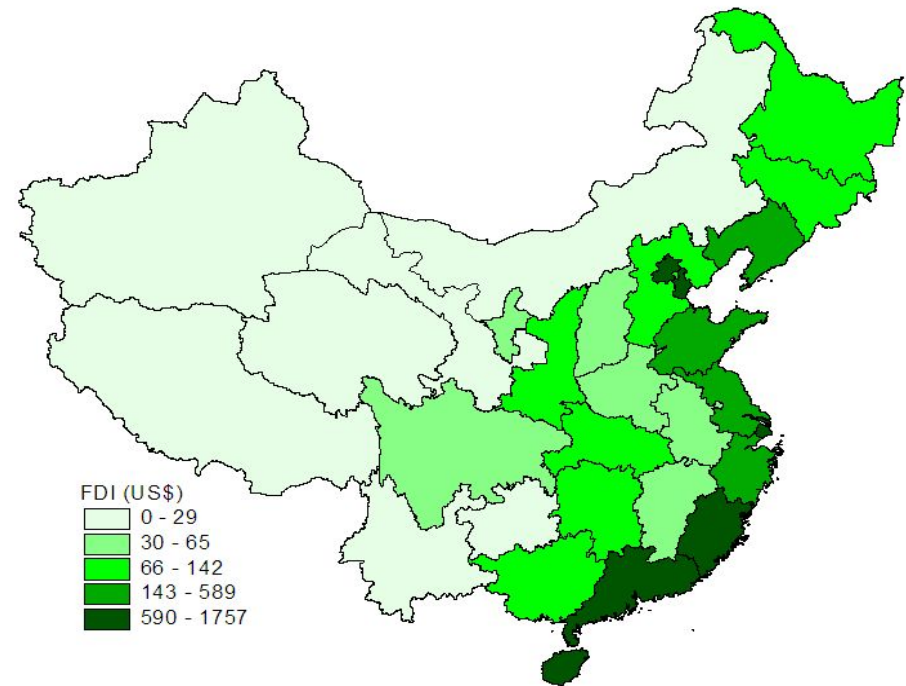
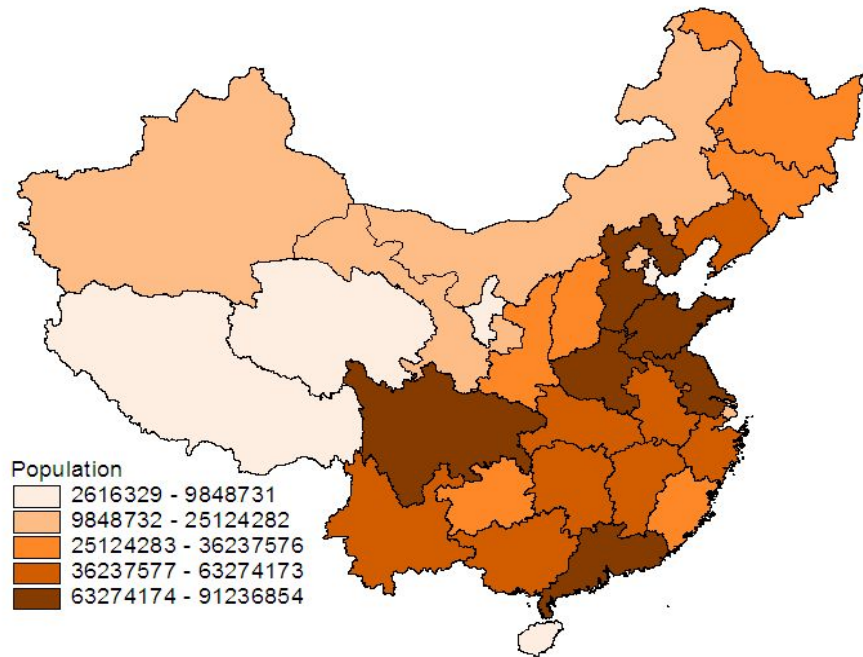
- |       |        |        |
|-------|--------|--------|
| 有林地   | 冰川永久积雪 | 盐碱地    |
| 灌木林地  | 海涂     | 沼泽地    |
| 疏林地   | 滩地     | 裸土地    |
| 其它林地  | 城镇     | 裸岩石砾地  |
| 高盖度草地 | 农村居民点  | 其他未利用地 |
| 中盖度草地 | 交通建设地  | 水田     |
| 低盖度草地 | 沙地     | 旱地     |
| 河流沟渠  | 戈壁     |        |
| 湖泊    |        |        |
| 水库坑塘  |        |        |



# Many Chinas Within China

Total Population	1300 million	Average per Capita Disposable Income	US\$ 660
Urban Population	500 million		1024
Rural Population	800 million		316
Urban Areas Employed	255 million		
Rural Unemployed	240 million		
Rural Migrants	145 million		
	<ul style="list-style-type: none"><li>• No legal permanent residence</li><li>• Discriminated by local employment laws</li><li>• Less salary (80%)</li><li>• No welfare benefits</li></ul>		
Laid-off workers in SEA and collectives		65 million	
Land-expropriated farmers		50 million	
	<ul style="list-style-type: none"><li>• Limited compensation</li><li>• Mostly jobless</li></ul>		
Poverty		+ 100 million	
Working		500–600 million	

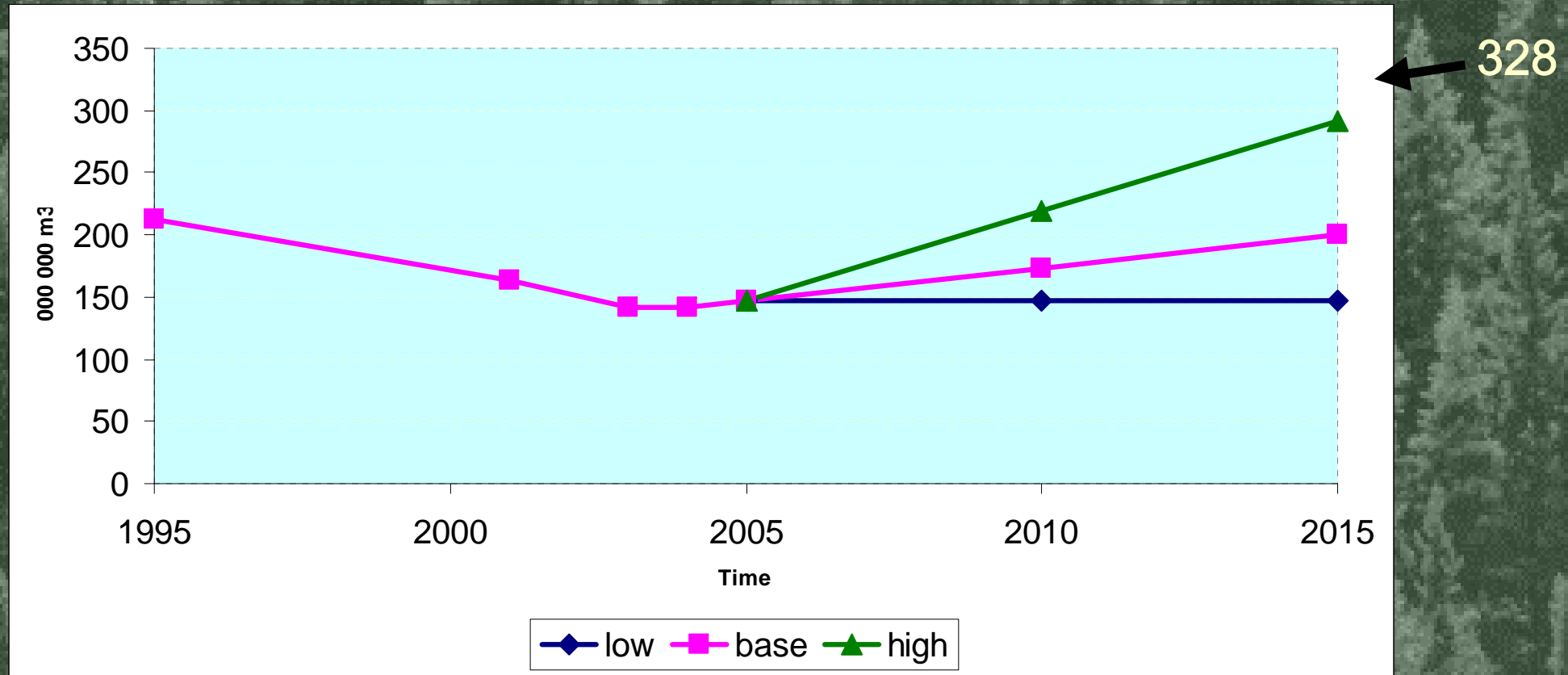




# What Does It Mean?

- There is no single national market – consumers are too dispersed, too inaccessible, too different
- Average per capita measures of income and demand are quite meaningless as a forecast tool on demand

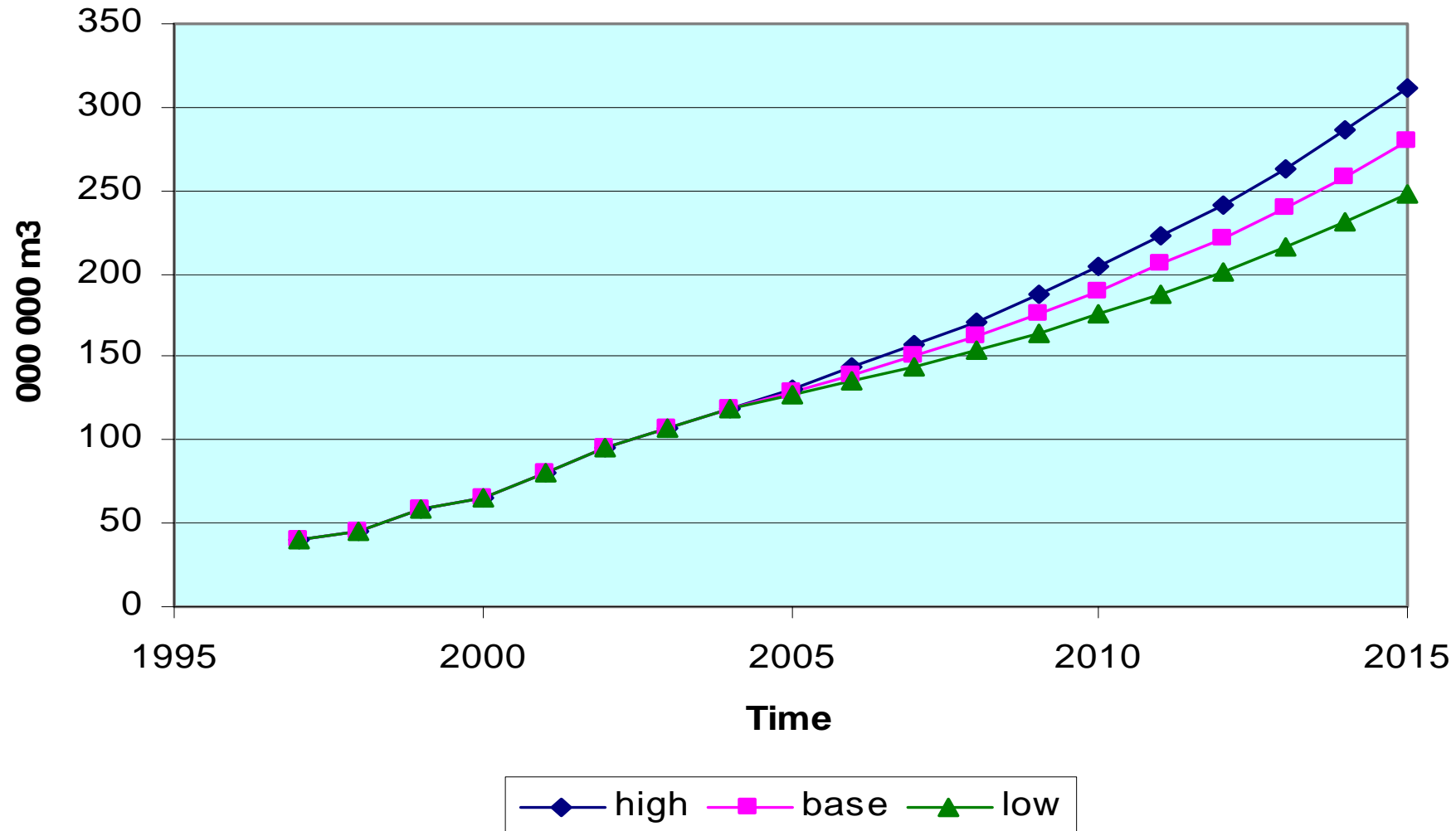
# China's Industrial Roundwood Removal



## Official forecasts

- Natural forest = 195 million m<sup>3</sup>
- Plantation (fast growing) = 133 million m<sup>3</sup>
- Total industrial roundwood removal = 328 million m<sup>3</sup>

# China's Wood Import Trends (RWEs)



# Demand, million m<sup>3</sup>

(Fuller, 2006)

	2004	2020
Plywood	16.8	19.6
MDF	16.5	38.8
Particleboard	7.0	20.6
Lumber	20.2	41.0



# Conclusion

- Enormous potential (and need) for certification in China
- In the future the gap between consumption and domestic supply will widen substantially
- The outlook (Fuller) will effect the global market
- Procurement Policy (illegal logging/harvesting)
- What is going to happen in the Tropics
- The Russian market development
- Certification of other products e.g. NWFP



为我们的友好合作！

谢谢

Florian Kraxner et al.



Forestry  
Program