

FORESTRY AND OUTLOOK IN CHINA



Lu De

State Forestry Administration
China

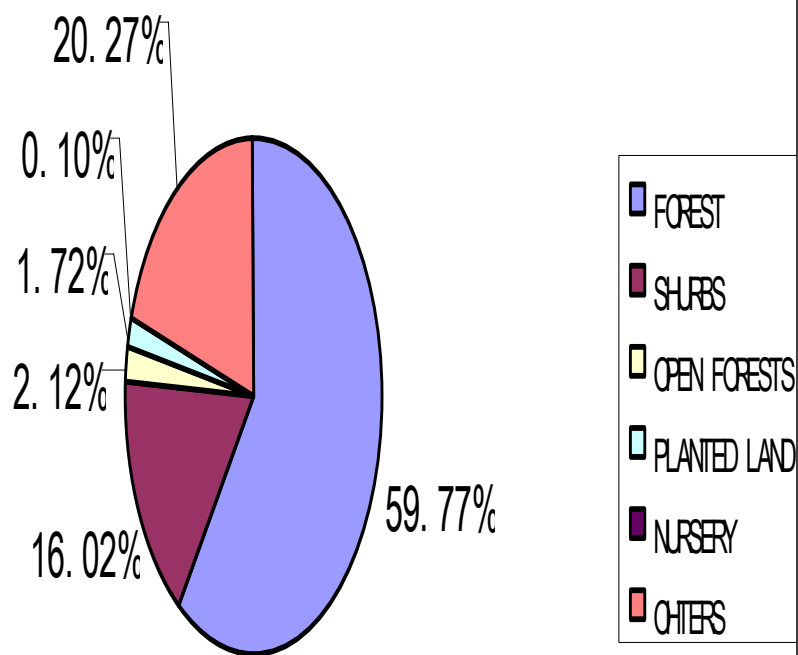
16—18 Chiangmai Thailand

Forestry Outlook for 2020 in China

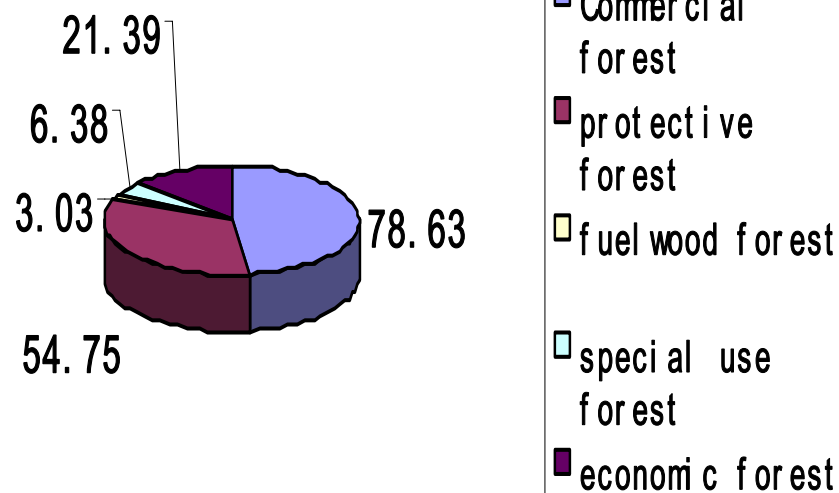




1.1 Forest and resources



area of forests of all types in Mainland (million ha)

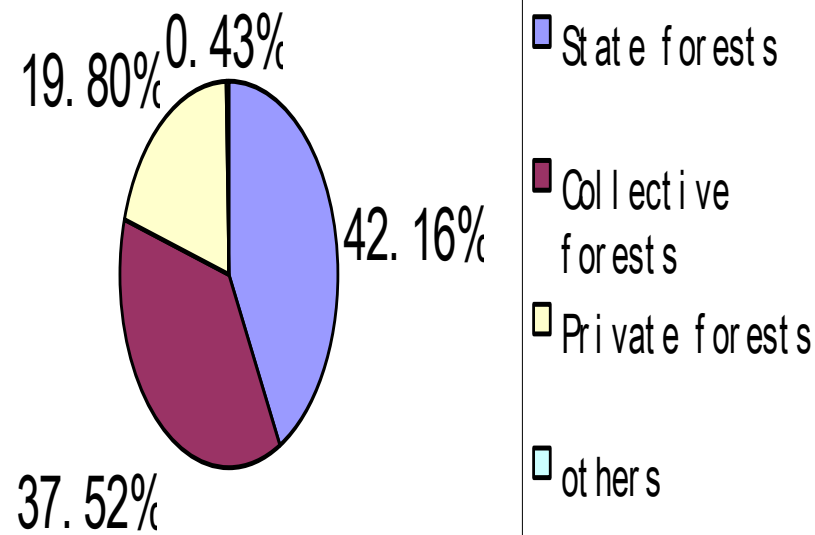
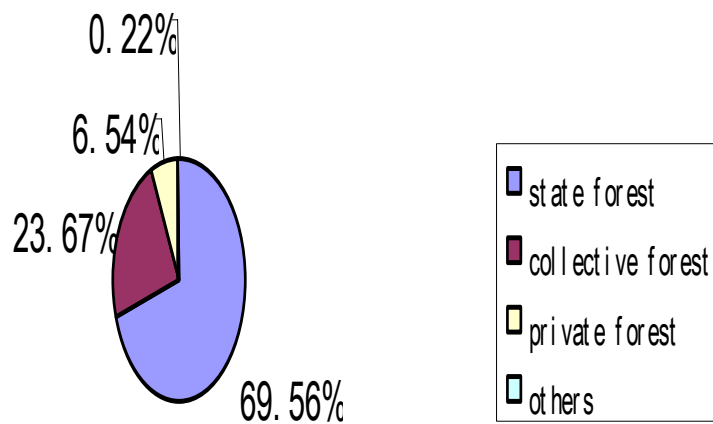


TOTAL FOREST LAND :282.8 MILLION HACTARES
All land in China is owned by the state



1.2. Stock volume and ownership

stock volume of the total forests



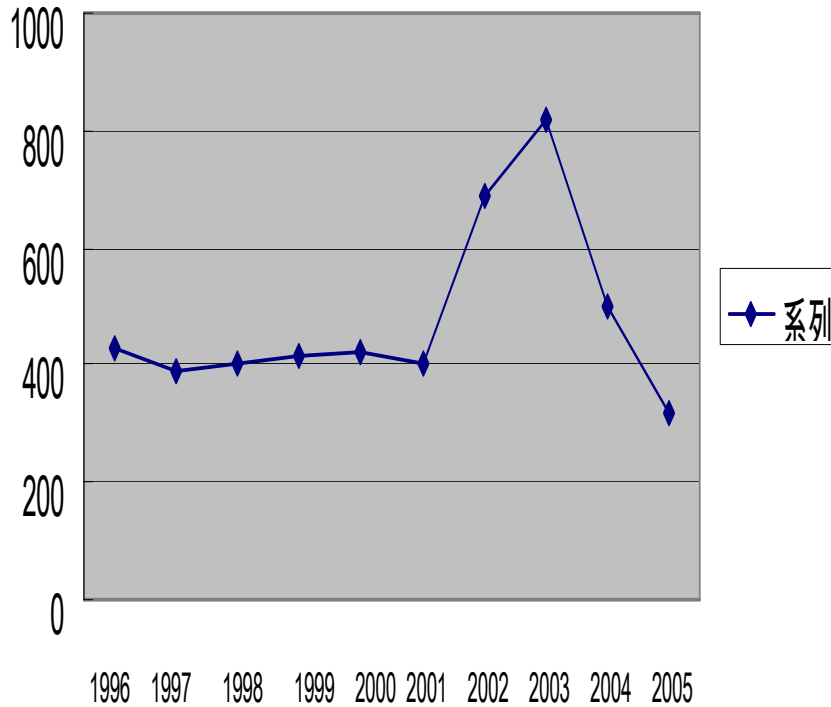
12.456 billion cubic meters

Forest ownership

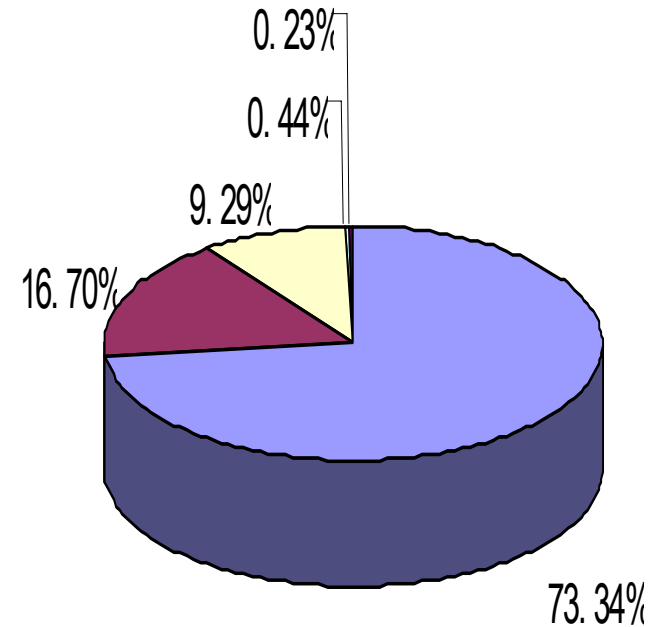
1.3 Tree planting



afforestation and reforestation (10,000 ha)



The percentage of plantations of all types in 2005



protective forests

economic forests

commercial forests

fuel wood forest

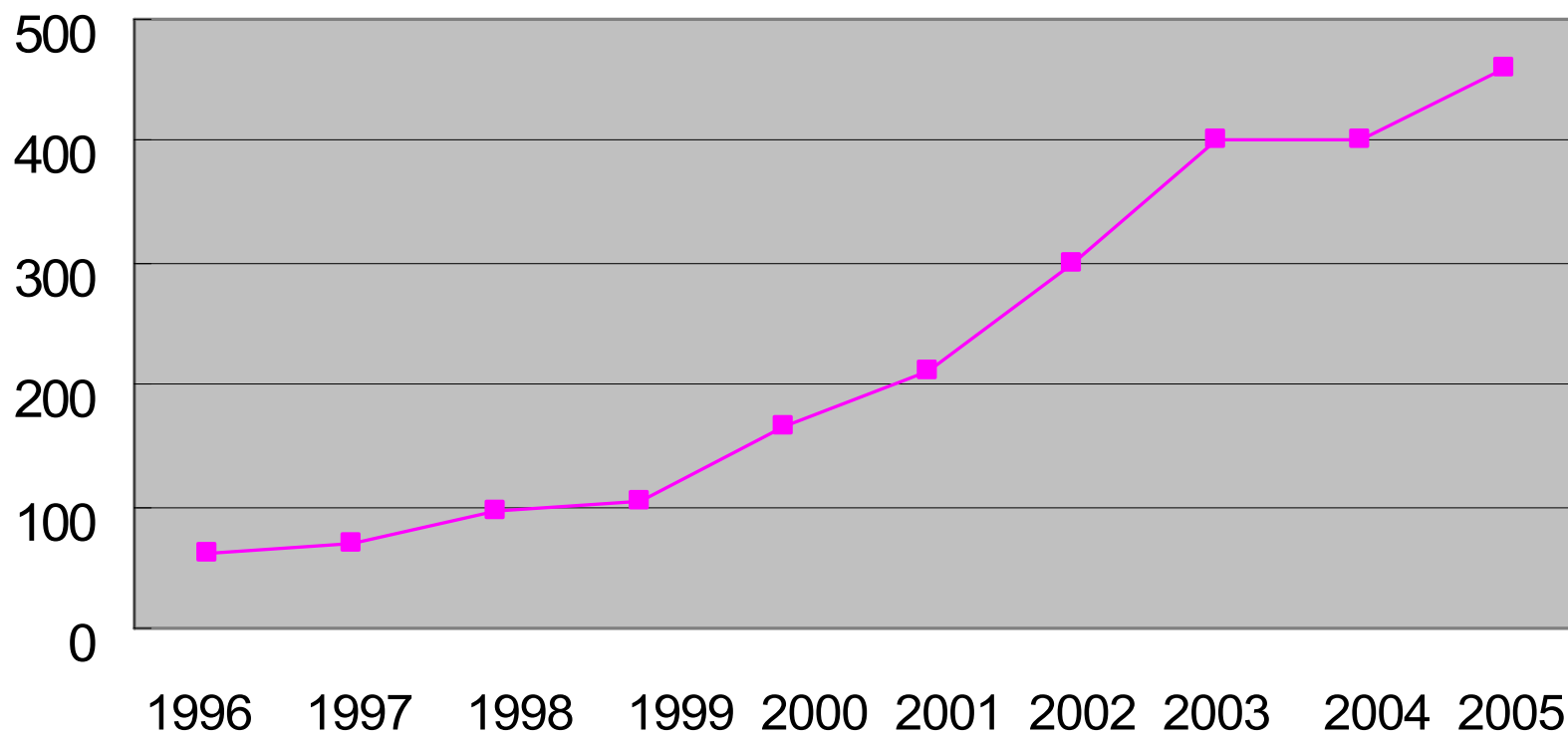
The key national forestry programmes contributed to the increase of plantation.

In 2003, the total area of plantation Established under CCFP was about 6 million hectares



1.4 Investment for tree planting

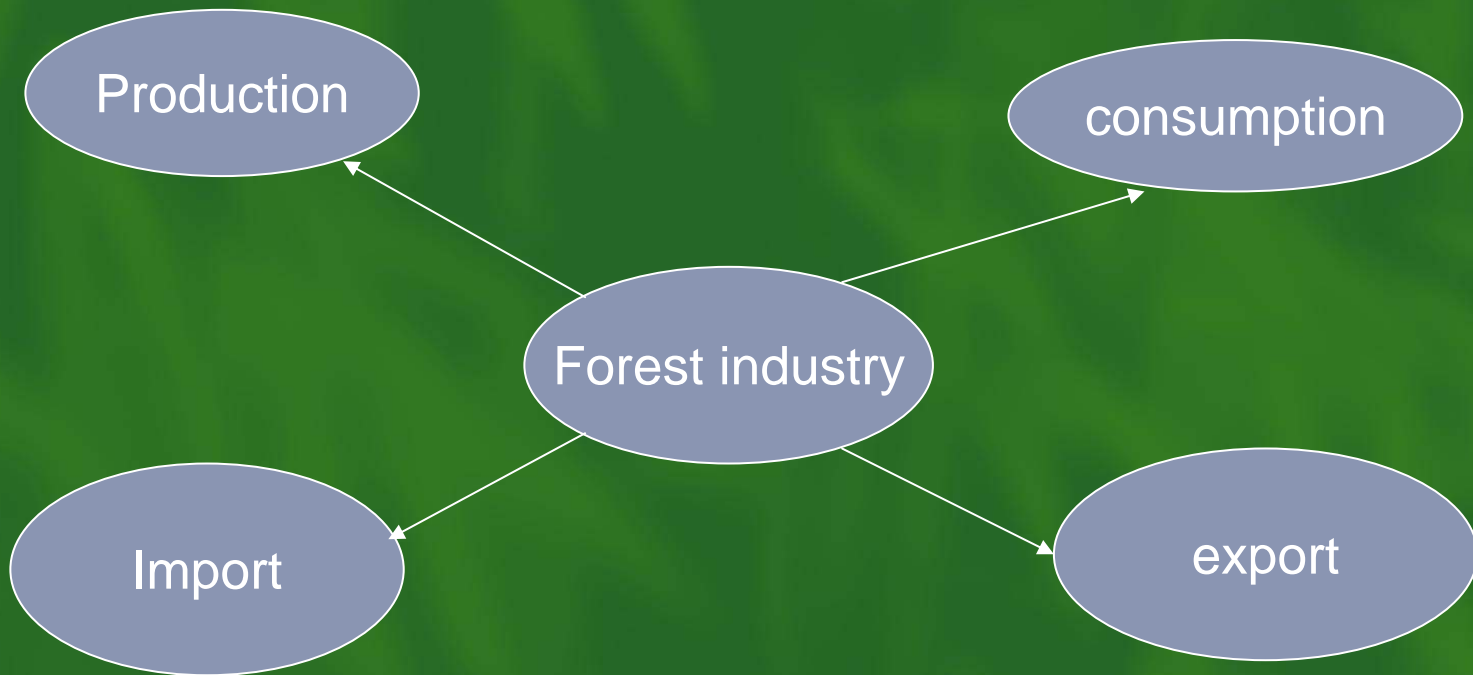
For est ry i nvest ment f r o m 1996 t o 2005



100 million RMB



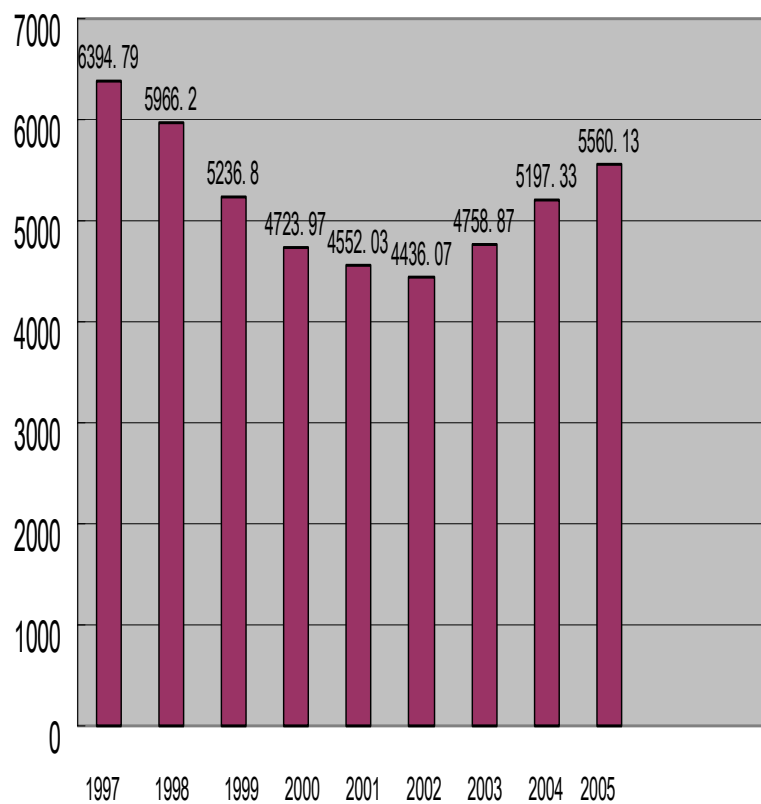
1.4. Forest Industry



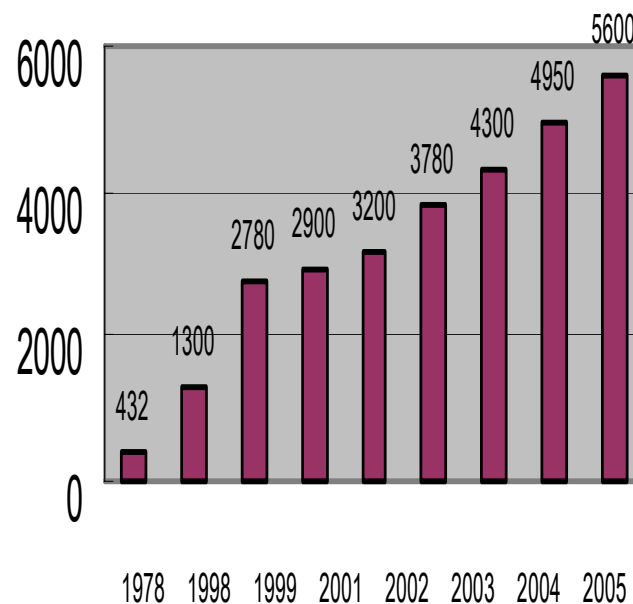


1.4.1 TIMBER PRODUCTION

TIMBER PRODUCTION



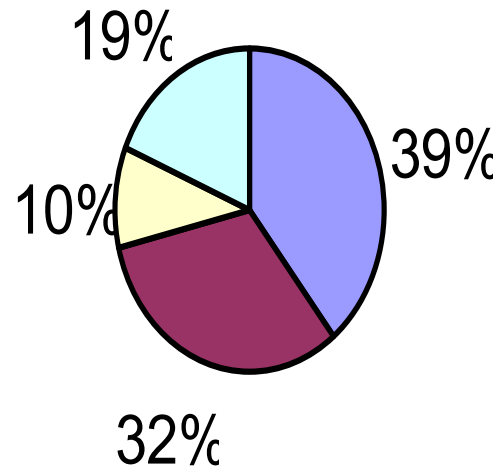
production of paper and paper board
(10000 cubic meters)



1.4.2 production of wood-based panels



PRODUCTI ON OF WOOD- BASED PANELS



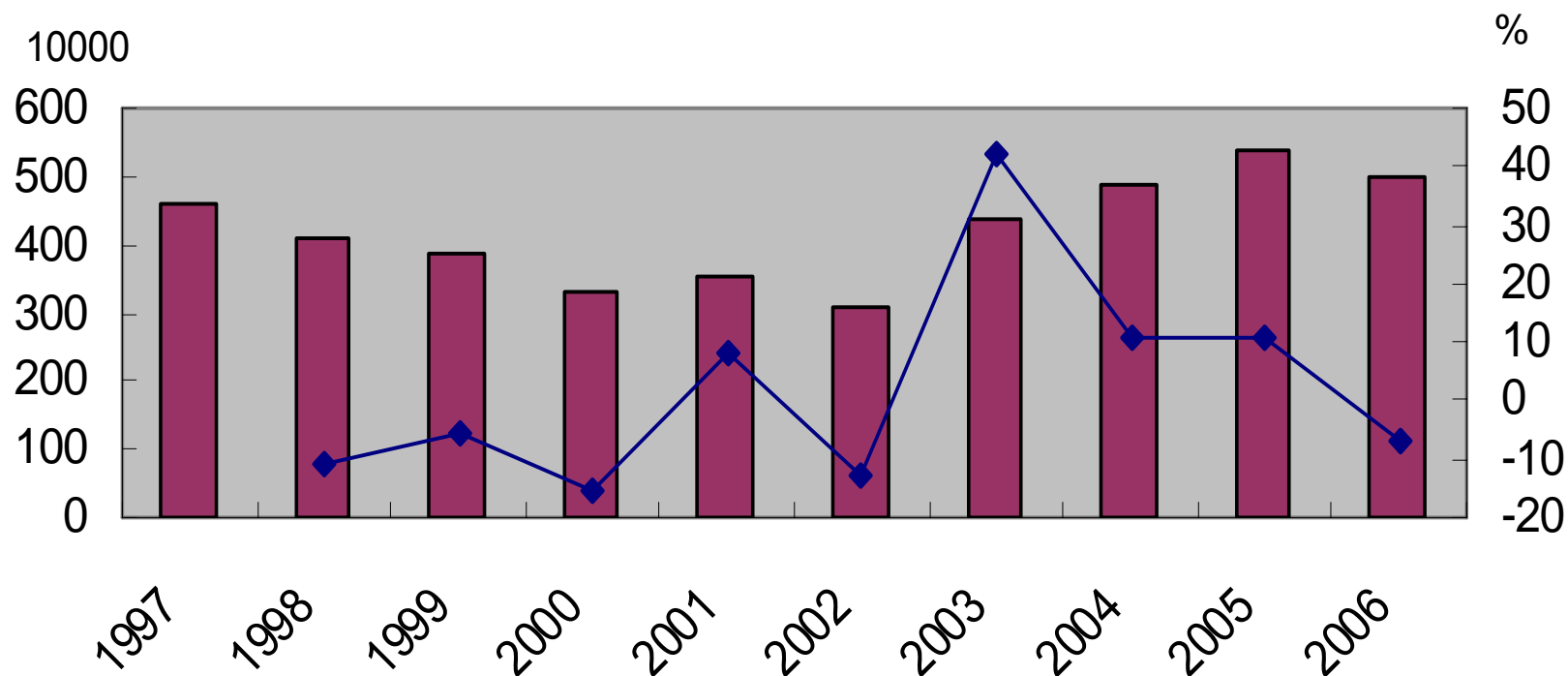
■ PLYWOOD ■ FIBER BOARD ■ PARTICLE BOARD ■ OTHERS

The production increased from 6.65 million cubic meters in 1995 to 63.92 million cubic meters in 2005, with annual growth of 23%



1.4.3 Fuelwood production

fuelwood production in past 10 years

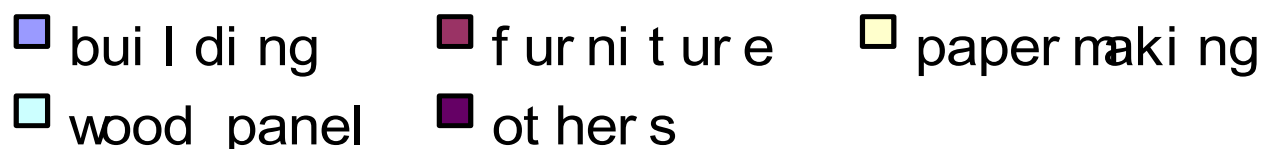
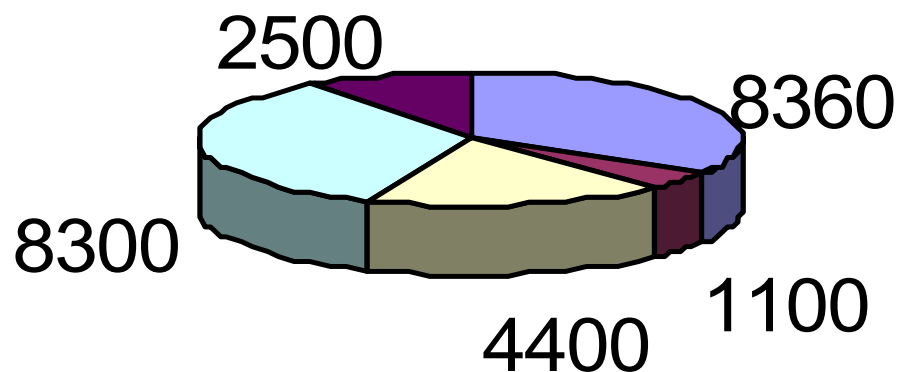


Production and growth rate



1.4.4 TIMBER CONSUMPTION

timber consumption in 2004 (10000 cm)



Not include fuelwood, waste paper



1.4.5 Log import in 2006

Country	10000 cubic meters	Percentage	increase
Russia	2182.6	67.9	8.9
PNG	204.6	6.4	12.5
Malaysia	141.2	4.4	-24.1
Myanmar	102.7	3.2	-9.4
Gabon	95.8	3.0	17.7
New Zealand	90.5	2.8	41.1
Solomon Island	77.5	2.4	18.7
Germany	46.8	1.5	5.2
Australia	39.0	1.2	65.3
	38.1	1.2	25.3

The total import was 32.153 million cubic meters, with a growth of 9.5% over 2005



1.4.6 Sawn Timber Import in 2006

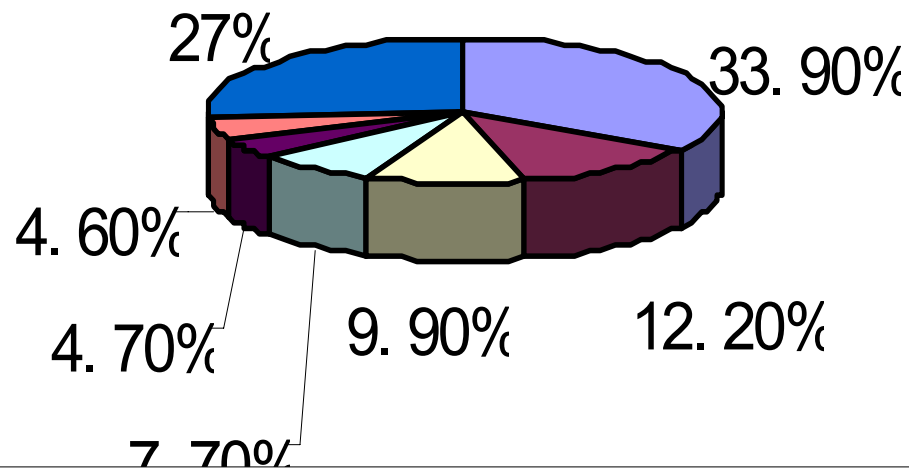
country	import	percentage	Increase %
Russia	117.4	19.3	11.1
USA	102.2	16.8	20.0
Thailand	70.7	11.7	-7.2
Indonesia	45.0	7.4	-37.5
Canada	39.8	6.5	13.7
Malaysia	37.6	6.2	-20.8
Brazil	34.1	5.6	21.8
New Zealand	28.1	4.6	29.5
Myanmar	17.8	2.9	-44.5
Chile	13.2	2.2	-7.7

Total import was 6.06 million cubic meters, with a growth
Of 1.6% over 2005

1.4.7 import of pulp and waste paper in 2006



Paper and waste paper import in 2006 (10000 tons)



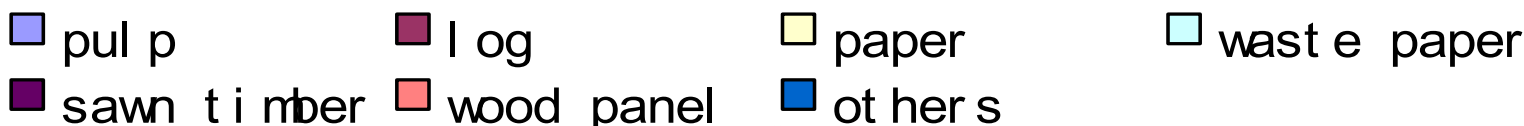
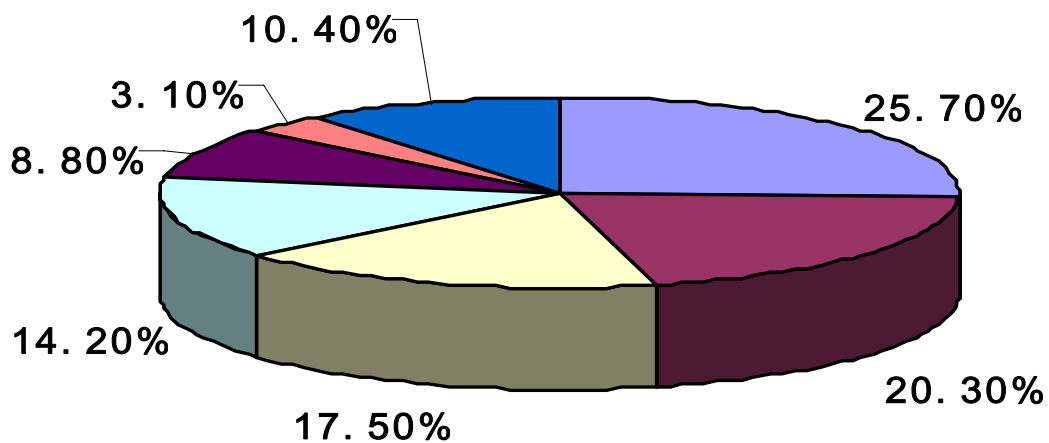
USA Japan Canada UK Netherlands Indonesia Others

The total import of pulp was 7.958 million tons meters, with a growth of 4.9% Over 2005. The import of waste paper was 19.63 million tons, increased By 15%. Import of paper was 4.4 million tons



1.4.8 Cost of forest products imports

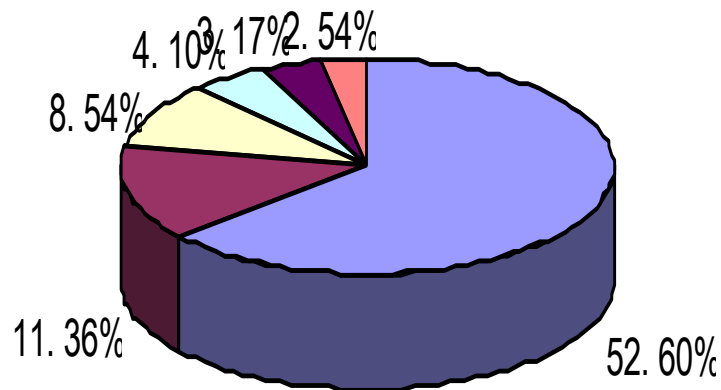
Cost of forest product import in 2006



The total cost of forest product import was 18.5 billion dollars

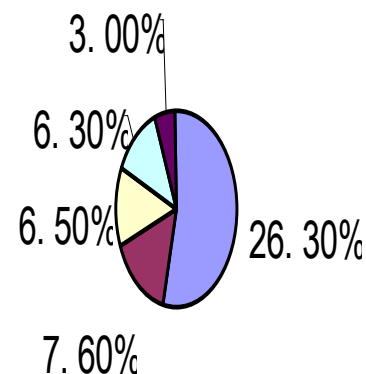


1.4.8 export of sawn timber in 2006



■ Japan
 ■ USA
 ■ Korea
 ■ Taiwan
 ■ Viet Nam
 ■ Hongkong

Main destination of Export of Plywood



■ USA
 ■ Japan
 ■ UK
 ■ Korea
 ■ Hongkong

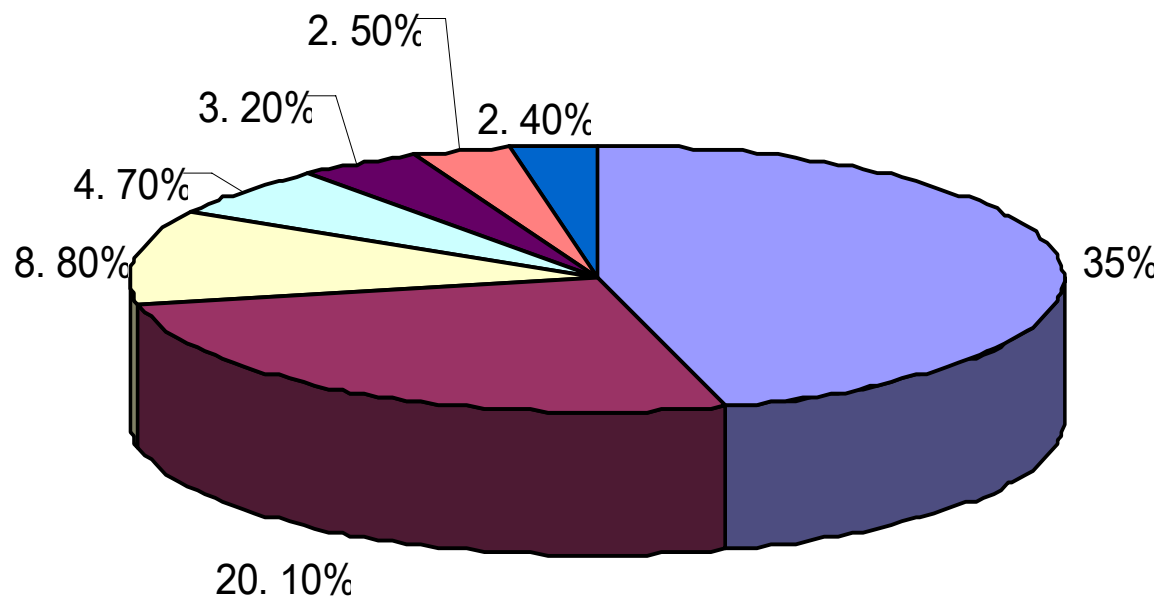
Total export in 2006 was 810,000 cubic meters.

The total export was 8.317 million m³ in 2006, with a growth of 48.5%, to 185 countries and regions



1.4.9 export of furniture in 2006

Main destination of furniture export



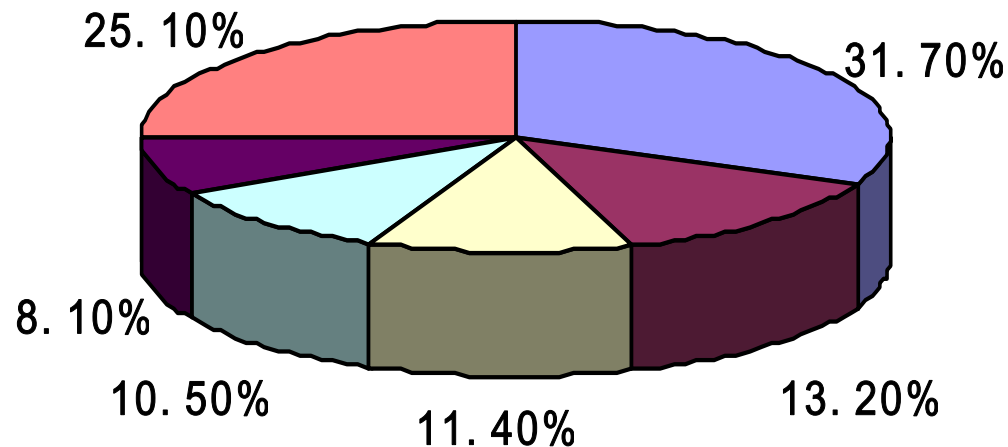
USA Hongkong Japan UK Canada Australia Korea

The total export was 248 million pieces,
with a increase of 37% over 2005

1.4.10 the export earning



The export earning of forest products in 2006



furniture

wood products

paper products

plywood

paper and paper board

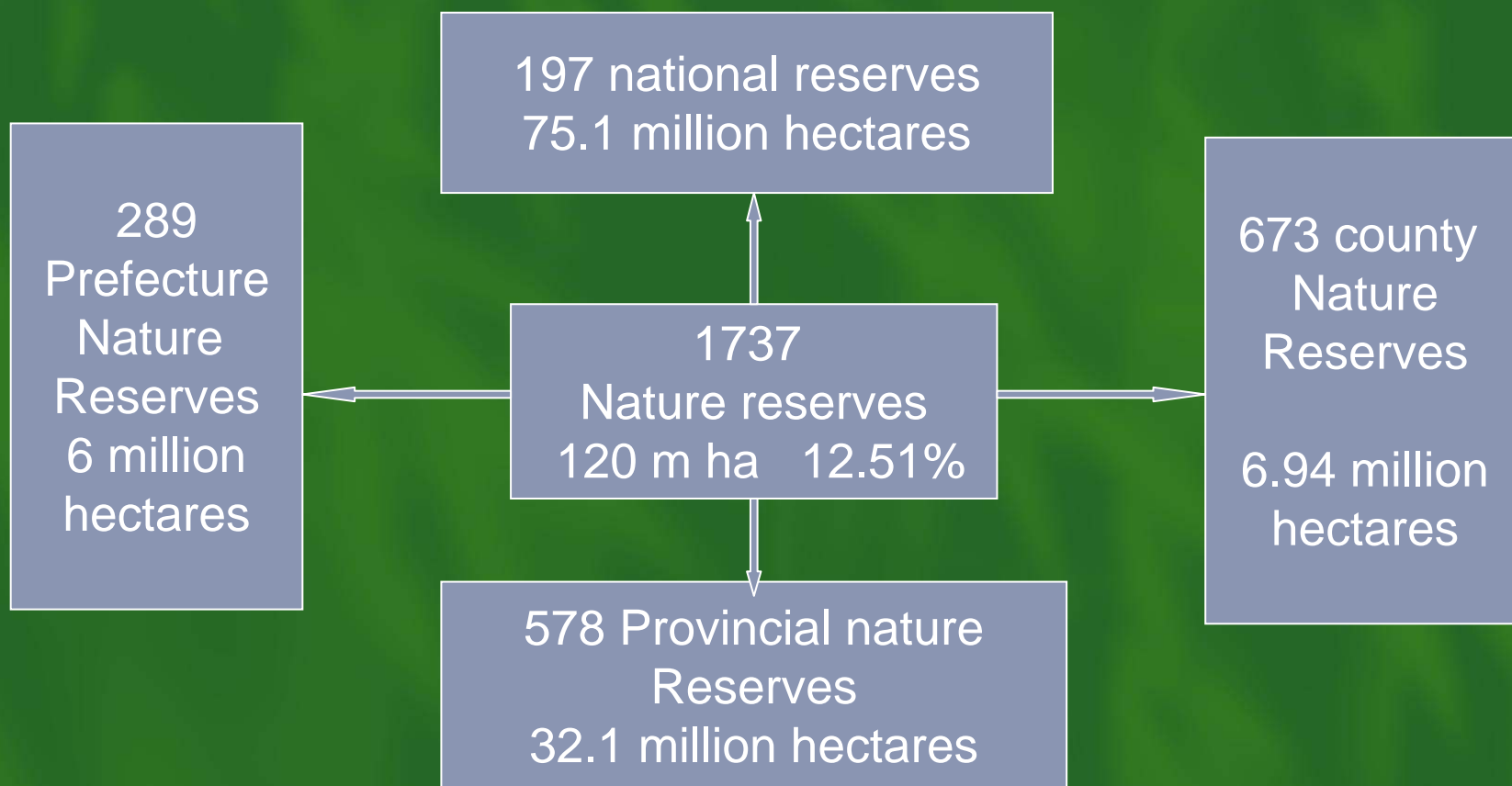
others

The total export earning of forest products in 2006 was 24.3 billion US dollars , Of which non –wood products was 3.4 billion US dollars



1.5 conservation

Biodiversity conservation



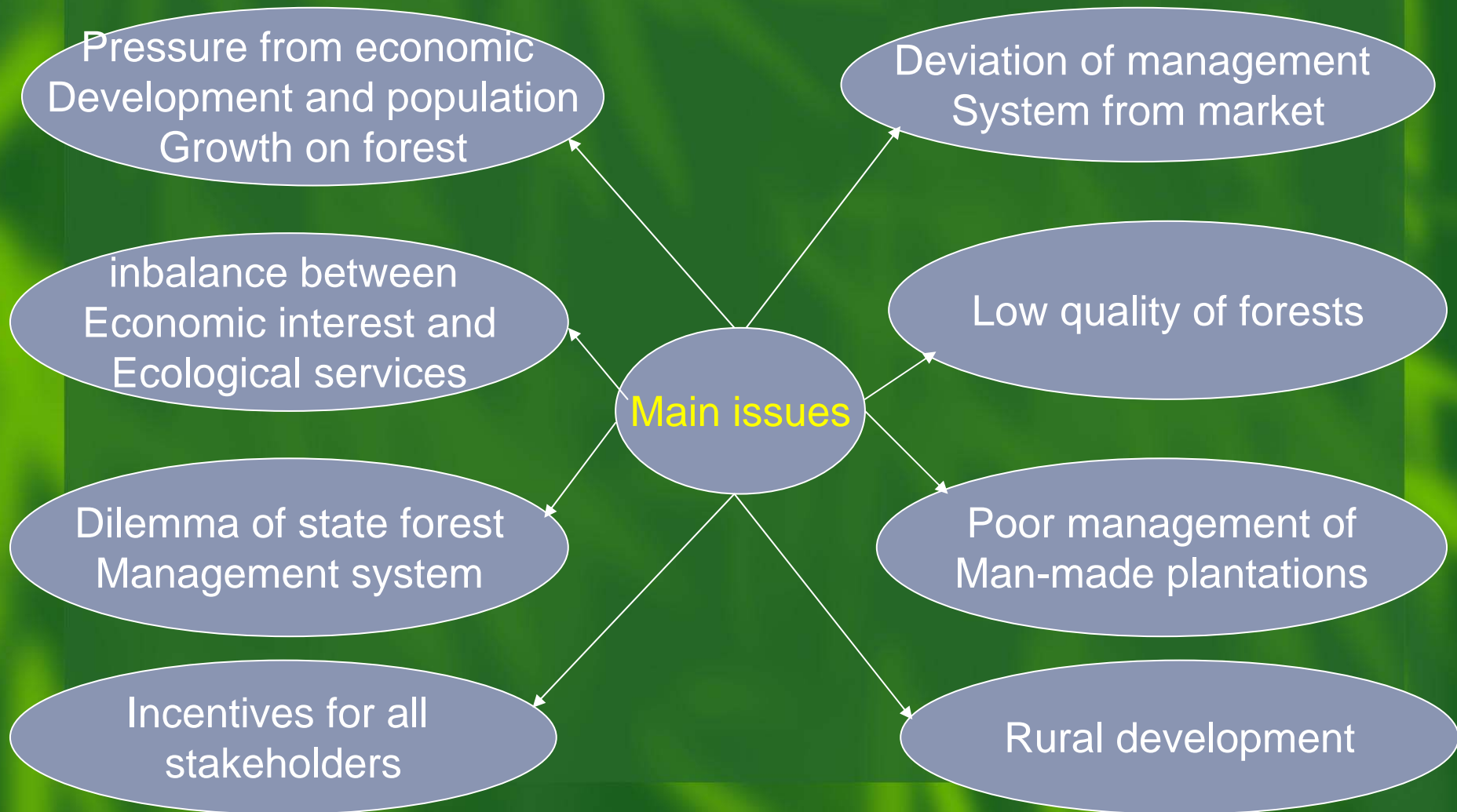
1.6 Policy change and governance



- ❖ Reform of forest policy
 - reform of collective forest management
 - reform of state forest administration
 - reform of forest law enforcement
- ❖ Revise outdated laws and regulations
- ❖ Promote sustainable forest management



2. Main issues



3 Key drivers for forestry development



Key drivers for
Forest change

Population
change

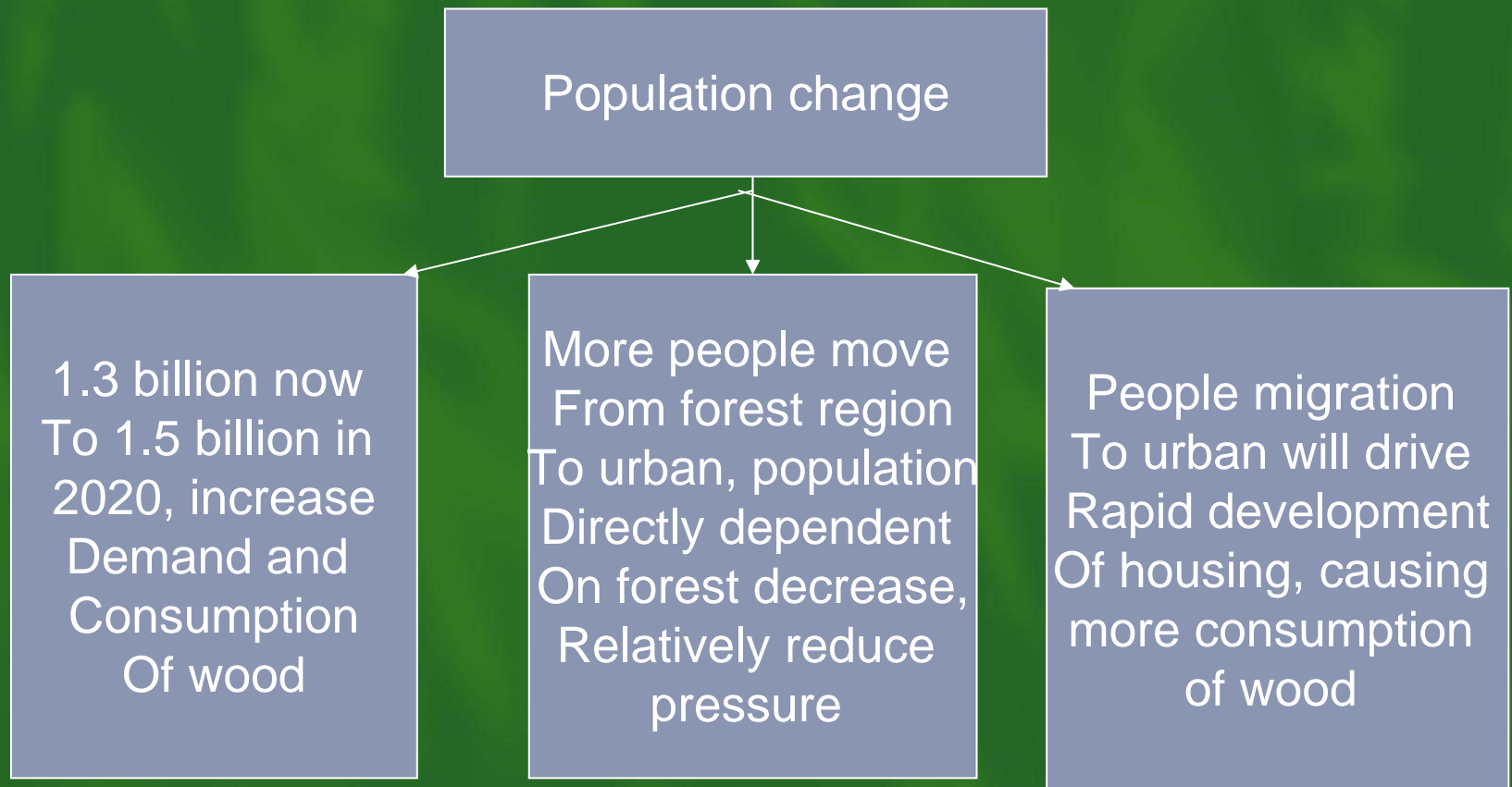
Economic
development

Policy
change

Environment
conservation



3.1 population change

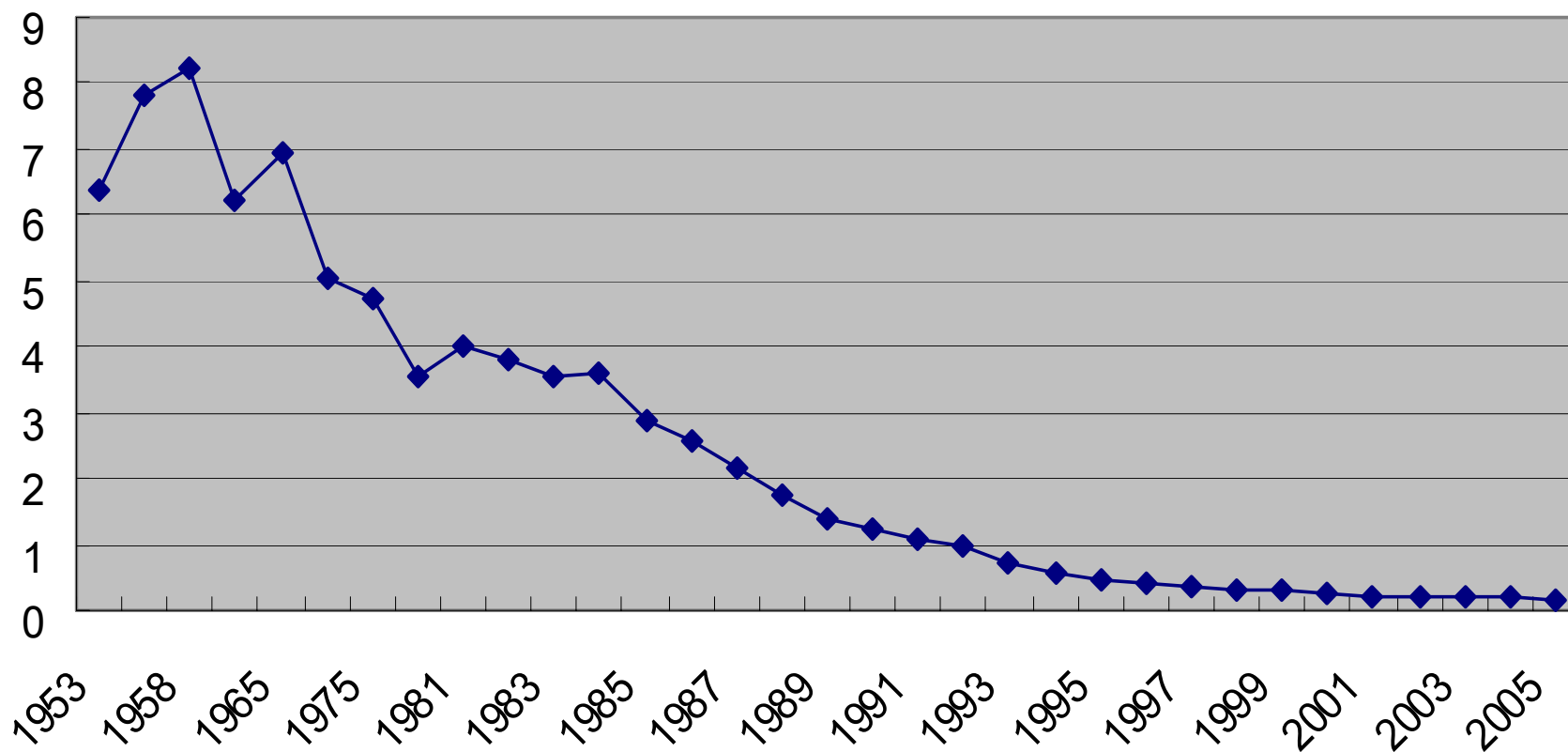




3.2 .1 Consumption of wood 10000 cubic meters/ 100 million GDP

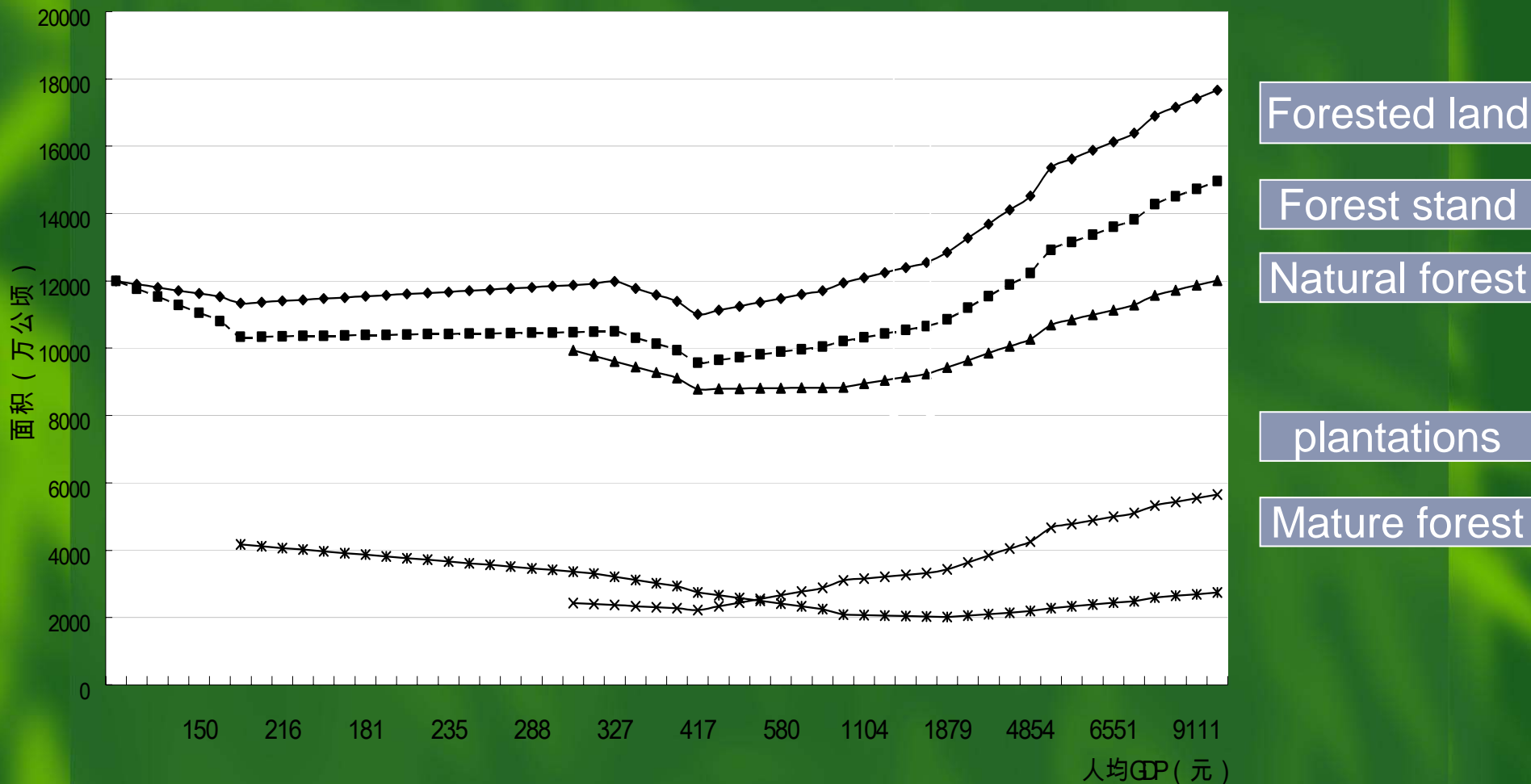
中国亿元GDP消耗木材量1953-2005

(万立方米/ 亿元)





3.2.2 Forest change driven by GDP



Changing trend of forest cover along with growth of per capita GDP
From 1951 to 2004

3.2.3 THE ELASTICITY OF WOOD DEMAND TO GDP GROWTH



Period	1998—2004	2004—2010	2010—2020
GDP growth	9.7%	7.8%	7.2%
Growth of timber consumption	7.8%	5.4%	3.6%
Elasticity of timber demand	0.8	0.7	0.5

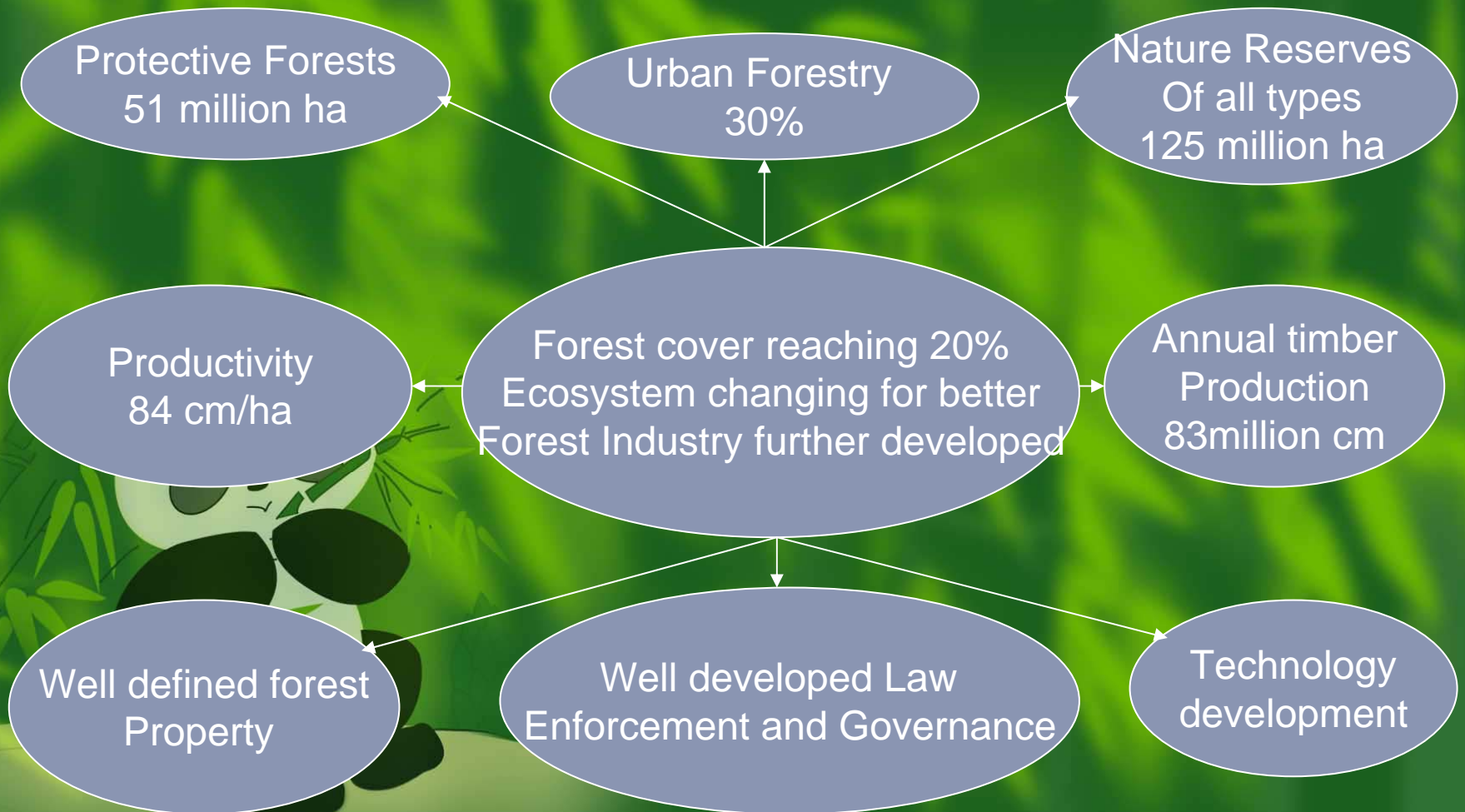
GDP IN 2010 MAY BE 21,000 BILLION RMB; IT WILL BE 43,000 BILLION RMB

3.3 Policy change and environment conservation



- ❖ Climate Change---APEC MEETING
- ❖ FLEG ----EU-China, US-China
- ❖ Reducing deforestation and degradation to reduce emission from forest activities
- ❖ Further promoting reforestation
- ❖ Rise of awareness of the public for blue sky and clean water
- ❖ All these will speed up reform of collective forest management

4.1 Outlook for 2010





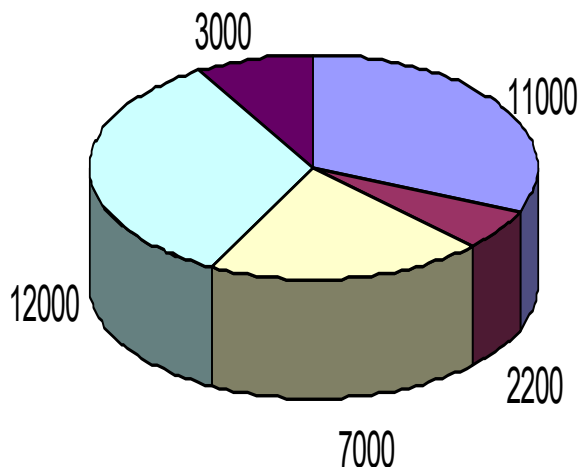
4.2 Outlook for 2020





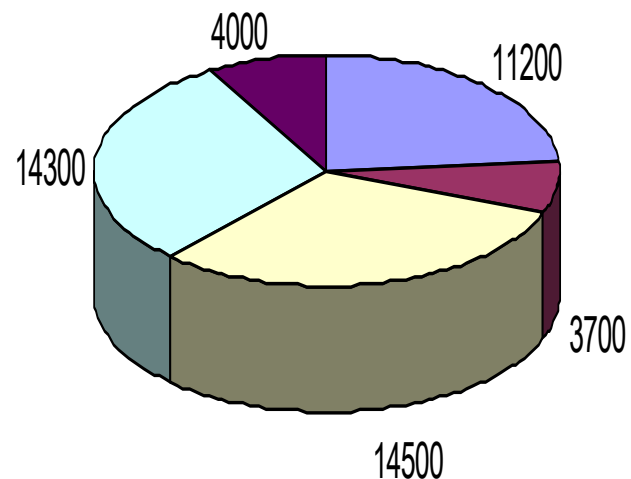
4.3 timber demand

Timber demand in 2010(10,000 cubic meters)



■ Building ■ furniture ■ paper making ■ wood panel ■ others

timber demand in 2020(10,000 cubic meters)



■ building ■ furniture ■ paper making ■ wood panel ■ others

The total consumption is estimated to 246 million cubic meters. But the Estimated supply will be 183 million cubic meters , with a shortage of 150 million cubic meters

The total consumption is estimated to be 477 million cubic meters But the estimated supply will be 308 million , with a shortage of 160 million

4.4 Priority towards 2020



- ❖ Restoration of vegetation in the west to improve environment
- ❖ To establish perfect forest and ecosystem protection system, with a focus on national key protective forests, national nature reserves, wetlands
- ❖ To further develop forest industry, with a focus on development of fast-growing plantation and improvement of efficiency
- ❖ Further carry out forest management reform
- ❖ To strengthen forest law enforcement and governance
- ❖ To increase use of bamboo, straw, waste paper and wood residue
 - bamboo, 4.8436 million hm². The production in 2010 will be 31.88 million t/a , saving timber in 2010 will be 25 million m³
 - agricultural residue is about 500 million tons. If 1% of that is used to produce panel, 11 million m³ of timber will be saved;
 - the recovery of waste paper in China is 30%, lower than 47.5% of US , 68% of Germany and 68.4% of Japan. If it is increased to 40% , 3.30 million cubic meters of fiber will be recovered , equivalent to 12 million m³ of timber
 - development of biogas in rural area especially in forest region will reduce consumption of fuelwood