

# Analysis of Wood Market in China

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## Overview of Wood Market in China

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- Demand is increasing year after year
  - Economy is increasing steadily and rapidly
  - People's living standard is rising continually
- Domestic supply is decreasing year after year
  - NFPP
- Gap between supply and demand is wider and wider in China
- Import is increasing continually
- The price is fluctuating
  - There is misunderstanding

## Wood Consumption in China

## Wood Consumption in China

- Consumption=Production+Import-Export

### 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%

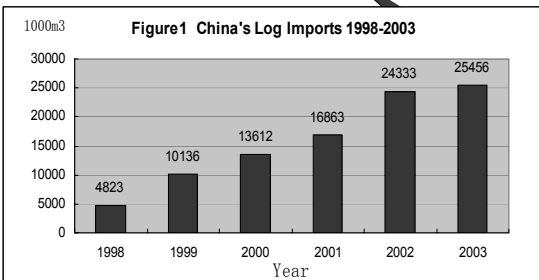
### Wood Consumption in China

#### Wood Production (2002)

- Log: 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%

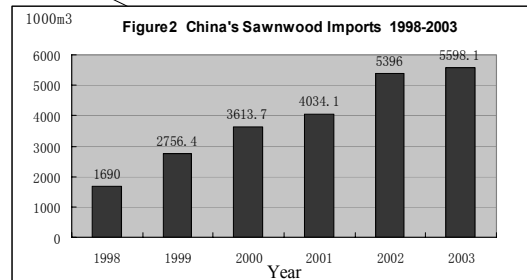
### Wood Consumption in China

#### Import



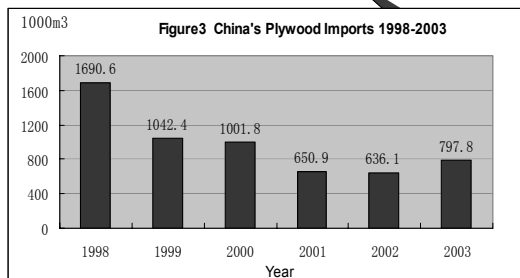
### Wood Consumption in China

#### Import



### Wood Consumption in China

#### Import



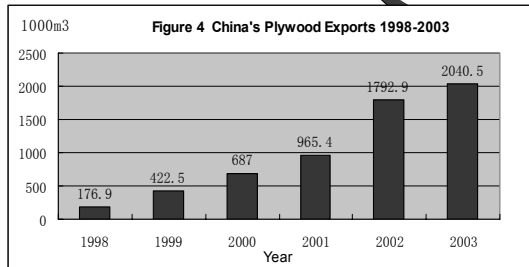
### Wood Consumption in China

Table 1 China's Log and Sawnwood Import by Ten Main Country

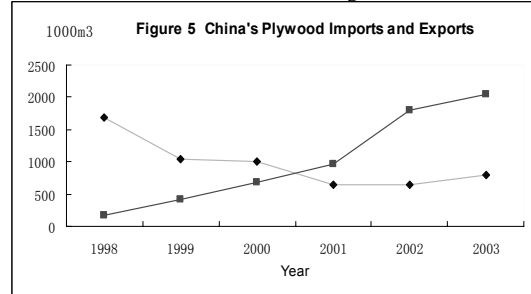
Log		Sawnwood	
Country	Import (1 000m <sup>3</sup> )	Country	Import (1 000m <sup>3</sup> )
Russia	14806.3	Indonesia	1419.7
Malaysia	2121.9	The United States	646.8
New Zealand	1641.3	Thailand	592.1
Papua New Guinea	1128.0	Russia	551.7
Gabon	1088.0	Malaysia	489.4
Liberia	631.4	Canada	281.3
Myanmar	605.2	Myanmar	228.7
Germany	391.8	New Zealand	222.7
Equatorial Guinea	344.6	Germany	160.7
Indonesia	250.9	Brazil	157.2

## Wood Consumption in China

### Export



## Wood Consumption in China



## Prices in Wood Market in China

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- 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
- Detail: vary with production area, marketing area and time

## Misunderstanding in Wood Supply and Demand

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- Aggrandize the gap between wood supply and demand
- Petroleum and steel: gap between supply and demand result in price rising directly
- Wood: no; fluctuating == price rising may be temporary
- One hand: import increasing year after year
- The other hand: the marketing of domestic wood is not very well.
- Gap: aggrandized
- Essential reason: The gross gap is not wide, but structural gap is very wide

## Trends in Wood Market in China

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- 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.)

**Thank You !**