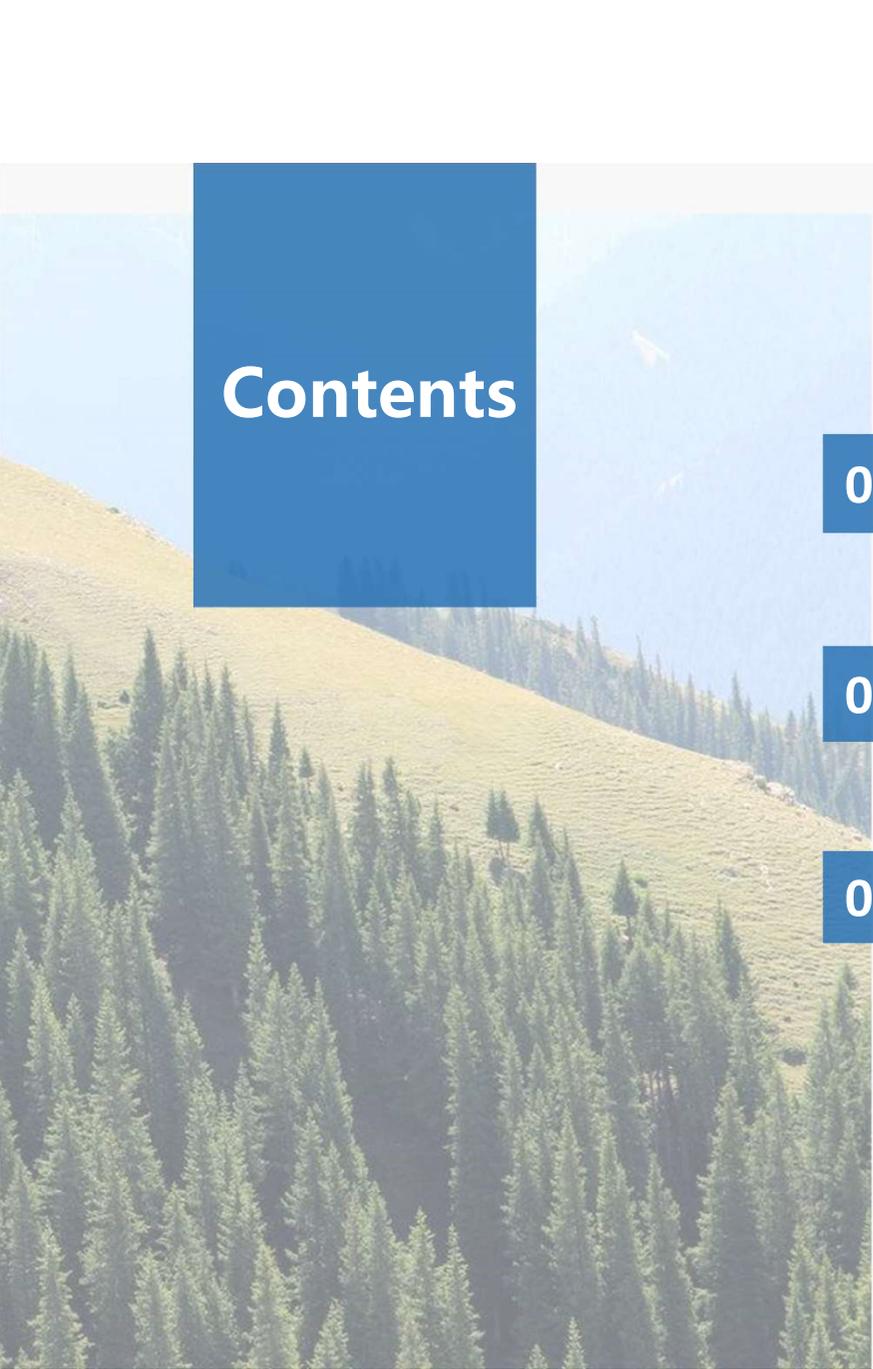




# Chinese Timber Market Situation and Trends

China Timber and Wood Products Distribution Association

Liu Nengwen



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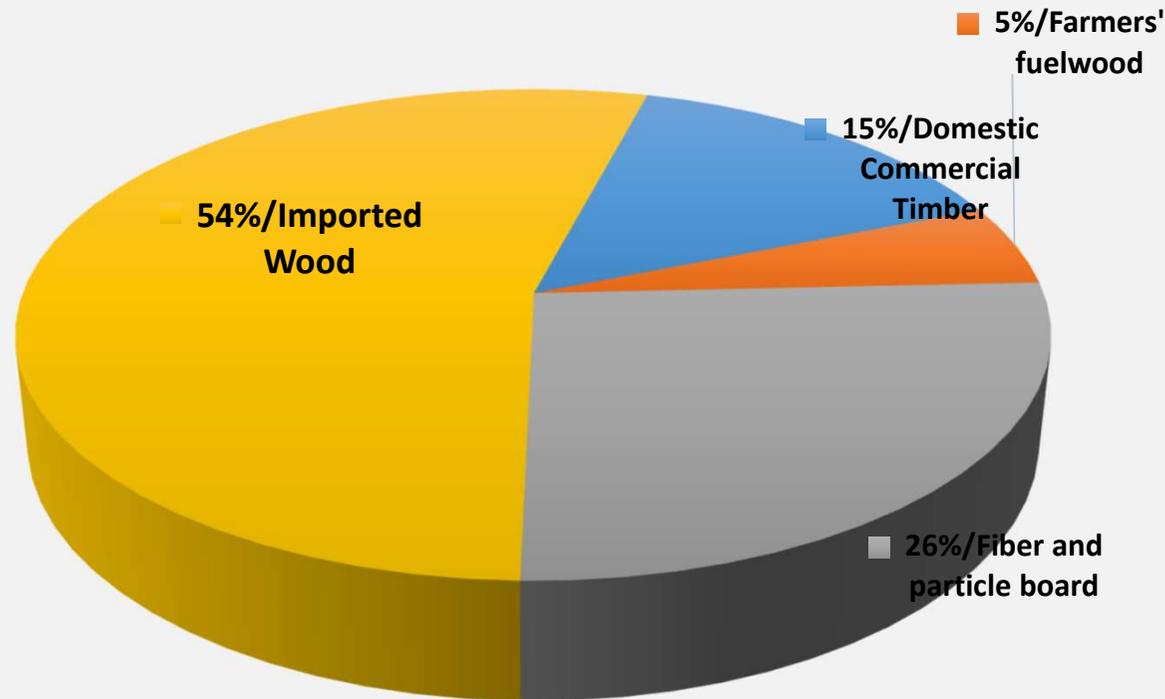


**01**

# **Chinese timber supply and changing**

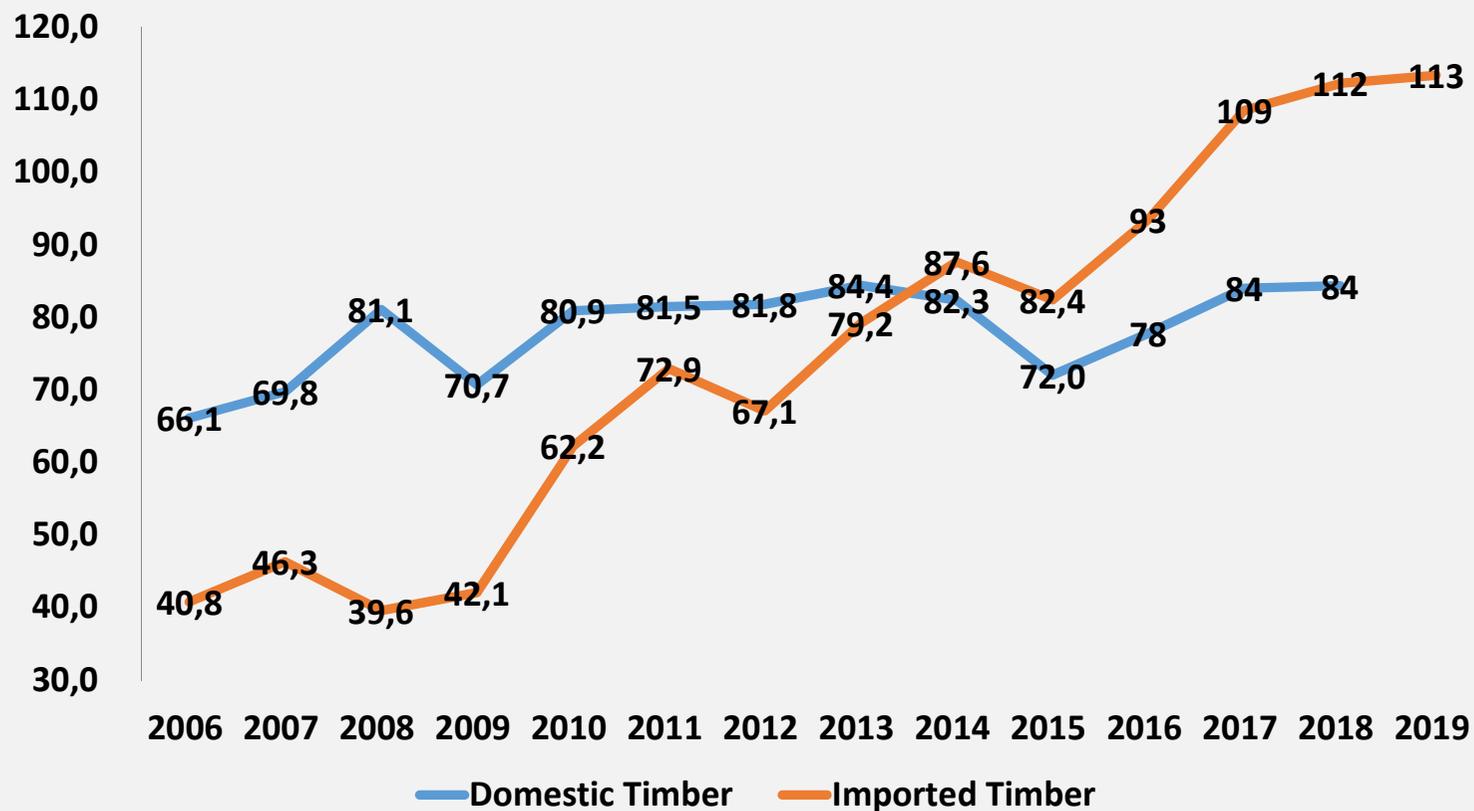
China is the largest consumption country of timber and wood products in the world, with annually consuming 570 million m<sup>3</sup> timbers, which includes 310 million m<sup>3</sup> imported timbers (RWE)

Wood Supply Structure in 2018



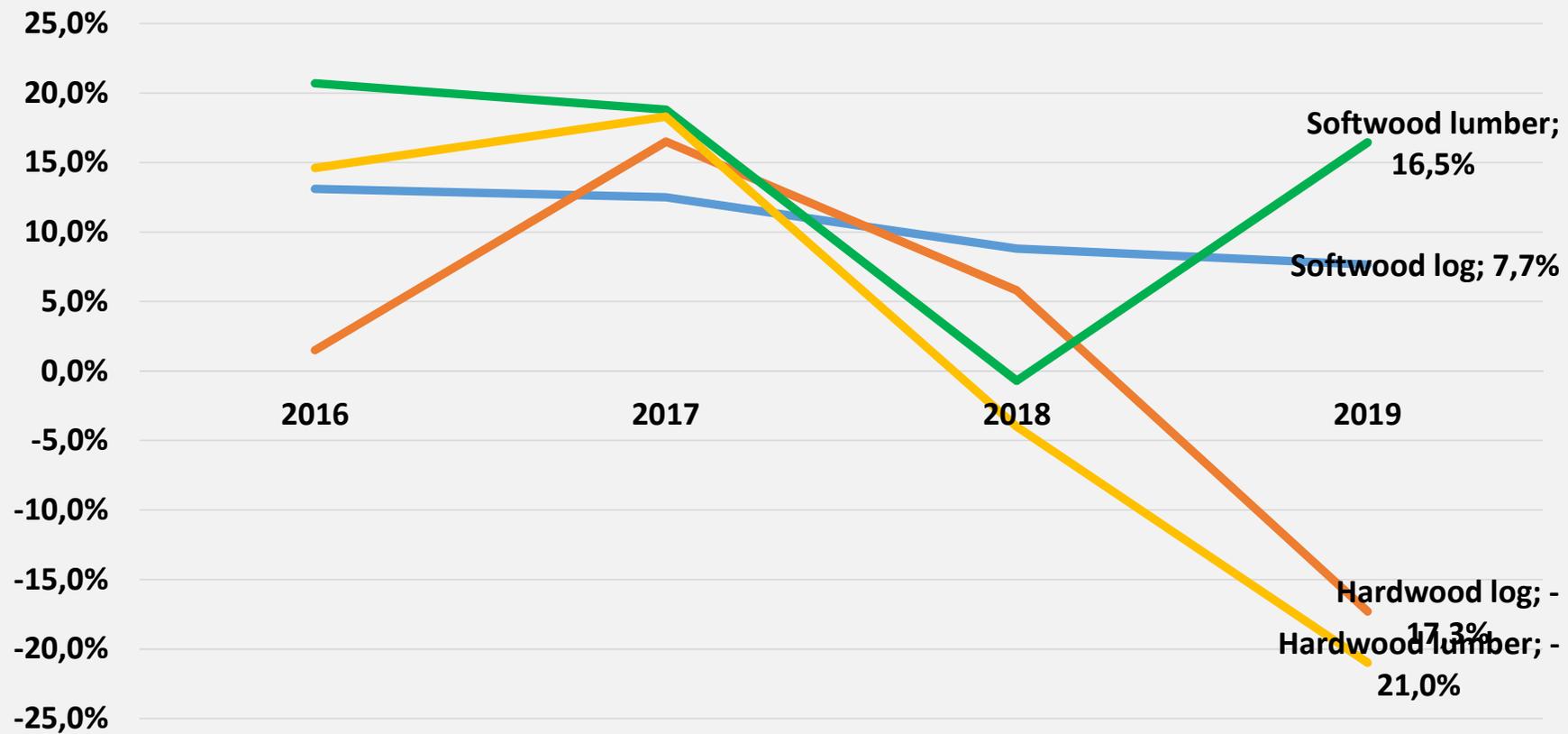
Chinese timber importation (log and lumber) exceeded 100 million m<sup>3</sup> for the first time in 2017, and it will keep stable growing in the future.

2006-2019 Chinese Timber Supplying (million m<sup>3</sup>)

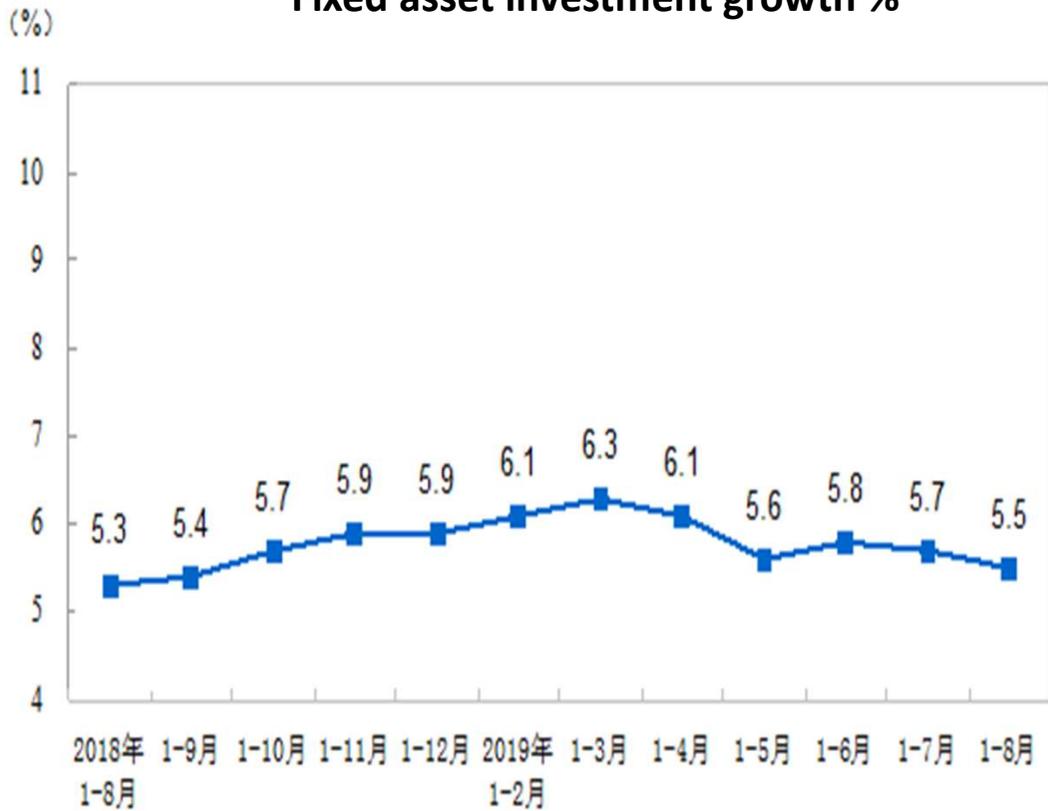


In 2019, hardwood importation reduced largely, but softwood importation keeps increasing

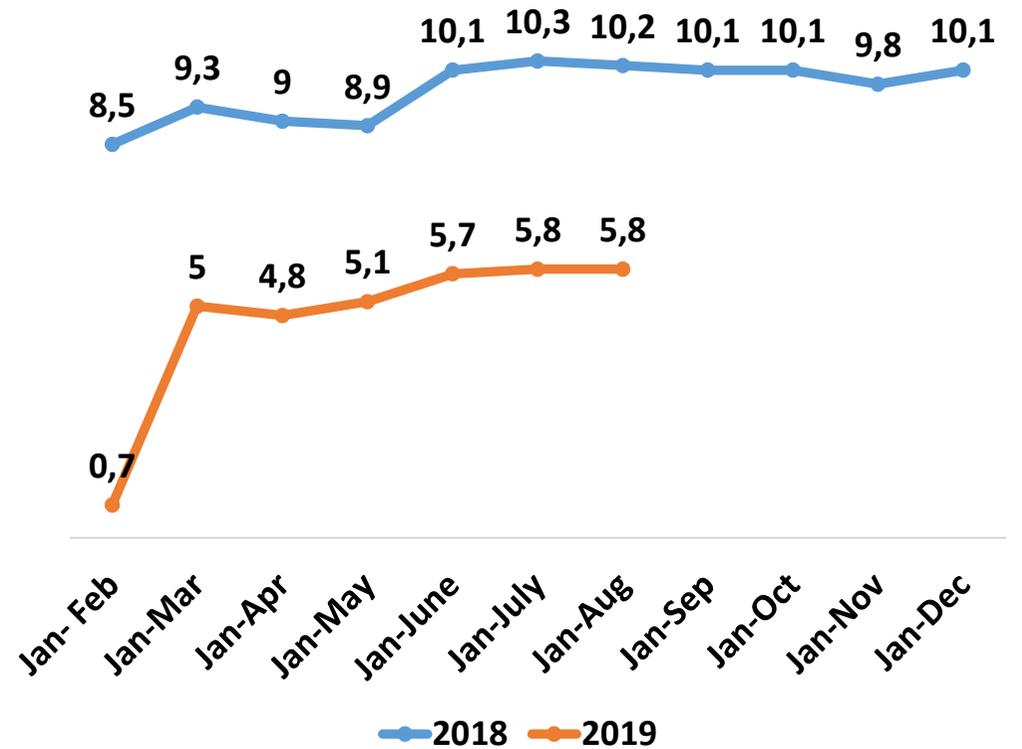
Chinese timber importation growing rate



### Fixed asset investment growth %

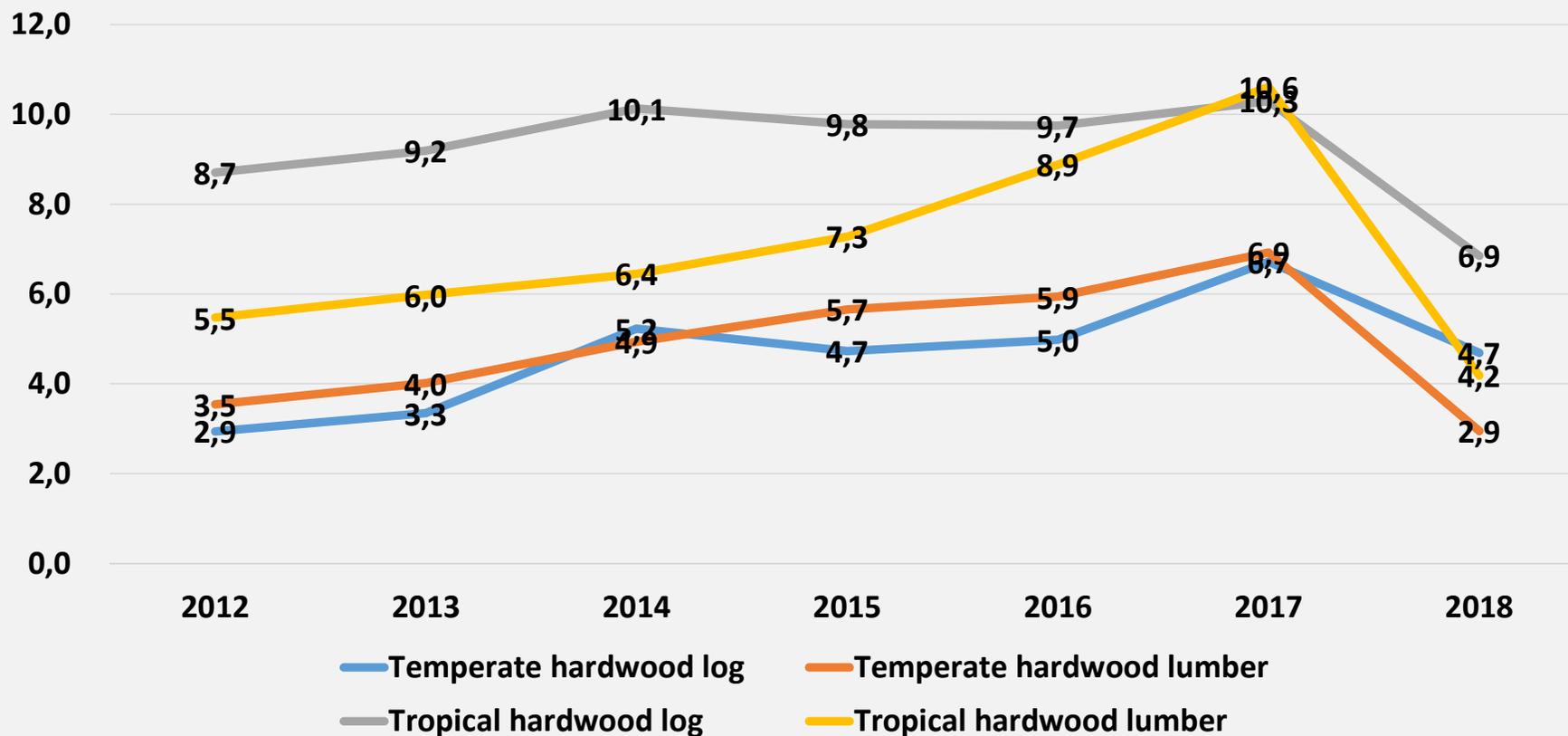


### Furniture retail sales growth %



# Hardwood importation dropped to the lowest level since 2012

## 2012-2018 Hardwood Importation (million m3)



In 2019, tropical hardwood log importation decreased a lot, and Africa, PNG and Solomon are the main supplying regions and countries

Tropical hardwood log	Jan.-Aug. 2019		Jan.-Aug. 2018		Changing	
	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )
Africa	2.23	416	2.88	439	-22.4%	-5.3%
Asia	0.14	1364	0.23	1030	-37.3%	32.4%
Latin America	0.20	379	0.37	374	-46.8%	1.3%
PNG	2.11	186	2.43	235	-13.0%	-20.8%
Solomon	1.69	175	1.93	200	-12.7%	-12.2%
Others	0.08	322	0.09	358	-8.4%	-10.2%
Total	6.45	296	7.92	331	-18.5%	-10.5%

Except for rubber wood from Thailand, Africa is the main supplying region for tropical lumber and keeps growing

Tropical hardwood lumber	Jan.-Aug. 2019		Jan.-Aug. 2018		Changing	
	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )	Volume (million m <sup>3</sup> )	Prices (\$/m <sup>3</sup> )
Africa	0.6	547	0.6	583	4.35%	-6.14%
Latin America	0.1	664	0.1	668	-23.72%	-0.66%
Thailand	2.5	294	3.1	351	-21.17%	-16.31%
Others	0.7	400	0.9	494	-28.82%	-18.99%
Total	3.8	363	4.8	417	-19.47%	-12.86%

## The tropical hardwood log from Africa decreased this year, but tropical hardwood lumber increases

Africa tropical hardwood log	Jan.-Aug. 2019 (million m <sup>3</sup> )	Jan.-Aug. 2018 (million m <sup>3</sup> )	Changing
Equatorial Guinea	0.63	0.86	-26.98%
Mozambique	0.27	0.33	-19.02%
Nigeria	0.01	0.29	-97.39%
the Republic of Congo	0.42	0.33	28.41%
Cameroon	0.37	0.47	-21.09%
Others	0.54	0.60	-10.61%
<b>Total</b>	<b>2.23</b>	<b>2.88</b>	<b>-22.39%</b>

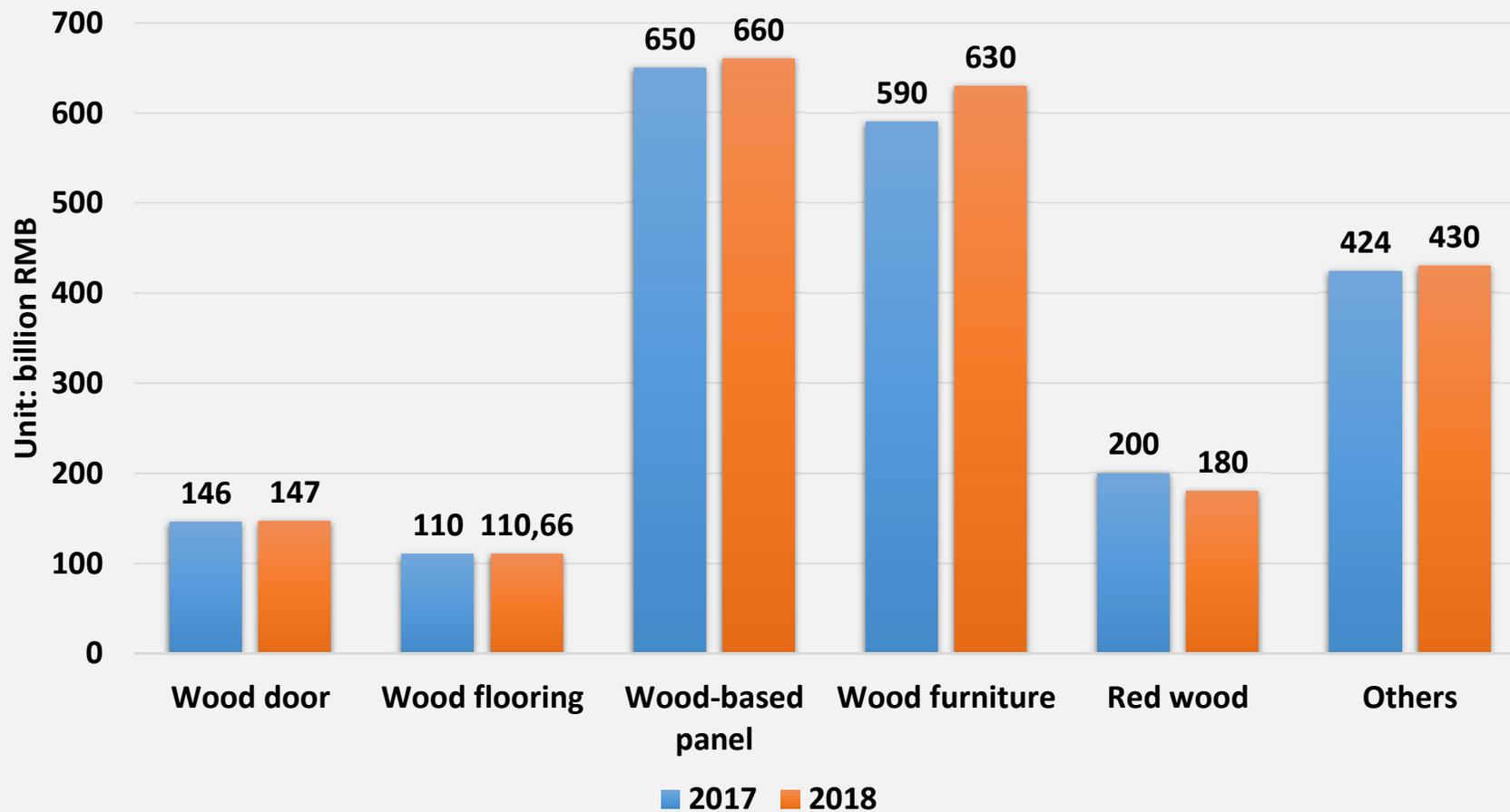
Africa tropical hardwood lumber	Jan.-Aug. 2019 (million m <sup>3</sup> )	Jan.-Aug. 2018 (million m <sup>3</sup> )	Changing
Gabon	366.55	349.40	4.91%
Cameroon	97.20	94.87	2.46%
the Republic of Congo	36.39	25.40	43.26%
Nigeria	7.76	46.80	-83.42%
Others	125.26	90.29	38.73%
<b>Total</b>	<b>633.16</b>	<b>606.76</b>	<b>4.35%</b>



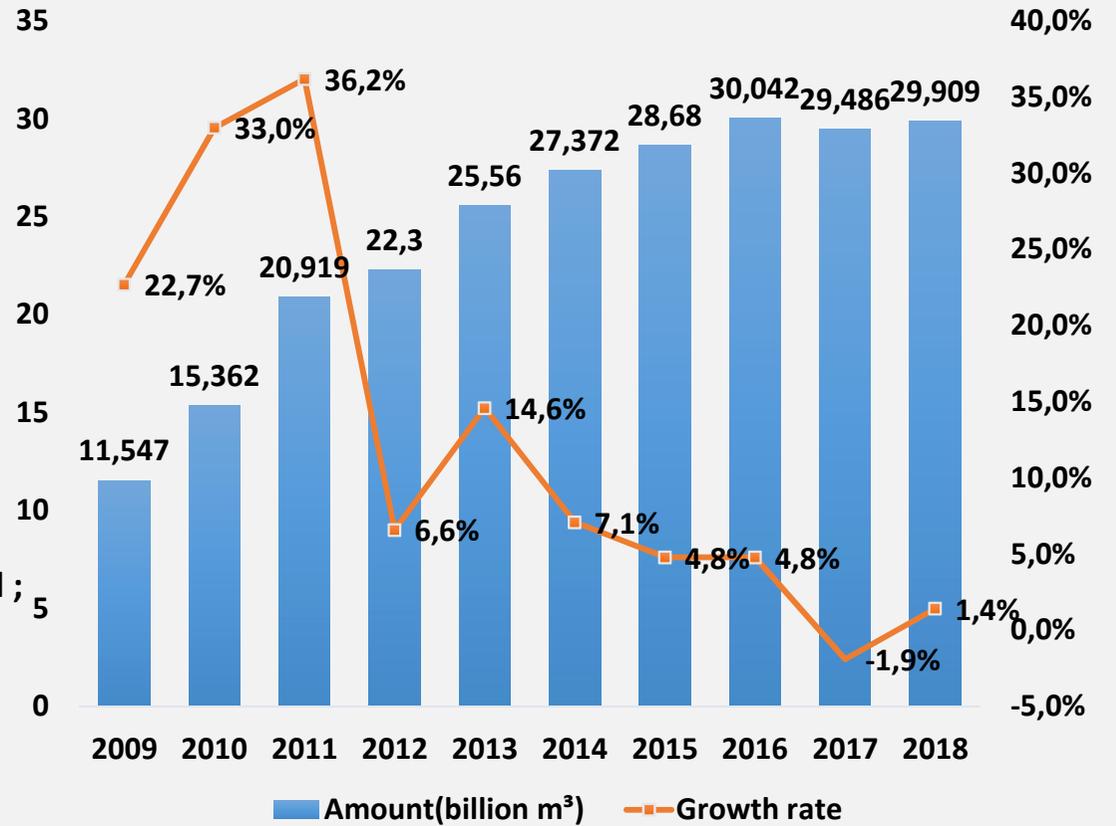
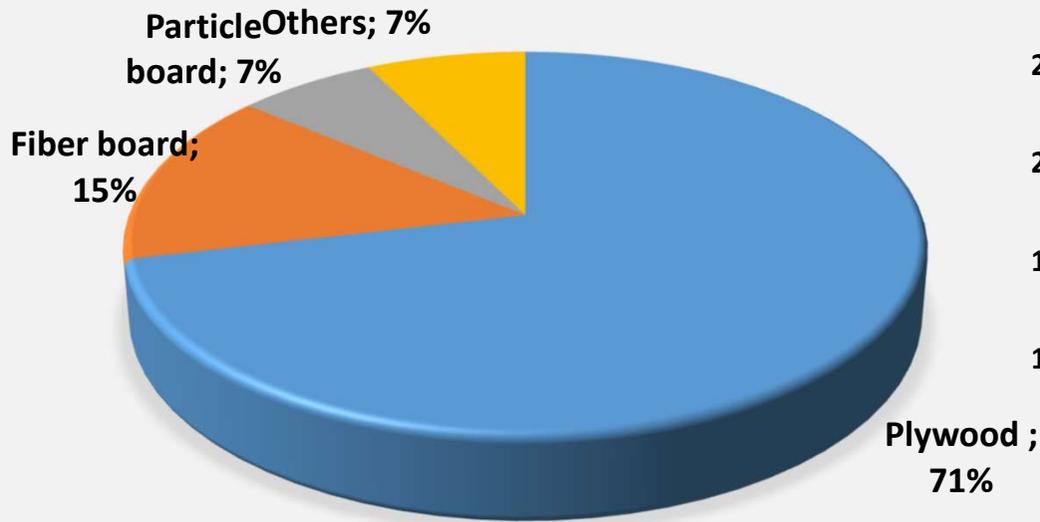
**02**

## **Chinese wood product industries and changing**

The value of Chinese wood product industry is about 2.2 trillion RMB, and in which the largest industries are wood-based panel and furniture

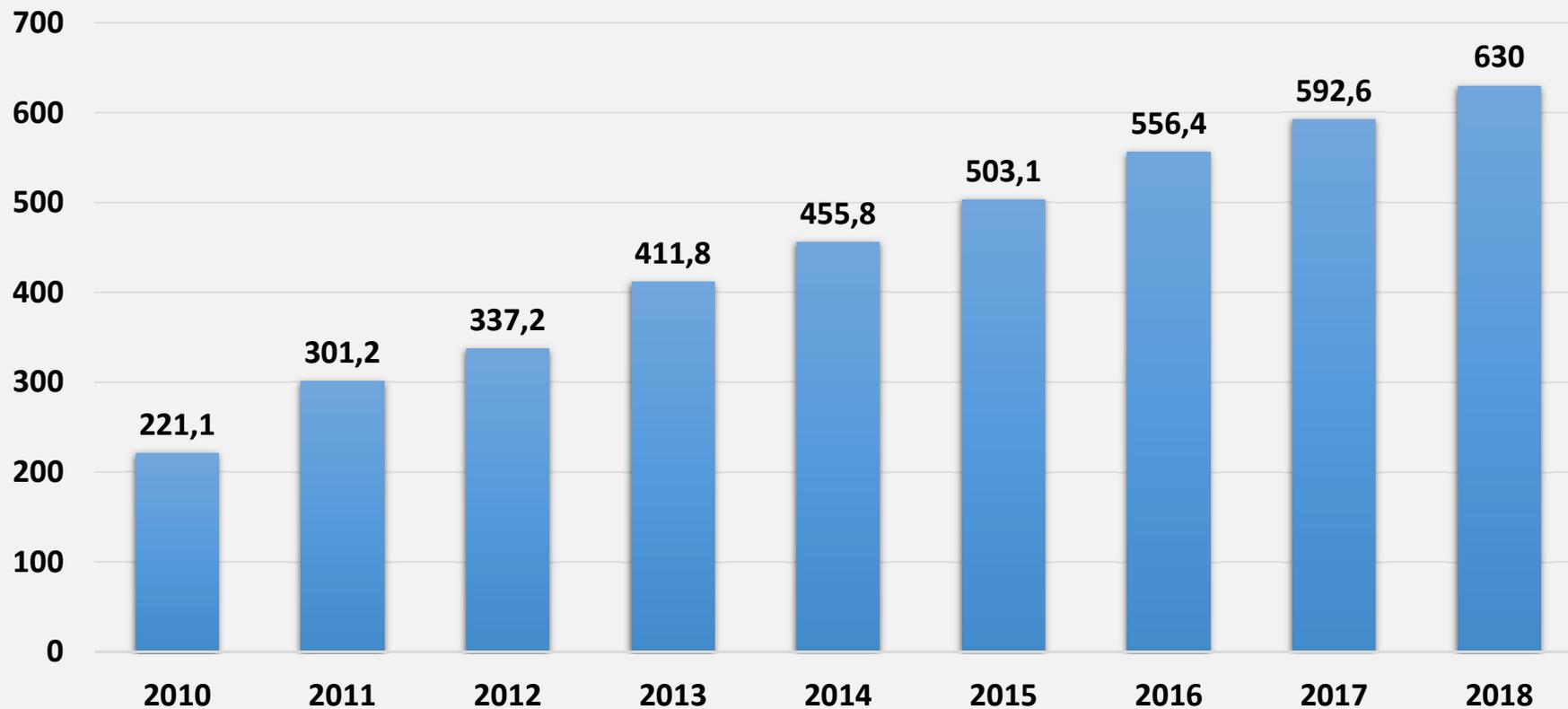


In 2018, the output of wood-based panel increased a little



## 2018, wood furniture output kept stable increasing

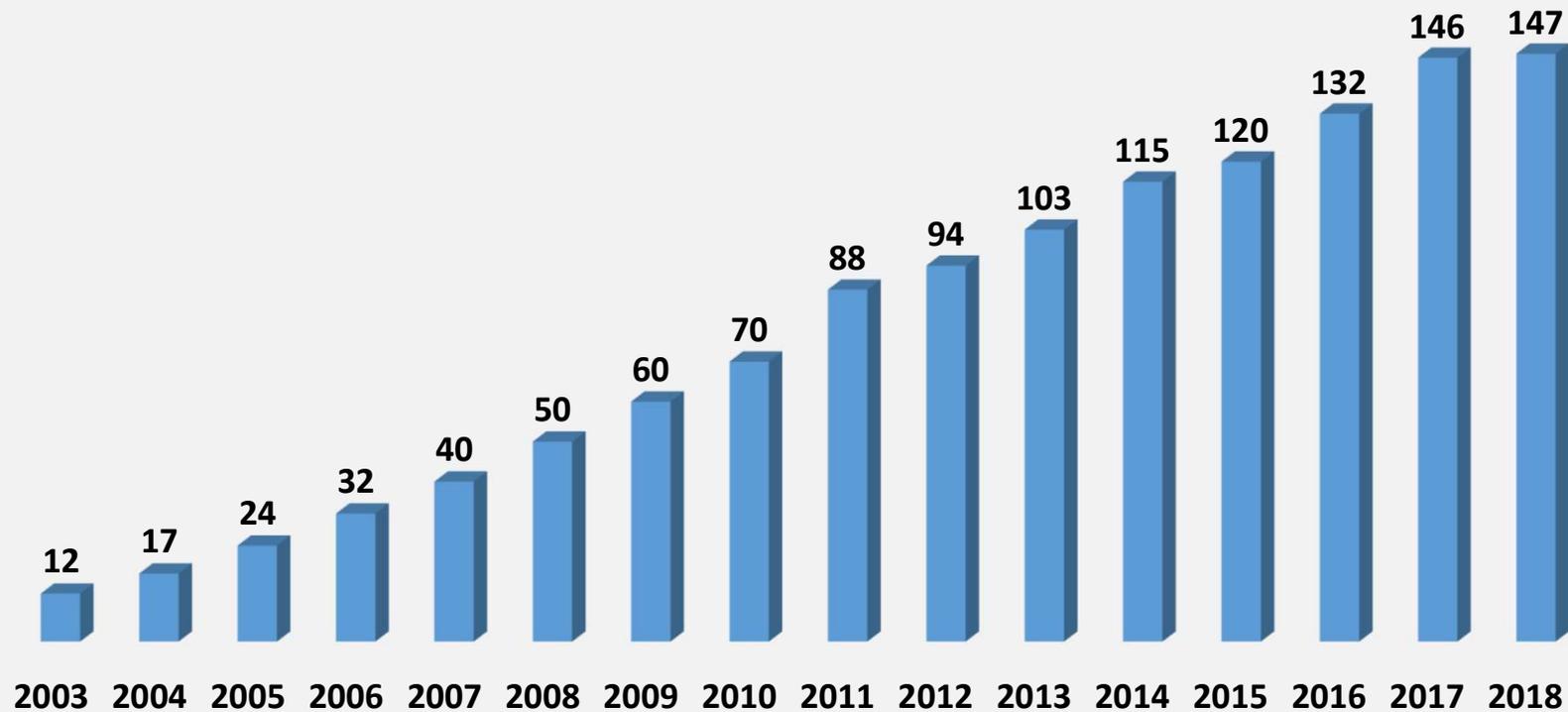
2010-2018 Wood furniture output value(billion)



There are more than 80 thousand companies in wood furniture industry, which employs more than 5 million staff and the output increased 6.31% last year.

Wood door industry keep stable growing, but the growing rate dropped.

Total output value of wooden doors in 2002-2018 (billion yuan)

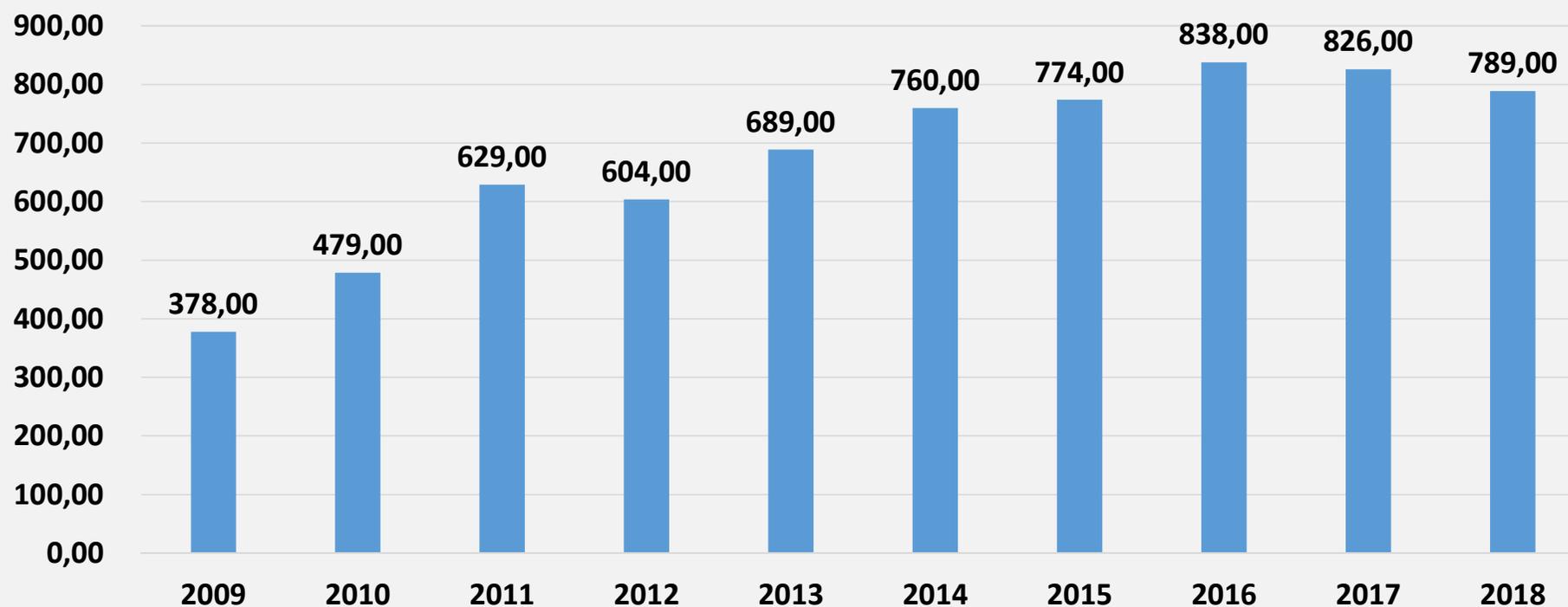


Wood door production area: Guangdong 30 billion yuan, Chongqing 16 billion yuan, and Jiangshan in Zhejiang province 9 billion yuan.



Eventhough the production of wood and bamboo flooring decreased a little in last year, the industry value increased

**Total production of wood and bamboo flooring in China in 2009-2018  
(million m<sup>2</sup>)**



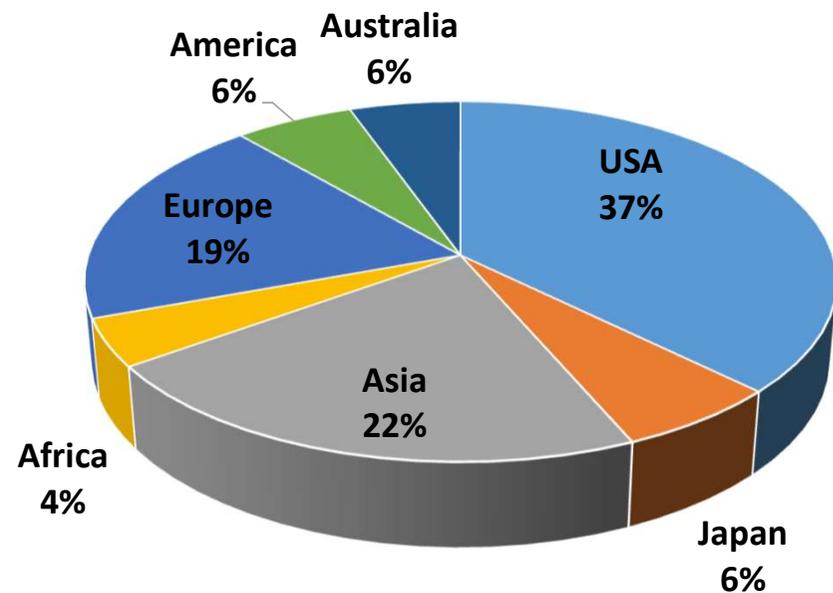
In 2017, the output is 110 billion yuan, and in 2018, it is 110.66 billion yuan



# In 2019, the exportation of Chinese furniture and wood-frame seats dropped a lot

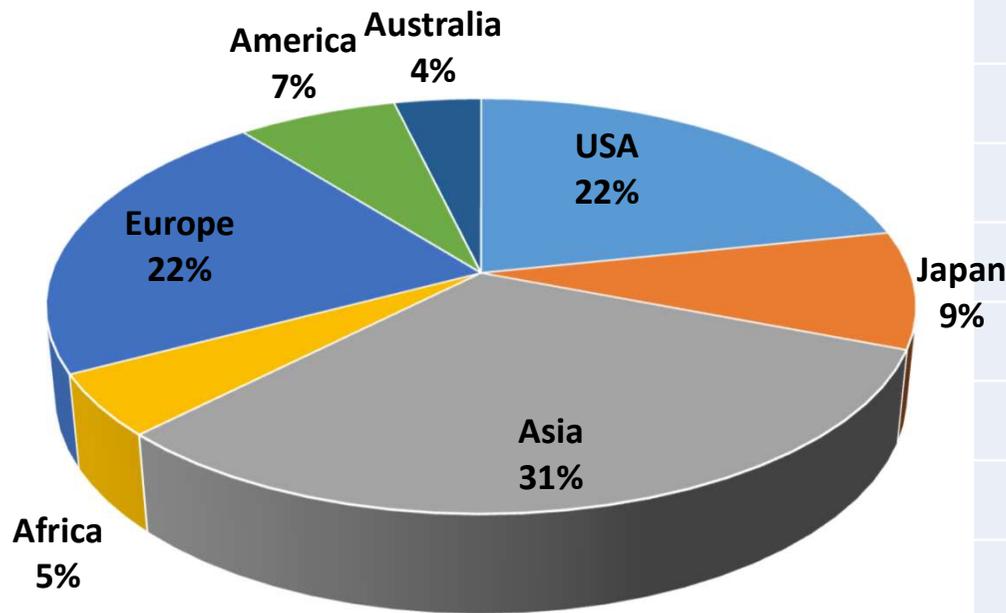
Furniture and wood seats exportation value (billion \$)			
	Jan.-Aug. 2019	Jan.-Aug. 2018	Changing %
USA	4.97	6.32	-21.5%
Japan	0.83	0.84	-0.6%
Asia	2.89	3.01	-3.9%
Africa	0.57	0.53	7.1%
Europe	2.55	2.45	4.4%
America	0.79	0.83	-5.0%
Australia	0.73	0.78	-6.3%
Total	13.33	14.76	-9.7%

Furniture and wood seats exportation value



# In 2019, other wood products exportation decrease (exclude furniture and wood frame seats)

Other wood products exportation in 2019



Other wood products exportation (billion \$)

	Jan.-Aug. 2019	Jan.-Aug. 2018	Changing %
USA	1.80	2.46	-26.8%
Japan	0.76	0.78	-3.0%
Asia	2.62	2.89	-9.2%
Africa	0.40	0.44	-7.2%
Europe	1.82	1.84	-1.1%
America	0.58	0.66	-12.4%
Australia	0.31	0.34	-8.0%
<b>Total</b>	<b>8.30</b>	<b>9.41</b>	<b>-11.8%</b>

## New Characters in Chinese Wood Products Industry in 2019

- ◆ As supplying-side reform going deeply, a lot of small and medial wood process factories had been closed if they couldn't meet the requirements of environment and security, so the market share was transferred to large scale and popular brand .
- ◆ As the implement of developing strategy of Chinese Central and West regions, Chinese wood processing factories are transferring to those regions.
- ◆ One Belt and One Road Initiative not only brings Russian and European timbers directly into Chinese inland through Sino-Europe Express Railway, and also enlarges wood products' market in Europe and Asia.



**04**

**The trends of Chinese timber and wood product industries**

## The trends of Chinese timber and wood product industries

1、 Chinese Economy will keep stable growing, and the same to Chinese timber and wood products industry

◆ In 2018, Chinese timber consumption per capita is 0.33 m<sup>3</sup>, but the global average log consumption per capita is 0.52 m<sup>3</sup>, so there is still growing opportunity for Chinese timber industry.

2、 Chinese timber importation will keep stable growing. As timber industry transferring, the demand in Western and Central regions will increase a lot

## The trends of Chinese timber and wood product industries

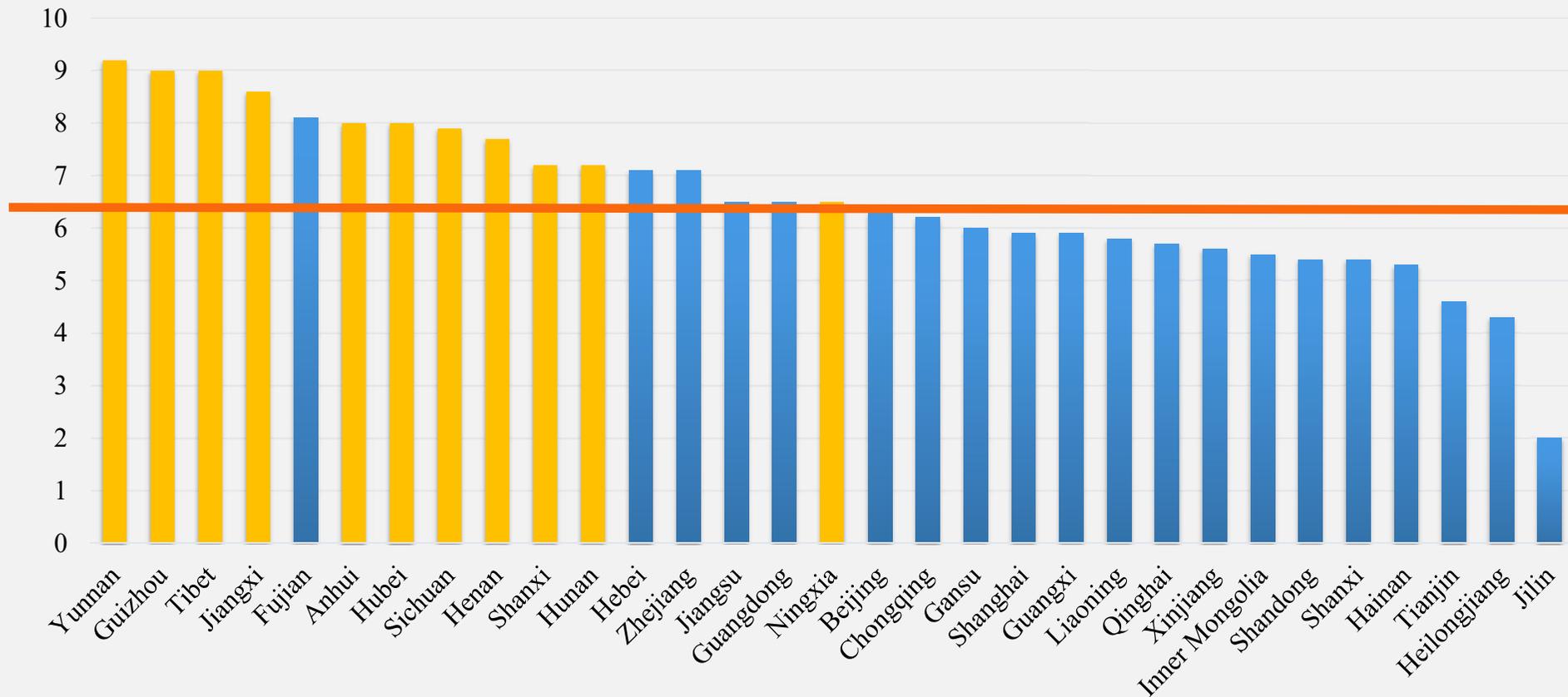
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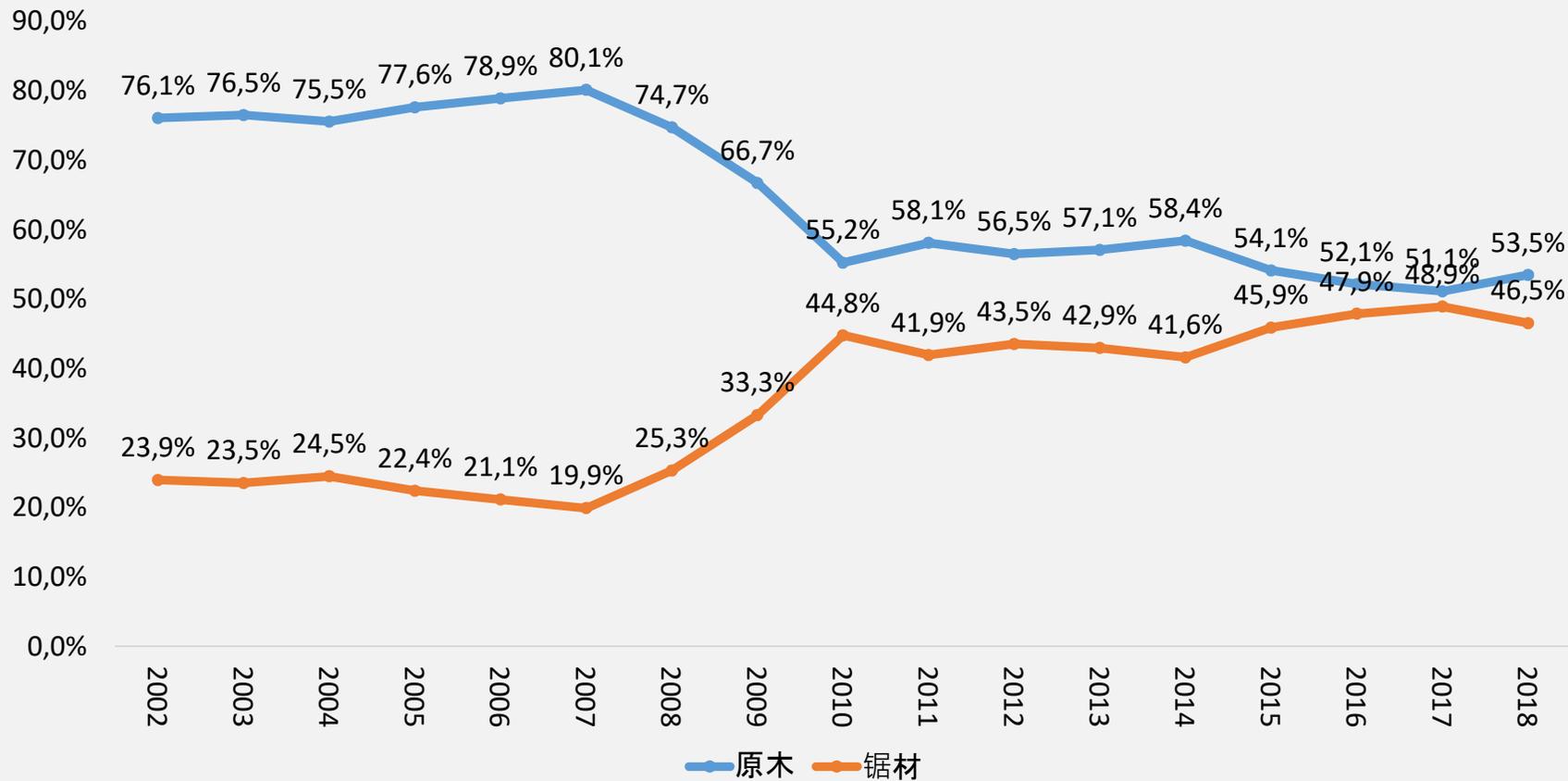
2、 Chinese timber importation will keep stable growing. As timber industry transferring, the demand in Western and Central regions will increase a lot

In the first half of 2019, there are 16 provinces that grown faster than average GDP 6.3%, which includes 11 provinces in central and western regions and 5 eastern provinces.

China GDP growth in the first half year (% , by provinces)



### 3. Chinese timber importation will optimize in the future, and lumber importation will keep increasing, and wood product's demand will grow too.



### 4. Sino-US trade friction has limited impact on Chinese timber supply, but deeply on Chinese wood products exportation. This will force market diversification.

**Thanks!**



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