

**NEW PUBLICATION! A comprehensive analysis and outlook on the status of China's wood products industry.**

In a world where North American and European producers have enjoyed generally healthy growth in lumber and panel demand, China has been notable for outstripping growth in the rest of the world by a factor of ten or more. If anything, this growth has accelerated over the past few years as construction activity has boomed and China has become a primary producer, consumer and exporter of furniture.

The devastating floods in China in 1998 forced Chinese manufacturers to turn outward and increase their purchases of a whole range of wood products and most importantly of logs. At the same time, China quickly started to exploit its position as a low-cost manufacturer to produce both primary and secondary wood products for export.

These tectonic shifts in the manufacture and trade of wood products have not run their course. Massive investment in processing capacity in China, rapid growth domestic demand, and continued huge opportunities are likely to continue to feed growing global markets for lumber, panel, furniture, and other wood products for much of the next decade.

RISI's study of China's wood products markets, *China's Rapidly Expanding Wood Products Markets: Are they Sustainable?* not only supplies background information and analysis on historical developments in the wood products industry in China over the past decade, but also provides detailed end-use product forecasts.

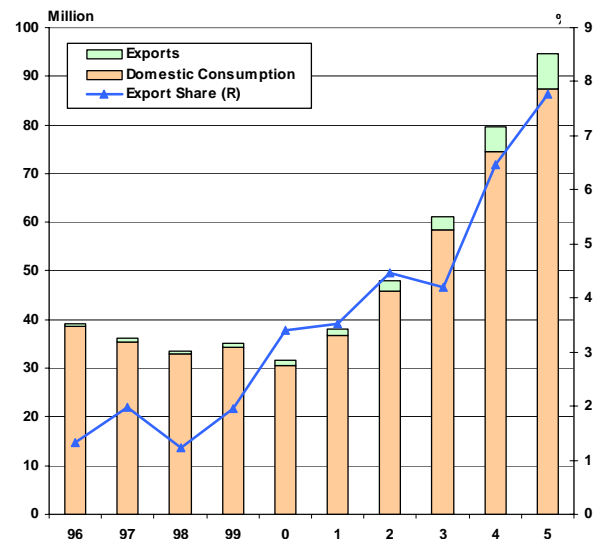


Figure 17. Total Consumption of Wood Products Has Grown Rapidly Over the Past Decade

Utilizing RISI's unique modeling structure, we detail end-use demand forecasts for lumber, plywood, blockboard, MDF/HDF, particleboard and OSB; as well as projections of imports and exports, capacity, costs and prices. Together these models and data underpin our analysis of the strengths and weaknesses of China's wood products industry and provide insights into the direction the industry will most likely take over the next 15 years.

Together with the companion volume, *China's Growing Wood Fiber Deficit: Implications for the International Forest Products Industry*, this study will provide a comprehensive integrated overview and analysis of the prospects for China's rapidly developing wood products industry, and explain how future massive consumption and production growth will be maintained despite constraints on China's own timber supply. No other report currently provides such a synthesis of product and fiber markets.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Total Wood Products</b>										
Apparent Consumption	37.61	37.11	31.14	34.91	32.47	35.73	46.43	60.44	75.23	86.49
Import Share (%)	6.2%	6.8%	10.3%	11.3%	16.0%	15.4%	15.5%	12.8%	10.7%	9.0%
<b>Lumber</b>										
Apparent Consumption	25.36	21.45	19.56	18.58	9.98	11.65	13.91	16.78	21.34	23.34
Import Share (%)	3.7%	6.2%	8.6%	14.7%	36.4%	34.5%	38.8%	32.8%	28.2%	25.6%
<b>Plywood</b>										
Apparent Consumption	6.20	8.64	5.79	8.09	10.65	9.50	14.32	19.16	21.60	24.20
Import Share (%)	20.9%	12.2%	22.9%	10.0%	6.8%	4.7%	3.3%	3.4%	2.9%	2.1%
<b>Fiberboard (MDF &amp; HDF)</b>										
Apparent Consumption	2.15	2.87	2.35	4.23	5.70	6.38	8.53	12.37	16.55	20.48
Import Share (%)	4.4%	3.8%	6.4%	7.6%	9.7%	10.6%	10.1%	8.8%	5.7%	3.9%
<b>Particleboard</b>										
Apparent Consumption	3.45	3.71	2.78	2.59	3.13	3.80	4.12	5.93	6.90	8.44
Import Share (%)	1.9%	2.7%	4.2%	6.9%	8.3%	9.3%	10.4%	7.6%	6.8%	5.6%
<b>Blockboard</b>										
Apparent Consumption	0.50	0.50	0.75	1.50	3.00	4.39	5.51	6.17	8.81	10.00
<b>OSB</b>										
Apparent Consumption	0.01	0.01	0.01	0.01	0.01	0.01	0.03	0.03	0.03	0.03

Table 1. Apparent Consumption of Wood Products in China (Million Cubic Meters)

## Study Features

- A review of China's Forest Products Industry's Responses to Massive and Rapid Economic Growth
- Forecast and Analysis of China's Wood Products Demand Indicators (e.g. Residential Construction and Furniture Production)
- Forecast Trends for China Wood Products Costs and Prices
- An evaluation of risks in China's Wood Products Markets

## Table of Contents (Preliminary)

### 1) Executive Summary - Conclusions

### 2) Introduction

- Major Questions/Issues Facing China's Wood Products Markets
- Report Organization
- Methodology & Data Sources

### 3) Responding to Massive and Rapid Economic Growth: China's Wood Products Markets Since the Mid-1990s

- Historical Trends for Wood Products Since 1996 - Summary
- Apparent Consumption: Production and Imports by Product and by Major Source Country
- Domestic Consumption by End-Use Market and Exports by Product
- Capacity by Product

- 4) China's Economy: The Macroeconomic Context for Wood Products Markets
- 5) China's Wood Products Demand Indicators: Outlook for Growth in Construction, Industrial and Furniture Production
- 6) China's Wood Products Demand: To Boom Through 2020?
  - Wood Products Usage in China In Many End-Use Markets Will Decline
  - Consumption by End-Use Markets by Product: Shifts, Swings and Product Interactions and Substitution
  - Exports – Will They Continue to Climb and Become a Significant Portion of the Demand for Wood Products in China?
- 7) How Burgeoning Demand Can and Will Be Supplied
  - Domestic Production: Output Will Rise as China's Producers Convert Increased Supplies of Both Domestic and Imported Logs
  - Product Imports: Will Import Volumes Grow?
  - Capacity and the Demand/Supply Balance
- 8) Forecast Trends for Wood Products Costs and Prices
  - China's Wood Products Industry Cost Structure
  - Wood Products Prices in China – Will Profitability be Squeezed by Rising Timber and Fiber Costs?
- 9) Risks to the Forecast for China's Wood Products Markets - Discussion in this chapter will include the following points:
  - Will domestic demand grow more slowly than forecast? In particular, will construction and furniture end-use markets maintain their rapid growth rates or slow substantially?
  - Will real wood fiber costs jump thus curbing growth in Chinese usage of wood products?

## **Study Author**

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## **Also Available**

### **Related Study**

*China's Growing Wood Fiber Deficit: Implications for the International Forest Products Industry*