

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 in 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.

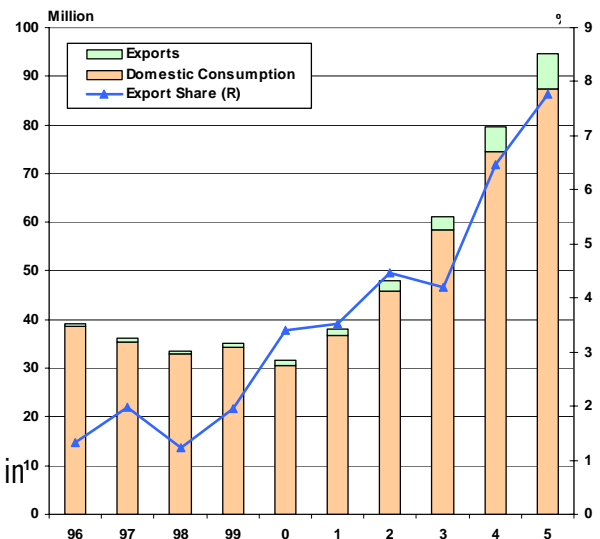


Figure 17. Total Consumption of Wood Products Has Grown Rapidly Over the Past Decade

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
Total Wood Products										
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%
Lumber										
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%
Plywood										
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%
Fiberboard (MDF & HDF)										
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%
Particleboard										
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%
Blockboard										
Apparent Consumption	0.50	0.50	0.75	1.50	3.00	4.39	5.51	6.17	8.81	10.00
OSB										
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

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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

Bernard Fuller, Vice President Wood Products

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