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China, Peoples Republic of

Solid Wood Products

Annual

2004

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Report Highlights:
Forest products imports, especially logs and lumber, increased slightly in 2003, and prices increased rapidly. Forest product consuming sectors such as furniture and plywood manufacturing are developing very rapidly and are forecast to continue growth in the coming years.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Forest Situation / Outlook

The forest planting area targets for 2004 have been reduced compared to 2003, because of conflicting demands on land from policies to increase crop production. In 2004, the planned forest planting area was an estimated 7,737,300 hectares, of which 6,320,700 hectares are of general forest coverage and 1,416,600 hectares of mountainous area coverage. The most significant reason for the reduction of the planned forested area in 2004 is the Chinese government's current policies are designed to increase grain production, which will affect the Conversion of Cropland to Forest Program. According to State Forestry Administration (SFA), the planned conversion of cropland to forest in 2004 was 666,667 hectares, only about 20 percent of what was converted in 2003. The government also made structural adjustments to the Conversion of Cropland to Forest Program, increasing the percentage of hardwood forest, from single to multi-species. As reported in May of 2004, 4,503,600 hectares have been planted, accounting for 71 percent of this year's plan.

State Forest Administration statistics state that China achieved record-high forest coverage in 2003; total forested area was 10,936,200 hectares. The forested area was 9,118,900 hectares, an increase of 17.26 percent from 2002, and the mountainous area was 1,817,300 hectares. This was significant in that the reforested area exceeded 1 percent of total land area (960 million hectares).

In June of 2003, ***The State Council's Resolution on Accelerating Development of the Forestry Industry*** was issued. This document was drafted by China's SFA and issued by the Central Communist Party in addition to the State Council. It is recognized as one of the most important documents on China's forestry industry development in recent years. The document states the following goals of China's forest development: Forest coverage will reach 19 percent by 2010; forest coverage will reach 23 percent by 2020; and forest coverage will reach and be maintained at 26 percent by 2030. Key points of the document:

- The ecological and environmental importance of China's forest areas, and their sustainable development, is of paramount concern to the Chinese government.

- The government will protect China's natural forests through continuation of a logging ban and a logging quota, while encouraging development of tree plantation. Many of these policies have resulted from studies conducted through the State Forestry Administration's National Forest Protection Plan (NFPP).

- The document sets out preferential tax and fee policies to reduce the high taxes and fees on legal logging of plantation trees, stimulating investment into plantations and reform ownership rights for forestland, making forestland legally transferable.

- Currently, the total central and local government taxes are estimated to be between 50 percent and 70 percent of the cost of timber. New experimental regulations in Anhui Province seek to lower these taxes by eliminating a central government agro-forest special tax of 8.8 percent and part of local taxes.

- These new experimental tax reductions have reportedly succeeded in raising incomes of farmers and encouraging investment in plantation. The tax reduction proposal is now being applied in several other provinces and may eventually be extended nationwide.

The document states that an appropriate evaluation and accreditation system for plantation land must be established to ensure land rights are transferable, and to guarantee such land receives appropriate bank loans for processing. The SFA is now working on the detailed implementation measures, which should be announced in October of 2004.

The year 2003 can be considered a peak year for China's forest industry development. In 2003, the total output of China's forest industry was RMB586 billion (US$71 billion), an increase of 26.5 percent from 2002. Much attention was paid to the establishment of shelterbelt forests. In 2003, 7,087,300 hectares of shelterbelt forest, 1,175,800 hectares of timber forest and 21,400 hectares of special purpose forest were planted nationwide, which increased by 22 percent, 31 percent and 6 percent respectively from 2002. By contrast, newly planted area of economic forest and fuel-wood forest was 797,300 hectares and 37,100 hectares, a decrease of 18 and 37 percent respectively from 2002. Another vital trend in 2003 was that 57 percent of the new areas were planted by the private sector.

Investment and distribution: The total fixed asset investment in the forest industry in 2003 was RMB40.7 billion (US$4.9 billion), an increase of 29 percent from 2002. State investment accounted for RMB31.3 billion (US$3.8 billion). In 2003, Investment continued to increase for six key forest development programs, which took 81 percent (RMB33.3 billion) of total investment. Among the six forest programs, the Conversion of Cropland to Forest Program contributed the biggest percentage to the forestation area, accounting for 6,196,100 hectares (not including the converting land to forest in the Sand Control Program for Areas in the Vicinity of Beijing and Tianjin), or about 68 percent of the total forestation area in 2003. This includes 3,095,900 hectares of cropland converted to forest and 3,110,200 hectares of plantations established in barren mountains and waste lands. The total investment for the Conversion of Cropland to Forest Program was RMB20.8 billion (USD$2.5 billion) in 2003, an increase of 19 percent from 2002.

There were areas of target forestation that were not successful. Most of the conflicts between the farmers and the local government resulted from the farmers' not receiving guaranteed benefits. Local governments forced farmers to convert cropland to forest, but didn't provide subsidies to farmers as promised. Such events crippled the farmers' willingness to convert.

From the region distribution of the investment, the fixed assets investment in the West Area (including 12 provinces and cities, Sichuan, Guizhou, Yunnan, Chongqing, Xizang, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Guangxi, Inner Mongolia) composed of RMB21.2 billion (USD$2.6 billion), accounting for 52.09 percent of the total investment. The investment in Northeast area (Heilongjiang, Jilin and Liaoning Province) composed of RMB 6.0 billion, accounting for 14.71 percent.

In 2003, there were 479 foreign investment projects. The total foreign investment in China's forest industry was US$372 million, which was 5.39 times investment in 2002. The foreign investment focused on the fast-growing-high-yielding plantation, timber and bamboo processing, flowers and other competing sectors. Fujian Province attracted the most foreign investment, accounting for US$161 million, 43.3 percent of the total foreign investment.

In 10 years, China is expected to invest RMB200 billion (US$24 billion) to build a 5 million hectares fast-grow-high-yielding forestry base for paper producing. In 2003, the fast-growing-high-yielding forestation area totaled 59,100 hectares. Farmers, foreign investors and leading enterprises have been the main investors in the fast-growing-high-yielding forest projects, accounting for 71.95 percent of the total fast-growing-high-yielding forestation., the Raw material forest of the panel sector and pulp-paper forest occupied a very big percentage of tree plantations. The panel-product forest accounted for 43.6 percent of total fast-growing-high-yielding area. Poplar and paulownia (kiri) are the main species in the North, accounting for 32 percent of the new northern forest projects. Eucalyptus and acacias accounted for 27 percent in the South.

China's logging quota will continue to be implemented, but some industry resources believe that the quota policy may be changed in the near future. The logging quota was and continues to be a hot topic of debate. Some propose that ecological forest should be managed more strictly, while the control on the commercial forests should be relaxed. Some believe that the logging quota should be relaxed in some selected areas, and abolished in areas of fast-growing forest with rich forest resources. Some suggest that China should start trials of logging quota reform in qualified areas. They believe that there is a precedence to follow and strengthen the current harvest quota policy, which is the basis of the current forest management system. Such discussions have made harvest quota a focus of current forestry policies. SFA has paid more and more attention to these discussions, and has brought the logging quota reform into its working agenda.

Forest certification is a new topic for China's forest industry. Some enterprises have experienced the impact of forest certification when they exported forest products to Europe Union. China is tentatively evaluating options for timber certification strategy but has not committed to any particular approach or implemented any domestic system. It will be very cautious in order to implement a scheme that will not disrupt normal trade flows. China will likely start with a go-slow, voluntary, "domestically focused" scheme. China will likely try to create its own unique system, modeled on international practices, rather than adopt an existing certification scheme.

The Sixth National Forest Inventory covering the years 1999 to 2003 will not be released until late October of 2004. The current official data of China's forest coverage is still 16.55 percent.

FOREST AREA			
Country: China People's Republic of			
Report Year:	2003	2004	2005
Total Land Area (million hectares)	960	960	960
Total Forest Area (million hectares)	164	167	170
--of which, Commercial ('000 hectares)	101,680	103,540	105,400
----of commercial, tropical hardwood ('000 hectares)	4,880	4,970	5,059
----of commercial, temperate hardwood ('000 hectares)	43,926	44,729	45,533
----of commercial, softwood ('000 hectares)	52,874	53,841	54,808
Forest Type			
--of which, virgin ('000 hectares)	11,030	10,850	10,670
--of which, plantation ('000 hectares)	50,480	51,530	52,580
--of which, other commercial (regrowth) ('000 hectares)	102,490	104,620	106,750
Total Volume of Standing Timber (thousand cubic meters)	12,908,630	13,102,260	13,298,790
--of which, Commercial Timber ('000 cum)	7,357,920	7,431,498	7,505,813
Annual Timber Removal ('000 cum)	339,772	349,965	360,464
Annual Timber Growth Rate ('000 cum)	485,390	499,950	514,950
Annual Allowable Cut ('000 cum)	223,100	223,100	223,100

Solid Wood Situation / Outlook

The strong demand for timber products in China will continue in the coming years, driven by the rapidly developing construction, furniture and panel sector. The gap between domestic supply and demand will grow and imported timber products will meet the gap.

Total annual consumption of wood in China for all purposes is about 370 million cubic meters. According to official data, about 65 percent of the wood is used for industrial purposes. The construction sector, furniture sector and paper sector account for about 90 percent of total industrial wood consumption. Although government authorities have acted to prevent overheating of the economy, many experts forecast that wood consumption in China will continue to increase in 2004. The reasons include:

- Rapid urbanization stimulates the housing and decoration sector.
- In countryside, a new house-building period is coming as the peasants' income increases.
- The Olympic projects, especially "Green Olympics", will need a great amount of wood.
- The domestic plywood sector and furniture sector develop very fast, while more and more products are exported, which determines the larger demand for timber material.

In 2003, timber production is estimated at 47.59 million cubic meters, an increase of 7 percent over 2002. Although 7 percent is not a big number, it is still a turning point because timber production in China had been declining from 1998-2002, with the implementation of the Natural Forest Protection Program (NFPP) in 1998. Sawn-wood production in 2003 was 11.27 million cubic meters, an increase of 32 percent from 2002. The tropical sawn-wood production was 726,000 cubic meters, accounting for 6% of the total sawn-wood production. The wood panel production in 2003 was 45.53 million cubic meters, which increased by 55 percent from 2002. The production of plywood, fiberboard and particleboard composed of 21.02 million cubic meters, 11.28 million cubic meters and 5.47 million cubic meters respectively, all increased by 85 percent, 48 percent and 18 percent respectively from 2002. China's plywood production exceeded U.S. production to become the largest plywood producing country in the world. The fast development of China's plywood industry coincides with the fast development of China's fast-growing forest, especially the poplar base, which provides adequate raw material to meet the expanding international market.

Non-state enterprises are playing a more important role in China's wood panel industry. For example, Pizhou City (in Jiangsu Province) is one of the four plywood manufacturing bases in China. Pizhou's plywood output estimated at 3 million cubic meters in 2003, accounted for 15 percent of China's total plywood output and export plywood 750,000 cubic meters, accounted for 40 percent of China's total plywood export. There are 2,913 plywood factories in Pizhou, all of them are private factories. Most of the plywood factories are small and family owned, their biggest competitive advantage is their low pricing of their product.

WOOD PRODUCTS Subsidies			
Country:			
Report Year	2003	2004	2005
Total Solid Wood Export Subsidy Outlay (US$ million)	n/a	n/a	n/a
Is there a ban on the export of logs, lumber or veneer?	Partial*	Partial*	n/a
Are there export taxes (yea/no)?	No	No	No
Total Wood Production Subsidy (US$ million)	n/a	n/a	n/a

Scope (Thousands of hectares)	n/a	n/a	n/a
Are there other wood products export expansion activities?	n/a	n/a	n/a

*** An export license is required when exporting logs and specific types of lumber.**

Trade

Overview

Imports of roundwood and lumber slowed down in 2003. Russia continues to dominate China's imports of roundwood, but its market share decreased to 56 percent in 2003 from 61 percent in 2002. Imports of softwood lumber decreased. By contrast, hardwood lumber imports increased because of changing domestic demand. Prices of imported timber products increased rapidly since the second half of 2003, especially the timber products from North America. The main reason is increased freight rates.

China has adopted various policies to develop its forest industry, for example, the Fast-Growing-High-Yielding (FGHY) Plantation Program with a total investment of US$8.65 billion, reducing the high taxes and fees on timber logging and production, the reform of land ownership rights of the forest industry, and so on. Attracted by the favorable policies and the growing market demand for wood products, some of the world's largest multinationals have invested in China's forest industry. However, it will be at least five to eight years before China's forest resources are significantly impacted by these investments. Therefore, some experts believe for at least the next five to eight years, in spite of dramatically increased foreign investment in China's forest industry, China will continue to rely heavily on the imported forest products to meet the rapid domestic demand.

In 2003, total imported timber products reached 40.2 million cubic meters in roundwood equivalent volume, an increase of 5.5 percent over 2002 imports. The value of timber imports in 2003, was **US$4,411 million**, about 13 percent above 2002 import value.

Roundwood imports in 2003 reached 25.45 million cubic meters, a 4.6 percent increase over 2002, with a value of US$2.45 billion, a 14.5 increase over 2002. Compared to the 44 percent year on year increase in 2002, roundwood import growth for 2003 was considerably slower. The main reason was attributed to changes in imports from Russia. But in 2003, the roundwood from Russia slightly dropped from 14.81 million cubic meters to 14.37 cubic meters. Despite the slight decrease of imported roundwood, Russia continues to dominate China's roundwood imports. However, Russia's market share of China's roundwood imports decreased to 56 percent from 61 percent in 2002.

Table: Main supplies of China's import roundwood

Country	Amount (1,000 Cubic Meter)		Yearly change (%)
	2002	2003	
Russia	14,806	14,367	-2.96%
Malaysia	2,122	2,931	38.12%
New Zealand	1,641	1,921	17.06%
Papua New Guinea	1,128	1,378	22.16%
Gabon	1,088	942	-13.42%

From China's Customs data, **imported roundwood in the first five months of 2004 decreased slightly by 0.9 percent in volume, but increased 6.9 percent in value** over the same period of 2003. The imported roundwood from Russia increased by 10.1 percent in volume and 21.5 percent in value. Imported roundwood from the U.S. in the first five months of 2004 was US$30.8 million, a 43.9 percent increase over the same period of 2003.

The lumber imports in the first five months of 2004 increased 9.0 percent over the same period of 2003, to 2,483 thousand cubic meters. Lumber imported from Indonesia decreased by 10.4 percent over the same period of last year, but continues to be the number one supplier of China's imported lumber in volume. Lumber imported from Thailand and Russia increased 25.4 and 22.4 percent respectively. The lumber imported from U.S. increased by 15.1 percent. By contrast, the imported lumber from U.S. accounted to US$95 million in value in the first 5 months of 2004, exceeded Indonesia (US$73 million), which increased 21.3 percent over the same period in 2003.

The five listed countries accounted for 85 percent of China's imported roundwood market. According to industry resources, New Zealand has played increasingly important role in China's imported roundwood market. China's roundwood imports from New Zealand are of two species: Douglas Fir and Radiata Pine, which can be used as raw material for plywood. The rapid development of China's plywood industry increased the demand especially for New Zealand Radiata Pine.

Softwood imports in 2003 were 14.97 million cubic meters, a 5.11 percent decrease from 2002 levels. The decrease in Russia Pine imports was the main factor. In 2003, imported hardwood was 10.48 million cubic meters a 22.55 percent over 2002. This increase reflects changes in domestic market demand, including increasing demand for plywood raw material, like Okoume from Africa and Meranti from South-east Asia and the increasing demand for the decoration, flooring and furniture material, like Merban, Kempas, Beech and Teak.

Imported lumber in 2003 increased slightly: Imported lumber reached 5.51 million cubic meters, valued at US $1.19 billion, a slight increase of 2.0 percent and 3.0 percent respectively over 2002. Indonesia, U.S., Thailand, Russia and Malaysia are the top five suppliers. Imported softwood lumber in 2003 was 1.37 million cubic meters, a 16 percent improvement over 2002. Softwood lumber imported from Russia decreased 4.6 percent to 436 thousand cubic meters in 2003, but still accounted for 32 percent of the total imported softwood lumber. Softwood lumber imported from Canada increased from 127 thousand cubic meters in 2002 to 265 thousand cubic meters in 2003, a 109 percent increase. Softwood lumber imported from U.S. also increased 63 percent to 55 thousand cubic meters.

Imported timber price increased rapidly: Industry sources indicated that in the second quarter of 2004, prices of imported timber are increasing. The strongest price increases are for Sydney Blue Gum logs of South-east Asia, Monterrey Pine of New Zealand, Okoume of Africa, which have increased about 30 percent. The reasons for the rising price of timber are the depreciation of US$ and increasing transportation costs.

Since the end of 2003, imported timber and products prices have increased rapidly, especially logs, sawn lumber, wood-based panel (including plywood, fiberboard and particleboard) and wood flooring. However, the prices for domestic lumber and wood products have shown little increase and with some products prices are even decreasing. The price of imported logs and sawn lumber increased RMB 50-120/m3, especially for tropical hardwoods and the North America wood. Maple imported from U.S. and Canada increased from RMB 10,000 in 2003 to RMB 11,500 this year.

China's log exports were 9,397 cubic meters in 2003, a 15 percent decline from 2002. The decreasing trend for log exports continued in the first five months of 2004.

Lumber exports were 476,493 cubic meters, 10 percent above 2002 levels. Plywood exports in 2003 were 2,042,000 cubic meters, 14 percent above 2002. China's Custom data showed that there was a 78 percent increase in plywood export in the first five months of 2004. Japan and South Korea are the main export destinations for China's plywood. In 2003, China's plywood exported to U.S. increased 57 percent to about 394,498 cubic meters.

Policy

Tariff rates continue to decrease. The Value Added Tax (VAT) rebate rate for logs and lumber was reduced to zero on January 1, 2004.

The tariff rates continued to decrease in 2003 in accordance with China's World Trade Organization accession agreement. The tariff on panel products and packing products continued to decrease at different rates. The tariff on wood furniture has been reduced to 3.7 percent in 2004 from 7.3 percent in 2003.

On October 13, 2003, the Ministry of Finance and State Taxation Bureau of P. R. China issued the Announcement of the Adjustment of the VAT Tax Rebate Rate. Following this announcement, the VAT tax rebates applied to a variety of timber and paper/pulp products was reduced to zero beginning January 1, 2004.

H.S. Code	Products	Rebate rate of 2003	Rebate rate of 2004
4403	Logs (rough, not sapwood)	5%	0%
4404	Hoopwood; Pickets; split poles	13%	0%
4407	Lumber, >6mm thick	13%	0%
4408	Veneer sheet < 6mm thick	13%	0%
4409	Wood Continuously shaped	13%	0%
44190010	One-time chopsticks, of wood	13%	0%
4501, 4502,4503	Cork and articles of cork	5%, 13%	0%
47	Wood pulp and paperboard	13%	0%
4801-4816	Paper, paper pulp and paperboard	13%	0%

Importing rules have tightened up in China. China is now requiring pest-free certification for all imported logs, and likely to become even stricter in the future. Some domestic traders think use of certification systems and import licensing will expand and ultimately become mandatory.

Competition

It is difficult for other countries to compete with Russia at present because of Russia's competitive pricing and its tree species similarity to China. But some evidence shows that Russia's absolute dominance in the market is weakening. Other main suppliers include Indonesia, Malaysia, Myanmar, the United States, New Zealand and Canada.

China has been one of the biggest timber consuming countries in the world. In the following years, China's timber consumption is forecast to continue to increase rapidly because of the factors including the strong economic growth, 2008 Olympic Games, 2010 World Expo and improving health standards.

Russia was and continues to be the biggest timber supplier to China because of its competitive prices, especially when ocean freight rates are high, and the similarity of Russian and Chinese tree species. China's preferential forest products border trade policy allows Chinese companies locating along the Sino-Russian border import logs and sawn wood to pay only half the value-added tax (VAT) – 6.5 percent on logs and 8.5 percent on sawn wood. The preferential policy also strengthens the competitive capability of Russia's forest products in China's market.

More and more countries are exporting wood and wood products to China. According to some domestic traders, the advantages of the U.S. wood products are a sustainable logging system, the steady supply and high quality. The disadvantage is the higher relative pricing. According to China's Custom data, the imported softwood logs from the U.S. in volume in the first four months of 2004 decreased by 51.47 percent over the same period of 2003. One of the important reasons is that the average price of the softwood logs imported from U.S. in the first four months of 2004 increased by 96.61 percent over the same period of 2003.

Market Segment Analysis

Construction Sector

Overview

In spite of China's general macroeconomic slow down, the construction sector is forecast to continue rapid development in the coming years, driven by Olympic Games, World Expo, infrastructure construction and countryside housing building peak. China's real estate sector growth will also keep the rapid pace, but will trend lower in the latter part of 2004, because of the government's financial tightening and land control measures.

China's government authorities have acted to prevent the overheating of its economy. Many sectors are affected, most notably manufacturing sectors steel, cement, and aluminum. For the construction sector, it will be affected in three ways:

- The "slow-down" of the investments in fixed assets.
- The reduced availability of supplies such as raw materials. Construction sector is the major consumer of the nation's steel and cement, with the Government of China (GOC) controlling the steel and cement sectors, the construction sector will also be affected.
- The "slow-down" of the development of real estate sector trough land control measures.

However, many domestic experts believe that the macroeconomic policy will only have a limited effect on China's construction sector. The output of China's construction sector in 2004 is forecast to increase 20 percent from 2003, slightly lower than in 2003. There are lots of projects already financed that should keep China's construction sector strong in 2004, including:

- 2008 Olympic Games and 2010 World Expo: China has entered the construction peak period of Olympic started in the second half year of 2003.
- Many big projects are under construction, like Qing-Zang Railway (from Xining, Qinghai Province to Lhasa, Xizang), West Gas Sent East Program, West Electronic Sent East Program, North-South Water Project.
- The accelerating development of the urbanization.
- The countryside, a new house-building period is coming in because current housing stocks are substandard.

According to official data, by 2008, Beijing will build or rebuild 30 sports venues, including 15 newly built, 11 renovated and 4 temporary venues. Construction will begin on the 15 newly built sports venues by the end of 2004. The total investment in the sports venues is estimated at RMB 22 billion (US $2.66 billion). In fact, the construction of the Olympic sports venues is just a fraction of the Beijing Olympic Economy. Beijing will invest RMB 280 billion (US $33.88 billion) to improve infrastructure and service capabilities. Demand for the construction material will account for RMB 60 billion (US $7.26 billion). Timber products will account for 5%-7% of the total construction investment. Timber product demand in Beijing in the coming years is forecast at RMB 20 billion (US $2.42 billion). For potential suppliers, the China Building Material Industry Association will host, the Third China (Beijing) International Green Building Material Fair, November 24-27, 2004 at Beijing International Exhibition Center. For more information about this Fair, visit http://www.bmlink.com/displayexpo.asp or http://www.gbm.com.cn

According to the SSB data, the national average housing price in the first five months in China was 2708 RMB/sqm, up 10.7 percent over the same period last year. The average price in Shanghai, Beijing and Guangdong was 5381 RMB/sqm, 5156 RMB/sqm and 3877 RMB/sqm respectively. However, the data from SSB also showed that there is a slower increase in the land developed and purchased area during the first five months of 2004, increasing by 19.8 percent and 9.8 percent, compared with 41.9 percent and 56.7 percent increased in the same period in 2003.
According to the statistics of State Statistical Bureau (SSB), new housing in 2003 were 543 million square meters, an increase of 28.5 percent from 2002. In particular, housing starts in Hainan, Guangxi, Shaanxi, Hebei and Xizang increased more than 50 percent from 2002. The accumulative total investment of real estate in 2003 exceeded RMB1 trillion, an increase of 30 percent from 2002. The national average price of commercial housing in 2003 was 2379 RMB/sqm, up 3.8 percent above 2002 levels. In 2003, the average price of commercial residential housing was 2212 RMB/sqm, up 3.9 percent; the average price of office building was 4293 RMB/sqm, down 1.4 percent and the average price of houses for business use was 3739 RMB/sqm, up 4.5 percent. The average price of commercial housing in Shanghai, Jiangxi and Shanxi increased by 20 percent over 2002, the highest level nationally. The average price in Shanghai in 2003 was 5118 RMB/sqm, the first time that Shanghai's housing price has exceeded Beijing and becomes the most expensive city in China. Industry resources contributed to the rapid price increase in Shanghai and the rapid demand for housing, which were both driven by the rapid increasing investments.

Policy

The Chinese government issued some policies to restrict the "bubble" in the real estate sector, mostly through financial and land–use restrictions. In 2003, the biggest impact on China's construction sector was the tightened mortgage policies of the People's Bank of China. In 2004, the biggest impact was a result of land use. In June of 2004, China's real estate sector has dubbed 2004 the "Policy Year". China's land management authorities have issued announcements to tighten the management of construction land, including the registration and the transfer of the land use-rights; adjusting the land supply structure - increasing the land supply for affordable housing and limit the luxury housing land supply. Both financial and land management policies are focused on luxury homes and "unreasonable" development.

The government still looks to continue to build affordable apartments to improve living condition, but states that the slow down in new housing starts is helpful for the digestion of the vacant housing. Statistics showed that in the first quarter of 2004, the area of unoccupied housing was 90 million square meters, up 5.3 percent above 2003 levels.

According to the SSB data, the total investment of real estate during the first five months of 2004 reached RMB370 billion, 32 percent above the same period of last year, but growing at a slower rate than in previous years.

Trade

A new standard – *Code for Design of Timber Structures* (GB 50005-2003) was jointly issued by the Ministry of Construction and Administration of Quality Supervision, Inspection and Quarantine of P. R. China on October 26, 2003. On January 1, 2004, the new standard brings into effect regulations that are very similar with the construction standards of the United States. These standard will play an important role in regulating and promoting China's wood frame house construction. As for wood frame housing, some domestic developers think that the wood frame houses will be the trend for a "healthy living style" in China. U.S. and Canada be the leaders in technology and material.

Construction Sector Strategic Indicator Table

Construction Market			
Country: China, People's Republic of			
Report Year:	2003	2004	2005
Total Housing Starts (thousand units)	18,650*	20,515	23,600
-- of which, wood frame (thousand units)	11	12	13
-- of which, steel, masonry, other materials (thousand units)	18,639	20,503	23,587
-- of total starts, residential (thousand units)	15,853	17,438	20,060
---- of residential, single family (thousand units)	1,585	1,744	2,006
---- of residential, multi-family (thousand units)	14,268	15,694	18,054
-- of total starts, commercial (thousand units)	2,797	3,077	3,540
Total Value of Commercial Construction Market ($US million)	N/A	N/A	N/A
Total Value of Repair and Remodeling Market ($US million)	N/A	N/A	N/A

* In China, there are no statistics on housing starts in units. According to some industry resources, the average space of one unit of house is about 80 square meters. The units number in the above table comes from The Total Housing Starts Floor Space (square meters)/80 (square meters).

Furniture & Interiors Sector

Overview

China's furniture sector will continue its present high growth trend. China is the world's furniture manufacturing center because of the low business cost, abundant skilled worker resources and mature manufacturing technology. Guangdong is home to 50 percent of the total exported furniture, followed by Zhejiang, Fujian and Jiangsu provinces.

China's furniture sector experienced a fast-growing year in 2003. The production of furniture valued at US $24.7 billion, up 22 percent above 2002. The export of furniture accounted for US $7,333 million, up 35.3 percent. The main incentives for the fast growth in China's furniture sector are as follows:

- The domestic demand for furniture increased rapidly as a result of the booming of the real estate sector growth.

- Exported furniture accounts for a large percentage of China's furniture production because of competitive advantage in the international market.
- Many furniture manufactures in Hong Kong, Taiwan, Singapore and other South-East Asian countries moved their manufacturing facilities to China because of low costs and skilled workers.

By 2010, China's furniture production is forecast to exceed Italy and become the No. 1 furniture production and export country in the world. Even with the impact of China's sluggish economy and U.S.'s anti-dumping case, the furniture production in China in 2004 is forecast to increase 20 percent above 2003 levels, because of strong domestic demand. In the following five to ten years, millions of young people born in 1980's China's last baby boom period, will come into their marriage years. These new families will lead an ever increasing trend in furniture consumption.

According to China's Building Decoration Association, the total output of China's building decoration reached RMB 830 billion (US $100 billion), the interior decoration reached RMB 430 billion (US $52 billion). The forecast annual increase in interior decoration market in China is 20 percent in the coming years.

In 2003, China's wood floor production reached 216 million square meters, up 20.5 percent from 2002. The production of laminated composite wood floor, solid wood floor, laminated solid wood floor and bamboo floor was valued at 120 million, 70 million, 22 million and 4 million square meters respectively, an increase of 26 percent, 8 percent, 38 percent and 11 percent respectively.

Trade

The wood furniture import tariff decreased to 3.7 percent from 7.3 percent in 2003. Imported wood furniture in 2004 is forecast to increase 20 percent from 2003. Wood furniture (H.S. 940330, 940340, 940350 and 940360) imported in 2003 reached US $51.62 million, up 64 percent over 2002, because of the decreased tariff (from 11 percent in 2002 to 7.3 percent in 2002) and the increased domestic demand for high quality wood furniture.

Major imported furniture suppliers include Sweden, Germany, Italy and United States. American hardwood products are acclaimed for their unique grain and figure, and have received wide spread recognition among Chinese consumers. But high prices hinder their sales in China.

In 2003, China exported furniture valued at US $7.3 billion, up 35 percent from 2002. China's Customs data for the first quarter of 2004 reported a growth rate of 34 percent.

Furniture Sector Strategic Indicator Table

FURNITURE & INTERIORS MARKET			
Country: P. R. China			
Report Year:	2003	2004	2005
Total Housing Starts (number of units)	18,650*	20,515	23,600
Total Number of Households (Thousand units)	361,980	36,560	36,920
Furniture Production ($US million)	24,682	29,620	35,544
Total Furniture Imports ($US million)	195	230	280
Total Furniture Exports ($US million)	7,333	8,800	11,000

Interiors Market Size ($Us million)	52,027	62,430	74,920

Material Handling Industry

Overview

China's material handling industry is forecast to maintain an annual growth rate of 8 percent over the next 5 years. In 2003, the total value of China's packing industry reached RMB 270 billion (US $33 billion). Paper and plastics are the main packing material in China, representing about 60 percent of the total value output. Because of the shortage of the forest resources, wood packing is shrinking. More and more wood substitutes like plastics and metal are replacing wood packing.

On April 15, 2004, the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ), hosted a Public Hearing regarding new regulations on wood packing materials in reference to the provisions of International standards for Plant Quarantine Measure No. 15 on Norms for the Administration of Wood Packing in International Trade. Regarding the date of implementation for the wood packaging measure, China said that some time would be given before the implementation of the new regulations, but was not specific on the timing.

Material handling Sector Strategic Indicator Table

Material Handling Market			
Country: China, People's Republic of			
Report Year:	2003	2004	2005
Total value of Industrial Output ($US million)	32,668	35,280	38,100
New Pallet Production (million units)	N/A	N/A	N/A

Statistical Information (Trade tables and PS&D Tables)

General Trade Tables

Table 1. Imports of Major Wood Products

CHINESE TRADE IN MAJOR WOOD PRODUCTS				
Imports	Units	2002	2003	Yearly Change
Softwood Logs	1,000 CM	15,780	11,352	-28%
Temperate Hardwood Logs	1,000 CM	6,276	6,595	5%
Tropical Hardwood Logs	1,000 CM	2,273	2,717	20%
Total logs	1,000 CM	24,329	20,664	-15%
Softwood Lumber	1,000 CM	1,189	1,083	-9%
Temperate Hardwood Lumber	1,000 CM	3,087	2910	-6%
Tropical Hardwood Lumber	1,000 CM	1,120	1,206	8%
Total Lumber	1,000 CM	5,396	5,199	-4%
Softwood Plywood	1,000 CM	155	205	32%
Temperate Hardwood Plywood	1,000 CM	116	93	-20%
Tropical Hardwood Plywood	1,000 CM	79	223	182%
Total Plywood	1,000 CM	350	521	49%
Softwood Chips	Metric Tons	1,264	1,006	20%
Hardwood Chips	Metric Tons	51,022	278,736	446%
Total chips	Metric Tons	52,286	279,742	435%
Fiberboard	Metric Tons	876,316	975,938	11%
MDF	Metric Tons	517,442	708,349	37%
Particleboard	Metric Tons	383,357	405,600	6%
OSB	Metric Tons	41,001	43,675	7%
Pulp Wood	Metric Tons	4,875,166	5,345,153	10%
Continuously Shaped Wood	Metric Tons	23,416	22,553	-4%
Railway Ties	1,000 CM	88	86	-2%
Softwood Poles	Metric Tons	18,727	5,632	-70%
Hardwood Poles	Metric Tons	13,263	7,678	-42%
Total poles	Metric Tons	31,990	13,310	-59%
Softwood Veneer	Metric Tons	61,990	26,656	-57%
Temperate Hardwood Veneer	Metric Tons	27,220	44,958	65%
Tropical Hardwood Veneer Metric	Metric Tons	49,405	42,715	-14%
Total Veneer	Metric Tons	138,615	114,329	-18%

Table 2. Exports of Major Wood Products

CHINESE TRADE IN MAJOR WOOD PRODUCTS				
Exports	Units	2002	2003	Yearly Change
Softwood Logs	1,000 CM	0	0	
Temperate Hardwood Logs	1,000 CM	11	8	-27%
Tropical Hardwood Logs	1,000 CM	0	0	
Total logs	1,000 CM	11	8	-27%
Softwood Lumber	1,000 CM	99	118	19%
Temperate Hardwood Lumber	1,000 CM	322	349	8%
Tropical Hardwood Lumber	1,000 CM	10	10	
Total Lumber	1,000 CM	431	477	11%
Softwood Plywood	1,000 CM	666	925	39%
Temperate Hardwood Plywood	1,000 CM	47	385	719%
Tropical Hardwood Plywood	1,000 CM	411	499	21%
Total Plywood	1,000 CM	1,124	1,809	61%
Softwood Chips	Metric Tons	22	565	2468%
Hardwood Chips	Metric Tons	1,159,892	1,137,205	-2%
Total chips	Metric Tons	1,159,914	1,137,770	-2%
Fiberboard	Metric Tons	56,413	44,275	-22%
MDF	Metric Tons	38,679	17,842	-54%
Particleboard	Metric Tons	33,116	43,769	32%
OSB	Metric Tons	2,216	1,431	-35%
Pulp Wood	Metric Tons	4,614	3,744	-19%
Continuously Shaped Wood	Metric Tons	99,846	146,137	46%
Railway Ties	1,000 CM	18	20	11%
Softwood Poles	Metric Tons	3,337	5,711	71%
Hardwood Poles	Metric Tons	8,193	8,168	0%
Total poles	Metric Tons	11,548	13,899	20%
Softwood Veneer	Metric Tons	1,123	2,530	125%
Temperate Hardwood Veneer	Metric Tons	16,090	44,642	177%
Tropical Hardwood Veneer Metric	Metric Tons	23,924	21,051	-12%
Total Veneer	Metric Tons	41,137	68,223	66%

Table 3. Tariffs and Taxes

FOREST PRODUCT TARIFFS AND TAXES (percent)						
Country: P. R. China	Product Description	Tariff for 2003	Tariff for 2004	Other Import Taxes/ Fees	Total Cost of Import	Export Tax
Report Year:	2004			VAT		
4401	Fuel wood, chips & sawdust, etc.	0	0	17	17	0
4403	Wood in the rough	0	0	13	13	0
4404	Hoopwood, poles, piles, etc.	8	8	17	25	0
4405	Wood wool, wood flour	8	8	17	25	0
4406	Railway or tramway sleepers	0	0	17	17	0
4407	Sawn wood >6 mm thick	0	0	17	17	0
4408	Sheets for veneering, plywood					
	Coniferous: Veneer sheets					
44081011	Of laminated wood of plywood	8	8	17	25	0
44081019	Other	4	4	17	21	0
44081020	Sheets for plywood	4	4	17	21	0
44081090	Other	4	4	17	21	0
	Tropical wood: dark red Meranti, Light red Meranti and Meranti Bakau: Veneer sheets					
44083111	Of laminated wood of plywood	10	10	17	27	0
44083119	Other	4	4	17	21	0
44083120	Sheets for plywood	4	4	17	21	0
44083190	Other	4	4	17	21	0
	Other tropical wood					
	Veneer sheets					
44083911	Of laminated wood of plywood	10	10	17	27	0
44083919	Other	4	4	17	21	0
44083920	Sheets for plywood	4	4	17	21	0
44083990	Other	4	4	17	21	0
	Other: Veneer sheets					
44089011	Of laminated wood of plywood	6.2	4	17	21	0
44089012	Temperate zone	3	3	17	20	0
44089019	Other	3	3	17	20	0
	Sheets for plywood					
44089021	Temperate zone	3	3	17	20	0
44089029	Other	3	3	17	20	0
4409	Wood continuously shaped					
44091000	Coniferous	7.5	7.5	17	24.5	0

44092000	Non-coniferous	6.2	4	17	21	0
4410	Particle board and similar board					
	OSB and waferboard					
44102100	Unworked or not further worked than sanded	6.8	4	17	21	0
44102900	Other	6.8	4	17	21	0
	Other					
44103100	Unworked or not further worked than sanded	6.8	4	17	21	0
44103200	Surface-covered with melamine-impregnated paper	6.8	4	17	21	0
44103300	Surface-covered with decorative laminates of plastics	6.8	4	17	21	0
44103900	Other	6.8	4	17	21	0
44109000	Other	9.6	7.5	17	24.5	0
4411	Fiberboard of wood					
	Density exceeding 0.8g/cm3					
44111100	Not mechanically worked or surface covered	6.2	4	17	21	0
44111900	Other	9.6	7.5	17	24.5	0
	0.5g/cm3<density<0.8g/cm3					
44112100	Not mechanically worked or surface covered	6.8	4	17	21	0
44112900	Other	6.8	4	17	21	0
	0.35g/cm3<density<0.5g/cm3					
44113100	Not mechanically worked or surface covered	7.5	7.5	17	24.5	0
44113900	Other	7.5	7.5	17	24.5	0
	Other					
44119100	Not mechanically worked or surface covered	7.5	7.5	17	24.5	0
44119900	Other	4	4	17	21	0
4412	Plywood, veneered panels					
	Solely consisted of sheets, each ply not exceeding 6 mm thickness					
44121300	With at least one outer ply of tropical wood	12	12	17	29	0
44121410 /90	Other	6.2	4	17	21	0
	Other, with at least one outer ply of non-coniferous wood					
44122200	With at least one ply of tropical wood	10	10	17	27	0
44122300	Other, containing at least one payer of particle board	10	10	17	27	0
	Other					

44122910	Other, temperate zone	10	10	17	27	0
44122990	Other	10	10	17	27	0
	Other					
44129200	With at least one ply of tropical wood	8	8	17	25	0
44129300	Other, containing at least one layer of particle board	10	10	17	27	0
44129910	Other	6.2	4	17	21	0
44129990	Other	6.2	4	17	21	0
4413	Densified wood blocks, etc.	6	6	17	23	0
4414	Wooden frames	20	20	17	37	0
4415	Packing cases, cable-drums, pallets, pallet collars	9.6	7.5	17	24.5	0
4416	Casks, barrels, vats, etc.	16	16	17	33	0
4417	Tools, tool handles, etc.	16	16	17	33	0
4418	Builder's joinery, carpentry	6.8	4	17	21	0
44184000	Shuttering for concrete constructional work	7.2	4	17	21	0
44185000	Shingles and shakes	9.6	7.5	17	24.5	0
4419	Tableware, kitchenware	7	3.5	17	20.5	0
4420	Wood marquetry and inlaid wood, statuettes and other ornaments	7	3.5	17	20.5	0
44209010	Wood marquetry and inlaid wood of strain-sensitive wood	2.4	0	17	17	0
4421	Other articles of wood	7	3.5	17	20.5	0
44219010	Spools, cops, bobbins, sewing thread reels	2	0	17	17	0

LOGS

Table 4. Softwood logs production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Softwood Logs**			Unit: 1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	26791	28079	27594	29760	0	32736
Imports	15298	11352	18357	11920	0	13112
TOTAL SUPPLY	42089	39431	45951	41680	0	45848
Exports	0	0	1	1	0	1
Domestic Consumption	42089	39431	45950	41679	0	45847
TOTAL DISTRIBUTION	42089	39431	45951	41680	0	45848

Table 5. Softwood logs imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Logs	
Import for	CY2002	CY2003
United States	60,381	17,166
Others:		
Russia	13,844,783	9,513,746
New Zealand	1,606,334	1,419,086
Australia	75,172	195,151
Myanmar	55,984	65,339
North Korea	51,384	48,192
Canada	20,149	64,124
Kazakstan	29,578	
South Africa	26,137	
Germany	1,398	16,486
Total for others:	15,710,919	11,322,124
Others not listed	9,018	13,049
Grand Total	15,780,318	11,352,339

Table 6. Softwood logs exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Logs	
Export for	CY2002	CY2003
North Korea	0	392
Taiwan	0	25
Grand Total	0	417

Table 7. Temperate Hardwood Logs Production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Temperate Hardwood Logs**		1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	13437	12960	13840	13740	0	14840
Imports	7532	6596	9038	7120	0	7832
TOTAL SUPPLY	20969	19556	22878	20860	0	22672
Exports	8	8	8	8	0	8
Domestic Consumption	20961	19548	22870	20852	0	22664
TOTAL DISTRIBUTION	20969	19556	22878	20860	0	22672

Table 8. Temperate Hardwood Logs Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Temperate Hardwood Logs	
Import for	CY2002	CY2003
United States	58,935	67,056
Others:		
Malaysia	1,567,969	1,593,230
Russia	961,431	1,491,557
Papua New Guinea	1,096,923	1,318,557
Myanmar	488,284	661,685
Liberia	624,757	345,268
Germany	390,170	320,178
Solomon Island	155,549	282,641
Gabon	208,290	99,035
Equatorial Guinea	171,339	96,327
Australia	56,152	115,157
Total for others	5,720,864	6,323,635
Others not listed	496,334	304,994
Grand Total	6,276,133	6,595,685

Table 9. Temperate Hardwood Logs Exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Temperate Hardwood Logs	
Export for	CY2002	CY2003
Japan	10,550	7,711
Malaysia	340	157
Taiwan	202	260
Thailand		254
South Korea	11	
United States		2
Hong Kong	2	
Grand Total	11,105	8,384

Table 10. Tropical Hardwood Production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Tropical Hardwood Logs**			1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	814	2160	820	2290	0	2520
Imports	3269	2717	3759	2990	0	3440
TOTAL SUPPLY	4083	4877	4579	5280	0	5960
Exports	0	0	0	0	0	0
Domestic Consumption	4083	4877	4579	5280	0	5960
TOTAL DISTRIBUTION	4083	4877	4579	5280	0	5960

Table 11. Tropical Hardwood Logs Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Tropical Hardwood Logs	
Import for	CY2002	CY2003
United States	0	349
Others:		
Malaysia	551,902	1,105,210
Gabon	879,104	626,741
Equatorial Guinea	173,155	323,847
Congo	140,056	241,681
Indonesia	103,593	80,418
Myanmar	61,000	101,289
Cameroon	172,897	81,986
Papua New Guinea	31,074	49,229
Liberia	73,535	49,859
Mozambique	12,083	15,388
Laos	6,432	11,515
Vietnam	13,605	10,052
Total for Others	2,218,436	2,697,215
Others not listed	54,600	19,128
Grand Total	2,273,036	2,716,692

Table 11. Tropical Hardwood Logs Exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Tropical Hardwood Logs	
Export for	CY2002	CY2003
United States	0	0
Grand Total	0	0

LUMBER

Table 12. Softwood Lumber Production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Softwood Lumber**			1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	5229	6761	0	8450	0	10980
Imports	960	1083	0	1190	0	1370
TOTAL SUPPLY	6189	7844	0	9640	0	12350
Exports	88	118	0	0	0	0
Domestic Consumption	6101	7726	0	9640	0	12350
TOTAL DISTRIBUTION	6189	7844	0	9640	0	12350

Table 13. Softwood Lumber Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Lumber	
Import for	CY2002	CY2003
United States	33,584	49,404
Others:		
Russia	456,854	333,194
New Zealand	186,129	156,249
Canada	127,268	211,177
Indonesia	103,766	26,267
Chile	48,970	65,820
Finland	44,162	42,487
Myanmar	45,533	37,529
Brazil	25,190	41,925
North Korea	26,795	15,836
Singapore	6,912	25,330
Argentina	6,578	21,685
South Africa	8,207	14,318
Sweden	10,281	10,890
Kazakstan	16,890	
Malaysia	15,534	671
Total for Others	1,129,069	1,003,378
Others not listed	26,239	30,500
Grand Total	1,188,892	1,083,282

Table 14. Softwood Lumber Exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Lumber	
Import for	CY2002	CY2003
United States	820	761
Others:		
Japan	85,650	108,917
South Korea	10,171	5,993
Taiwan	710	1,455
Hong Kong	398	417
Vietnam	402	143
Philippines	440	-
Total for Others	97,771	116,925
Others not listed	403	617
Grand Total	98,994	118,303

Table 15. Temperate Hardwood Lumber Production, Supply and Distribution

PSD Table						
Country	China, Peoples Republic of					
Commodity	Temperate Hardwood Lumber			1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	3816	3944	4168	4930	0	6400
Imports	3241	2910	3727	3055	0	3300
TOTAL SUPPLY	7057	6854	7895	7985	0	9700
Exports	345	346	380	350	0	380
Domestic Consumption	6712	6508	7515	7635	0	9320
TOTAL DISTRIBUTION	7057	6854	7895	7985	0	9700

Table 16. Temperate Hardwood Lumber Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Temperate Hardwood Lumber	
Import for	CY2002	CY2003
United States	563,111	606,127
Others:		
Thailand	530,296	637,590
Indonesia	646,638	370,853
Malaysia	318,206	257,420
Germany	155,376	118,638
Myanmar	127,062	146,077
Canada	141,376	108,504
Russia	94,796	113,409
Brazil	53,535	102,587
Romania	80,447	65,185
New Zealand	35,116	65,500
Singapore	14,565	68,029
France	37,958	20,900
Taiwan	30,092	25,070
Hong Kong	28,932	20,334
Australia	20,001	18,725
Italy	27,369	10,871
Philippines	6,950	25,448
Austria	18,540	10,758
Total for others	2,367,255	2,185,898
Others not listed	156,478	117,516

Grand Total	3,086,844	2,909,541

Table 17. Temperate Hardwood Lumber Export

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Temperate Hardwood Lumber	
Export for	CY2002	CY2003
United States	3,463	4,111
Others:		
Japan	186,298	211,637
South Korea	98,835	88,163
Taiwan	13,351	14,120
Hong Kong	7,752	7,310
Italy	1,264	7,836
Germany	1,566	4,996
Thailand	3,272	2,286
Vietnam	1,359	2,551
Malaysia	1,210	1,662
Total for others	314,907	340,561
Others not listed	4,041	3,919
Grand Total	320,158	346,142

Table 18. Tropical Hardwood Lumber Production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Tropical Hardwood Lumber**		1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	190	564	219	705	0	910
Imports	1346	1206	1817	1380	0	1650
TOTAL SUPPLY	1536	1770	2036	2085	0	2560
Exports	10	10	11	10	0	10
Domestic Consumption	1526	1760	2025	2075	0	2550
TOTAL DISTRIBUTION	1536	1770	2036	2085	0	2560

Table 19. Tropical Hardwood Lumber Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Tropical Hardwood Lumber	
Import for	CY2002	CY2003
United States	30,097	14,094
Others:		
Indonesia	669,327	679,053
Malaysia	155,640	178,590
Brazil	78,480	136,619
Myanmar	56,046	44,465
Thailand	60,268	33,657
Taiwan	14,199	17,641
Cameroon	11,217	17,081
Canada	12,621	6,682
Gabon	2,417	15,379
Philippines		13,761
Cambodia	1,296	12,329
Total for others	1,061,511	1,155,257
Others not listed	28,664	36,890
Grand Total	1,120,272	1,206,241

Table 20. Tropical Hardwood Lumber Exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Tropical Hardwood Lumber	
Export for	CY2002	CY2003
United States	232	298
Others:		
Hong Kong	6,441	6,531
Japan	535	1,056
Taiwan	1,150	349
Mozambique	675	
Italy	117	174
South Korea		232
Total for others	8,918	8,342
Others not listed	466	959
Grand Total	9,616	9,599

Plywood

Table 21. Softwood Plywood Production, Supply and Distribution

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Softwood Plywood**		1000 CUBIC METERS			
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2003		01/2004		01/2005
Production	1787	3153	0	3780	0	4725
Imports	116	201	0	230	0	280
TOTAL SUPPLY	1903	3354	0	4010	0	5005
Exports	677	925	0	1100	0	1200
Domestic Consumption	1226	2429	0	2910	0	3805
TOTAL DISTRIBUTION	1903	3354	0	4010	0	5005

Table 22. Softwood Plywood Imports

Import Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Plywood	
Import for	CY2002	CY2003
United States	44	1,493
Others:		
Indonesia	108,113	117,011
Malaysia	25,756	54,720
Taiwan	3,477	10,591
Cambodia	5,150	2,369
Russia	1,564	5,433
Japan	1,913	3,817
Canada	3,073	1,157
South Korea	1,297	1,805
China	798	1,801
Singapore	52	2,262
New Zealand	302	1,522
Thailand	1,634	83
Germany	1,402	14
Total for others	154,531	202,585
Others not listed	918	915
Grand Total	155,493	204,993

Table 23. Softwood Plywood Exports

Export Trade Matrix		
Country:	China, People's Republic of	Unit: Cubic Meters
Commodity	Softwood Plywood	
Export for	CY2002	CY2003
United States	64,372	161,132
Others:		
South Korea	163,886	146,565
Hong Kong	104,154	107,415
Japan	62,119	93,314
Saudi Arabia	50,286	47,752
U.A.E	22,552	56,727
Yemen	46,131	27,019
Israel	26,735	37,194
Taiwan	32,015	24,702
Singapore	13,116	28,819
United Kingdom	10,941	27,693
Belgium	7,735	20,619
Jordan	8,719	17,852
Kuwait	2,247	15,555
Total for others	550,636	651,226
Others not listed	51,110	112,398
Grand Total	666,118	924,756