

China posts robust gains in exports and imports of major wood products

China's log imports in the first half of 2010

Log imports totaled 16.6 million m³, valued at US\$2,905 million in the first half of 2010, up 25% in volume and 60% in value from the same period in 2009. Of the total, softwood log imports were 11.4 million m³, valued at US\$1,458 million, up 68% in volume and 50% in value. Hardwood log imports were 5.3 million m³, valued at US\$ 1,446 million, up 32% in volume and 50% in value.

Of the total log imports, 26% were tropical log imports totaling 4.2 million m³, a significant jump of 56% from the same period in 2009.

Major suppliers of logs to China in the first half of 2010

| Country | Import volume (1000 m ³) | Proportion % | Import value (US\$ 1000) | Proportion % |
|-------------|--------------------------------------|--------------|--------------------------|--------------|
| Russia | 7,483 | 45 | 943,358 | 32 |
| New Zealand | 2,756 | 16 | 371,899 | 13 |
| PNG | 1,162 | 7 | 224,309 | 8 |
| USA | 804 | 5 | 201,284 | 7 |
| Solomon Is. | 695 | 4 | 140,109 | 5 |
| Gabon | 672 | 4 | 286,178 | 10 |
| Malaysia | 584 | 3 | 105,768 | 4 |
| Australia | 474 | 3 | 54,592 | 2 |
| Canada | 342 | 2 | 50,392 | 2 |
| Myanmar | 261 | 2 | 68,398 | 2 |
| Subtotal | 15,232 | 91 | 2,377,985 | |
| China total | 16,624 | 100 | 2,904,628 | 100 |

Trade in wooden furniture

China imported furniture worth US\$160 million in the first half of 2010, up 9% in value from the same period last year. Even so, China exported much more furniture valued at US\$7,384 million in the first half of 2010, 46% higher than in the same period last year.

Guangdong and Shanghai are the major provinces in China with the largest exports of wooden furniture. Guangdong Province exported worth US\$3,936 million of wooden furniture in the first half of 2010, accounting for 53% of the national total; Shanghai City exported US\$1,655 million, a 22% share of the national total.

Wood-based panel exports

Plywood: A total of 3.52 million m³ of plywood were exported in the first half of 2010, valued at US\$1,583 million, up 47% in volume and 44% in value from the same period last year.

Major importers of China's plywood in the first half of 2010

| <u>Country Export</u> | <u>volume (1000 m³)</u> | <u>Proportion %</u> |
|-----------------------|------------------------------------|---------------------|
| USA | 681 | 19 |
| Japan | 304 | 9 |
| UK | 267 | 8 |
| UAE | 151 | 4 |
| Korea | 147 | 4 |
| Saudi Arabia | 125 | 4 |
| Hong Kong | 107 | 3 |
| Singapore | 101 | 3 |
| Belgium | 97 | 3 |
| Total China exports | <u>3,524</u> | <u>100</u> |

Furniture industry looking to recapture market share

The US furniture industry is in a good position to increase their share in the domestic market, according to an analysis by *Hardwood Review Weekly*. While the recovery from the recession is slower than expected, there have been shortages on the supply side.

In recent years, North American manufacturers aimed for low inventories to reduce cost and better compete with imported furniture. Production capacities were cut, especially when the recession hit. At the same time, **wood furniture imports from China have dropped from \$US7 billion in 2007 to US\$5 billion in 2009**. US anti-dumping duties on wood bedroom furniture from China and higher labor costs in China have contributed to the decline in furniture imports. Shipping cost and lead times have also increased for US hardwoods shipped to Asia for processing.

Consumer demand for furniture is only slowly recovering, but the North American industry is in a better position than in a long time to increase production and capture market share from offshore suppliers. A number of manufacturers have reopened plants, opened new ones or announced new investments, according to *Hardwood Review Weekly*.