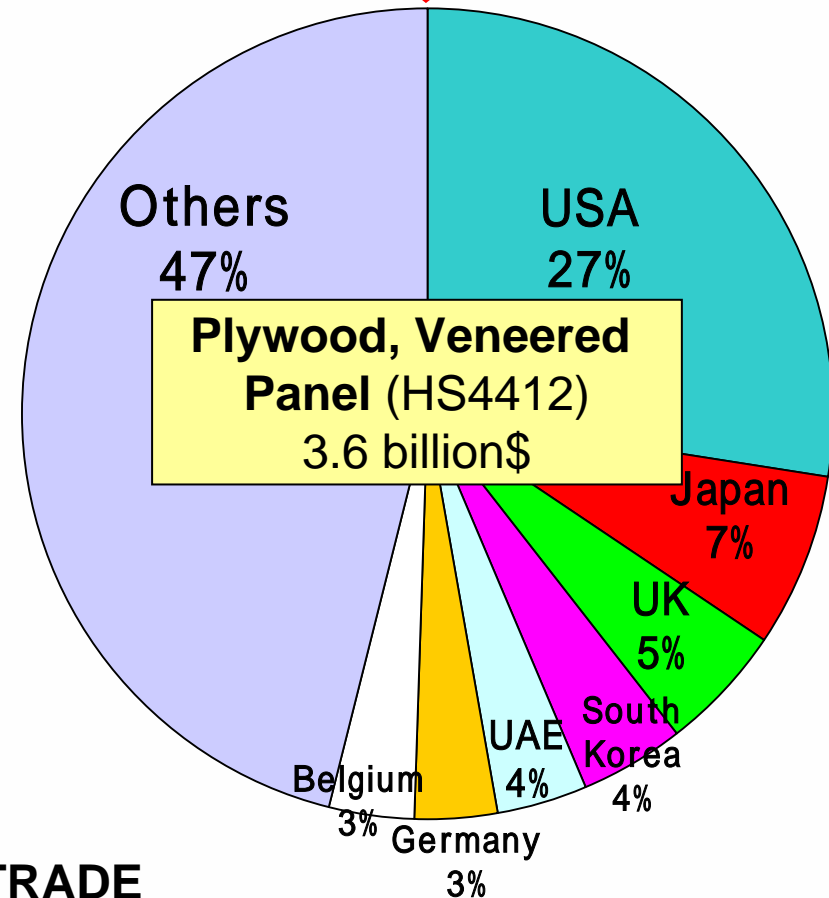
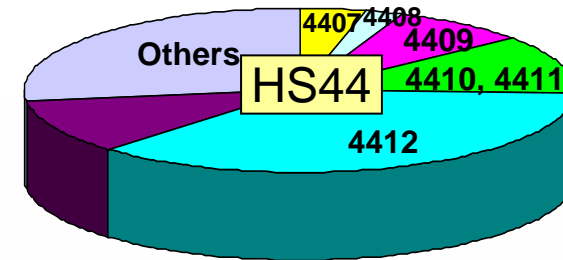
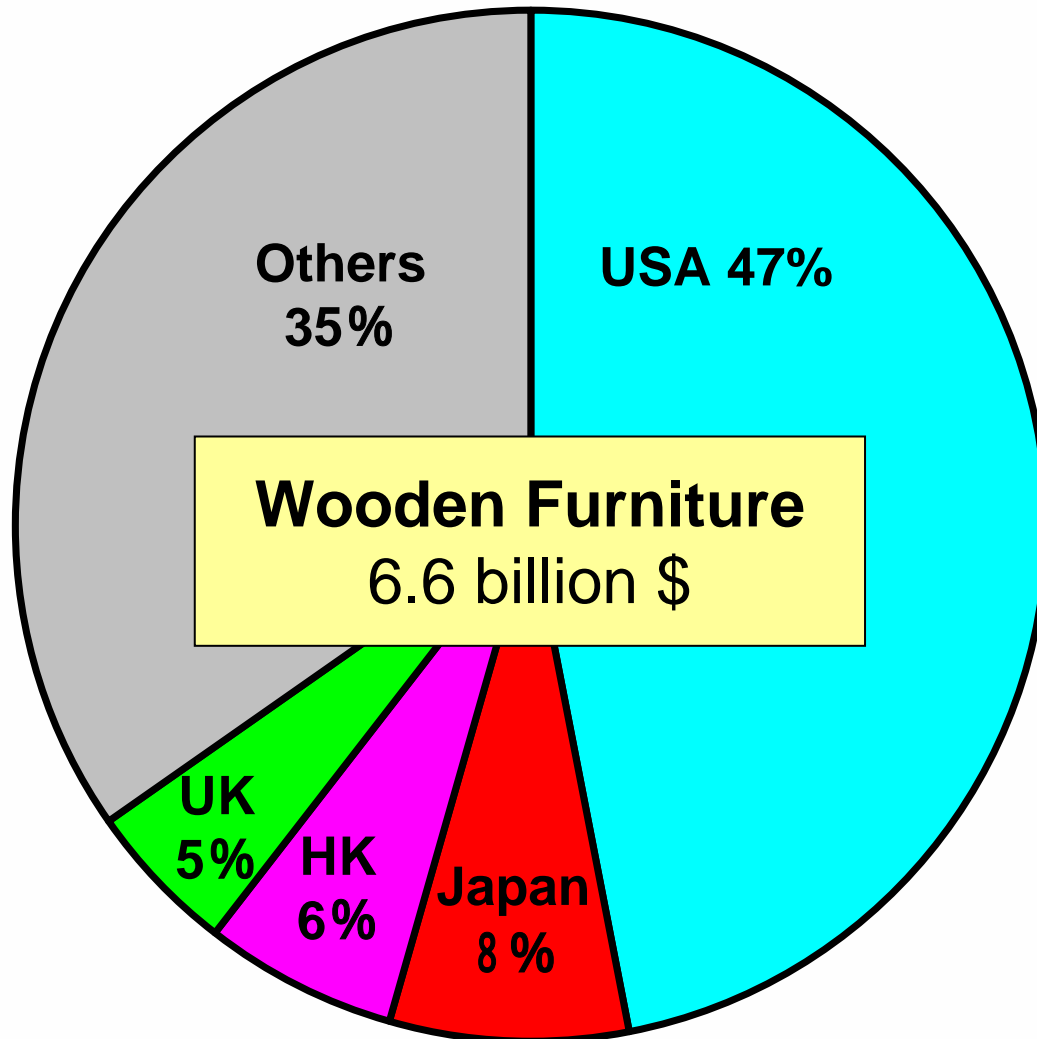


China's access to *Goho*-wood market

**CHINA AND THE GLOBAL FOREST PRODUCTS TRADE:
TRADE OF LEGAL AND SUSTAINABLE WOOD IN CHINA
FOURTH ROUND**

April 22, 2009 @ Oriental Garden Hotel, Beijing
Totani, Gen
Forestry Agency, JAPAN

China's Export of Wood and Wood Products



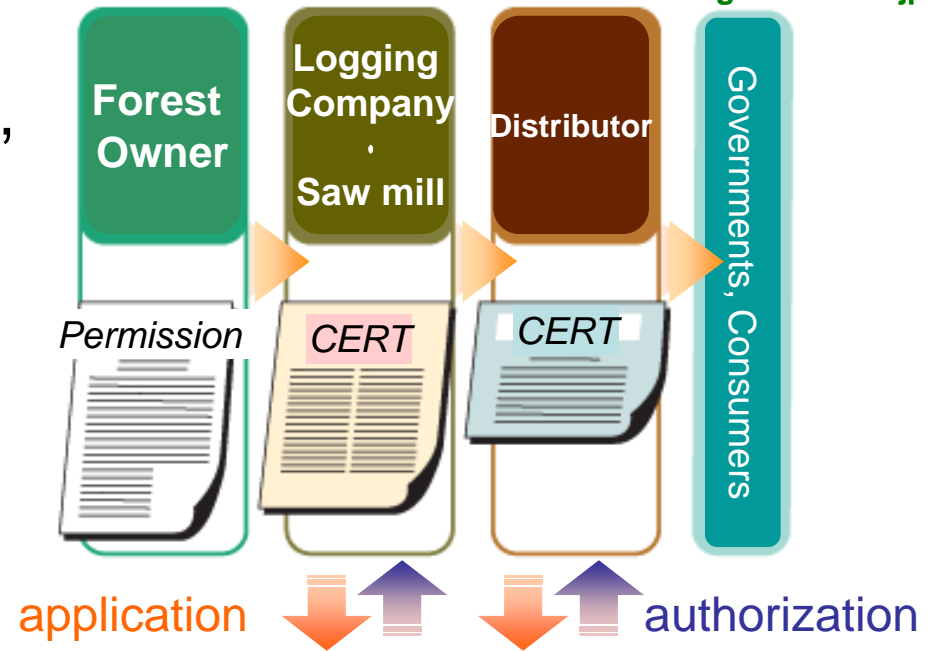
Source: UN COMTRADE

Promotion of *Goho*-wood



- Government Procurement Policy under Green Purchasing Law was amended in April 2006, requesting government bodies to purchase legal and sustainable wood & wood products.

- Both domestic and foreign timber-related companies and associations initiated promotion of *Goho*(=legal)-wood activities to comply with the new Government Procurement Policy.



- Forest Industry Association**
1. Declare against illegal logging
 2. Make & publish authorization procedure
 3. Authorize & announce their members as *Goho*-wood providers
 4. Announce implemented actions against illegal logging by the associations

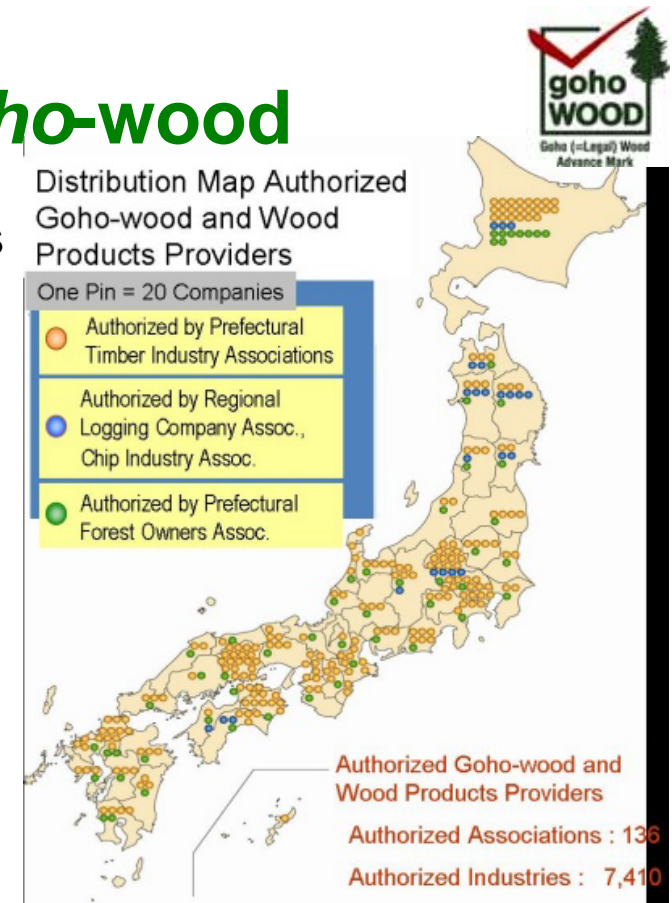
Impact, Challenge of *Goho*-wood

< IMPACT >

- To date, more than 7,500 timber-related companies have registered as *Goho*-wood suppliers including major wood trading partner countries such as Malaysia, Canada, Russia, Indonesia and U.S.A.
- 63% of domestic log, 19% of imported log and 35% of timber products from *Goho*-wood suppliers were shipped with proof of legality in JFY 2007.
- Raised forest owner and logger's awareness towards legality of their products.
- Acceptance of *Goho*-wood as reasonable and compliable initiative.

< CHALLENGE >

- The government procurement accounts only for about 2-3% of total national consumption of wood & wood products. Thus, rapid expansion of *Goho*-wood to the private market is necessary to give incentive to providers. (Today, over 7,500 providers cover most part of Japan, awaiting for heavier needs from all over the nation.)
- The amendment of the building code (June, 2007) and the global financial crisis since last year have badly damaged the timber market and not recovered yet, therefore most of timber industries and forest owners are facing difficulty.



Japan's approach to China

- Shared viewpoint between the two Governments

40. Both sides positively evaluated the cooperation of the governments of Japan and China in the areas of forestry and forestry industries, as well as the steady activities of the Japan-China Board of Assistance to Greening Activities. In order to cope with global deforestation and forest degradation, both sides will enhance forestation and control over illegal logging, and will promote the recovery and sustainable management of forests in the Asian region.

(Joint Press Statement on the Strengthening Exchange and Cooperation between the Government of Japan and the Government of the People's Republic of China, announced on the occasion of H.E. President Hu Jintao's visit to Japan, May 7, 2008, Tokyo)

- Action by private sectors

Japan Federation of Wood-Industry Associations (zenmokuren) was invited to the annual meeting of China Timber Distribution Association held in Guangzhou in July, 2008 where zenmokuren introduced Japan's measures against illegal logging, including Japanese Government's Green Procurement Policy and "Guideline for Verification on Legality and Sustainability of Wood and Wood Products."



Presentation by JFWIA, July 2008

For the Future

- Japan, as a member of G8 and main consuming countries, will continue to promote use of legal and sustainable wood & wood products. This will lead to expansion of *Goho*-wood market, contributing to global trade of legal and sustainable wood & wood products.
- China's importance in global wood & wood products trade has increased significantly in the past decade. It is clear that legal and sustainable wood & wood products trade cannot be achieved without active participation of China. Therefore, major trading partners are expecting China to establish and showcase legality and sustainability compliance system of wood & wood products so that they can import products with confidence.
- Japan and China have shared view to control illegal logging last year. Japan will promote and evoke domestic demand of legal and sustainable wood & wood products in the government procurement and in the private market. Japan is expecting China, the #1 supplier of wood & wood products to Japan in value, to provide wood & wood products with proof of legality and sustainability to meet the *Goho*-wood market needs and contribute to ideal global wood & wood products trade.

Thank you very much for listening

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