

Promoting Legal and Sustainable Wood Trade

--The role and motivation of companies

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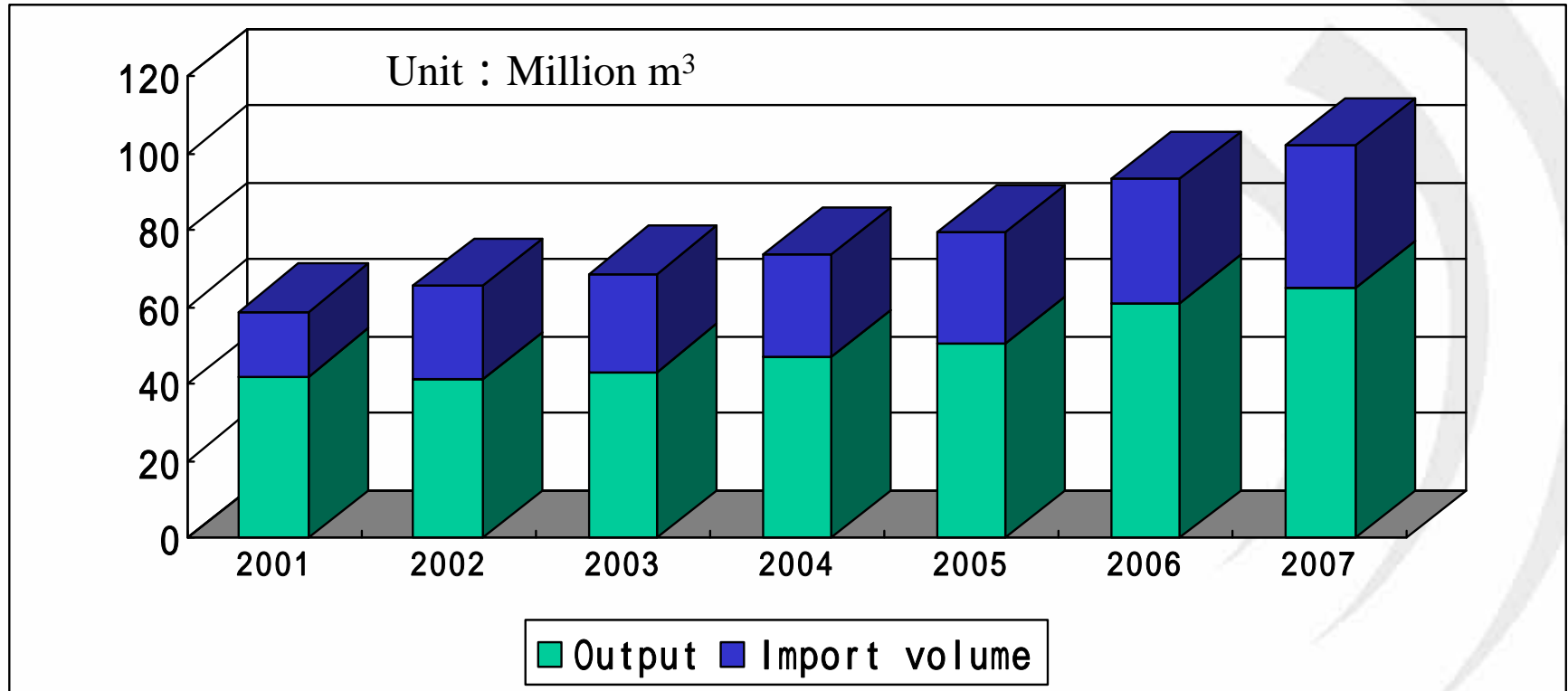
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- **Development of China's legal and sustainable wood trade**
- **Our roles**
- **Next action projects**

Development of China's Legal and Sustainable Wood Trade

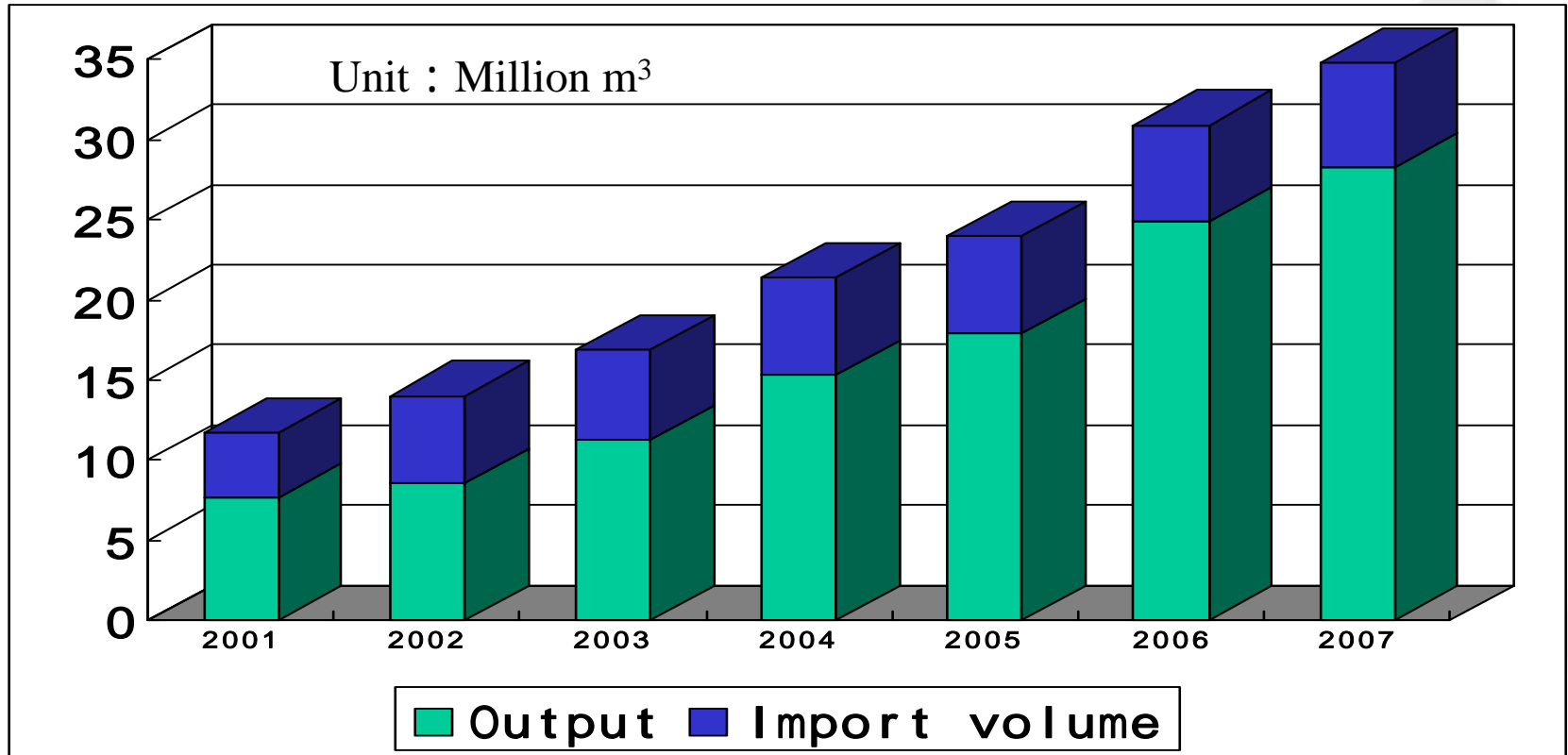
- **Restriction of policies:** China begun to implement the Natural Forest Protection Project in 1998; strictly restricted the logging of domestic forest; the strict control of logging will be the main trend for the development of Chinese forest industry.
- **Market demand:** China's forest products exports increased 4.5 times in the past decade. Products mainly exported to Europe, America and Japan; Logs and lumber imports increased greatly. In recent years, log imports almost accounted for about 35% of the total China's demand for wood.
- **International pressure:** Policies went strict gradually in many countries; non-Governmental Organizations paid more attention; international environmental organization paid great attention to the illegal logging in Indonesia, Papua New Guinea and Africa; at the same time, more pressure was exerted on China's exported wood products.

Demand for Logs in 2001-2007



The output of logs in China totaled 64.92 million m³ in 2007, up 6.22%; the log imports hit 37.09 million m³. The proportion of Log imports stabilized 35% of the total China's demand for wood in recent year.

Demand for Lumber in 2001-2007



In 2007, the output of lumber amounted to 28.29 million m³ in China, up 13.78% over the previous year. The lumber imports in China was 6.5 million m³ in 2007, which increased obviously.

Raw Materials was the Foundation for the Survival and Development of Companies

- **With the further rise of wood import price, looking for dealers with less links was the important factor to reduce the import cost.**
- **being Unfamiliar with policies of the exporter countries, companies could not judge which wood was legal and in accordance with the sustainable development.**
- **The origin of the wood and the quality of the products were the main reasons for the anti-dumping investigation on Chinese wood products in the international wood market. Thus, the assurance of the legal wood origin will become the important condition for the exported products.**
- **Companies should quite know about the Supply Chain of the wood material to reduce risks.**

Solutions to the Purchase of Wood Material in the World

- **Searching for wood material all over the world, especially certificated and legal wood; clearing up the trade channel and process; Being sure the changes of policies on wood species and types.**
- **Establishing the database including all the suppliers of log, lumber and veneer in the world, prices in every section and costs of supply channels; completing the cost-profit analysis.**
- **Tracing the change of the consumption structure of wood species and types to offer the reference and guiding for the wood consumption, as well as help companies to seize the future development and ensure sufficient and sustainable supply of wood resource.**
- **Tracing the adjustment of the industry structure and the transfer of supply chains; offering solutions to the supply of resources.**

Roles of Companies

- **Key of the promotion of legal wood trade**
- **Main body of the legal wood trade**
- **Executor of wood trade policies**

Demand and Puzzle of Companies

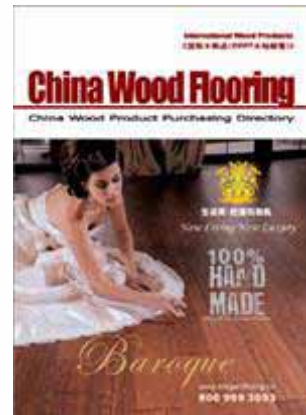
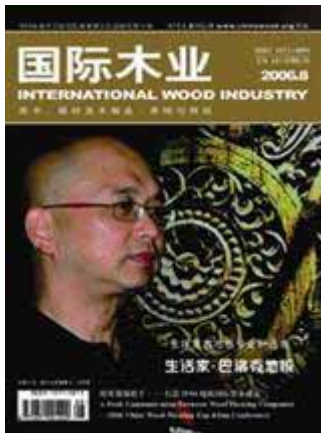
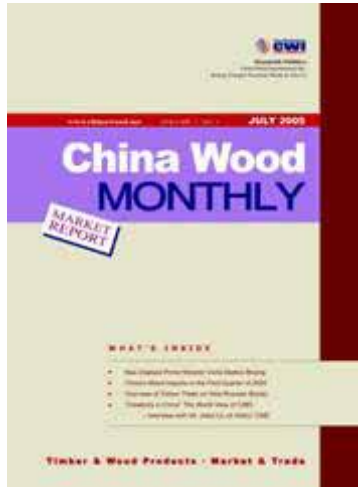
- Many Chinese companies realized the importance of the legal wood trade. Thus, they supported the legal wood trade.
- Wood resource was mainly imported from underdevelopment countries and regions, where the promotion of forest certification was deficient.
- Companies were difficult to found the channels of legal wood trade.

Our Roles

As the most activate and professional media and consulting organization, it's our obligatory responsibility to promote the recognition of companies on legal wood trade, help companies solve puzzles as the third party.

We have wide links with companies, hold professional and authoritative Database resource and professional consulting team. After years' engagement, we succeed in commend over 10 companies as the CFTN member.

Our Resources-----Network · Print · E-Media



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Our Resources----Market research and consultation

Relevant study :

Solutions to the global wood resource

Research on the utilization of raw materials for China's wood furniture
Market investigation and study on the Glued Laminated Timber (Glulam)
and Laminated Veneer Lumber (LVL)

Distribution of China's Wood Products Report

Other research report :



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Our Resources----Industry event and meeting



International convention



International high-level forum



Domestic large companies session



SURFACES China flooring commending meeting

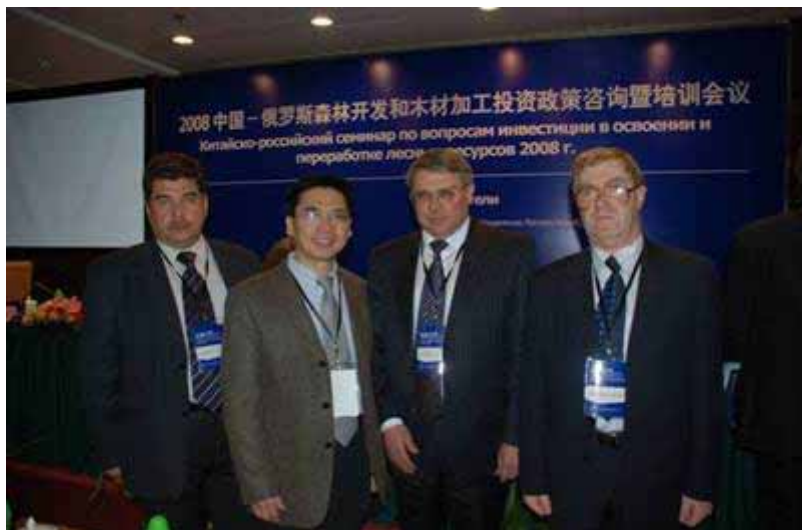
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Our roles-----China's Wood Furniture Association convention



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Our roles-----Sino-Russia wood trade & training conference



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Next Action Projects

- **Action projects of Sino-Russia legal and sustainable wood trade**
- **Action projects of Sino-Africa legal and sustainable wood trade**
- **Research on the utilization of raw materials for China's furniture**

Action Projects of Sino-Russia Legal and Sustainable Wood Trade

Purpose

Based on the biggest Sino-Russia wood trade port in China and the base with the richest wood resources in Russia, promoting the development of over 200 wood processing and trade companies in Russia; increasing the China's import volume of Russian logs to 10million m³; further improve the Sino-Russia wood trade with the volume of 100million m³.

Content

Organizing companies to inspect the wood trade situation between China and Russia in Manzhouli in China, Irkutsk and Tomsk in Russia in August to September.

Action Projects of Sino-Russia Legal and Sustainable Wood Trade----Inspecting in China

In the end of August 2008, inspect the Sino-Russia wood trade situation, Port, Customs, Inspection and Quarantine, merchants, primary and deep processing companies which were of great important to the legal purchase and sustainable development in Manzhouli Port.

Action Projects of Sino-Russia Legal and Sustainable Wood Trade----Inspecting in Russia

At the beginning of September 2008, inspect the situation of forest land which is operated by both China and Russia and the primary and deep processing companies of wood products in Irkutsk and Tomsk in Russia

Action projects of Sino-Africa legal and sustainable wood trade

Purpose

**Setting up the communication platform for the Sino-Africa forest and wood processing industry to boost the cooperation among governments and companies, as well as standardize the investment in forest and wood process of Chinese companies in Africa;
Assisting Chinese companies to know about the situation of forest and wood processing in Africa; seizing the latest information on the wood investment and trade of Chinese companies in Africa.**

Content

Organizing the explanation session in Beijing at the end of 2008 or at the beginning of 2009. This conference will focus on the Africa forest and wood processing investment policies with the State Forestry Administration, Commerce Department of China and other forestry authorities of African countries including Ghana, Congo, Gabon, Liberia and other countries in West Africa and Middle Africa in Congo Basin region.

Action projects of Sino-Africa legal and sustainable wood trade

Topic

Profile of African countries: resource situation, investment, trade, forest management, Customs and tariff policies, legal forest and wood purchase

Sino-Africa: Sino-Africa investment program; legal, excellent and stable trade of African wood in China.

Companies study and discussion: discussing the Sino-Africa wood investment status.

Research on the utilization of raw materials for China's furniture

Purpose

Well knowing about the situation of raw material supply in China's wood furniture industry; assisting China's furniture companies to solve the problem of raw materials supply; forecasting the development trend for the raw material to help companies to set up the legal, excellent and stable supply channel of raw materials.

Content

Cooperating with the China National Furniture Association and China National Forestry Industry Association. Besides, 20-30 of large and top furniture companies will be interviewed in 2008, and about 100 of medium and small sized furniture companies will be surveyed by phone.

Conclusion and Suggestions

- **Only the wide participation of companies and the self-conscious activities can in deed promote the development of wood legal and sustainable trade.**
- **Suggestions: NGO may expand the forum; widely invite the companies to attend the conference; help companies to solve the problems. All those events will make the wood legal trade sink deep into people's hearts, and receive much wider and effective support.**

Thank you!

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