Evaluating China’s Forest Products Trade: A Review of the History, Issues and the Future

Forest Products Trade Between Russia and China: Potential Production, Processing, Consumption and Trade Scenarios

Gary Bull and Steven Northway
17 September 2007
University of British Columbia, Vancouver, Canada
Outline

- **History**: Origin of the International Forest and Forest Products (IFFP) trade model development and projects.
- **Issues**: what are we trying to address?
- **Future**: where are we going?
History - Conferences/Meetings


History – Conferences/Meetings


Regulating the Harvest:
Experiences and Lessons from Major Forest Countries

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Olf Schwab

FINAL

September 2002

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TRANSLATION OF SUMMARIES
French

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Some of the International Forestry Review Articles even got translated into Russian thanks to Dr. Alexander Sheingauz
China and the Global Market for Forest Products
Transforming Trade to Benefit Forests and Livelihoods

March 2006

Authors
Andy White, Xiufang Sun, Kerstin Canby, Jintao Xu, Christopher Barr, Eugenia Katsigris, Gary Bull, Christian Cossalter and Sten Nilsson

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# 3: Forest Trends
Example of #3 Results - China’s potential imports and harvests

The first crude attempt we made to develop an international perspective
International Forest and Forest Products Trade Model: Scenarios for China and Indonesia’s Forest Supply, Forest Products Processing, Consumption and Trade

October 23, 2006

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#4: Scenarios

Scenarios for China

1. “No-NFPP”, ignores the implementation of the Chinese Natural Forest Protection Program.
2. “Status Quo” reflects the implementation of the NFPP and is the best representation of current conditions and expected future developments.
3. “End-NFPP”, examines the impact of removing the logging ban on forest production.
4. “Poor CHN Plantation Growth”, reflects disappointing growth rates for China’s fast growing plantations

Scenarios for Indonesia.

1. “status quo”, includes illegal logging.
2. “End IDN Illegal Logging”, reflects a halt to illegal logging in the first period.
Example of #4 Results

Figure 11. Indonesia's Projected IRW Consumption and Production
International Forest and Forest Products Trade Model: Scenarios for China and Eastern Russia Forest Supply, Forest Products Processing, Consumption and Trade

September 7, 2007

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#5: Scenarios

Scenarios for Eastern Russia

- the “Status Quo”
- “RUE forest” represents an accelerated investment into the transportation infrastructure to support harvesting.
- “RUE saw” represents an accelerated investment in sawmill capacity. It is implemented by increasing the predicted sawmill capacity by double the rate predicted in the “Status Quo”.
- “RUE forest/saw”, includes both an accelerated investment in support of harvesting and sawmill capacity.
Example of #5 Results

Figure 14. Eastern Russia’s Projected IRW Consumer Use and
#6: Forest Trends

CHINA AND FOREST TRADE IN THE ASIA-PACIFIC REGION:
IMPLICATIONS FOR FORESTS AND LIVELIHOODS

FOREST PRODUCTS TRADE BETWEEN RUSSIA & CHINA:
POTENTIAL PRODUCTION, PROCESSING, DEMAND AND TRADE SCENARIOS

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GARY Q. JELL

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Example of #6 Results

Figure 4: China's Forest Products Trade, by Product - Status Quo Scenario

Note: Exports (pulp logs, recycled paper, plywood until 2020) are given as negative numbers; imports are positive. Source: Northway & Bul, 2007: Appendices 1a, 2a, 3a.
Example of #6 Results

Figure 6: Eastern Russian Domestic Production of Forest Products – Status Quo Scenario

Source: Northway & Bull, 2007: Appendices 1c, 2c, 3c.
Issues

- Modeling
  - Basic data availability
  - Data consistency
  - Data definition and interpretation
  - Theory
  - Policy relevance

- Choosing relevant scenarios


Issues

- The forest inventories, harvest elasticities, and growth and yield estimates need refinement, including a better representation of the extensive margin.
- The treatment of illegal logging needs to be extended beyond Indonesia.
- Fuel wood needs to be included.
- Energy inputs and possible outputs need to be included.
- Changes in manufacturing capacity and consumption within a country are independent of its domestic supply of raw materials.
On the other hand!

- The dynamics of the forest - area, volume, growth and removals - are explicitly included as a simplified forest estate model.
- The processes, used to transform products, are represented with individual supply elasticities.
- The IFFP model allows for the examination of the bilateral trade impacts of generated in-country scenarios.
- The product-process based structure of the model makes it easy to extend the model into addressing a wide range of forest policy issues such as:
  - Land use allocation - Land class for primary products could be changed.
  - Bioenergy - Alternative processes could be used to allocate logs.
  - Sectoral studies - Products and processes descriptions could be more limited in breadth and deeper in depth.
  - Substitution - Alternative processes could represent possible product substitutions.
Future

- Demonstrate utility (objective of the next few days)
- Train country experts (to transfer the model)
- Finalize analysis including western Russia (to develop Russia scenarios)
- Fully develop on-line version for multi-country analysis (to facilitate dialogue)
- Rapid response to the needs of policy makers (to be relevant)