

# China: Trade Scenarios for Forest and Forest Products

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**China's State Forest Administration FEDRC ,  
Peking University, Forest Trends, Rights and  
Resources Group (RRG) and the Center for  
International Forestry Research (CIFOR)**

**Towards a Sustainable Chinese Forest  
Sector:Reforming trade and Stregthening  
Domestic Policy**

# Overview

- Rationale for project
- Project objectives
- Data acquisition
- Model development
- Results

# Rationale

- Dramatic rise in imports of forest products and logs (Ms. Canby's presentation).
- The world became aware that China is now a global player in the consumption, production and trade in forest products.
- China's strategic direction will be influenced by its own forest management policies.

# Objective

- To develop a modeling tool that allows us to explore scenarios that are relevant to public policy.

Under the overall direction of Dr. Chris Barr at CIFOR, we examined scenarios in China and Indonesia.

# Date sources

- Chinese State Forestry Administration inventory reports
- International Forestry Review 2004
- CIFOR studies
- FAO
- Various other sources

# Model development

- There are other trade models available but they are either costly, somewhat outdated or have some theoretical shortcomings.
- In model development we strived for:
  - ✓ Transparency
  - ✓ Collaboration
  - ✓ Flexible
  - ✓ Embed forest estate model
  - ✓ Parameterized easily

# Methodology

- Define the structure of the model through **products** and **processes** (e.g. sawlog to plywood)

**Initial  
Products**



**Intermediate  
Products**



**Final  
Products**

Forest by type  
Recycled pulp  
Non-wood fibre

Sawlogs, Pulplogs, Pulp

Plywood, panels  
sawntimber, newsprint  
Paper and paperboard

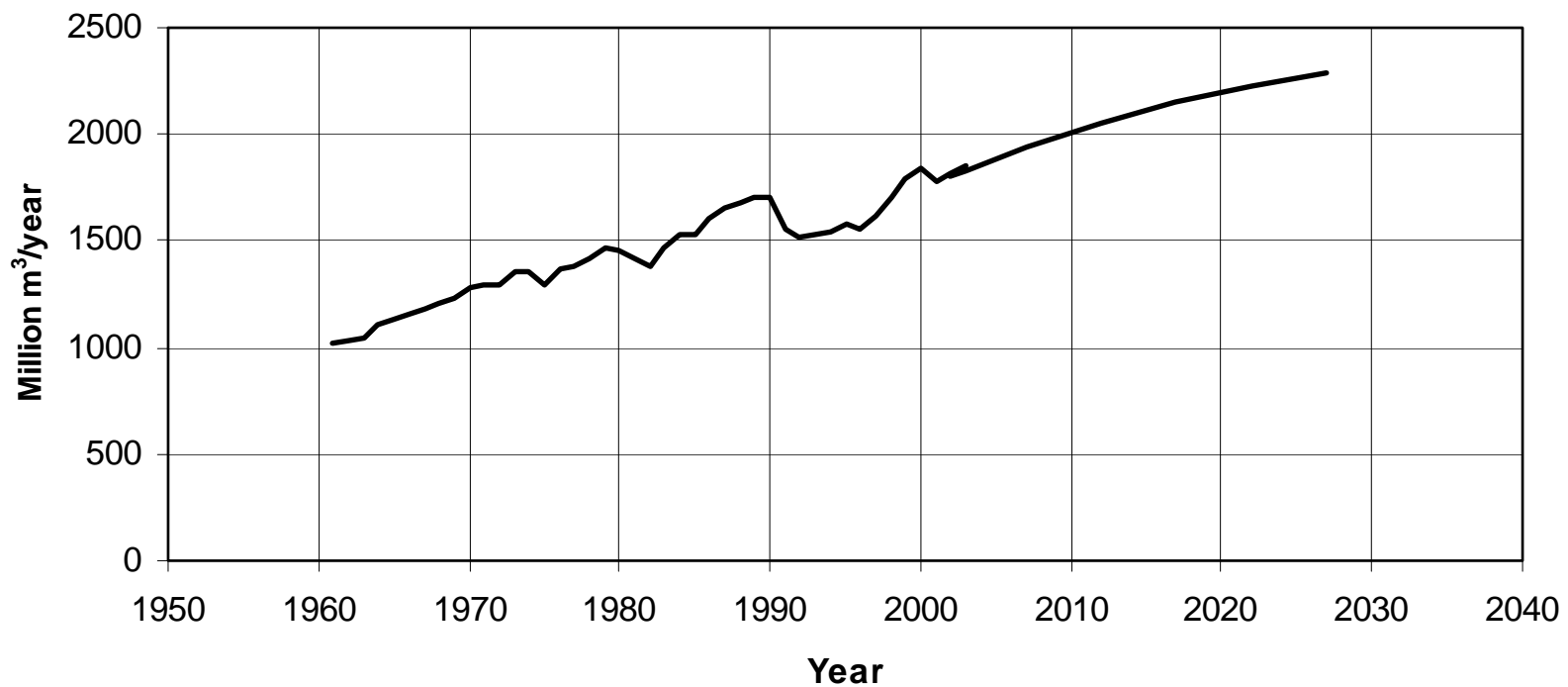


# Parameters

- Manufacturing capacity and production
- Fibre source (e.g. forest by country by forest type)
- Consumption

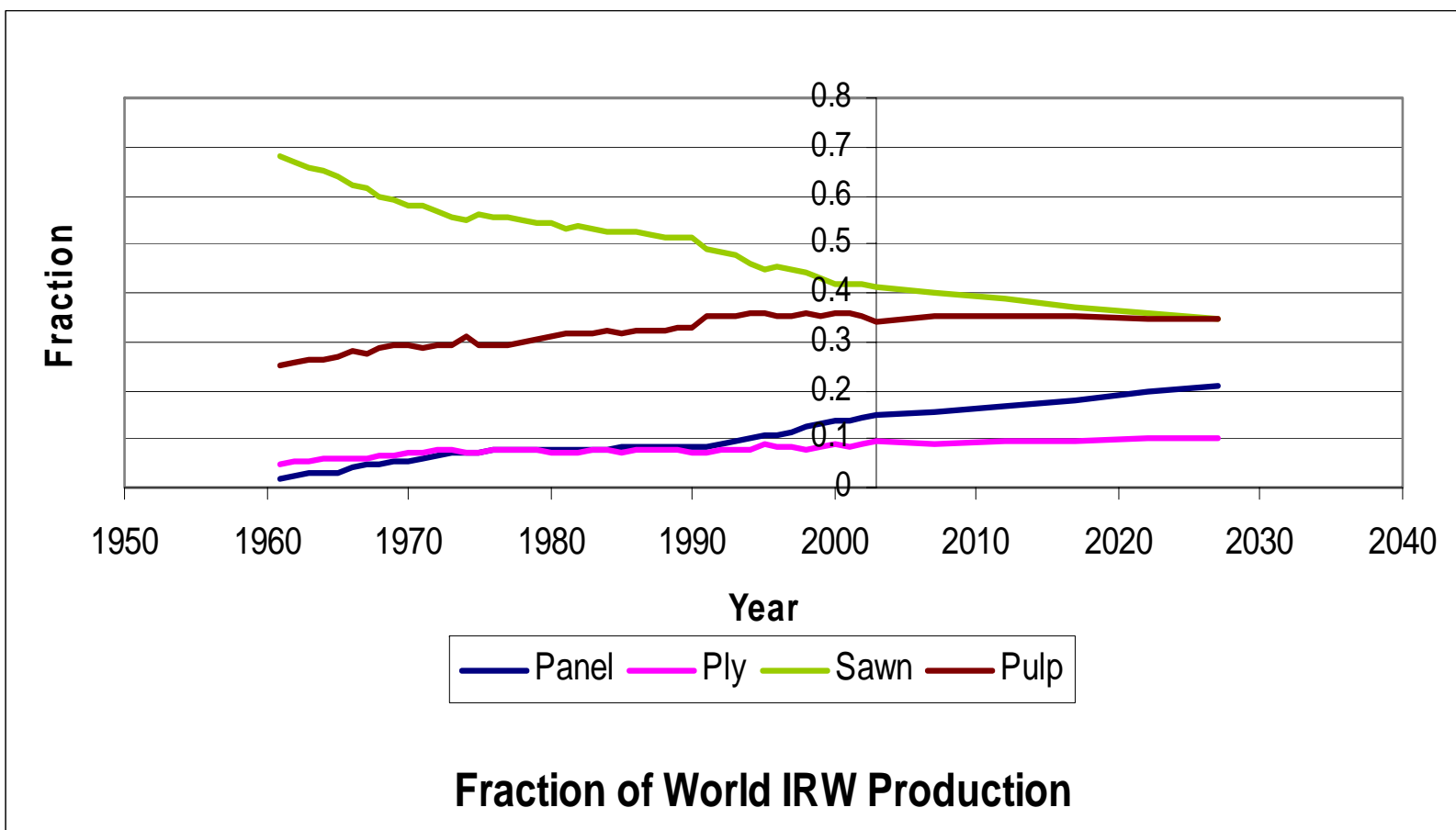
We start by developing our assessment of the world's production, manufacturing capacity, fibre sources and consumption

# World IRW Production

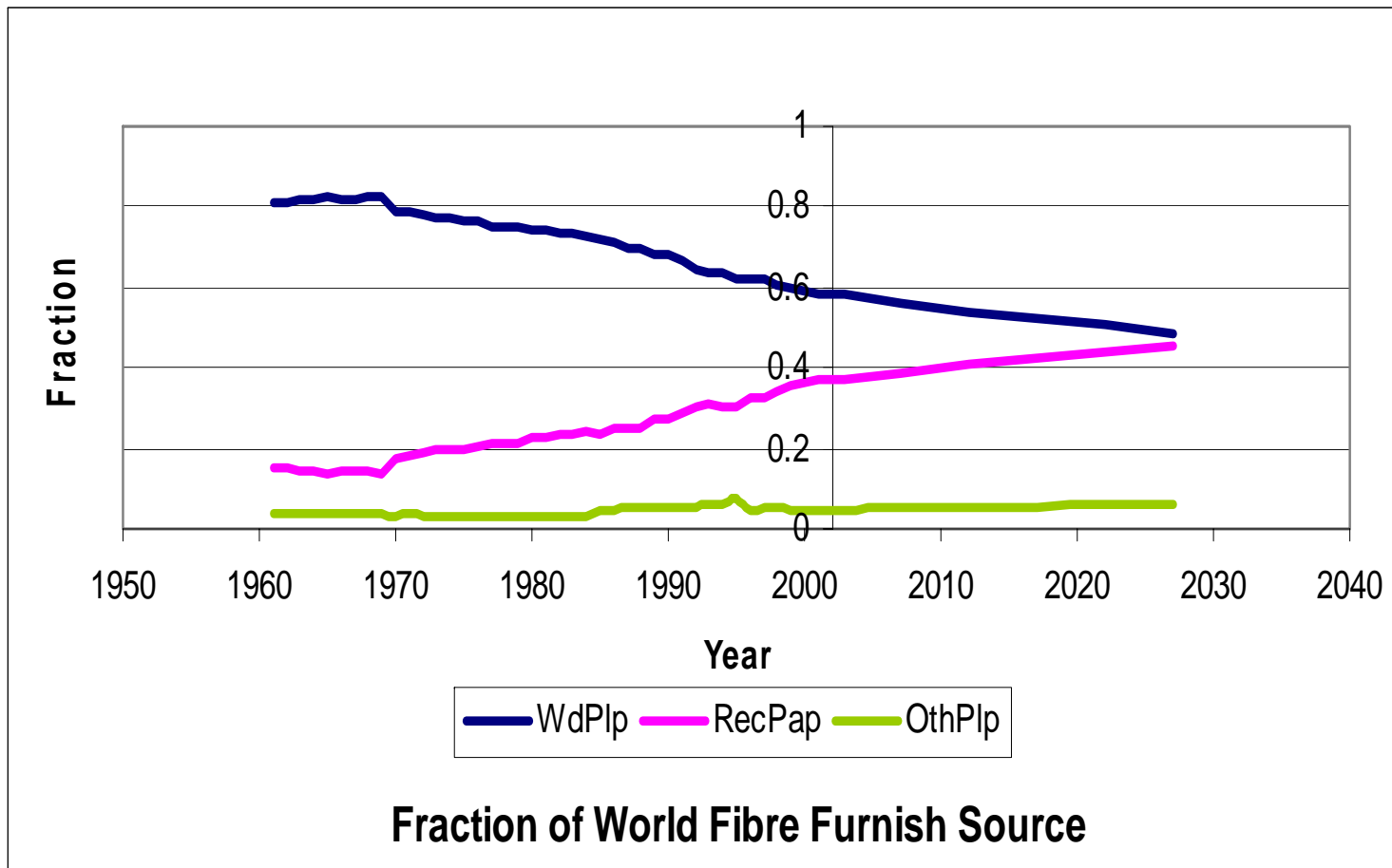


**World IRW Production**

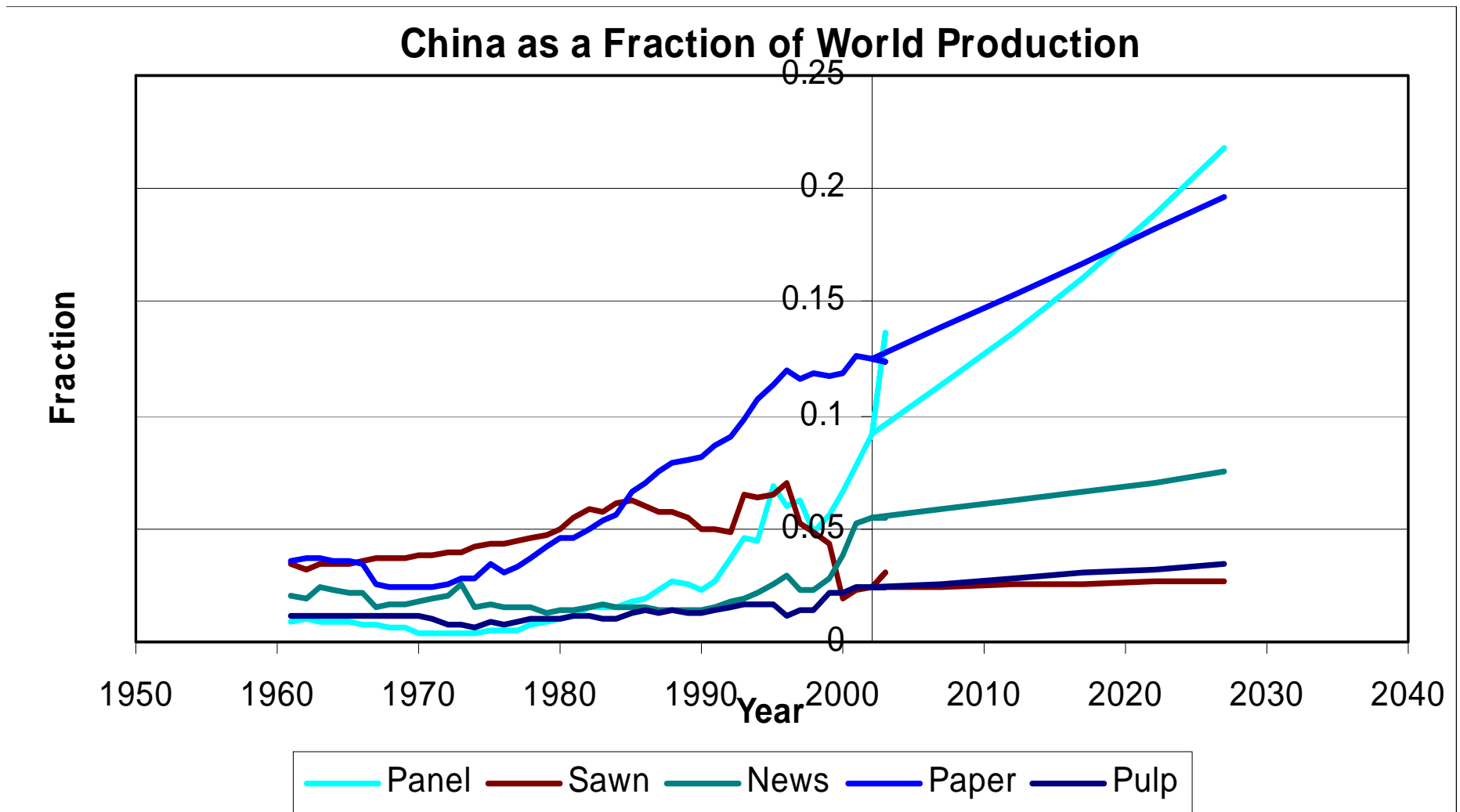
# % World IRW Production



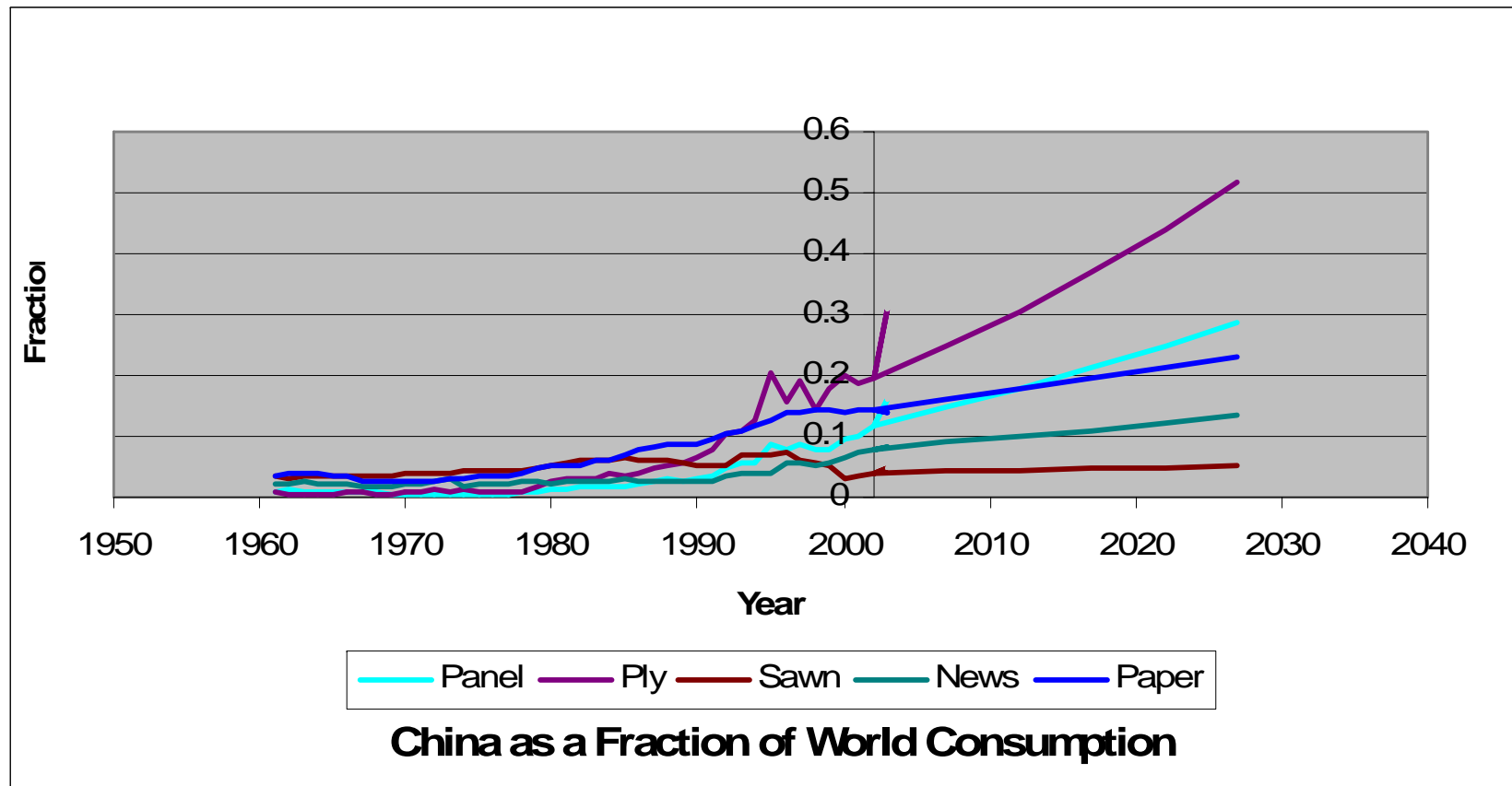
# World Fibre Source



# China's in IRW Production



# China's IRW Consumption



# Fiber source – China's Forest:

- Forest Type
  - Fast plantations
  - Slow plantations
  - Deciduous forest
  - Coniferous forest
- Forest Condition
  - Non-forest
  - Forest
  - High cost forest

# Scenarios and Results

## **Scenarios : supply shocks**

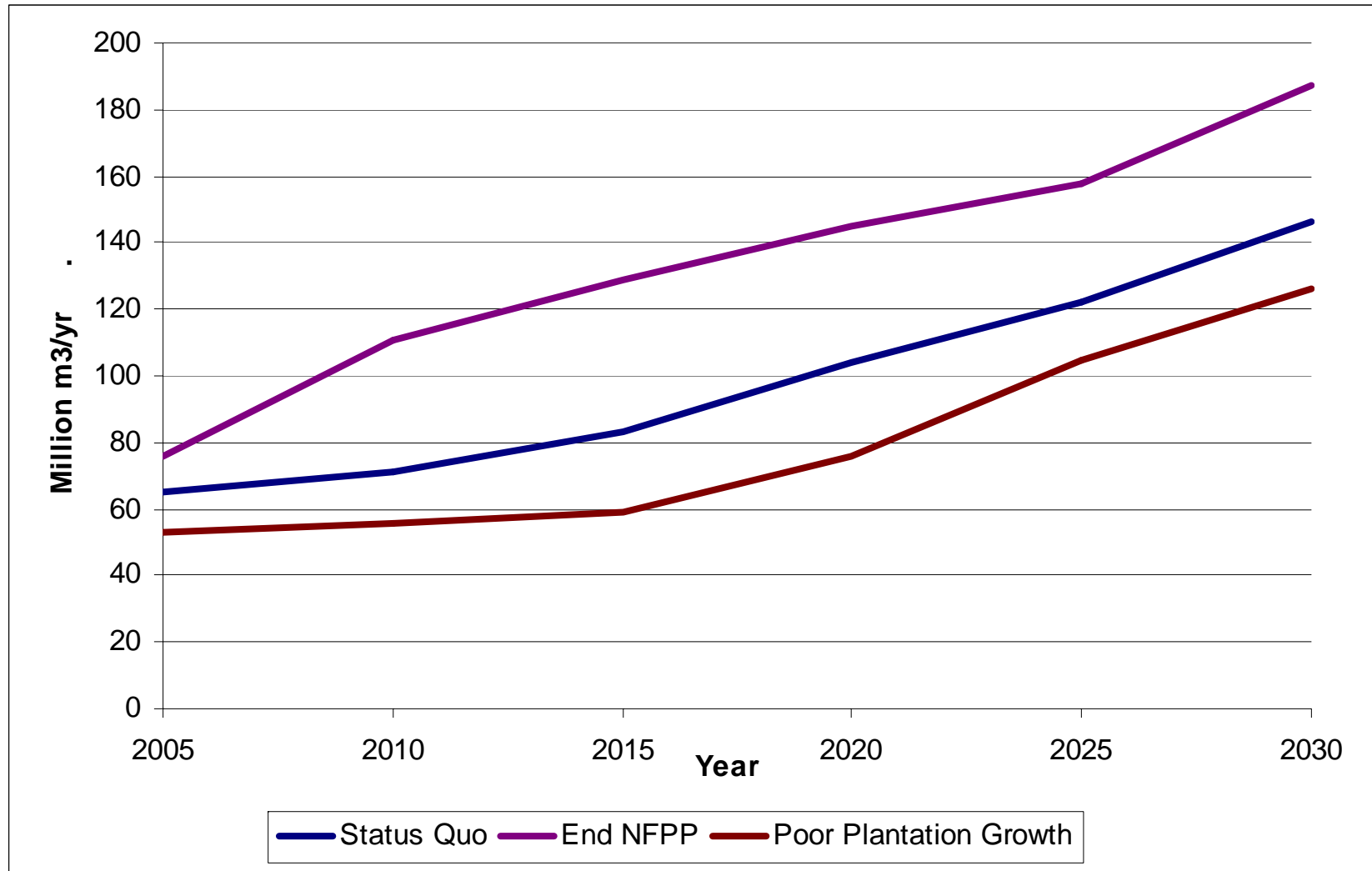
- China's NFPP
- China's plantation success
- Indonesia's illegal logging

## **Result**

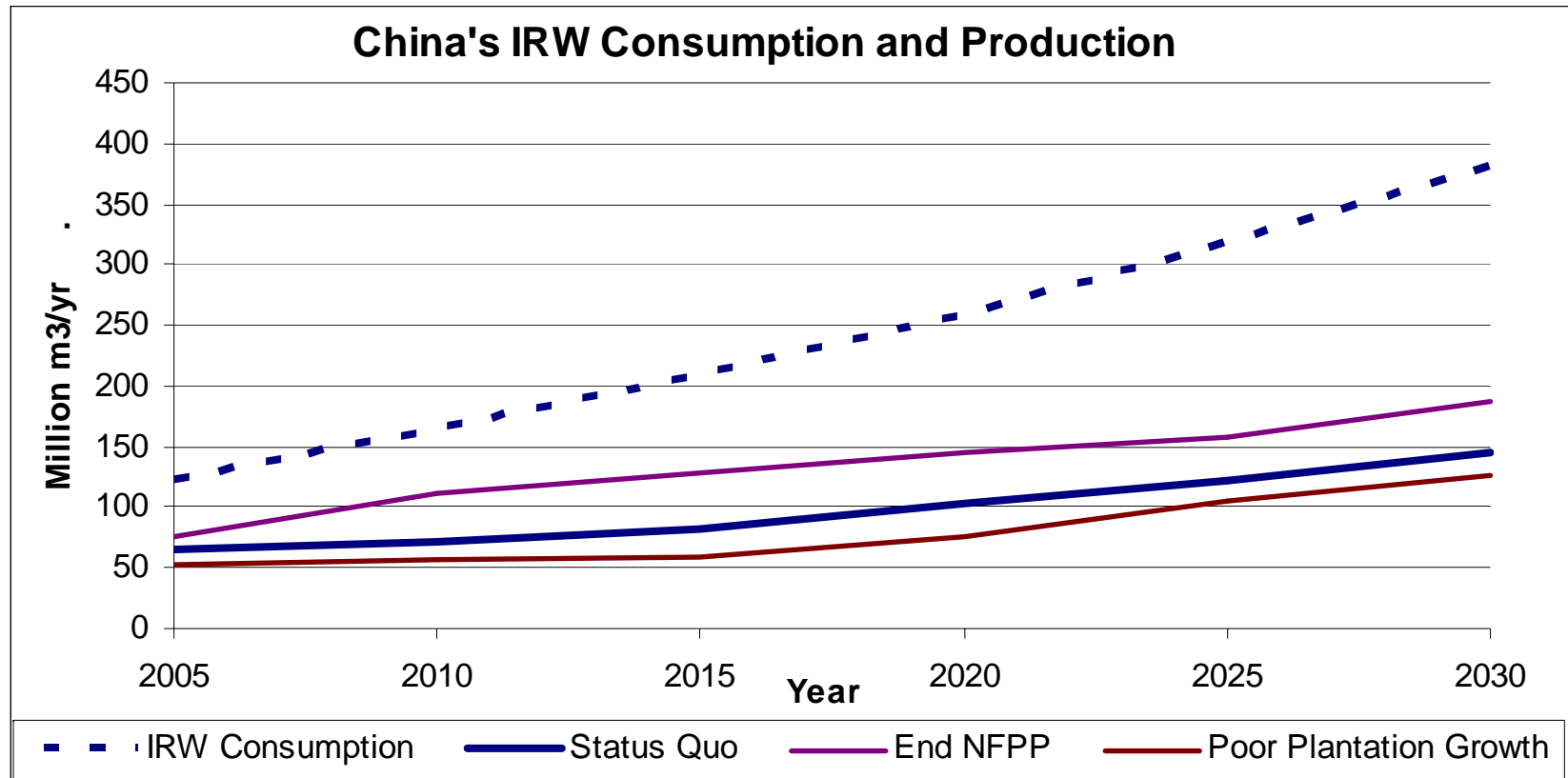
- Forest self-sufficiency ?



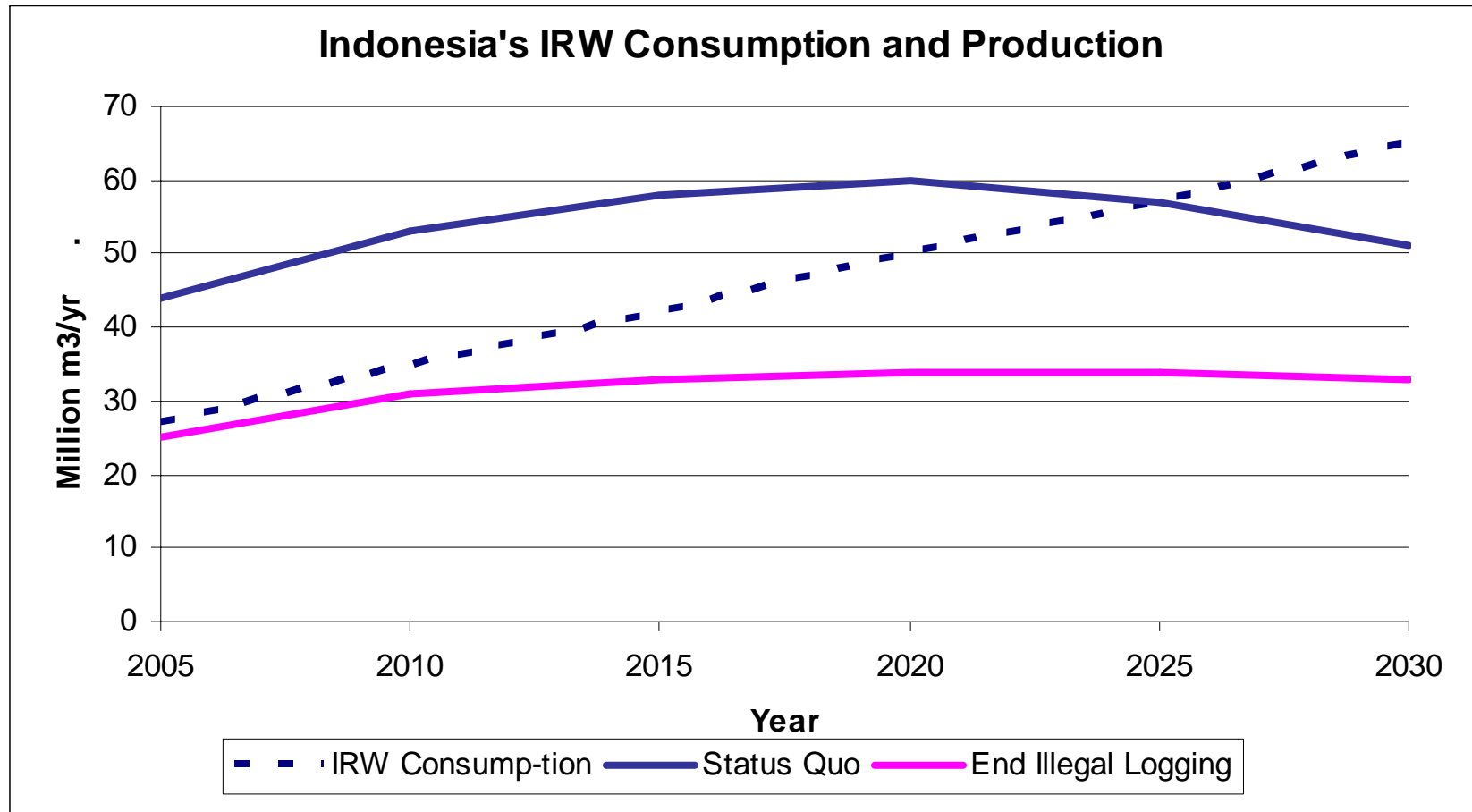
# China's Three Scenarios



# China's Three Scenarios



# Indonesia's Scenarios



# Concluding comments

- Trade models help us understand the worldwide implications of individual country's forest and industrial policies
- If China's consumption grows as forecasted, there will be a challenge with finding the wood domestically.
- If Indonesia implements an illegal logging ban their domestic consumption will absorb their production.