

The Current Status, Future Trend and General Policies on China's Forestry

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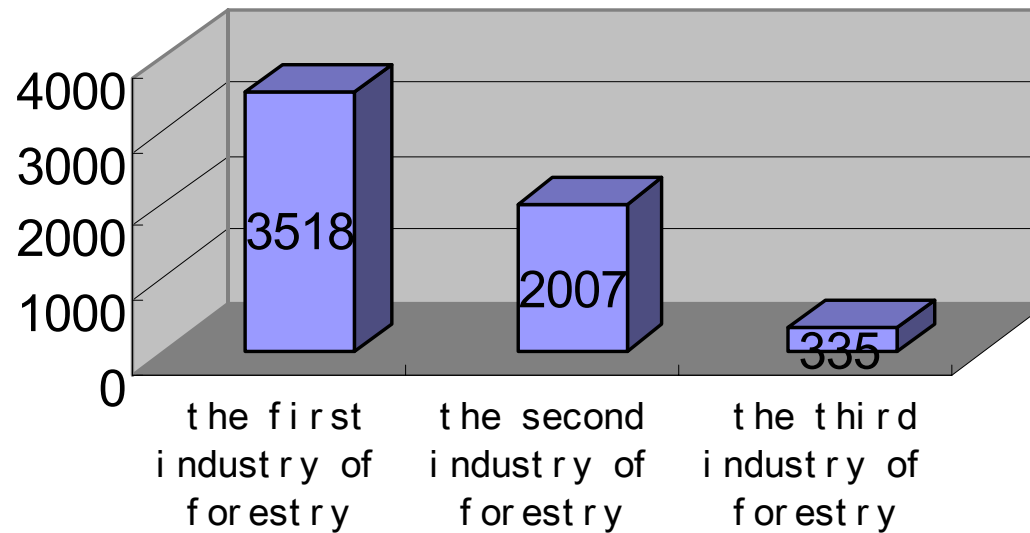
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Beijing, September, 2004

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- The current status
- The trend on China's forestry
- The future general policies

The Current Status of China's Forestry



The Current Status of China's Forestry (continue)

■ Primary industry (up to 2003)

- over 5 million hectares of The Fast-growing and High-yielding Timber Forest
- 28.43 million hectares of Economic Forest
- 0.51 million hectares of Seeding-trees
- more than 40,000 entities that raise wild animal around China

The Current Status of China's Forestry (continue)

- Secondary industry (up to 2003)
 - Output of wood-based panel: 45.53 mill. m³ with 23.8 billion Yuan production value, among it: plywood: 21.02 mill. m³ , fiber board: 11.28 mill. m³ , particleboard: 5.47 mill. m³
 - Production value of furniture manufacturing industry: 23.8 billion Yuan
 - The output of paper and paperboard: 43 mill. tons

The Current Status of China's Forestry (continue)

- Tertiary industry (up to 2003)
 - There are 1658 forest parks in China
 - The road for forest tourism have been extend to 2.49 million kilometers
 - The total value of forest tourism reaches 9.6 billion Yuan.

The Current Status of China's Forestry (continue)

- Developing very fast, very promising
- New industries emerge rapidly and become the highlight of forestry sector
- Private economy has become the major developing force
- Its products become more and more competitive, and take more and more market share in the world trade

The Current Status on China's Forestry (continue)

A big gap compared with developed countries

1. A small contribution in GDP. the secondary and tertiary industries account for a small share of entire forest industries' production value.
2. The secondary industry is small-scaled, less technical and with more lower value products.
3. Short of science and technology, slow technology transfer to production.
4. Raw material resource is scarce.

The Future Trend of China's Forestry

In a historical turning point, many factors will affect China's forestry development

1. In building the well-to-do society, the more and more social demands will stimulate forestry's development
2. After entering WTO, much efforts needed to explore world market
3. Lower forest product per capita provides China a broad market

The Future Trend of China's Forestry (continue)

During the process of developing, forest industry will have four major changing trends

1. Economy structure will transform from resource-based to technology-dominated
2. Resource allocation will change from government-dominated to market-dominated.
3. The economy growth will change from extensive to intensive
4. The developing models will transform from single government-owned model to multiple mixed economy model.

Future Trend of China's Forestry Policies

- Goal: construction of developed industry infrastructure, overall upgrade of forest industry structure, income improvement of forest employees and peasants, policies renewal and technology improvement, reinforcement the forest resource's reproduction and cultivation, acceleration of forest processing with high-tech

Future trend of China's forestry policies

The specific policies:

1. Transform from timber dominant development to forest land and forest regional resource dominant development
 - Improve productivity, enlarge the forest production base
 - Transform resource advantages to strengthen economic power; satisfy people's multiple demands with forest's multiple functions.

Future Trend of China's Forestry Policies

2. Change from using natural forest to using plantation forest
 - Expanding timber forest base, increase efficient timber supply
 - Strengthen technique of “inferior small timber” use
 - Strengthen plantation of rare and large diameter wood species
 - Speed up bamboo sector development
 - Accelerate adjustment of forestry site allocation, stimulate timber processing in south china.

Future Trends of China's Forestry Policies (continue)

3 .Improve the efficiency of timber comprehensive usage, develop timber substitution

- Strengthen technology improvement and invention, improve efficiency of timber usage
- Develop timbers' substitution

Future Trends of China's Forestry Policies (continue)

4. Make use of domestic and international resources and markets, insist on the opening policy to make full use of the foreign forest resource. Recover the forest reserves of China, participate actively in and cooperative to develop the forest with Russia.

Future Trends of China's Forestry Policies (continue)

5 . Respect market laws and strengthen macro-control

- Build up market entry system; make full use of limited resource
 - Make the reasonable plans and policies for the industry to guide the healthy development of the market
 - Build the alarming information system to keep away from the market risks
 - Strengthen the macro-control and adjustment with various means
 - Support the leading enterprises and make the branding strategy
 - Develop the industry associations to promote the industrial self-discipline function