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# China-Demand Outlook of Sawn Softwood

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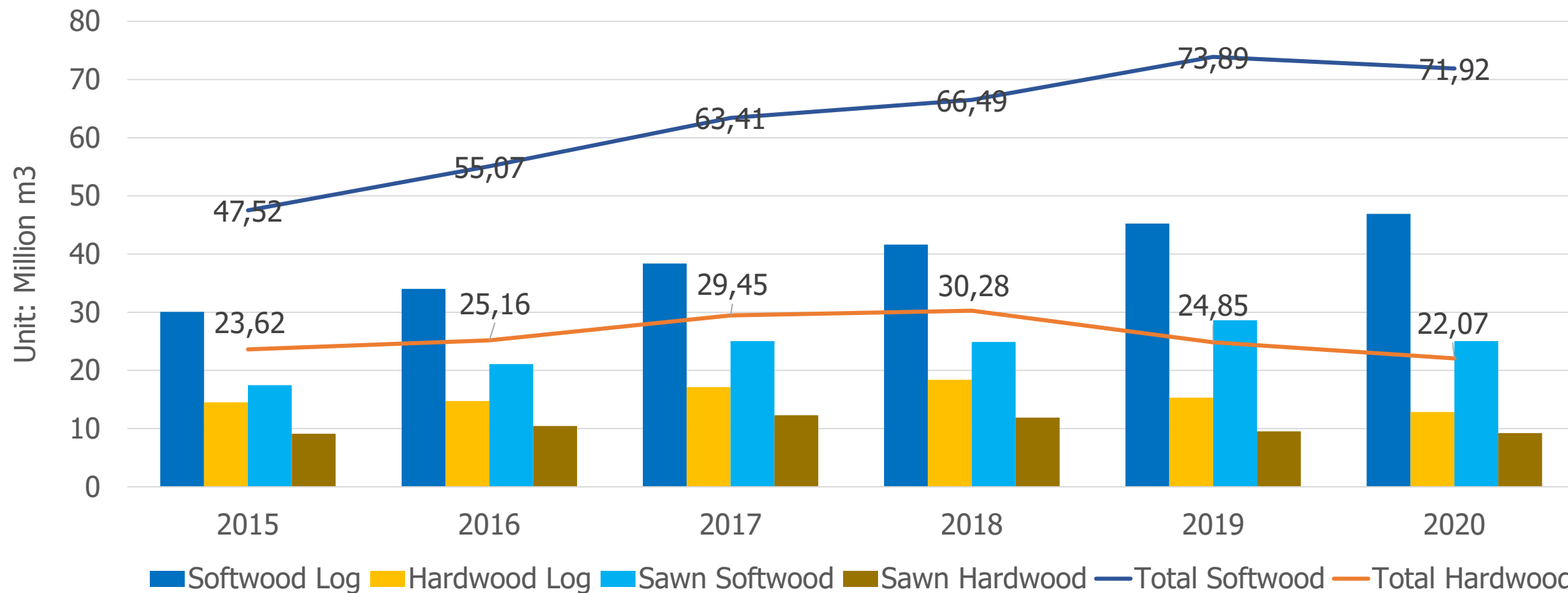
14.10.2021

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## TOPICS TO BE COVERED

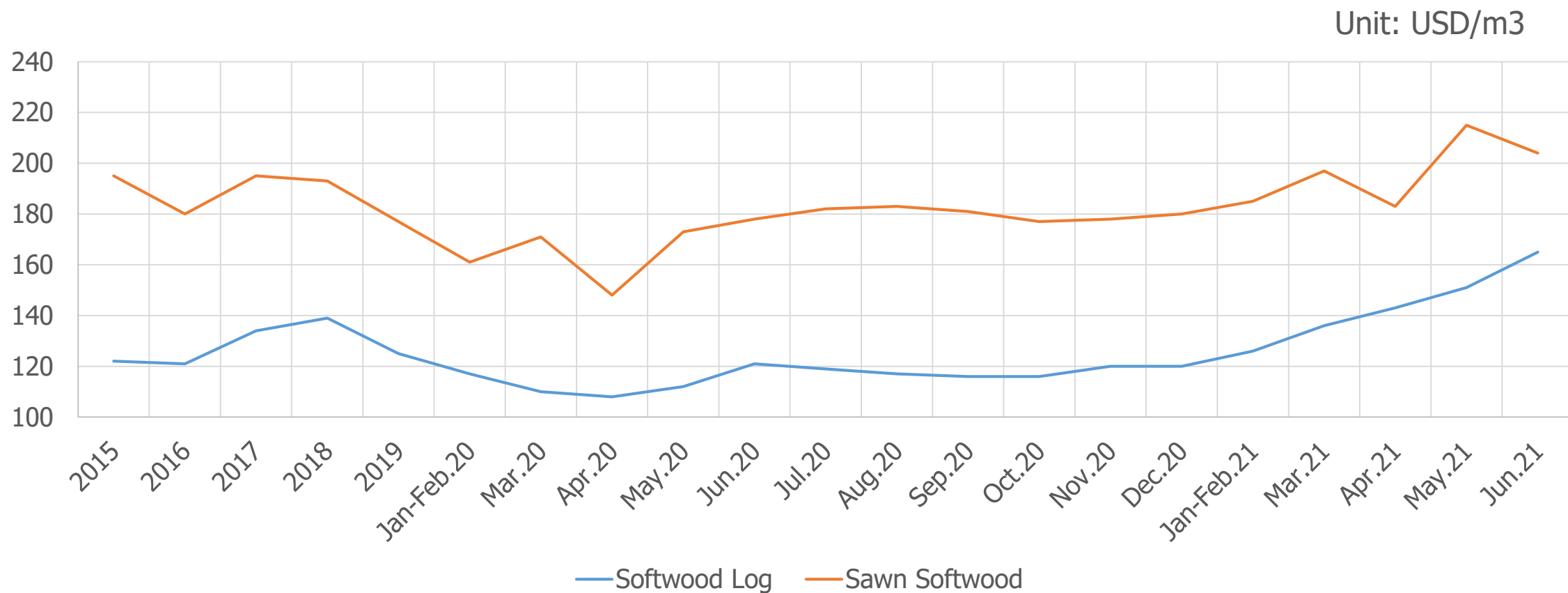
- **Statistics of China Softwood Market**
- Policies and Factors Affect Softwood Demand
- Short-term and Long-term Demand Outlook



Data Source: China Wood Importers, CTWPDA

# China Log and Timber Imports

## 2015-2020

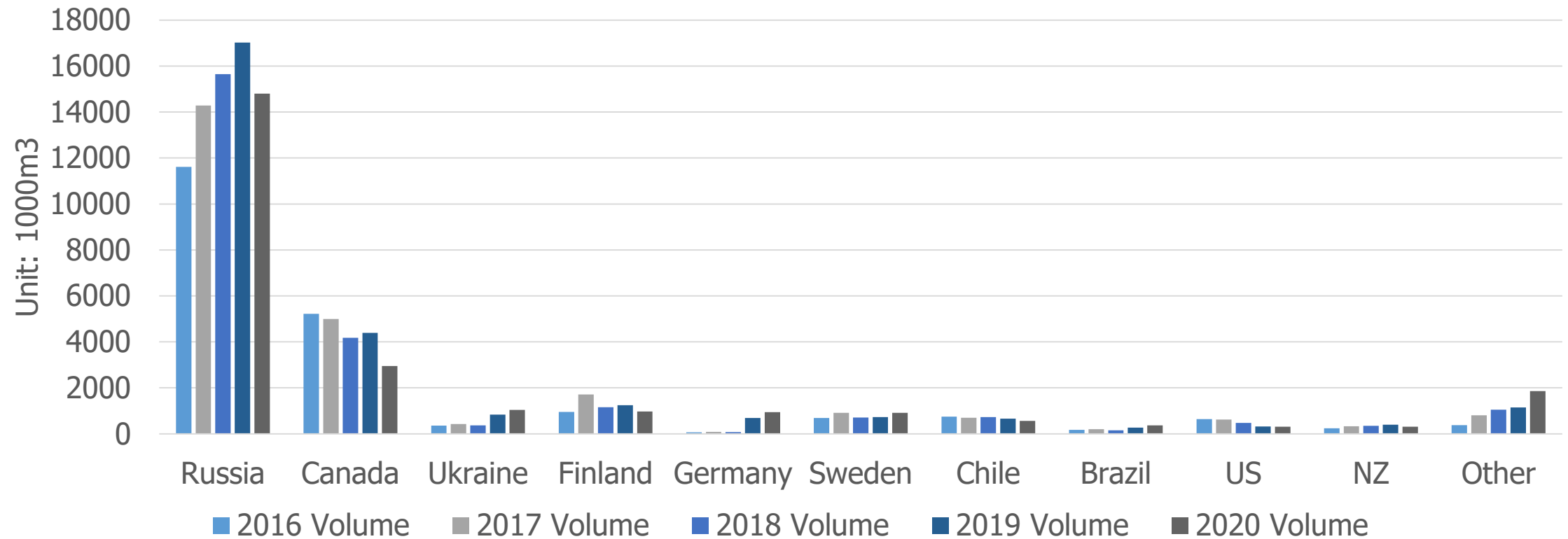


Data Source: China Wood Importers, CTWPDA

# Monthly Import Unit Price for Softwood

## 2015- Jun 2021

## 2016-2020 Sawn Softwood Imports by Country



Data Source: China Wood Importers, CTWPDA

# China Sawn Softwood Imports by Country

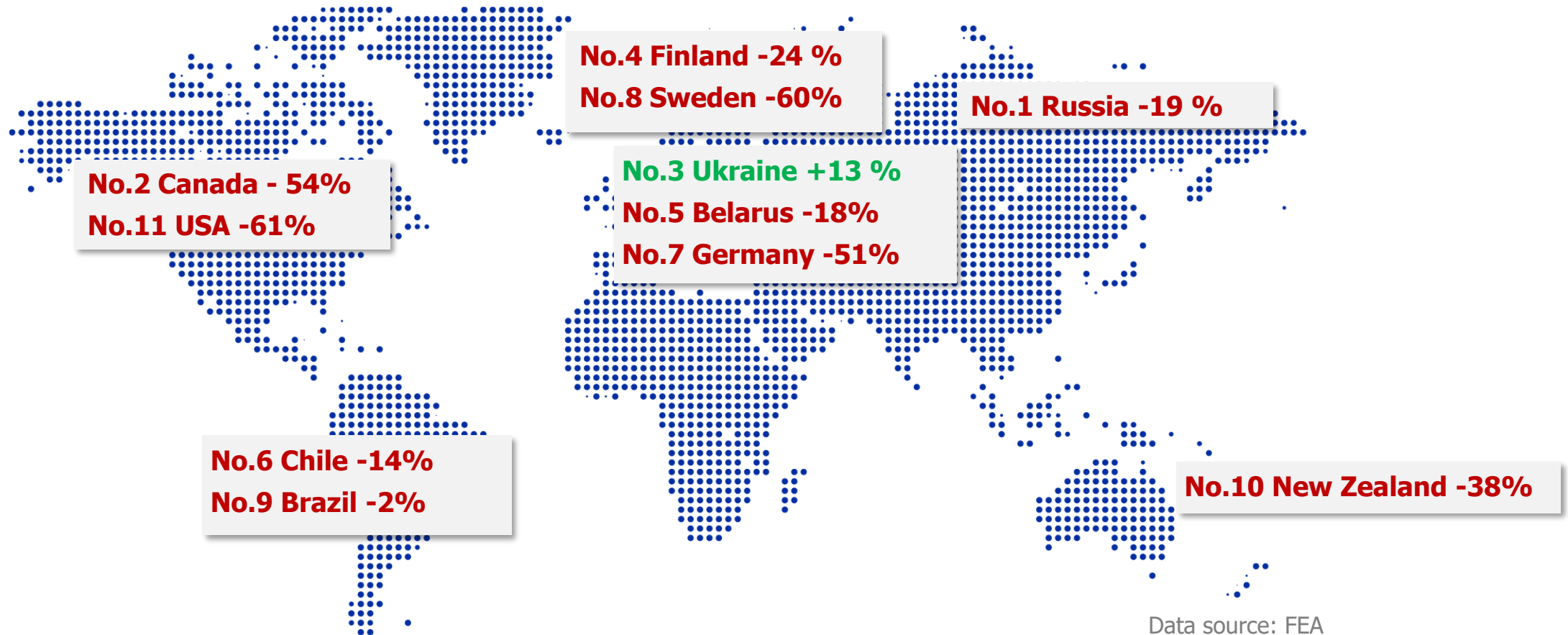
**2020 Total Volume -12.63% yoy**

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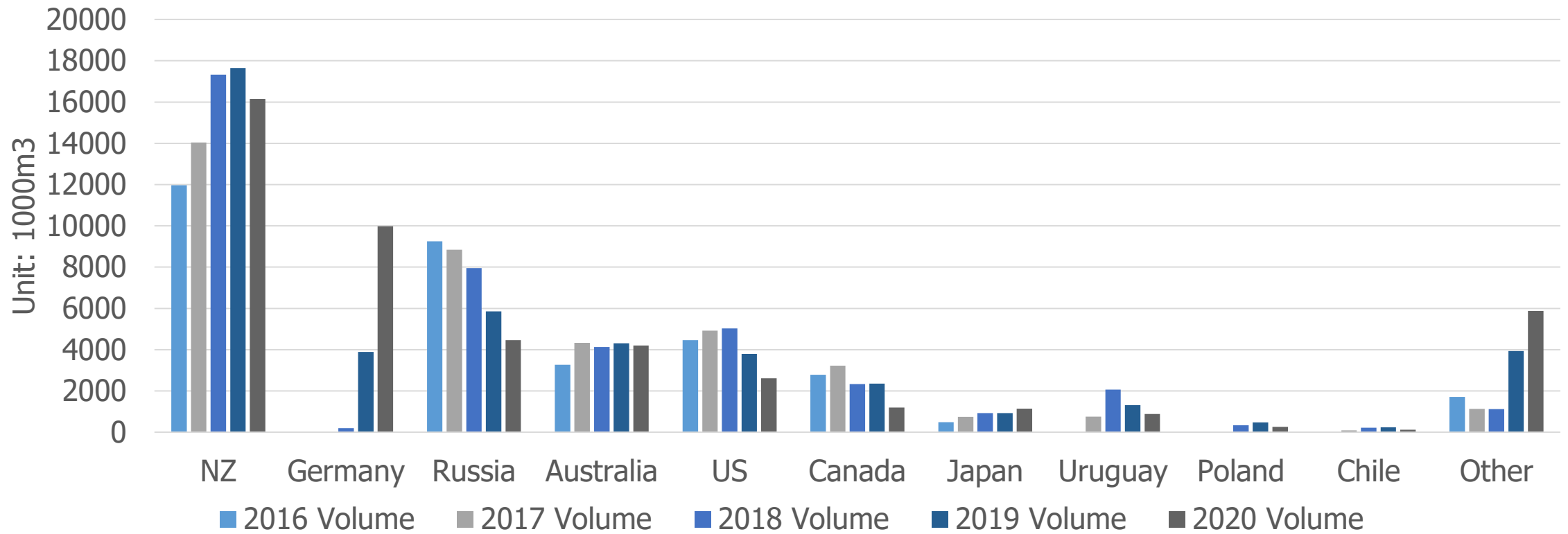
# CHINA SAWN SOFTWOOD IMPORTS BY COUNTRY

11.18 MILLION M3 -27% JAN – JUL 2021



Data source: FEA

## 2016-2020 Softwood Log Imports by Country



Data Source: China Wood Importers, CTWPDA

# China Softwood Log Imports by Country

**2020 Total Volume +4.78% yoy**

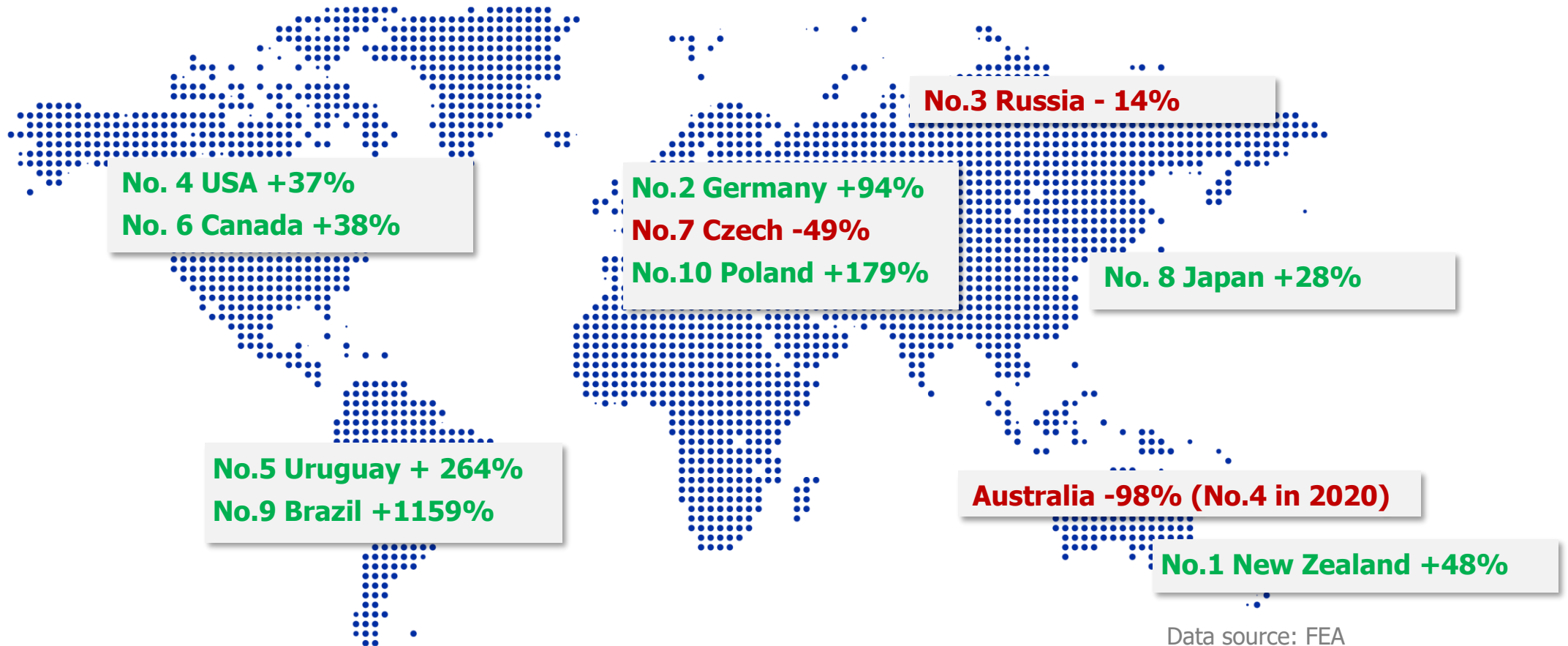
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# CHINA SOFTWOOD LOG IMPORTS BY COUNTRY

29.13 MILLION M3 **+31%** JAN – JUL 2021





<b>Application for Imported Sawn Softwood</b>	<b>Visible application</b>	<b>Invisible application</b>
Furniture	Children furniture, bed slat and cheap solid wood furniture, sauna room	Sofa frame
Decoration	Exterior and interior Cladding, façade, flooring	Joist for ceiling and flooring, middle layer for parquet
Construction	Wooden structure incl. log house	Concrete molding, some light frame wood structure
Landscaping	Decking, terrace, pergola, fence etc.	-
Packaging	Pallets	-
Door and window	Massive wooden door, window and its frame	Invisible layer of door, alumina wood window
Other wooden products	Easel, picture frame, pet home, toy, handcrafts etc.	

## **Main Applications for Imported Sawn Softwood in China**

**Cost performance is important**

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## TOPICS TO BE COVERED

- Statistics of China Softwood Market
- **Policies and Factors Affect Softwood Demand**
- Short-term and Long-term Demand Outlook

- **Barometer of the Achievement of Dual Energy Consumption Control Targets by Regions in H1 of 2021**  
issued by General Office of National Development and Reform Commission on 12 Aug
- A large wave of manufacturing enterprises, including listed enterprises, were forced to suspend production
- Control and reduction of energy consumption intensity and total energy consumption under the **target of Carbon Emission Peak by 2030 and Carbon Neutrality by 2060**
- Lack of energy, coal shortage

# Energy Consumption Limitation

## Several Factors

2021 年上半年各地区能耗双控目标完成情况晴雨表

地 区	能耗强度降低进度目标 预警等级	能源消费总量控制目标 预警等级
青 海	●	●
宁 夏	●	●
广 西	●	●
广 东	●	●
福 建	●	●
新 疆	●	●
云 南	●	●
陕 西	●	●
江 苏	●	●
浙 江	●	●
河 南	●	●
甘 肃	●	●
四 川	●	●
安 徽	●	●
贵 州	●	●
山 西	●	●
黑 龙 江	●	●
辽 宁	●	●
江 西	●	●
上 海	●	●
重 庆	●	●
北 京	●	●
天 津	●	●
湖 南	●	●
山 东	●	●
吉 林	●	●
海 南	●	●
湖 北	●	●
河 北	●	●
内 蒙 古	●	●

注：1.西藏自治区数据暂缺，不纳入预警范围，地区排序的依据为各地区能耗强度降低率  
2.红色为一级预警，表示形势十分严峻；橙色为二级预警，表示形势比较严峻；绿色为三级预警，表示进展总体顺利

## 4 Key Points for Wood Frame Construction Development in China:

- **Wood structure standard** → Ministry of Housing and Urban-Rural Development
- **Land property** → Ministry of Nature Resources
- **Fire prevention** → Ministry of Emergency Management
- **Public awareness** → MarCom and education

Wood frame construction share in all Chinese buildings < 1%

Public building is more promising than the private sectors

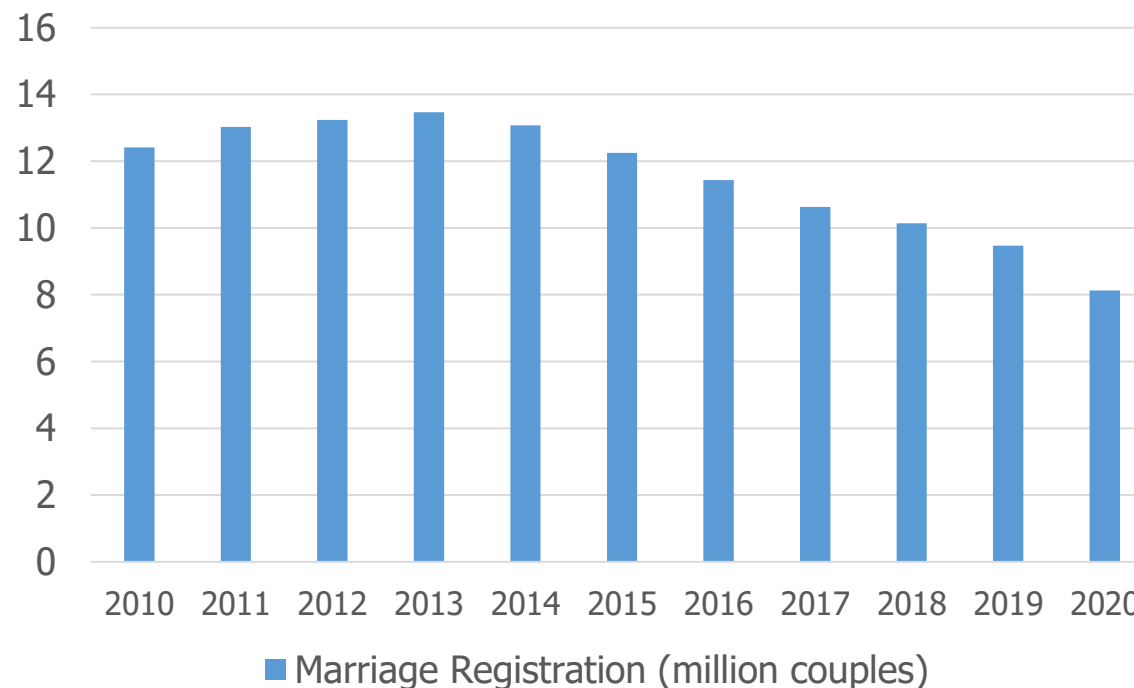
Wood frame construction has a good trend in China, but will take years or decades to develop

## Wood Construction Market

**Has great potential, but takes time**

- House property is important for Chinese
- 8.13 million couples married in 2020
- Family redecoration, around 15 years
- **No DIY market** especially in the cities
- Whole House Customization encroach furniture industry market share for the new decoration family

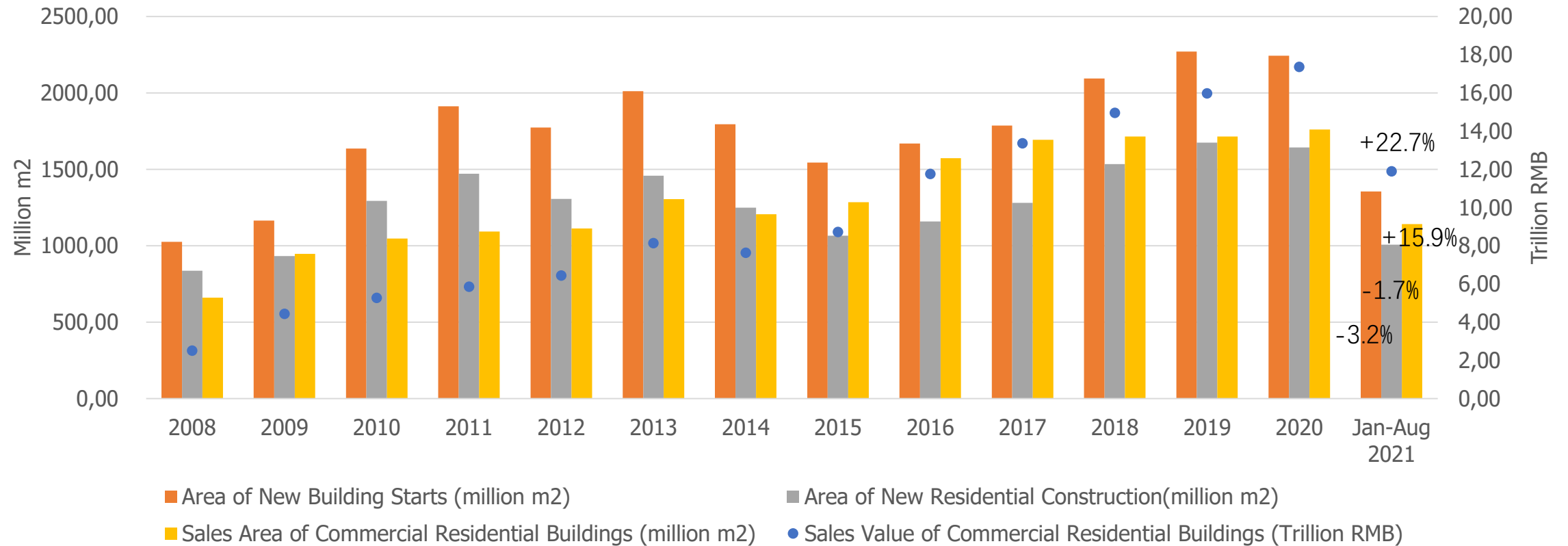
2010-2020 Marriage Registration in China  
Unit: million couples



## Decoration and Furniture Market

Linked with real estate market closely

## 2008- Aug 2021 China Real Estate Market



Data Source: China National Bureau of Statistics

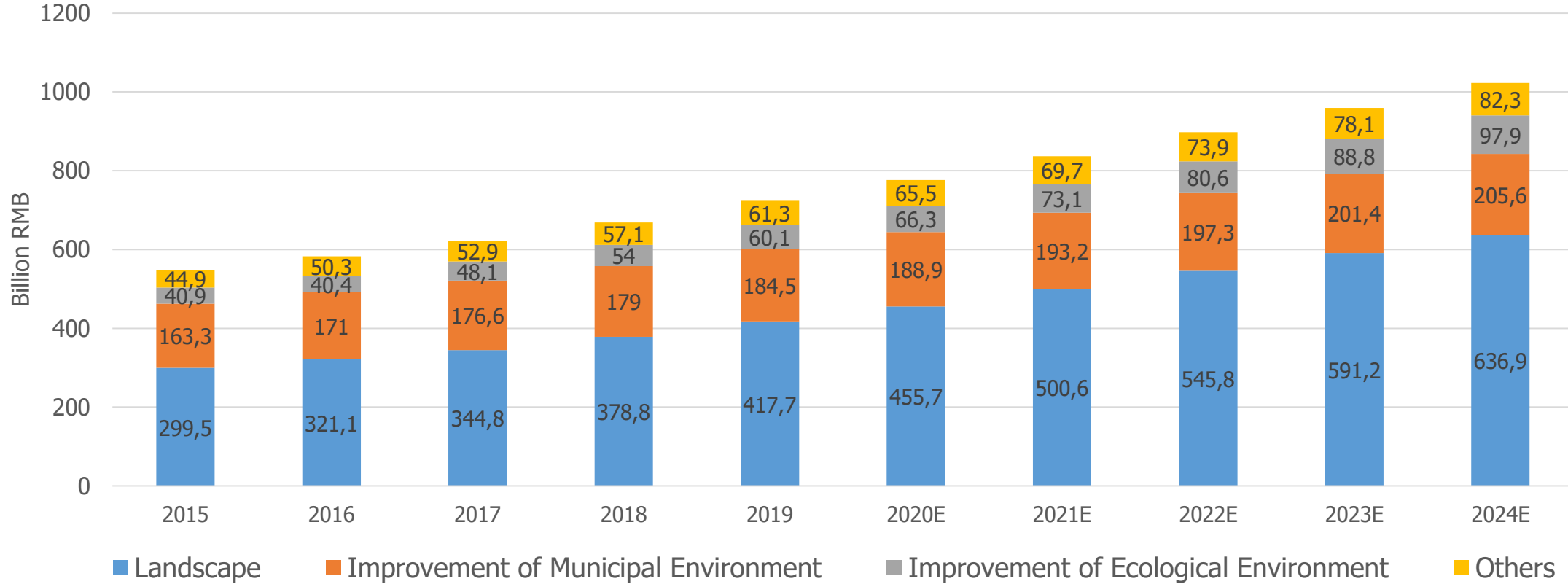
# Real Estate Market

Enter into the toughest control era since this summer

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## The Market Scale of Chinese Garden and Ecology Landscape



Data Source: [www.askci.com](http://www.askci.com)

# Landscaping Market

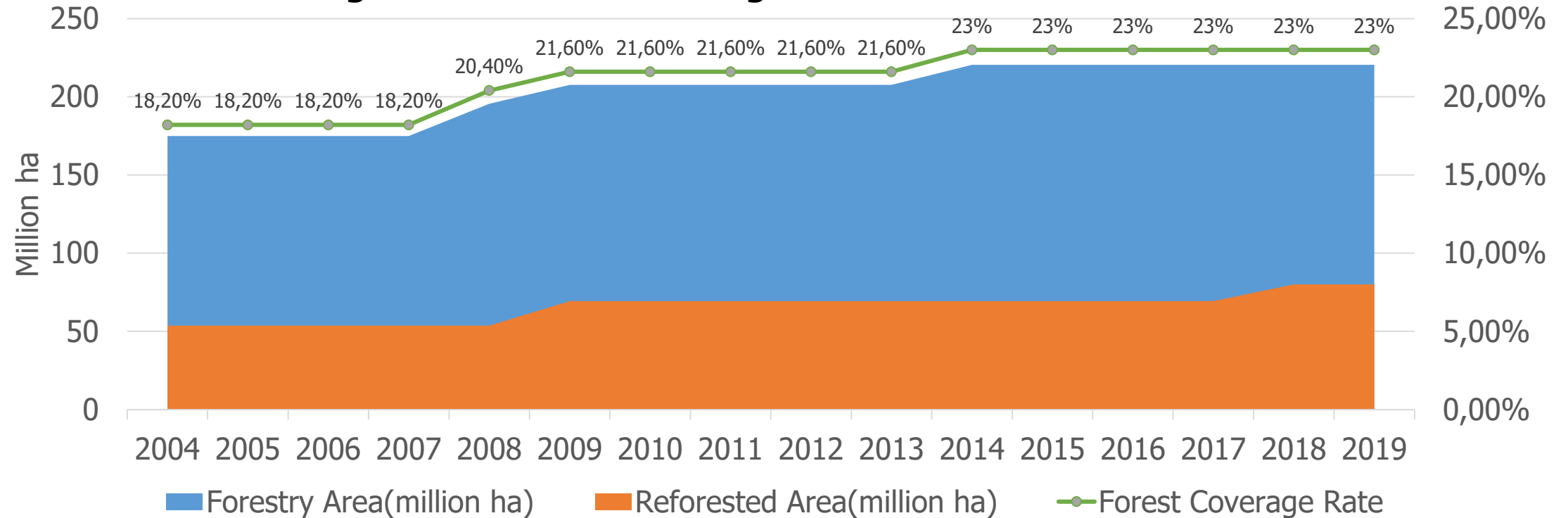
## Steady Growth

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**2019 Forest Coverage Rate: 23% Growing Stock: 17.56 Billion m3**  
**2025\* Forest coverage rate: 24.1% Growing Stock: 19 Billion m3**



Data Source: China National Bureau of Statistics

# Forest Resource in China

2004-2019

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## TOPICS TO BE COVERED

- Statistics of China Softwood Market
- Policies and Factors Affect Softwood Demand
- **Short-term and Long-term Demand Outlook**

- Domestic demand is weak due to the competition with cheap softwood log + weak real estate market
- Blooming export demand has been curbed due to the high sea freight + power consumption limitation
- Carbon emission peak by 2030, carbon neutrality by 2060, affect the industry both in short term and long term
- Eliminate the outdated production facilities and push SME to upgrade.
- Large manufacturers will have more pricing power due to industry upgrading, centralized purchasing
- Weak demand until next Q1 at least

# Sawn Softwood Demand Outlook in China

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## Short-term

- Large population base with great number of high-end consumers
- The economy is still trending upward and has great consumption potential to be released
- World's second largest wood consumption country and largest importer for timber& log
- High external dependence for the wood raw material
- Softwood log supply decline from Russia and Central Europe
- Great potential for wood construction in public sectors and rural revitalization
- Carbon emission peak by 2030, carbon neutrality by 2060
- No matter the market ups and down, China is one of the key markets for the global suppliers

# Sawn Softwood Demand Outlook in China

## Long-term

# THANK YOU

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