CHINA SOFTWOOD SECTOR:

The China Softwood Solid Wood Industry, Supply & Projections

-- A 2015 DANA Perspective --

Shanghai City ***(Source: Wall Street Journal, 2015)***

FOR FULL TABLE OF CONTENTS GO TO: www.dana.co.nz

DANA Limited
Rotorua, New Zealand

CHINA SOFTWOOD SECTOR: The China Softwood Solid Wood

The 2015 edition of **"CHINA SOFTWOOD SECTOR: The China Softwood Solid Wood Industry, Supply & Projections -- A 2015 DANA Perspective --" is the first Review about China published by DANA Publishing.**

China has become a vital user of commodities from around the globe. On its economics fortunes hang the prosperity or otherwise of dozens of countries: from Brazil and Australia, to Russia and New Zealand. The wood industry in China is only a very minor component of China's GDP; but the construction industry into which most of the softwood (SW) domestic and imported wood is destined is estimated at 20% of China's economy. This means that the health of the China economy is closely linked to its construction industry, which in turn drives its wood imports.

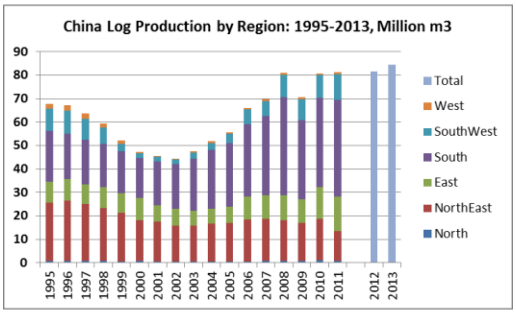
In preparation to write this Review, DANA Director Dennis Neilson visited China six times in 2013 and 2014, personally visited 7 provinces, 10 ports, 17 sawmills/remanufacturing plants, lumber yards and a domestic sawmilling cluster; 7 veneer/plywood mills and 3 furniture factories. In addition DANA colleagues visited 9 other sawmills and a remanufacturing plant; and 2 veneer/plywood mills. Other colleagues with decades of experience in the China domestic forest and processing industry, and international log and lumber trading kindly shared their time, expertise and data to assist DANA to complete the Review. The Review is **129 pages** and provides **41 tables**, **51 charts** and **99 photographs**. In a departure from previous DANA multi-client Reviews, the author has included almost 100 photgraphs; on the basis that (especially in China) one picture is worth 1,000 words

Report Sections

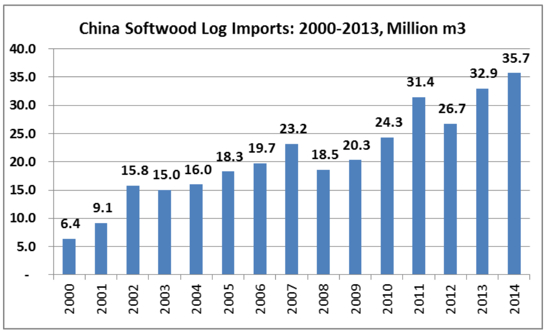
Introduction	The objective of the Review, China GDP history, and details of all ports and mills visited by DANA and colleagues in preparation to write this Review.
China Domestic Log Supply:	A commentary of regional trends for total and North East regional log harvest from 1995-2013; and SW harvest volume estimates in 2011 and in 2014.
SW Log and Lumber Import Data Series:	Several data series on SW (and Hardwood - HW) log and lumber; and Roundwood Equivalent volumes from 2000 to 2013 – a number covering January to October 2014; and as "STOP PRESS's" detailed data series for calendar year 2014 for SW and HW log and lumber volumes from all countries.
The Use of SW in China:	Examples of temporary construction, remanufacturing and housing.
Sawmills and Veneer/Plywood mills:	Examples of Mark I through Mark IV style Chinese sawmill sets, a pruned log sawmill, Japanese and German manufactured sawmills; and a new large Chinese made sawmill in China; dry kilns, four large scale new SW wood possessing complexes in four provinces in China and data on SW plywood and examples of veneer/plywood manufacture.
Ports:	**Twenty seven** log and/or lumber ports are identified, with several pages devoted to commentary and photographs describing the major existing and new ones; and associated processing facilities.
Prices:	Some selected prices series comparing some country and species/grade prices are provided, as are average prices for log and lumber imports from major countries in 2014. **This section also includes a table of an interactive 45 line excel spread sheet flowchart, which takes a data series through from stumpage (this example in NZ for mid- 2014) through to the margin of a Chinese sawmiller. This template could be used for any time/country/log grade in future with data updating.**
Future Chinese SW Demand Drivers:	**Fifteen n**egative and then **eleven** balancing positive demand drivers are identified and discussed which are likely to influence demand for SW logs and lumber in 2015-2020.
China SW RWE Demand Projections:	Projections are provided annually from 2015 to 2020, for a **"soft landing"**, **medium landing**" and "**hard landing**" scenarios; detailing domestic logs, imported logs and lumber RWE for each year.
Supplier SW Trends and Projections:	Trends in the forests and forestry sectors of major SW log and/or lumber suppliers: Russia, New Zealand, Canada, USA, Australia, Ukraine, Japan and "Other Suppliers" are provided; and then possible annual RWE imports to China annually from 2015 to 2020, for each of the above three China economic scenarios. Commentary and data projections are also provided for imported HW logs and lumber to 2020.
Conclusions:	A 24- point conclusion section completes the Review.

Industry, Supply & Projections - A 2015 DANA Perspective

Data on Chinese total log harvest may be estimated only, but it has been increasing in total for some years, and including into 20103. But what about the soiftwood harvest?



Softwood log imports continued there almost relentless march upwards for almost 15 years. But what is likley to happen annually from 2015 to 2020?



There are some major refocussing occuring in the Chinese softwood processing sector in 2014 - 2016. How might a series of major projects inmpact on demand?

Several Chinese mills are moving away from a major focus on making greensawn, temporary construction lumber, to more sophisticated & larger facilites; and sometimes with new overseas- made equipment.

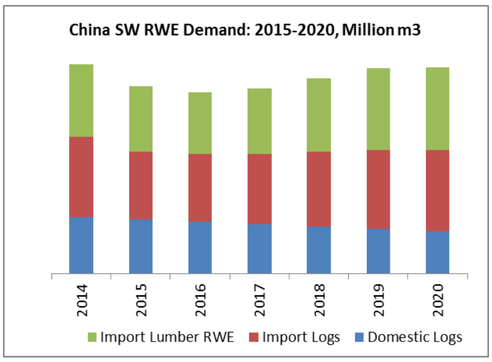
About the Author:

Mr. Dennis Neilson is a Director of the New Zealand- based international forest industry advisory, publishing and conference organising firm, DANA Limited. He is also a Director of a number of private commercial companies, and a Director of the Portland Oregon USA- based "not for profit" World Forestry Centre. DANA has undertaken resources, strategic planning, investment and marketing assignments for several N.Z. and international clients over the last 23 years.

DANA has also authored/co-authored/published more than 60 multi-client reviews on forestry and forest products topics. DANA manages international conferences and tours on timberland and agri- land investment; and international wood trade topics: including 7 conferences and two tours planned for 2015. This includes a tour to Chinese ports, mills, and construction sites in March 2015.

Mr. Neilson's China- specific experience includes first visiting Northern China in 1985, Southern China in 1986; then being responsible for the first log shipments to China from New Zealand in 1987; and shipments until the early 1990s. He has visited China more than 25 times, including six times in 2013 & 2014 on trips with clients; to research for this Review, and to speak at a conference.

China Total SW Roundwood Equivalent (RWE) Demand, 2015-2020: Medium Landing Scenario



Russian SW RWE Supply Projections, 2015 to 2020; assuming a China "Hard Landing" Scenario

Hard Landing	Logs	Lumber	Total RWE	% Logs Range
	Million m3			
2014	9.9	7.2	23.0	58%
2015			21.5	55-60%
2016			20.5	55-57%
2017			21.0	50-55%
2018			23.5	50-55%
2019			24.5	48-52%
2020			25.0	48-52%

ORDER FORM

CHINA SOFTWOOD SECTOR: The China Softwood Solid Wood Industry, Supply & Projections
-- A 2015 DANA Perspective --

POSTAL ADDRESS	TELEPHONE	FACSIMILE	E-MAIL ADDRESS
DANA Limited, PO Box 392, Rotorua, New Zealand 3040	+64 7 349 2764	+64 7 349 2763	admin@dana.co.nz

THE CHINA SOFTWOOD SOLID WOOD INDUDTRY, SUPPLY & PROJECTIONS- 2015	QUANTITY	TOTAL
First hard copy: US$ 3,300 Second/Subsequent hard copies US$ 300 PDF Version US$ 3,300		
Excel data for all Charts US$ 300		
Shipping options (hard copies): Regular US$ 25 Courier US$ 50		
TOTAL (15% GST will apply to New Zealand Subscribers)		
Note: The Review comes with a full money back guarantee if you conclude that it is not value for money.		

PAYMENT OPTIONS: (Please tick)

Credit Card: ☐ VISA ☐ MASTERCARD

Name on card: ……………………………………………………………………………………………..

Card No ……………………………………..………………………… 3 digit CSV #.................................
(On back of Card)

Expiry: ……………………..………………………………………..

NB: Credit Card payments will have a 2 % Processing Fee added to Total Payment

Electronic transfer to overseas account : ☐
Bank of New Zealand, Central Mall Rotorua, New Zealand
A/c name: DANA Limited A/c number: 1000-770-789-000 Swift Code: BKNZNZ22

Subscriber Details

Full Name:	
Position:	
Company:	
Address:	
Address:	
Country:	
Telephone: +	Facsimile: +
E-Mail [Clear address please]:	

General Contract Provisions