



Chinese Demand for US Hardwood Soars to \$1.53b

Zhong Nan June 26, 2015

The export value of United States hardwood to China jumped 34 percent year-on-year in 2014 as the country increased its demand for more sustainably sourced materials for its urbanization program and for environmental projects.

The value of US hardwood products sold into China reached \$1.53 billion last year, according to data from the foreign agricultural service of the US Department of Agriculture.

The most popular timber was red oak, tulipwood and ash, mainly for furniture, veneers, flooring, and decorative plywood. The market now accounts for 42.6 percent of total export volume of US hardwoods, by far the world's largest single customer. Chinese demand for US wood had been focused on the large population centers along the coast ?cities such as Shanghai, Guangzhou, Tianjin and Beijing with considerable amounts then re-exported as manufactured goods, as well as consumed locally.

The figures showed that the nation shipped furniture worth \$54 billion to the global market last year.

But Mike Snow, executive director of the American Hardwood Export Council, said China's biggest cities away from the east coast such as Chongqing, Sichuan province's capital Chengdu and the capital of Hubei province Wuhan which were traditionally less well-equipped to process timber, are now offering the US industry tremendous opportunities.

"All the new homes, hotels, shopping centers, restaurants and office blocks being built need flooring, cabinetry, doors and windows, as well as building materials made using wood products," said Snow. "The potential is immense."

Headquartered in Washington DC, the council is a nonprofit trade association representing over 100 US hardwood exporters and trade associations.

John Chan, its regional director for China and Southeast Asia, said before the 2008 global financial crisis, much of the wood bought by China was re-exported in the form of furniture, flooring or other finished products.

Following the collapse of the US housing market and others in Europe, however, many Chinese manufacturers have been looking domestically for sales.

"The result has been ever higher demand for US hardwood," Chan said.

"Rising wages in China have created an exploding middle class, and new, additional demand for US hardwood products." China began to protect its forests in 1998 after facing timber shortages of around 60 million cubic meters per year.



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The country depended on imported timber from the US, Russia, New Zealand and timber-producing countries in Southeast Asia and Africa.

A study by the State Forest Administration shows that its wood demand is expected to rise to 800 million cu m by 2020.

The government plans to have more than 30 percent of its buildings at that time considered environmentally friendly, and 20 percent of new urban building construction eco-friendly by the end of this year.

Deng Huafeng, a professor at Beijing Forestry University, said other conditions that have stimulated China's US hardwood imports include the government's protection of its own still-limited wood resources, as well as dwindling timber shipments from Brazil, Myanmar, Ghana and Gabon, because of tightening export restrictions there over the past four years.

US hardwood exports to Southeast Asian countries have also seen strong growth with lumber sales rising 16 percent year-on-year to \$249 million in 2014.

Vietnam is the largest regional buyer with orders worth \$184 million, with sales to Indonesia, Malaysia and Thailand also remaining strong.

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