

Expanding green consumerism in China

– an opportunity to raise the profile of legal and sustainable tropical timber



Shengfu Wu

China National Forest Product Industry Association

Nov.18 2015 KL





绿奥诺

Content

- Introduction of China Plywood Industry
- Legality requirement and enforcement
- Green and sustainable performance
- China market opportunities





绿 奥 诺

China Plywood Industry

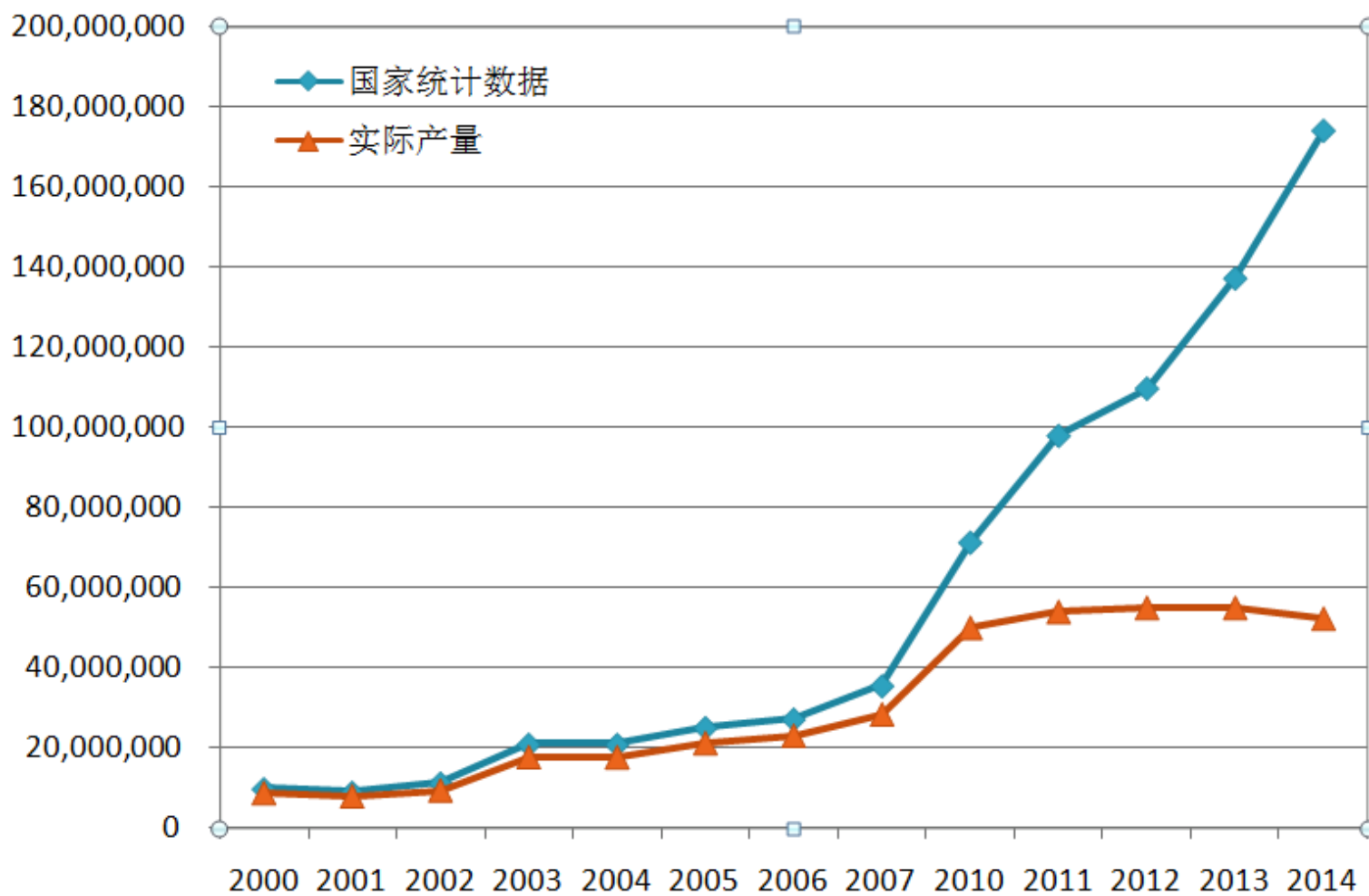
- China start Plywood production in 1908
- Plywood zones are the success way developing
- Capacity range from small to big
- Mill number is thousands, no details available
- Machinery and technology developing fast
- Core size here may big than the log size in China
- Raw materials become fully from plantation
- Export volume keeps about 13 Mcbm in 2014
- Industry still changing and developing





绿奥诺

Plywood production in China



Plywood Industry Zone





绿奥诺

Plywood Certification

- CARB certified to America market
- CE certified to the EU market
- JAS certified to the Japan market
- Plus:
- CFCC worked in the market & endorsed PEFC
- FSC、PEFC、LHV、DDS to meet the Lacey Act & EUTR & AILPA

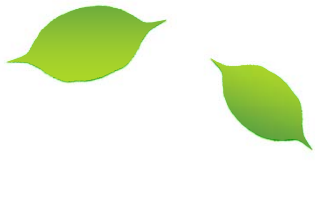




绿 奥 诺

Certification Narrow the Difference

- Certification = introduction and service
- Solve the technical problems
- Equalize the product quality
- Improve the management
- Even the test method
- Export company get their all kinds certificates





绿奥诺

JAS Standard

	all products type in JAS standard (标准中全部的产品类型)	What Suzuki had required (Suzuki已经提交给MAFF的产品类型)	What Suzuki will require (Suzuki 将要向MAFF申请争取的产品类型)
Plywood 胶合板	Plywood for general use	Plywood for general use ! ! !	
	Concrete forming plywood		Concrete forming plywood
	Natural wood decorative plywood		Natural wood decorative plywood
	Specially processed decorative plywood		Specially processed decorative plywood
	Structural plywood		
Flooring 地板	Single-layer flooring		
	Composite flooring	Type 1	composite flooring Type 1
		Type 2	
LVL单板 层积材	Structural Laminated Veneer Lumber		
	non-structural Laminated Veneer Lumber	non-structural Laminated Veneer Lumber	



绿奥诺

JAS Standard Request Formaldehyde Emission

等级	平均值 (mg/L)	最大值 (mg/L)
F ☆☆☆☆	0.3	0.4
F ☆☆☆	0.5	0.7
F ☆☆	1.5	2.1
F ☆	5.0	7.0





绿奥诺

CARB Requirement

Effective Date	Phase I & II requirements (ppm)				
	HWPW-VC	HWPW-CC	PB	MDF	Thin MDF
2009.1.1	P1: 0.08	—	P1: 0.18	P1: 0.21	P1: 0.21
2009.7.1	—	P1: 0.08	—	—	—
2010.1.1	P2: 0.05	—	—	—	—
2011.1.1	—	—	P2: 0.09	P2: 0.11	—
2012.1.1	—	—	—	—	P2: 0.13
2012.7.1	—	P2: 0.05	—	—	—

注：该标准基于大气候箱法（ASTM E1333）检测。HWPW-VC指芯层为单板的硬木胶合板。HWPW-CC指芯层为复合材料的硬木胶合板。Thin MDF指厚度不高于8mm的中纤板。



绿奥诺

CE Requirement

Table 3 — Performance characteristics for wood-based panels for external use as structural components

No.	Performance characteristic	Solid wood panel	Plywood	Cement-bonded particleboard
1	Bending strength		5.1	
2	Bending stiffness (Modulus of elasticity)		5.2	
3	Bonding quality	5.3		—
4	Internal bond (Tensile strength)	—		5.4
5	Durability (Swelling in thickness)	—		5.5
6	Durability (Moisture resistance)	5.6.5		5.6.3
7	Reaction to fire		5.8	
8	Water vapour permeability		5.9	
9	Airborne sound insulation		5.10	
10	Thermal conductivity		5.12	
11	Strength and stiffness for structural use		5.13	
12	Mechanical durability		5.16	
13	Biological durability		5.17	
14	Content of pentachlorophenol		5.18	

These wood-based panels should be used out of direct contact with the ground, soil or water.





绿奥诺

Timber Legality

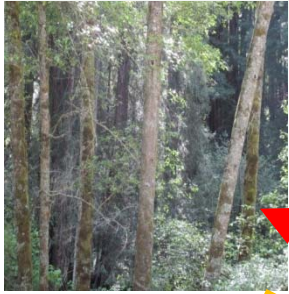
- Lacey Act Amendment
- EU Timber Regulation
- Australia's Illegal Logging Prohibition Bill
- CITES
- A Practical Guide on Timber Legality Verification in China





绿奥诺

Traceability



Each log has their markets for trace



1. s





绿奥诺

Due Diligence

- **Low risk;** direct sale and export to the client.
- **Medium risk;** analyze the risk and reduce the risk into low category, then operate as low risk.
- **High risk;** can not sale and export. Either change supplier or ask third party to mitigate the risk.





Capacity Building

- Training on Legality, transparency and traceability
- Key persons get trained; especially on the Co. representative, purchase manager, sales manager and the production manager.
- Ensure the labeling and record keeping
- Due Diligence applied and enforced
- Lot compliance certificate is possible to get if it is required





绿 奥 诺

Net Retrieval

Available for traceability monitoring

- GPC establishes a network system.
- www.chwood.org
- Input the DDS companies systems.
- Input the lot number with its raw material documentations and categories.
- With lot ID, the lot compliance certificate could be printed anywhere if it is required.



LOT COMPLIANCE CERTIFICATE

This is certify that the Laminated Floor product made by Chinafloors Timber (China) Co., Ltd. has meet the requirement of the EU Timber Regulation NO.995/2010, Due Diligence System has been build up and Risk Assessment has been carried out by the third party Green Panel Corporation. It has concluded that the risk of the batch is relatively low and the raw material could be traceable.

The data of the batch is as following :

Certified Company: Chinafloors Timber (China) Co., Ltd.

Product name: Laminated Floor

Mill Location: No. 111 Chang Jiang Road Jiashan County
Zhejiang Province 314100
P.R. CHINA

Production date: Mar 3 - 2013

Lot ID: DDSGPCB-011-01

Lot volume: 2000 sqm

Species composed:

Species	English Name	Scientific Name	Original
Poplar		Populus spp.	China
Radial Pine		Pinus radiata	New Zealand
Birch		Betula maximowicziana	China
Larch		Larix decidua	China
Spruce		Picea Abies	China
Eucalyptus		Eucalyptus deglupta	China

Details please check: www.cbwood.org/

Sample of Lot compliance

DDS comply with the
EUTR Lacey Act and
AILPA



绿奥诺

China market possibilities

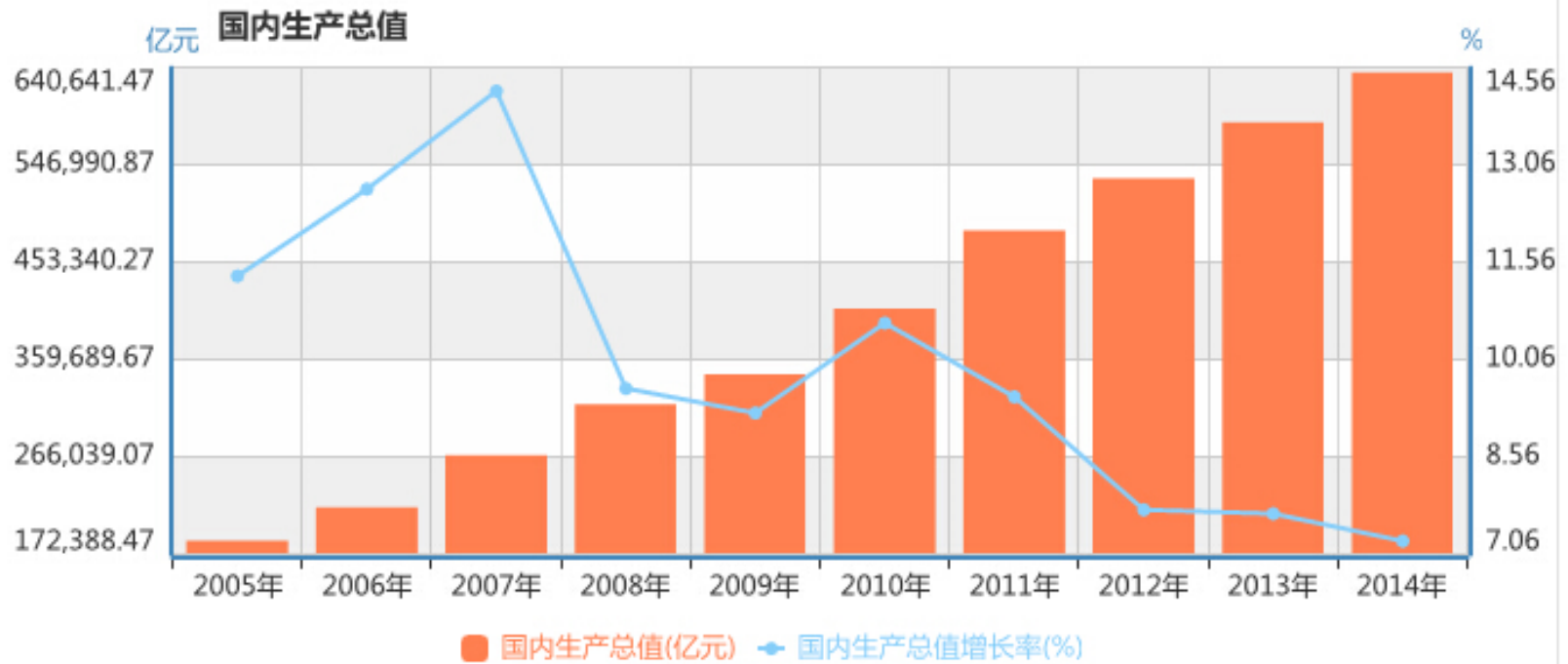
- China is the biggest market in the World
- The GDP in the first three quarter this year has down to 6.9%
- Infrastructure, construction on the township is still growing
- Consumption is going to leading the economic grows
- “Made in China” is changing its shape
- High energy consumption, High pollution industries going to move out of the country.





绿奥诺

GDP increase in recent 10 years



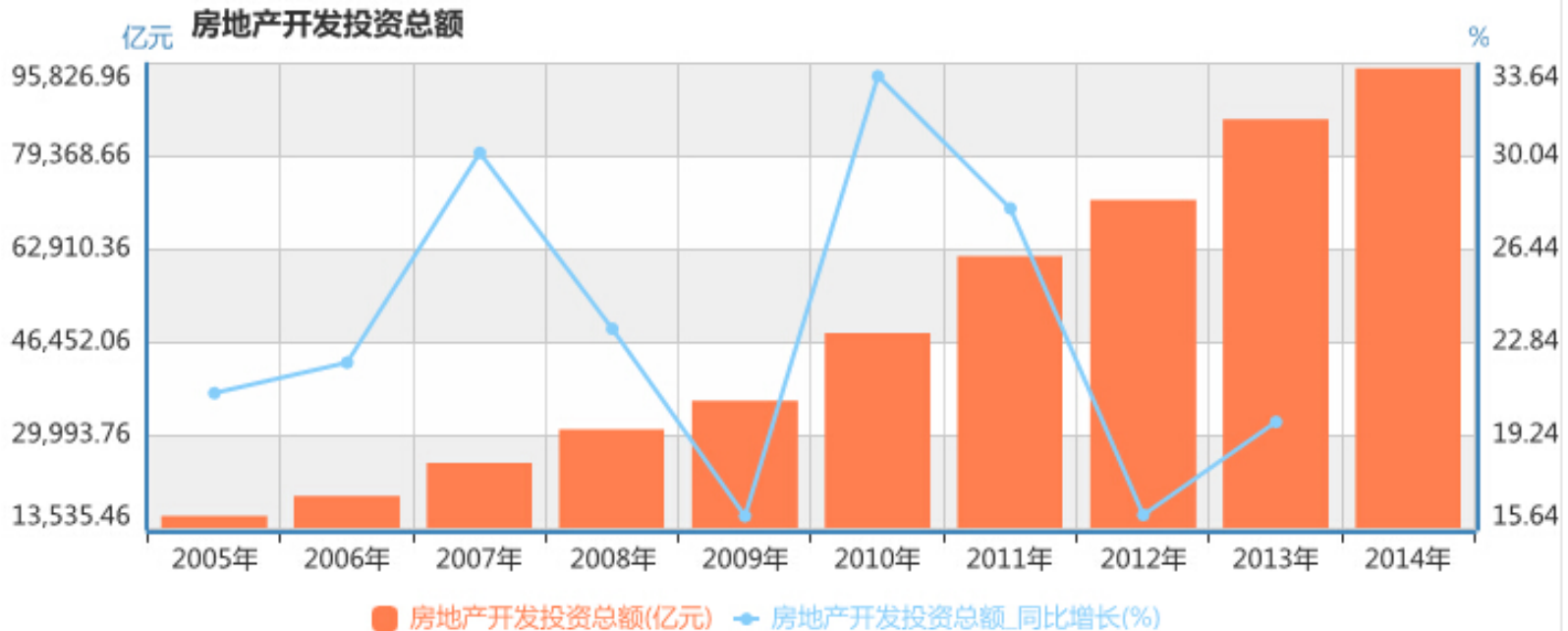
指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
国内生产总值(亿元)	636138.73	588018.76	534123.04	484123.5	408902.95	345629.23	316751.75	268019.35	217656.59	185895.76
国内生产总值增长率(%)	7.27	7.69	7.75	9.49	10.63	9.24	9.62	14.2	12.69	11.35

数据来源：国家统计局



绿奥诺

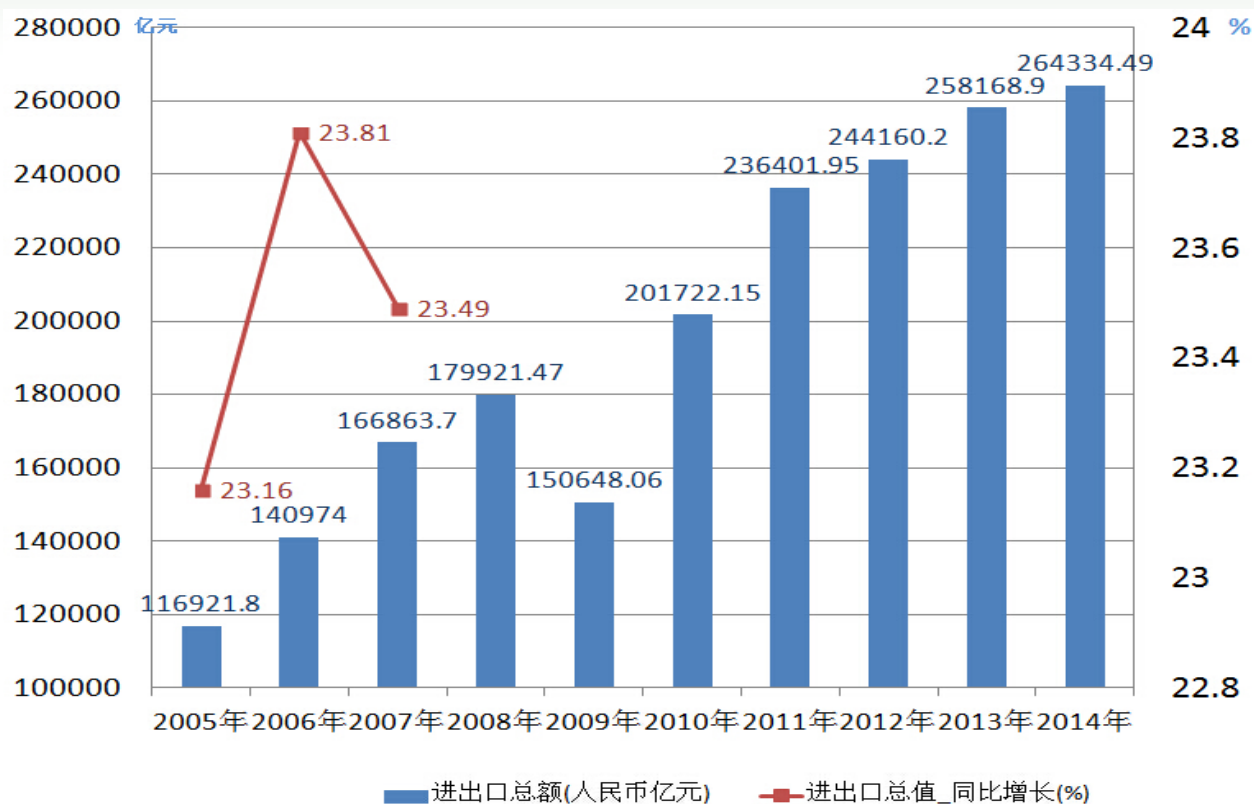
Housing investment increase in recent 10 years



指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
房地产开发投资总额(亿元)	95035.61	86013.38	71803.79	61796.89	48259.4	36241.81	31203.19	25288.84	19422.9	15909.25
房地产开发投资总额_同比增长(%)		19.79	16.19	28.05	33.16	16.15	23.39	30.2	22.09	20.91

数据来源：国家统计局

Imp&Exp in recent 10 years



指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
进出口总额(人民币亿元)	264334.5	258168.9	244160.2	236402	201722.2	150648.1	179921.5	166863.7	140974	116921.8
进出口总值_同比增长(%)								23.49	23.81	23.16

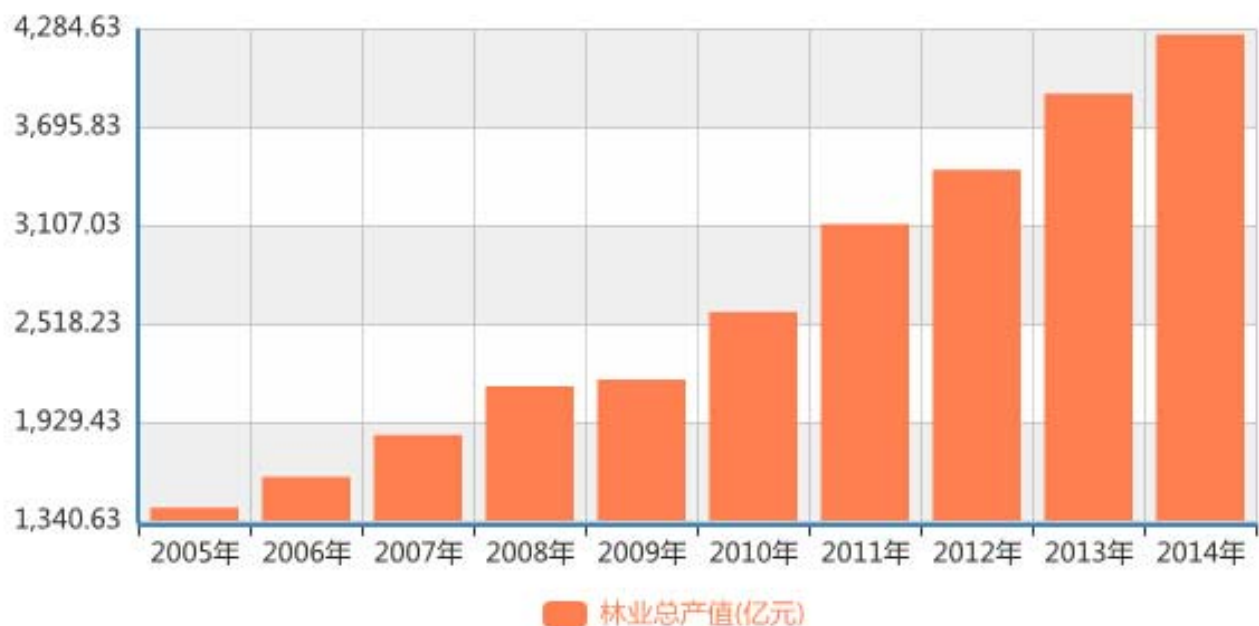
注：1.进出口数据来源于海关总署。1978年为外贸业务统计数，1980年起为海关进出口统计数。
2.货物进出口差额负数为逆差。

数据来源：国家统计局



绿奥诺

Forestry capit in recent 10 years



指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
林业总产值(亿元)	4256	3902.43	3447.08	3120.68	2595.47	2193	2152.9	1861.64	1610.8	1425.54

注： 1.2003年以后，农林牧渔业总产值包括农林牧渔服务业产值。

2.2003年起执行国民经济行业分类标准，总产值包括农林牧渔服务业产值。2012年起执行新国民经济行业分类标准。

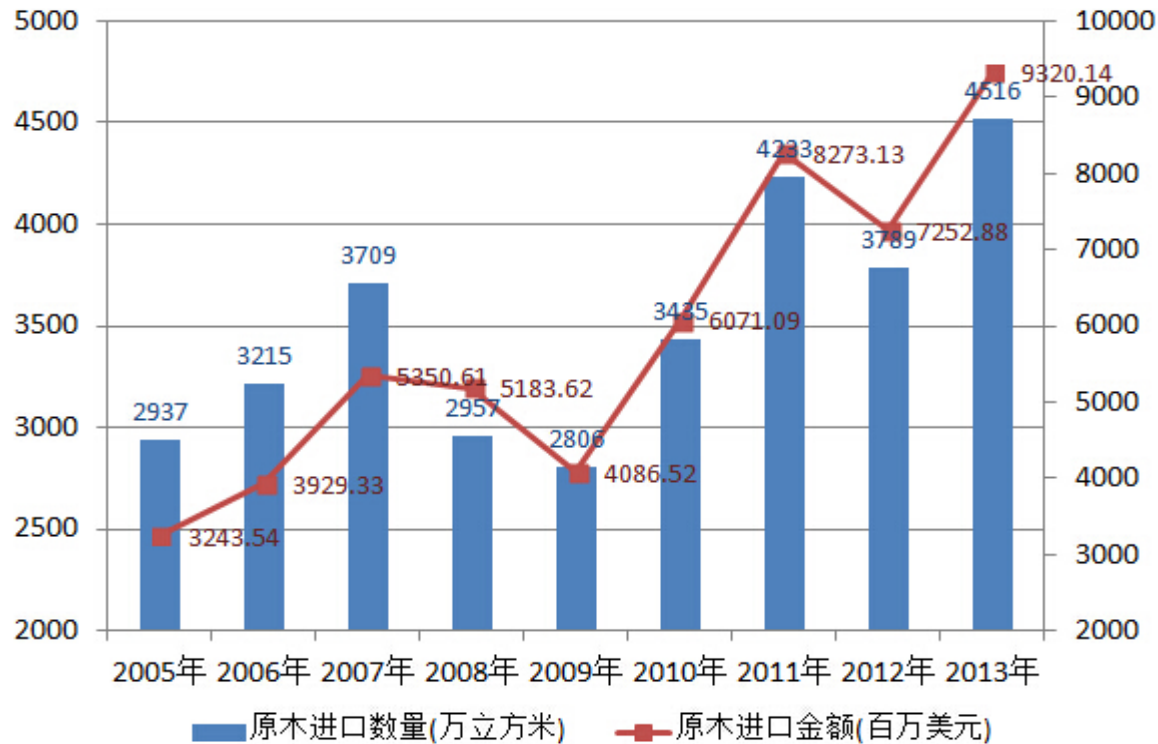
3.2003年以前农林牧渔业总产值指数按1990年不变价格计算，2003年以后按可比价计算。

数据来源：国家统计局



绿奥诺

Log Import in recent 10 years



指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
原木进口数量(万立方米)		4516	3789	4233	3435	2806	2957	3709	3215	2937
原木进口金额(百万美元)		9320.14	7252.88	8273.13	6071.09	4086.52	5183.62	5350.61	3929.33	3243.54

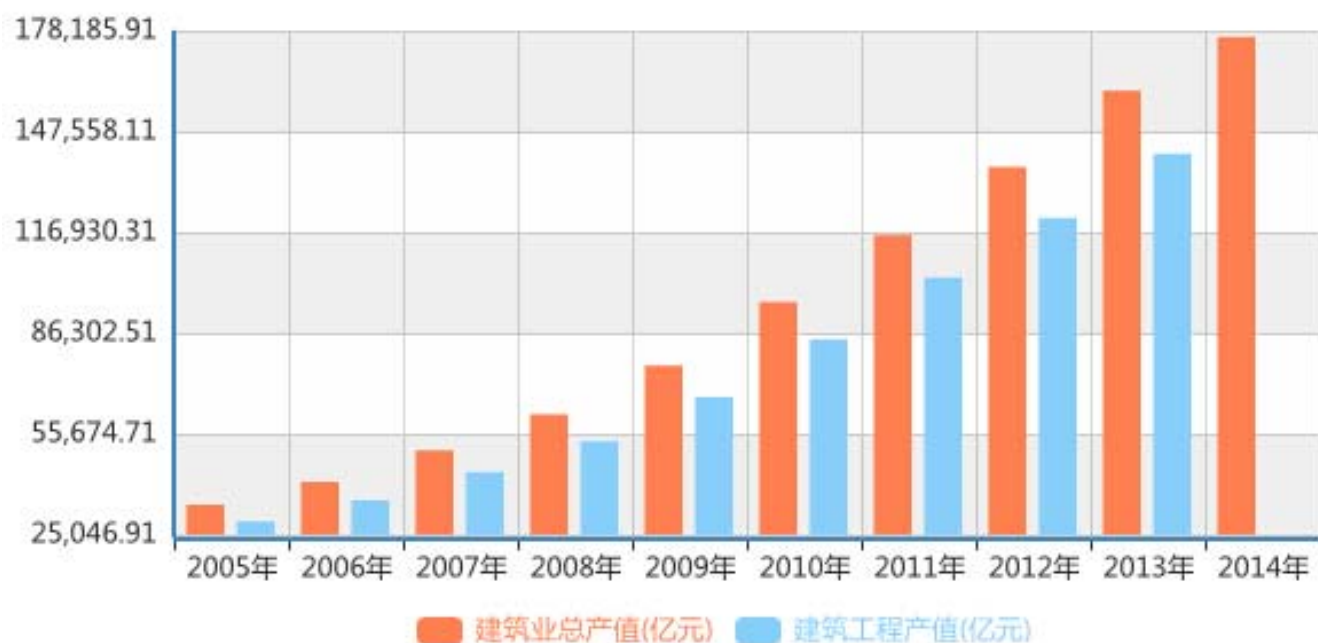
注：进出口数据来源于海关总署。1978年为外贸业务统计数，1980年起为海关进出口统计数。

数据来源：国家统计局



绿奥诺

Construction in recent 10 years



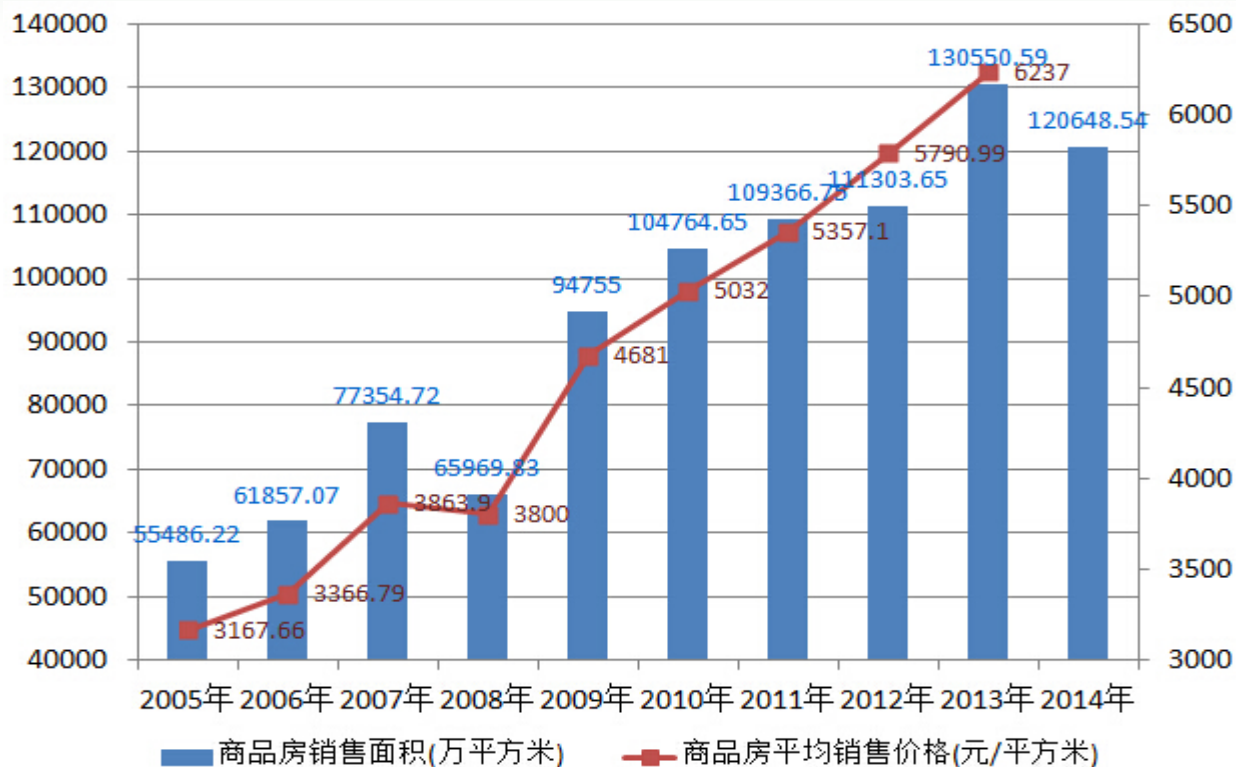
指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
建筑业总产值(亿元)	176713.4	160366.06	137217.86	116463.3	96031.1	76807.7	62036.81	51043.71	41557.2	34552.1
建筑工程产值(亿元)		141146.83	121719.92	103665.77	84753.11	67208.42	53831.6	44446.99	35864.61	29464.38

数据来源：国家统计局



绿奥诺

Housing in recent 10 years



指标	2014年	2013年	2012年	2011年	2010年	2009年	2008年	2007年	2006年	2005年
商品房销售面积(万平方米)	120648.54	130550.59	111303.65	109366.75	104764.65	94755	65969.83	77354.72	61857.07	55486.22
商品房平均销售价格(元/平方米)		6237	5790.99	5357.1	5032	4681	3800	3863.9	3366.79	3167.66

注：商品房销售额是当期累计数据。

数据来源：国家统计局



Green Building



- “America Green Building Council” USGBC established in 1993 and has published its standard latest version LEED2.2
- China has issued the “Green building evaluation standard” in Mar. 2006,
- China has enforced “Green Building Initiative”.
- During “12th Five Year Plan” , build one Billion sqm, it going to reach 20% amount the building in end of 2015.



绿奥诺

Furniture Market



- The furniture sales in 2014 reach 1000 billion RMB.
- The interior decoration is about three times bigger than the furniture industry



绿奥诺

11.11

- In Nov. 11, the total sales in the Tianmao Alibaba only reach 91,217,000,000 Yuan. it was 57,100,000,000 Yuan in 2014,
- Comscore reported that there are 40,000 companies with 600 Million products available in the Net.
- Consumer spend 1761 Yuan in every age which increase 22% compared in 2014.
- Alibaba reported that there 1,700,000 postman, 400,000 lorry, 5000 storage, 200 cargo served for the 760,000,000 parcels for the sales.



The background of the slide is a close-up, slightly blurred photograph of numerous stacks of US dollar bills. The bills are bundled together with black paper bands, and the stacks are piled on top of each other, creating a sense of depth and abundance. The colors of the bills, including the green of the \$100 bills and the blue of the \$50 bills, are visible. The overall lighting is somewhat dim, giving the image a slightly moody or serious tone.

Expanding green consumerism in China

吴盛富

shengfuw@163.com

010-84238148

8 3:49PM