



Introduction of the newly launched Global Green Supply Chain (GGSC)

**Dr. Meng Qian
Chinese Academy of Forestry
Center for International Forest Products
Trade (CINFT) Of NFGA**

Content



**Trends of Tropical Timber
Consumption & Trade in China**



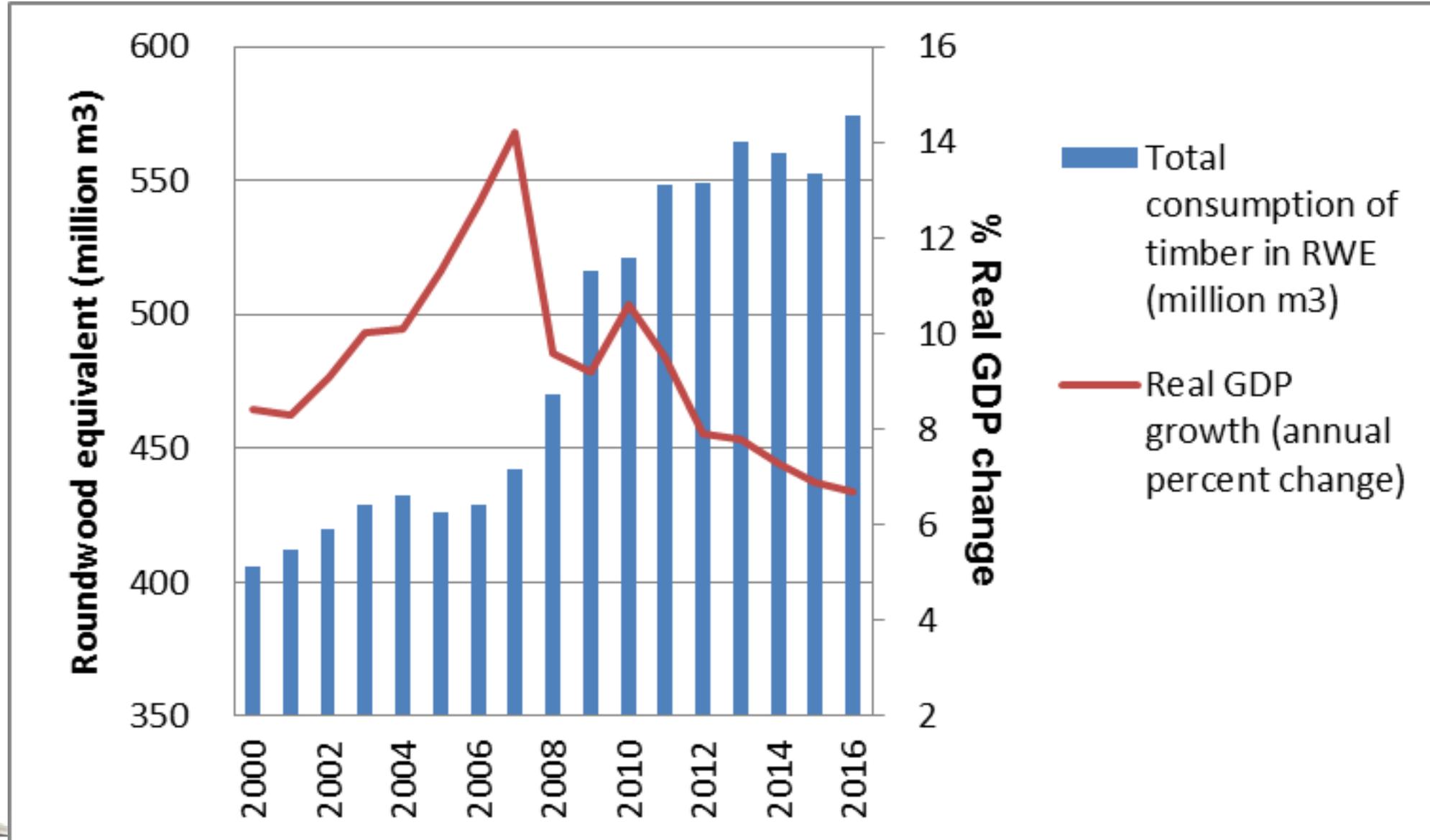
The origin of GGSC

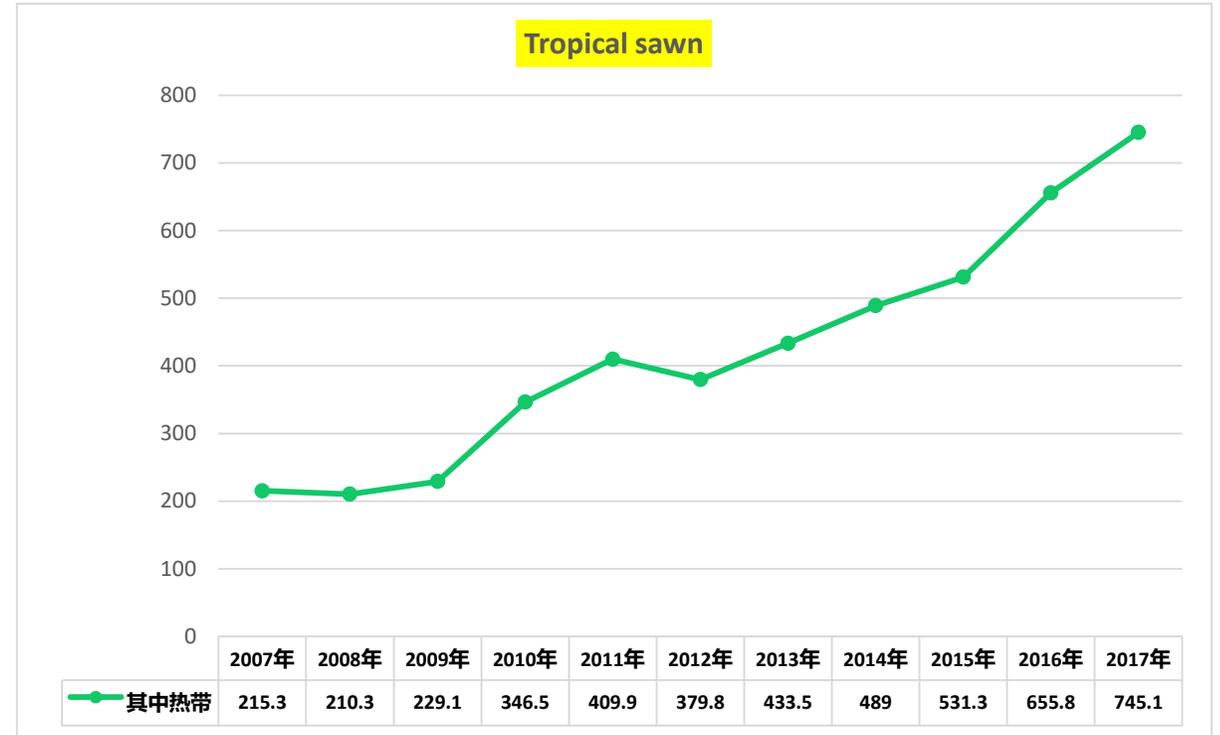
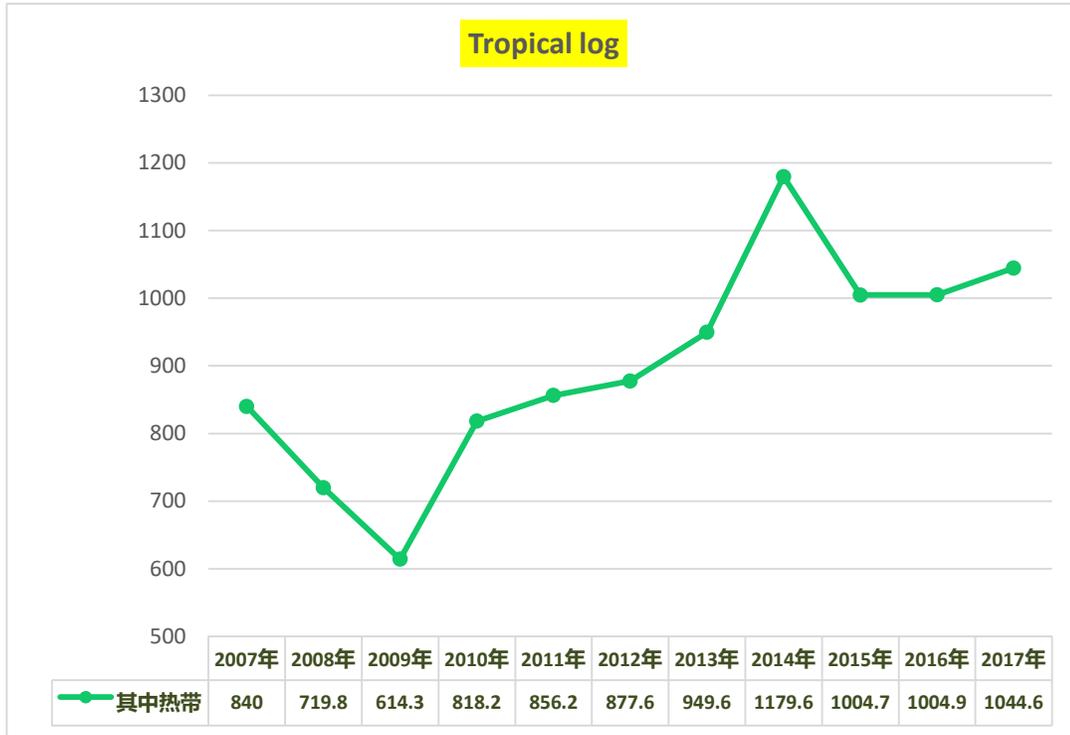


**Chinese private sector initiative:
GGSC**



中国的GDP和木材消费





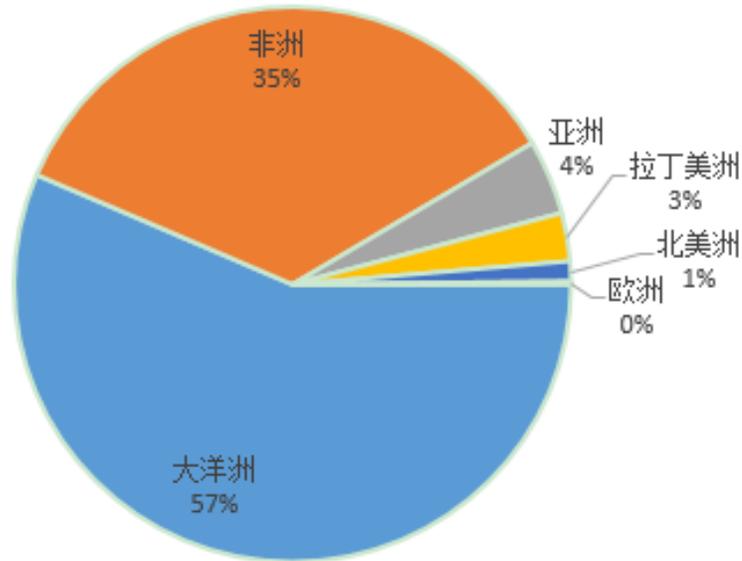
- In 2017, China imports 10.446 million m³ of tropical logs, an increase of 3.9% on year-on-year basis, and imports 7.451 million m³ of tropical sawn timber, an increase of 13.6%, totaling 21.226 million m³(log volume), accounted for 19.4% of the total imported timber.
- In the past 10 years, the imports of tropical logs Increased by 1.2 times, increasing by 2.2% annually; the imports of tropical sawn Increased by 3.5 times, increasing by 13.2% annually.

Main source country of imported tropical logs in China

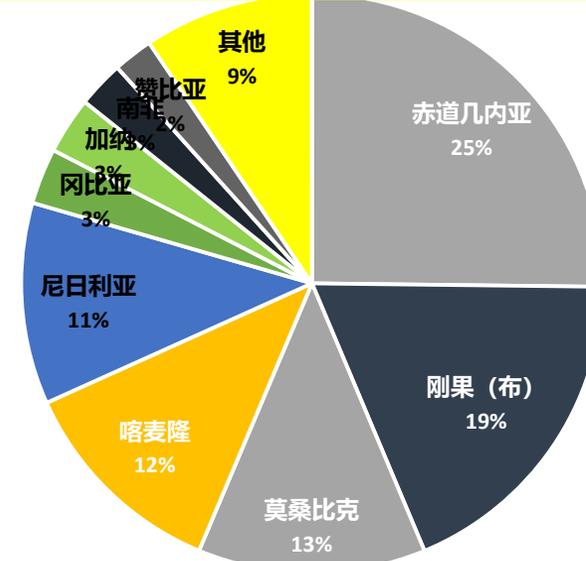
中国进口热带原木来源国



imported tropical logs in 2017



imported tropical logs from Africa in 2017



Tropical Logs	2017		2016		Increase or decrease%	
	quantity	unit price	quantity	unit price	quantity	unit price
Oceania	6,339,307	184.39	5,945,195	165.08	6.63%	11.70%
Africa	4,095,020	433.63	3,689,118	405.68	11.00%	6.89%
Latin America	566,352	283.98	295,090	341.53	91.93%	-16.85%
Asia	286,112	1166.50	459,414	1035.50	-37.72%	12.65%
North America	32,578	118.27	123,127	97.17	-73.54%	21.71%
Europe	11,396	179.37	17,964	252.68	-36.56%	-29.02%
Total	11,330,765	394.36	10,529,908	382.94	7.61%	2.98%

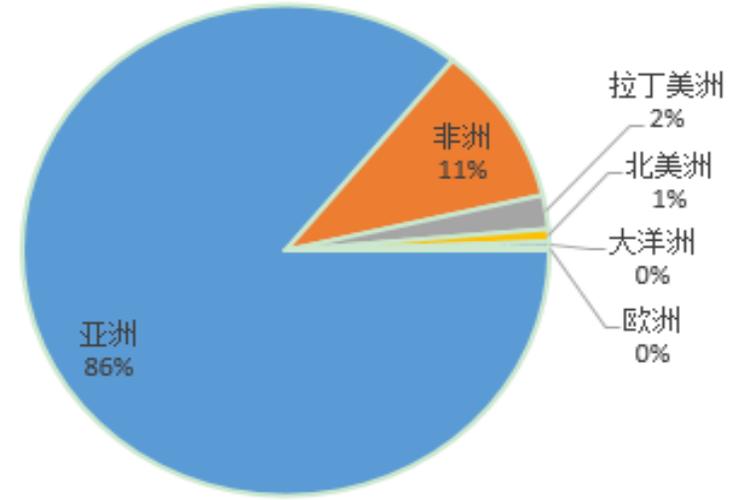


Main source country of imported tropical sawn in China

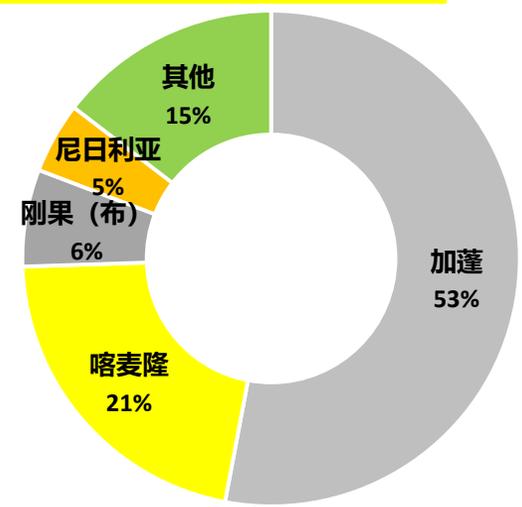


中国进口热带锯材来源国

imported tropical swan in 2017



imported tropical swan from Africa



Tropical Swan	2017		2016		Increase or decrease%	
	quantity	unit price	quantity	unit price	quantity	unit price
Asia	6,421,638	344.77	5,442,807	339.76	17.98%	1.47%
Africa	783,499	549.51	534,964	610.53	46.46%	-9.99%
Latin America	166,102	691.65	171,112	789.74	-2.93%	-12.42%
North America	61,626	394.86	72,699	358.15	-15.23%	10.25%
Oceania	26,279	562.14	20,995	634.49	25.17%	-11.40%
Europe	15,833	485.60	15,612	431.91	1.42%	12.43%
Total	7,474,977	504.76	6,258,189	527.43	19.44%	-4.30%

Main applications of imported tropical
broad-leaved timber in China
中国进口热带阔叶木材的主要应用

- it is mainly used in for floors, wooden doors, home furnishings and wood-based panels, the future of African hardwood in China is very broad.
- **主要用于地板、木门, 家具、装饰
装修、人造板;
外贸出口与内需巨大。**



The origin of GGSC initiative

Dialogue between ITTO ED and CEOs of Chinese leading wood enterprises (2017.9.9, SH)



Expert Workshop On Global Forest Products Green Supply Chain Mechanism (2018.2.6, BJ)



Challenges to markets access for tropical timber 进口热带木材的主要困难和障碍



While China's private sector has contributed a lot of employment, it is also very vulnerable and facing many challenges of survival. Timber legal and sustainable management are not their priority areas.

- **Unstable and unsustainable supplies** of logs as raw materials (especially tropical timber)
- the obstacles in wood legitimacy / **timber legality**.
 - **Inconsistent** criteria for wood legitimacy
 - The cost of wood legitimacy increase corporates' burden
- **lack of an efficient and reliable international guideline** (Power Dekor)
- 原木（特别是热带木材）供应不稳定、不可持续
- 木材合法性存在困难
 - 各国认证标准不一致
 - 认证成本增加了企业负担
- 缺乏高效、可信赖的国际标准



The other problems Chinese wood enterprises face ? 中国木材企业面临的其他问题

What if investing in the tropical countries?

- lack of a fair competition environment for the legitimate enterprises (hidden rules , corruption, etc)
- Hard to move processing factories and reconstructing overseas

Other problems

- Environmental protection storm
- Profit space is squeezed
- **Consumers aren't willing** to buy for the sustainable wood
- Trade War

企业在热带国家投资遇到的障碍

- 缺乏公平竞争的商业环境（潜规则、腐败等）
- 搬迁工厂和海外产业链重构比较难

其他问题

- 环保风暴
- 用工成本增加
- 消费者不愿为合法认证的木材买单
- 贸易战

**Eager to look around the world and seek
broader business opportunities!**



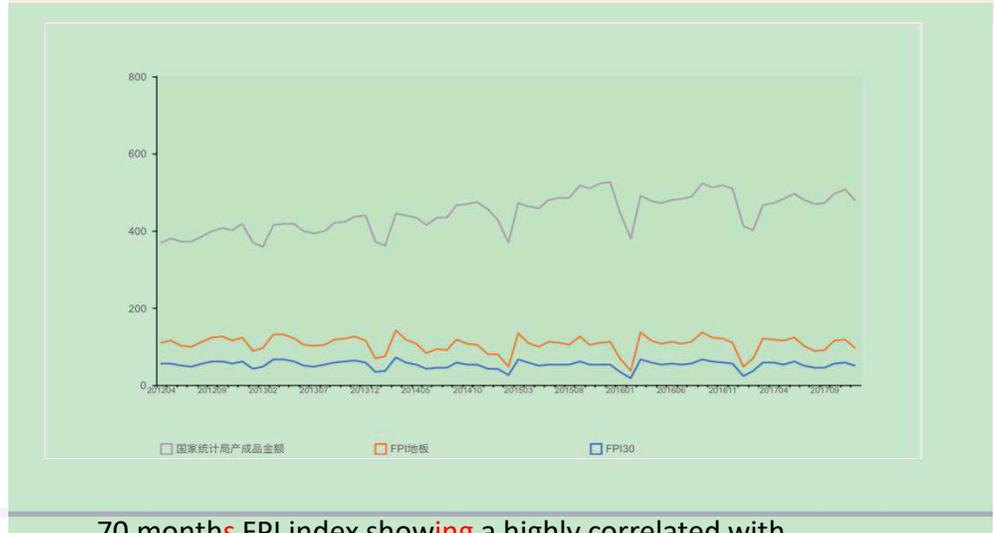
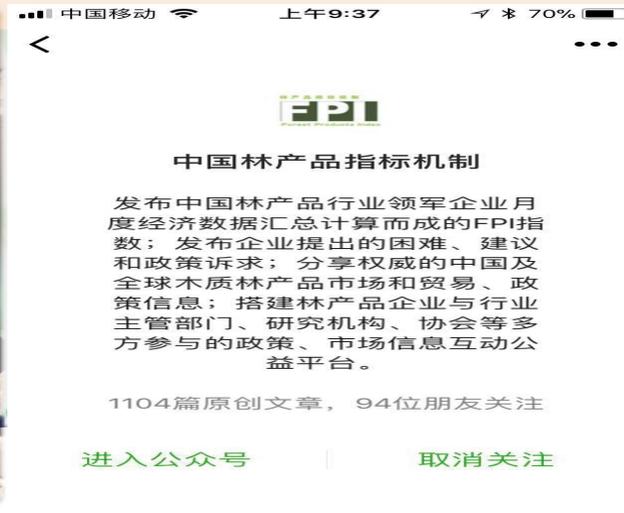
Chinese private sector initiative:
GGSC Initiative and GGSC promotion
committee

中国领军企业发起：
全球绿色供应链倡议和GGSC推进委员会

Forest Products Index Mechanism(FPI)



- In order to promote tropical timber **sustainable** trade, CINFT /NFGA and ITTO co **sponsored** a long-term mechanism to enhance communication between Government Agency, Enterprises and Research Institute in 2012, with a monthly data sharing system, Forest Products Index Mechanism(FPI) (*ITTO project document , TFL PD017/09*).
- **Information and data sharing**
- **More than 100** Leading Timber Enterprises joined in FPI since March, 2012
- FPI (www.chinafpi.org), FPI wechat public account(FPI-China), has 6000 professional registered readers, has spread 1104 reports ,news and information related to timber trade, policy through FPI wechat since early 2014.
- More than 10 workshops or policy dialogues between **government**, enterprises and research institute have been organized since 2012.



The launching ceremony of FPI (2012. March.26th. Shanghai)

FPI Wechat account

70 months FPI index showing a highly correlated with Finished Product data of National Bureau of Statistic of China.

In 22 June, 2018, Beijing. 12 leading enterprises and 5 supporting institutions launch the *Initiative on Jointly Building The Global Green Supply Chain (GGSC) of Forest Products*





An Initiative on Jointly Building The Global Green Supply Chain (GGSC) of Forest Products (建议分2页 或缩小字体)

We are fully aware that forest is the main carrier of the terrestrial ecosystem and the shield for human survival and development, whichever growth closely related to human civilization; we share the common responsibilities to conserve forest resources, safeguard ecological security and promote green development.

We believe wood is an important reproducible and recyclable material with extraordinary carbon sequestration capabilities. Forest industry is a sunrise sector that adapts to and mitigates climate change, and spearheads green and low-carbon development.

We understand that the forest resources worldwide have been decreasing and degrading, which seriously hampers social and economic sustainable development. As a result, the forest industry is facing severe challenges. Promoting the sustainable use of forest resources has become the common consensus of the international community.

We recognize that the green and sustainable development of forest industry requires joint efforts by governments, universities, research institutions and the industry, as well as in-depth cooperation across sectors, regions, and borders.

Therefore, we are here calling for forest products businesses, industry associations, research institutions, governments and international organizations to work together, as to: jointly build a stable and well-ordered ‘Global Green Supply Chain’ of forest products; effectively bridge up the upper-, mid- and down-stream across the industry chain; develop a green and sustainable system, covering: production, distribution and consumption of forest products; enhance the green transformation and upgrade of the industry, increase the utilization efficiency and effectiveness of forest resources, and eventually provide more and better forest products for consumers both at home and abroad.

We believe, by practicing the green development concept, and embracing the principle of joint contribution, shared benefits, and a win-win business environment in a fair, just, credible, prudential, progressive and well-organized manner the industry will greet a brighter future, and make greater contribution to the sustainable development and human well-being.

Global Green Supply Chain Initiative 全球绿色供应链倡议

GGSC 12 Initial Members 12个创始成员 (including furniture, wood flooring, trade, wood-based panel and wood door)



China Forest Products Co., Ltd.	中国林产品公司
Power Dekor Group Co., Ltd	圣象地板集团
Dare Wood-Based Panels Group Co., Ltd.	大亚人造板集团
Zhejiang Shiyou Timber Co., Ltd	世友地板
Treesun Flooring Co.	久盛地板
Guangxi Fenglin Wood Industry Group Company Ltd.	丰林木业集团
Shenzhen Sampo Furniture Co., Ltd	松堡王国家居有限公司
Guangxi Sunway Forest Products Industry Co., Ltd	三威人造板公司
Shanghai Anxin Floors Co., Ltd	安信地板
China Jilin Forest Industry Group Co., Ltd	吉林森工集团
Shanghai Lingge Wood Co., Ltd.	上海菱格木业有限公司
Starforest Art Flooring(Zhejiang) Co. Ltd.	森林之星
12 initial members total production in 2017: \$12.8 billion	12发起企业2017年总产值805.5亿人民币
4% of China timber industry production in 2017	占2017年中国木材总产值 4%





全球林产品绿色供应链国际研讨暨领军企业

International Workshop of Global Green Supply Chain of Forest Products and the Dialogue with Chinese Leaders



国家林业和草原局林产品国际贸易研究中心
 广西三威林产工业有限公司
 浙江森林之星文化地板有限公司
 圣象集团有限公司
 法国木业协会(French Timber)
 上海亿盒企业营销策划有限公司
 中国绿色碳汇基金会
 中国木材与木制品流通协会
 新浪家居
 中国绿色时报
 国际木业杂志
 网易家居

China Green Carbon Foundation launched a Special Foundation for Promoting GGSC



Supported by the CITFP of NFGA and ITTO, GGSC is a global service platform voluntarily established by enterprises, research institutes, industry associations, international organizations and other interested parties involved in forest products R&D, manufacturing, distributing, processing and consuming, to implement Initiative on Jointly Building The Global Green Supply Chain of Forest Product by Chinese Leading Timber Enterprises.

GGSC是在国家林业和草原局林产品国际贸易研究中心和国际热带木材组织（ITTO）的支持下，为落实中国林产品领军企业发起的全球林产品绿色供应倡议，由林产品研发、生产、加工、流通和消费为主的企业、科研机构、行业协会、国际组织及其他相关方自愿结成的全球化服务平台

GGSC Objectives 目标

Constructing a stable and orderly global green supply chain of forest products to promote green sustainable development of global forest resources and forest products 构建稳定有序的全球林产品绿色供应链，推动全球森林资源和林产品的绿色可持续发展。



- Stabilize timber and products supply
- Increase market access opportunities for producers
- Raise awareness of legality and sustainability
- Reduce business cost by establishing closer linkage
- Promote investment / technology transfer to upgrade producer's industry
- Build capacity for enterprises and traders for legal and sustainable supply
- Enhance consumer awareness of sustainable development
- 稳定木材供应
- 增加市场准入的机会
- 加强对合法性和可持续性的认识
- 建立密切联系以降低商业成本
- 促进投资和技术转让，帮助生产方产业升级
- 加强生产企业和贸易商在合法和可持续供给的能力建设



Global Green Supply Chain Initiative

全球绿色供应链倡议

Stakeholders Involved 倡议和支持机构



- Chinese enterprises and traders.
- International producers, traders, processors and consumers.
- Chinese Government: MOFCOM, NFGA, GAC
- Producer and Consumer Governments.
- International organizations/agencies: ITTO
- Academies and Institutes: CAF, CINFT / NFGA, CAITEC
- Timber associations: CTWPDA, STTA, CNFPIA.
- Financial agencies: GAC (Green Carbon Foundation)
- Related research institutes and universities.
- 中国企业和贸易商。
- 国际生产、贸易、加工和销售企业。
- 中国政府部门：商务部、国家林草局、海关总署。
- 生产国和消费国政府部门。
- 国际组织和机构：国际热带木材组织
- 科研机构：林科院、林贸中心、贸研院。
- 木材协会：中国木材流通协会，上海木材行业协会，中国林产工业协会。
- 金融机构：绿色碳汇基金会
- 相关研究机构和院校。



The main tasks of GGSC

GGSC 主要工作



- (1) Organize conferences, exhibitions, business docking and economic/trade negotiation events, carry out international dialogues and exchanges between industry associations and related organizations, and promote market information sharing and supply-demand docking;
- (2) Organize cross-border field visits, to promote overseas investment and technical exchange;
- (3) Cultivate demonstration enterprises of green forest products, and extend their global influence through capacity building, training consultation and brand promotion;
- (4) Conduct multi-channel media communication activities, advocate the positive role and contribution of sustainable forest products in combatting climate change, enhance consumers' awareness of timber legality and sustainability, and strengthen ecological environmental protection;
- (5) Conduct specific research on main issues of global green supply chain of forest products;
- (6) Promote industry self-discipline by formulating industry regulations and guidelines, and guide the global forest products industry to reach common concern on green and sustainable development of forest resources and products



The recent activities of GGSC

GGSC 近期工作



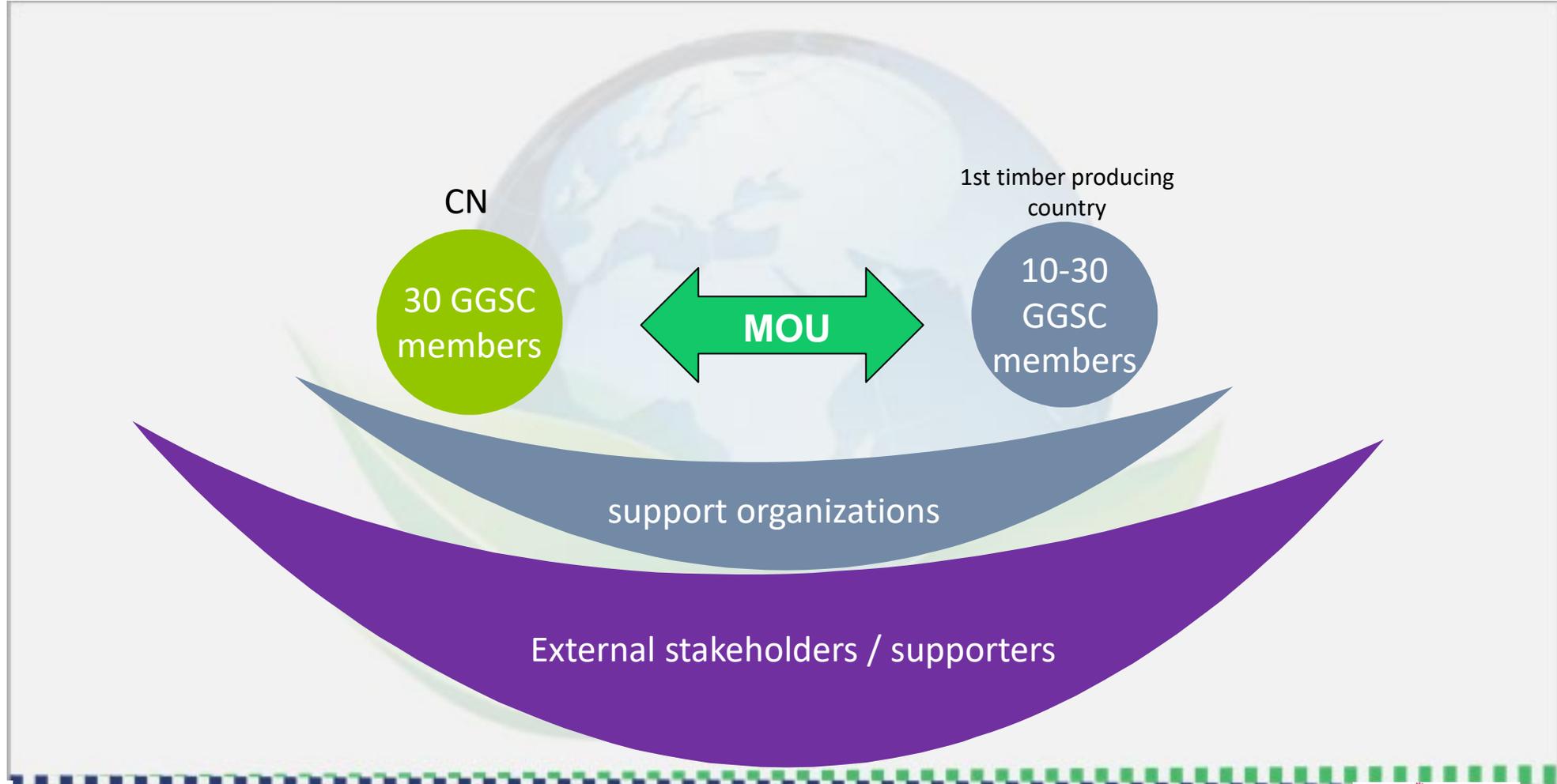
1. 1st Promotion Committee meeting, Chongqing, China in **September 2018**
2. **Four meetings and one trips to visit GGSC member enterprises was conducted together with DFID representative in Chongqing, Beijing, Shanghai, Nanxun of China** from the 2nd half of September to 1st November. They shown big interesting into supporting GGSC's activities.
3. A meeting with representatives from Proteak of Mexico 愿意加入倡议，成为当地的推进委员会
4. An interview was requested and conducted by The Economist in the 2nd half of October
5. GGSC was included in the future supporting area of China-Germany Forest Policy Dialogue

Major activities in next 3 months:

1. The 2018 Global Sustainable Hardwood Supply Conference and a GGSC Enterprises Forum will be co-organized between the Wood Products Distribution Association, ITTO and CINFT, scheduled on 7-8 November 2018.
2. The 2nd meeting of the GGSC Promotion Committee will be held in November
3. A GGSC study tour to Africa (Congo, Gabon and Cameroon) will be organized by ITTO/GIZ/CINFT in January 2019



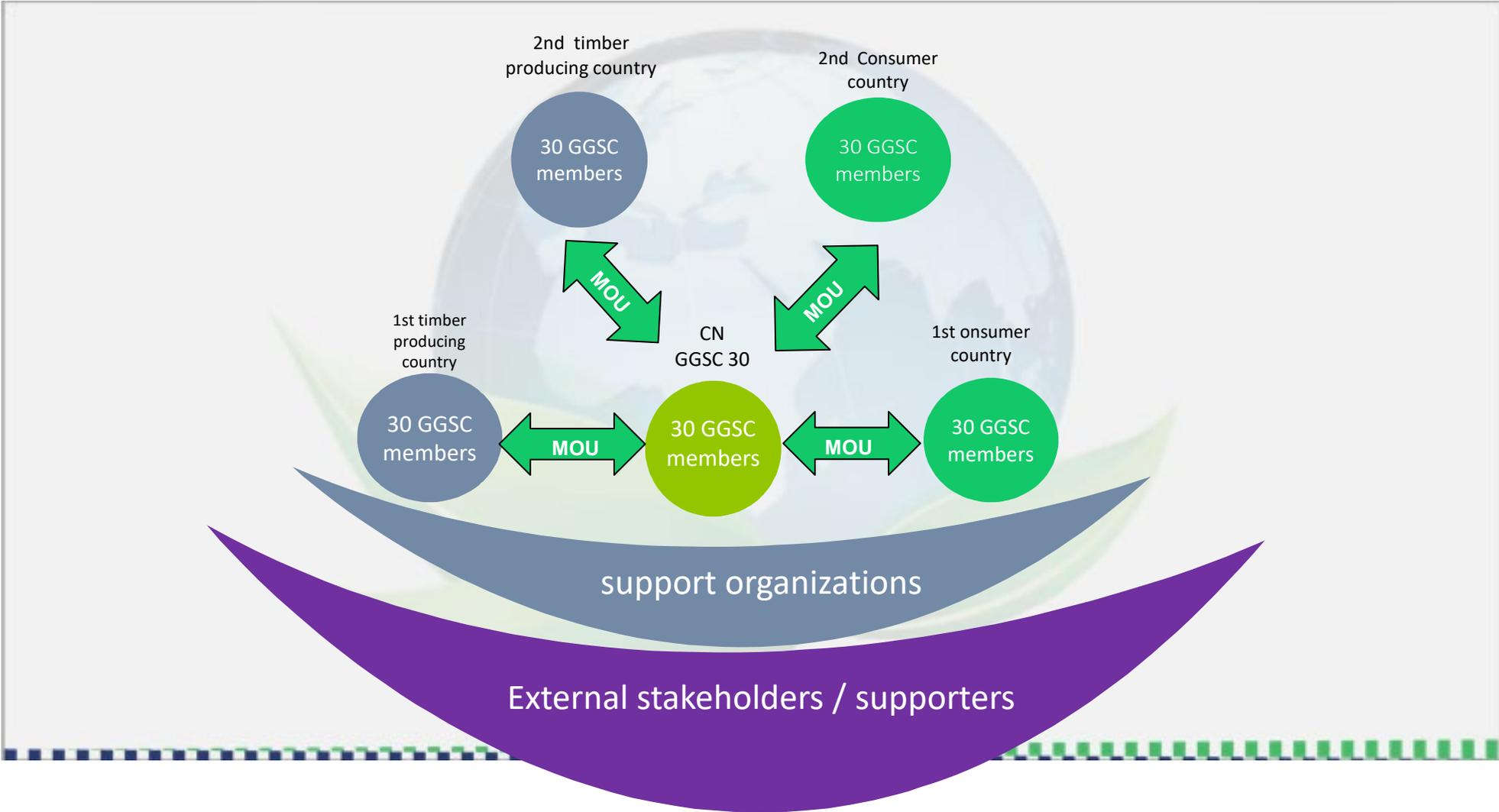
GGSC focal point development road-map



Global Green Supply Chain Initiative (GGSC)



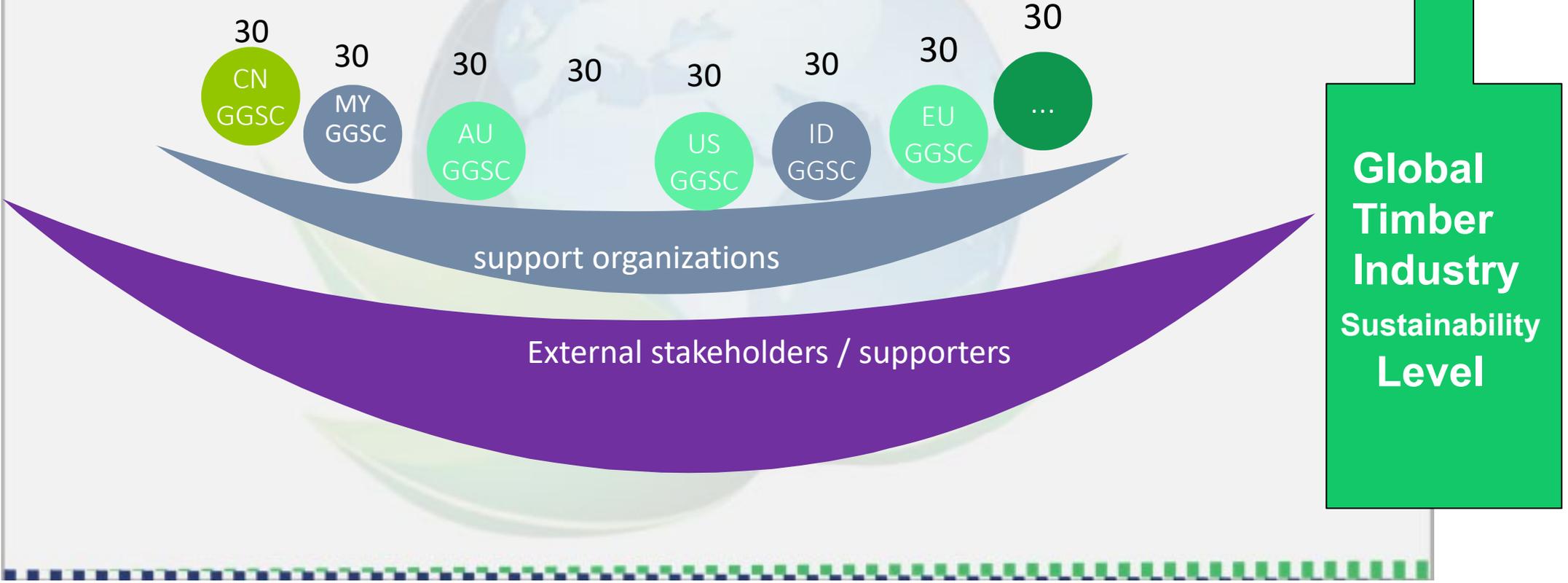
-road map, step by step,
with in ITTO member countries, contribute GGSC300 enterprises member



Global Green Supply Chain Initiative (GGSC)- Future



- GGSC300 -GGSC500-GGSC 1000,around the world.



Global Green Supply Chain Initiative (GGSC)- Mission

GGSC300 to promoting the Sustainability of the global timber industry



How to join GGSC?



希望参与倡议和成为GGSC推进委员会的企业/或者协会，直接联系我们

Enterprise or association who is willing to join GGSC Initiative and become GGSC Chain Promotion Committee, directly contact with we.



Welcome to contact with us

GGSC Secretariat:

Dr Luo Xinjian

Email: cnfpi@vip.sina.com

Wechat account: FPI-China





GGSC

**GGSC wholeheartedly
anticipate your joining!**

Thank you for your attention!