

BOABC

Orient Agribusiness

Analysis & Outlook

September, 1999

Vol. Timber, Issue 07

Subscription Information

Tel: 86-10-64195216

86-10-64195218

86-10-64195219

Fax: 86-10-64195217

E-mail: boabc@agri.gov.cn

Room 301~304

No.16 North Office Area

Ministry of Agriculture

Maizidian Street

Chaoyang District

Beijing

China

Copyright © 1999 by
Beijing Orient Agribusiness
Consultant Limited
All Rights Reserved

CHINA WOOD

Monthly Market Report

Inside This Issue

Policy & Regulation

- State Forest Bureau's Urgent Order Prohibiting Extra Logging
- Premier Zhu Emphasized Logging Ban in Natural Forest
- Sichuan Straightens Out Illegal Timber Transport Check
- Higher Fire Risks This Fall

Market Demand & Supply

- Rising Timber Consumption & Prices in 4th Quarter
- Booming Demand for Beech in Shanghai
- Chongqing to Face a Timber Shortage
- Russian Timber Prevails in Henan Market

Market News

- Impact of Logging Ban on Forest Processing Industry in Sichuan
- Causes for Sluggish Timber Market in Sichuan

Timber Imports & Exports

Price Trends

Policy & Regulation

State Forest Bureaus Urgent Order Prohibiting Extra Logging In view of the widespread extra logging in the protected natural forest zones, the State Forest Bureau has recently issued an urgent order requiring local governments to intensify logging quota control.

First, all logging must be carried out under a logging permit and brought under the quota control. Control must be tightened over farmers logging for self-use or firewood. Secondly, timber transport and distribution must be under strict control. Local forest administrations should carry out an emergent inspection in the timber processing factories and market before the end of Nov.

Premier Zhu Emphasized Logging Ban in Natural Forest From Sept. 6 to 12, Premier Rongji Zhu inspected the implementation of natural forest protection in western Sichuan. The premier stressed that the natural forest resources must be brought under protection to improve the ecological environment. Logging must be banned in the natural forest in the upper reaches of the Yangtze & Yellow Rivers. Timber markets in those regions must be closed. The state is to provide financial support to forest industrial enterprises to protect the forest and grow trees. The government is to give farmers grains as a pay for their afforestation.

Sichuan Straightens Out Illegal Timber Transport Check Recently in some parts of Sichuan, timber transport has confronted fault-finding checks aimed at fines by non-forest system government departments. In light of this, Sichuan Forest Bureau has issued a notice forbidding wood checks on the road by non-forest system checking stations.

Higher Fire Risks This Fall Recently the State Forest Bureau held an emergent meeting on fall fire prevention. The bureau has dispatched work teams to major forest zones to inspect fire prevention.

According to weather forecast, Northern China and the Northeast will be ruled by high temperatures, strong winds, scarce rainfall and dryness this fall. Such weather conditions will give rise to bigger risks of forest fire. From Sept. on, fire prevention season started in the forest zones.

Market Demand & Supply

Rising Timber Consumption & Prices in 4th Quarter Timber market has been stable in the nation in the first 3 quarters of this year. But the 4th quarter may see an upturn in the demand. The infrastructure construction is to speed up to keep pace with the economic recovery. The opening of the old house market is to add to a house decoration boom.

The supply of some timber varieties are expected to grow tight, such as the Northeast coniferous logs of large diameters and hard broad-leaved wood for paper-making in Fujian and Guangdong. The supply of other timber is anticipated to be abundant. It should be pointed out that the timber price decline in the Northwest and Southwest in the near past was temporary because delivery from stock to market was excessive. Once the stock is depleted, timber supply would be strained,

since logging in the natural forest zones has been put to an end.

The prices of some timber varieties are projected to climb in Beijing, Tianjin, Shandong, Liaoning, Fujian, Guangxi and Eastern China. The rest of the country may see stable or slightly upward prices.

Booming Demand for Beech in Shanghai The city has witnessed a significant change in the timber demand structure this year. Coniferous timber like *pseudotsuga texifolia* used to dominate the market, but is being gradually superseded by broad-leaved timber. Coniferous timber, mainly used for house building and repair in the past, is increasingly replaced by metal. But the house decoration boom has created a larger demand for broad-leaved timber. The pursuit of high-grade house decoration has induced brisk sales of imported European beech to replace ashtree and oak, since beech is a high-grade hard wood, compatible with the taste of Shanghai citizens.

Chongqing to Face a Timber Shortage A recent survey reveals that timber supply may get strained in the city in the next few months, mainly due to the logging ban in the natural forest zones in western Sichuan. The current stock can last no more than 3 months. Timber prices have been stable in the market, because the extensive use of steel has saved a great deal of timber consumption. But depletion of the stock may trigger a price hike at the end of this year.

Russian Timber Prevails in Henan Market Timber supply in Henan almost completely relies on inshipment. This year, Henan timber market has seen a torrential inflow of Russian timber.

After China launched natural forest protection project last summer, timber imports swelled, including large quantities from Russia. It is convenient to transport Russian timber from Chinas Northeast border to Henan by rail. Both the quality and specs of Russian timber conform to the market need, for example, the Dahurian larch logs of 4~6 meters in length and 26~50 cm in diameter, rare in the domestic market.

Moreover, Russian timber is cheaper than domestic products. The cost of imports of *pinus sylvestris* var. *mongolica* (6 meters in length and 30cm in diameter) is just \$101/cubic meter. In house decoration, *pinus sylvestris* var. *mongolica* is preferred to *Kahikatea*. With little supply of this variety at home, imports are necessary. Presently, Russian timber makes up over 60% of the market supply in Henan.

Market News

Impact of Logging Ban on Forest Processing Industry in Sichuan Thanks to the logging ban in the natural forest zones, timber product prices have moved up by a wide margin in Sichuan. Sales of converted timber, plywood, fiber board and fortified floor board have improved considerably.

The forest processing industry has relied on timber supply from forest zones in western Sichuan for many years. The timber shortage resulted from the logging ban forced many factories to suspend operation or close up. The state-run timber factories have been in the red, owing to backward technology and equipment and poor management. The reduction of raw material

supply is heavy blow to these factories.

Causes for Sluggish Timber Market in Sichuan Timber market in Sichuan has featured a soft demand and a price decline this year, quite contrary to the recovery in other southern provinces.

The natural forest protection project stipulates that logs cut before the logging ban must be shipped out of the forest zones before June 30, 1999. Outshipment is forbidden after the deadline. Faced with an enormous amount of logs to ship out, poor transport conditions in the mountain areas and the tight timetable, some forest enterprises subdued prices to speed up sales. Thus a gigantic amount of cheap timber went into market, exerting a pressure on the market price. Sales to other provinces got clogged, partly owing to the provincial government restriction and partly owing to the low quality of the stale logs.

Timber Imports & Exports

Log Imports by Variety In the first 8 months of this year, China imported 6.122 mil cubic meters of logs, of which 12.9% were from Russia, 18.3% from Malaysia and 9.3% from Gabon.

Table1, China's Imports of log by Supplying Country 1998-1999

(Products of heading No.4403- in China customs tariff)

Unit:1000m³

	Burma	Korea	Malaysia	Russian	U.S	Gabon	Papua New Guinea	Equatorial Guinea	Camerroon	Others	Subtotal
1998	181.9	218.7	1,060.0	1,591.3	94.1	593.0	184.6	201.9	233.9	463.6	4,823.0
Aug.1999	23.1	23.4	162.7	356.9	1.9	145.2	20.1	34.6	6.1	88.1	862.0
Jan.~Agu.	213.3	105.5	1,120.1	2,627.2	53.2	571.4	255.2	204.0	139.1	832.9	6,121.8
Percentage	3.5	1.7	18.3	42.9	0.9	9.3	4.2	3.3	2.3	13.6	100.0

Note : 4403- including 44031000, 44032000, 44034100, 44034910, 44034990, 44039100, 44039200, 44039910, 44039920, 44039930, 44039940, 44039990

- Imports of Logs Treated with Paint:** Imports recorded 2,087 cubic meters in Aug. and 20,000 cubic meters during Jan. ~ Aug., including 6,628 cubic meters from USA, 7,280 cubic meters from Malaysia and 4,809 cubic meters from Russia.

Table2, Imports of Logs Treated with Paint by Supplying Country

(Products of heading No.44031000 in China customs tariff)

Unit: m³

	Indonesia	Malaysia	Cameroon	Gabon	Russian	New Zealand	Papua New Guinea	U.S	Others	Subtotal
1998	60	1,540	20	0	130	60	2,010	450	1,910	6,050
Aug.1999	0	0	0	0	1,269	0	0	161	1,926	2,087
Jan.~Agu.	0	7,280	0	0	4,809	0	0	6,628	2,566	20,113
Percentage	0.0	36.2	0.0	0.0	23.9	0.0	0.0	33.0	12.8	100.0

**Table 3, Imports of Logs Treated with Paint
by Supply Country by Port**

(Products of heading No.44031000 in China customs tariff)

Unit:m³

	August	Jan.-Aug.
Total	2,087	20,113
Dalian	1,269	4,666
Shanghai	30	13,804
Shenzhen	161	403
Wulumuqi	574	956
Other	53	284

2. **Coniferous Logs Treated in Other Methods:** Imports totaled 2.704 mil cubic meters from Jan. to Aug. of this year, including 2.374 mil cubic meters from Russia, 87.8% of the total imports.

**Table 4, Imports of Coniferous Logs Treated in Other Way
by Supplying Country**

(Products of heading No.44032000 in China customs tariff)

Unit: 1000m³

	Burma	Korea	Malaysia	Mongolia	Viet Nam	Russian	U.S	New Zealand	Others	Subtotal
1998	16.5	174.3	86.1	1.0	0.2	1,072.7	47.8	75.3	6.3	1,480.2
Aug.1999	0.7	22.2	18.6	0.0	0.0	330.2	0.0	31.2	1.8	404.7
Jan.~Agu.	12.0	99.8	84.0	8.2	0.1	2,373.8	21.0	97.7	7.4	2,701.3
Percentage	0.4	3.7	3.1	0.3	0.0	87.8	0.8	3.6	0.3	100.0

Table 5, Imports of Coniferous Logs Treated in Other Way by Port
(Products of heading No.44032000 in China customs tariff)

Unit:m³

	August	Jan.-Aug.
Total	404,707	2,701,279
Manzhouli	137,033	1,120,821
Huhehaote	90,339	541,764
Changchun	23,928	98,602
Haerbin	98,279	695,118
Guangzhou	18,499	85,121
Other	36,629	159,871

3. **Tropical Log Imports:** Red lauan imports were 192,000 cubic meters in the first 8 months, of which 158,000 cubic meters were from Malaysia. Teak imports were 9,694 cubic meters in the first 8 months. Other tropical log imports totaled 894,000 cubic meters, including 469,000 cubic meters from Gabon, 53,200 cubic meters from Malaysia and 181,000 cubic meters from Equatorial Guinea.

Table 6, Imports of Meranti Log by Supplying Country

(Products of heading No.44034100 in China customs tariff)

Unit: m³

	Malaysia	Gabon	Indonesia	Equatorial Guinea	U.S	Papua New Guinea	Others	Subtotal
1998	93,058	0	1,212	0	20	9,618	7,250	109,946
Aug.1999	21,756	0	23	0	0	5,747	59	27,585
Jan.~Agu.	157,837	0	14,645	0	0	18,193	1,515	192,190
Percentage	82.1	0.0	7.6	0.0	0.0	9.5	0.8	100.0

Table 7, Imports of Teak Log by Supplying Country

(Products of heading No.44034910 in China customs tariff)

Unit: m³

	Burma	Indonesia	Malaysia	Thailand	U.S	Papua New Guinea	Others	Subtotal
1998	4,623	1,410	3,345	2,436	48	0	1,695	13,557
Aug.1999	396	0	477	124	0	0	70	1,067
Jan.~Agu.	6,775	409	1,677	352	48	0	433	9,694
Percentage	69.9	4.2	17.3	3.6	0.5	0.0	4.5	100.0

Table 8, Imports of Other Tropical Log by Supplying Country

(Products of heading No.44034990 in China customs tariff)

Unit: 1000m³

	Malaysia	Cameroon	Equatorial Guinea	Gabon	U.S	Papua New Guinea	Others	Subtotal
1998	130.0	116.7	120.0	396.1	0.3	88.5	39.3	890.9
Aug.1999	6.1	3.3	32.1	138.9	0.0	2.0	10.5	193.0
Jan.~Agu.	53.2	27.8	180.9	469.3	0.0	75.2	87.9	894.2
Percentage	5.95	3.10	20.23	52.48	0.00	8.41	9.83	100.00

Table 9, Imports of Tropical Log by Port

(Products of heading No.44034100-44034990 in China customs tariff)

Unit:m³

	August	Jan.-Aug.
Total	221,246	1,091,773
Tianjin	10	19,260
shanghai	5,951	98,850
Nanjing	193,363	789,786
Shenzhen	116	18,831
Gongbei	13,805	71,584
Other	8,001	93,462

Note: Including 44034100,44034910,44034990

4. **Non-Coniferous Log Imports:** The first 8 months saw imports of 41,100 cubic meters of oak, 278,000 cubic meters of beech, 5,576 cubic meters of nanmu, 2,684 cubic meters of camphor and 70,500 cubic meters of rosewood. Imports of other non-coniferous logs were 1.904 mil cubic meters, including 795,000 cubic meters from Malaysia, 209,000 cubic meters from Russia, 119,000 cubic meters from Indonesia, 111,000 cubic meters from Cameroon, 102,000 cubic meters from Gabon and 159,000 cubic meters from Papua New Guinea.

Table 10, Imports of Oak Log by Supplying Country

(Products of heading No.44039100 in China customs tariff)

Unit: m³

	<i>Korea</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>France</i>	<i>Russian</i>	<i>U.S</i>	<i>Others</i>	<i>Subtotal</i>
1998	2,805	1,911	2,277	5,268	36,800	240	865	50,166
Aug.1999	0	0	0	0	5,824	31	0	5,855
Jan.~Agu.	460	5	189	2	36,828	2,918	747	41,149
Percentage	1.1	0.0	0.5	0.0	89.5	7.1	1.8	100.0

Table 11, Imports of Beech Log by Supplying Country

(Products of heading No.44039200 in China customs tariff)

Unit: m³

	<i>Indonesia</i>	<i>Malaysia</i>	<i>Belgium</i>	<i>Germany</i>	<i>France</i>	<i>Holland</i>	<i>Others</i>	<i>Subtotal</i>
1998	1,954	5,840	1,489	36,297	7,456	1,065	6,069	60,170
Aug.1999	3,055	193	0	7,000	2,977	23	3,157	16,405
Jan.~Agu.	30,552	11,636	8,677	153,814	39,520	716	32,977	277,892
Percentage	11.0	4.2	3.1	55.4	14.2	0.3	11.9	100.0

Table 12, Imports of Nanmu Log by Supplying Country

(Products of heading No.44039910 in China customs tariff)

Unit: m³

	<i>Burma</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Thailand</i>	<i>Taiwan</i>	<i>U.S</i>	<i>Others</i>	<i>Subtotal</i>
1998	6,975	36	299	318	309	1,681	103	9,721
Aug.1999	319	0	0	0	0	0	0	319
Jan.~Agu.	5,573	0	0	0	0	0	3	5,576
Percentage	99.9	0.0	0.0	0.0	0.0	0.0	0.1	100.0

Table13, Imports of Camphor Log by Supplying Country

(Products of heading No.44039920 in China customs tariff)

Unit: m³

	<i>Burma</i>	<i>Indonesia</i>	<i>Malaysia</i>	<i>Russian</i>	<i>Others</i>	<i>Subtotal</i>
1998	0	111	7,020	719	288	8,138
Aug.1999	36	0	1,044	0	0	1,080
Jan.~Agu.	36	78	2,566	0	8	2,684
Percentage	1.3	2.9	95.6	0.0	0.3	100.0

Table14, Imports of Rosewood Log by Supplying Country

(Products of heading No.44039930 in China customs tariff)

Unit: m³

	<i>Burma</i>	<i>Indonesia</i>	<i>laos</i>	<i>Malaysia</i>	<i>Thailand</i>	<i>U.S</i>	<i>Others</i>	<i>Subtotal</i>
1998	6,543	20,353	8,959	1,013	5,171	905	5,204	48,148
Aug.1999	544	2,396	195	38	1,136	0	1,445	5,754
Jan.~Agu.	11,880	30,933	6,069	928	7,659	153	12,914	70,536
Percentage	16.8	43.9	8.6	1.3	10.9	0.2	18.3	100.0

Table15, Imports of Other Non-Coniferous Logs by Supplying Country
(Products of heading No.44039990 in China customs tariff)

Unit:1000m³

	Burma	Indon esia	Mala ysia	Came roon	Equatoria l Cuinea	Gabon	Russian	U.S	New Zealand	Papua New Guinea	Others	Subtotal
1998	14.45	6.66	72.92	11.72	8.18	19.60	47.72	4.13	6.82	8.45	27.9	214.10
Aug.1999	21.1	13.2	114.5	2.8	2.4	6.3	19.6	1.6	0.0	12.3	10.3	204.1
Jan.~Agu.	173.1	119.2	795.4	111.2	42.2	101.7	209.3	21.6	8.9	158.8	188.5	1,903.7
Percentage	9.1	6.3	41.8	5.8	2.2	5.3	11.0	1.1	0.5	8.3	9.9	100.0

Table 16, Imports of Non-Coniferous Logs by Port
(Products of heading No.44039100-44039990 in China customs tariff)

Unit:m³

	August	Jan.-Aug.
Total	233,540	2,308,285
Haerbin	25,162	236,418
Shanghai	13,260	241,359
Nanjing	54,522	457,289
Ningbo	3,428	78,738
Guangzhou	44,724	305,444
Huangpu	12,709	224,198
Shenzhen	17,123	292,399
Gongbei	9,173	79,332
Kunming	21,595	166,319
Other	31,844	226,789

Note: including 44039100, 44039200, 44039910, 44039920, 44039930, 44039940, 44039990.

Converted Timber Imports by Supplying Country Chinas converted timber imports totaled 1.632 mil cubic meters in the first 8 months of this year, including 335,000 cubic meters from Malaysia, 342,000 cubic meters from Indonesia, 58,700 cubic meters from Mongolia and 188,000 cubic meters from USA.

Table17, Imports of Converted Timber by Supplying Country 1998-1999
(Products of heading No.4407- in China customs tariff)

Unit:1000m³

	Burma	Indon esia	Mala ysia	Mong olia	Tai wan	Germany	Russian	Canada	U.S	New Zealand	Others	Subtotal
1998	58.5	310.3	373.1	265.6	50.2	72.5	11.7	39.8	211.1	53.6	188.7	1,635.1
Aug.1999	4.4	62.3	44.2	0.0	5.8	8.6	10.0	3.0	33.9	15.6	35.1	223.0
Jan.~Agu.	45.1	341.9	335.4	58.7	35.0	186.3	52.7	50.8	188.1	82.5	255.3	1,631.8
Percentage	2.8	21.0	20.6	3.6	2.1	11.4	3.2	3.1	11.5	5.1	15.6	100.0

Note: including 44071000, 44072400, 44072500, 44072600, 44072910, 44072990, 44079100, 44079200, 44079910, 44079920, 44079990.

1. **Converted Timber of Coniferous Wood:** Imports registered 270,000 cubic meters in the first 8 months, 22% of which were from Mongolia, 58,800 cubic meters.

**Table18, Imports of Converted Timber of Coniferous Trees
by Supplying Country**

(Products of heading No.44071000 in China customs tariff)

Unit:1000m³

	Burma	Korea	Indon esia	Mala ysia	Mongo lia	Tai wan	Russian	Canada	U.S	New Zealand	Others	Subtotal
1998	13.6	3.5	17.4	9.1	265.6	8.3	9.6	9.5	16.6	27.4	0.1	379.9
Aug.1999	1.0	0.0	1.6	0.7	0.0	0.5	8.8	0.7	1.4	12.0	8.0	34.7
Jan.~Agu.	14.6	4.7	6.4	6.4	58.8	2.6	47.4	18.9	8.7	61.5	40.1	270.1
Percentage	5.4	1.7	2.4	2.4	21.8	1.0	17.6	7.0	3.2	22.8	14.9	100.0

Table 19, Imports of Converted Timber of Coniferous Trees by Port

(Products of heading No.44071000 in China customs tariff)

Unit:m³

	August	Jan.-Aug.
Total	34,743	270,146
Manzhouli	3,814	20,370
Huhehaote	2,194	72,740
Dalan	8,076	31,279
Shanghai	785	17,935
Shenzhen	3,402	25,760
Kunming	1,101	15,482
Wulumuqi	3,817	16,686
Other	11,554	69,876

2. **Converted Timber of Tropical Wood:** 155,000 cubic meters were brought in, including 55,500 cubic meters from Malaysia and 65,900 cubic meters from Indonesia.

Table20, Imports of Converted Timber of Tropical Wood by Supplying Country

(Products of heading No.44072400-44072990 in China customs tariff)

Unit:1000m³

	Burma	Indonesia	Malaysia	Canada	U.S	New Zealand	Others	Subtotal
1998	3.40	38.00	85.60	2.70	14.80	13.80	17.10	175.40
Aug.1999	0.14	11.43	6.01	0.13	3.83	0.04	2.57	24.14
Jan.~Agu.	3.88	65.93	55.51	2.63	11.33	0.04	16.13	155.44
Percentage	2.5	42.4	35.7	1.7	7.3	0.0	10.4	100.0

Note: including 44072400, 44072500, 44072600, 44072910, 44072990.

Table 21, Imports of Converted Timber of Tropical Wood by Port
(Products of heading No.44072400-44072990 in China customs tariff)

	August	Jan.-Aug.
Total	24,144	155,440
Tianjin	384	5,280
Dalan	732	4,487
Shanghai	7,324	72,284
Fuzhou	455	2,874
Xiamen	556	4,726
Guangzhou	1,995	14,964
Huangpu	3,928	17,417
Shenzhen	855	7,906
Other	7,915	30,568

Unit:m³

Note: including 44072400, 44072500, 44072600, 44072910, 44072990.

3. **Converted Timber of Other Non-coniferous Wood:** Imports added up to 1.195 mil cubic meters in the first 8 months, including 276,000 cubic meters from Malaysia, 272,000 cubic meters from Indonesia and 185,000 cubic meters from USA.

**Table22, Import of Converted Timber of Non-coniferous Wood
by Supplying Country**

(Products of heading No.44079100-44079990 in China customs tariff)

	Burma	Indonesia	Japan	Malaysia	Taiwan	Canada	U.S	New Zealand	Others	Subtotal
1998	41.6	260.8	50.4	298.3	39.5	27.7	179.7	12.4	184.3	1,094.7
Aug.1999	3.2	49.3	0.1	37.5	4.6	2.2	28.6	3.7	34.9	164.1
Jan.~Agu.	24.9	271.6	1.5	275.8	29.3	29.8	184.8	20.9	356.6	1,195.2
Percentage	2.1	22.7	0.1	23.1	2.5	2.5	15.5	1.7	29.8	100.0

Unit:1000m³

Note: including 44071900, 44079200, 44079910, 44079920, 44079990.

Table 23, Import of Converted Timber of Non-coniferous Wood by Port

(Products of heading No.44079100-44079990 in China customs tariff)

	August	Jan.-Aug.
Total	164,069	1,195,169
Shanghai	8,371	107,102
Fuzhou	1,131	12,879
Guangzhou	13,434	87,912
Huangpu	51,194	345,065
Shenzhen	51,054	331,019
Gongbei	19,940	68,218
Kunming	2,993	24,451
Other	15,952	228,443

Unit:m³

Note: including 44071900, 44079200, 44079910, 44079920, 44079990.

Plywood, Fiberboard & Wood Pulp Imports in 1st Seven Year of 1999 Plywood imports totaled 684,000 cubic meters, of which 374,000 cubic meters were from Indonesia and 226,000 cubic meters from Malaysia.

Table24, Imports of Plywood by Supplying Country
(Products of heading No.44121300-44129900 in China customs tariff)

	<i>Indonesia</i>	<i>Malaysia</i>	<i>Korea Rep</i>	<i>Taiwan</i>	<i>Others</i>	<i>Subtotal</i>
1998	919.0	669.0	54.0	17.0	31.0	1,690.0
Aug.1999	55.0	16.6	6.1	1.3	3.5	82.5
Jan.~Agu.	374.0	226.4	33.1	9.2	41.2	683.9
Percentage	54.7	33.1	4.8	1.4	6.0	100.0

Note: including 44121300, 44121400, 44121900, 44122200, 44122300, 44122900, 44129200, 44129300, 44129900.

Fiberboard imports were 350,000 MT, including 75,000 MT from Malaysia and 52,000 MT from Thailand.

Table25, Imports of Fibreboard by Supplying Country
(Products of heading No.44111100-44119900 in China customs tariff)

	<i>Indone sia</i>	<i>Mala ysia</i>	<i>Korea Rep</i>	<i>Thailand</i>	<i>Taiwan</i>	<i>Germany</i>	<i>U.S</i>	<i>Aust ralia</i>	<i>New Zealand</i>	<i>Others</i>	<i>Subtotal</i>
1998	45.23	102.53	23.94	52.83	15.70	14.22	46.88	28.15	32.64	28.08	390.20
Aug.1999	5.2	7.5	2.0	8.6	1.6	6.6	3.8	3.1	3.1	6.8	48.3
Jan.~Agu.	35.4	75.0	15.7	51.7	13.5	33.3	24.8	37.3	28.0	35.2	349.9
Percentage	10.1	21.4	4.5	14.8	3.9	9.5	7.1	10.7	8.0	10.1	100.0

Note: including 44111100, 44111900, 44112100, 44112900, 44113100, 44113900, 44119100, 44119900.

Wood Pulp imports reached 1.76 mil MT, including 517,000 MT from Canada, 237,000 MT from Chile, 307,000 MT from Indonesia and 257,000 MT from Russia.

Table26, Imports of Wood Pulp by Supplying Country
(Products of heading No.47010000-47050000 in China customs tariff)

	<i>Russian</i>	<i>Chile</i>	<i>Canada</i>	<i>U.S</i>	<i>Indonesia</i>	<i>Brazil</i>	<i>New Zealand</i>	<i>Others</i>	<i>Subtotal</i>
1998	261.2	235	559.4	200.3	712.4	81	40.9	89	2,179.2
Aug.1999	48.7	6.8	54.2	13.0	47.9	5.5	2.1	13.4	191.4
Jan.~Agu.	257.1	236.7	516.7	149.4	307.1	90.5	42.0	161.4	1,760.7
Percentage	14.6	13.4	29.3	8.5	17.4	5.1	2.4	9.2	100.0

Note: including 47010000, 47020000, 47031100, 47031900, 47032100, 47032900, 47041100, 47041900, 47042100, 47042900, 47050000.

Price Trends

(Note: The prices referred to are the average wholesale prices of the major cities in China.)

1. Logs

Korean pine: The national price dropped slightly to \$162.31/cubic meter from \$163.5/cubic meter in Aug.

Kahikatea: The price was stable around \$124.5/cubic meter.

Dahurian Larch: The price moved up slightly to \$89.76/cubic meter from \$86.30/cubic meter.

Masson pine: The price lingered at \$ 86/cubic meter.

China fir: The price was flat at \$108/cubic meter.

Ash tree: The wholesale price was pushed high up to \$224.9/cubic meter from \$197.8/cubic meter by a price hike in Xian.

Figure . Monthly Wholesale Prices of Log

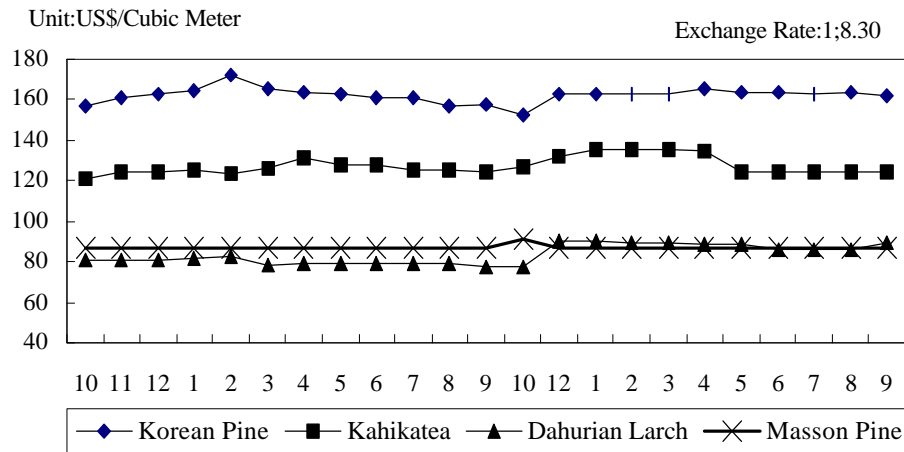
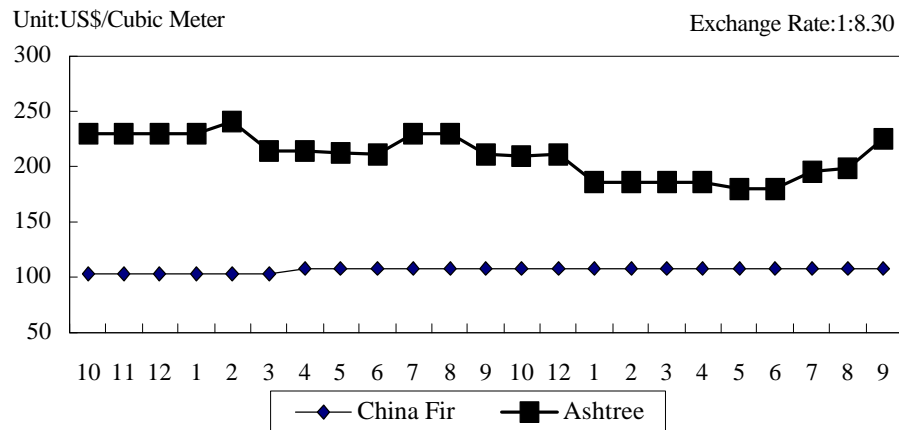


Figure , Monthly Wholesale Prices of Log



2. Converted Timber.

Korean Pine: The price in Shenyang moved down to \$144.6 /cubic meter from \$156.6/cubic meter.

Kahikatea: The price stayed unchangable at \$134.9/cubic meter.

3. Plywood

Imported plywood: The price went up slightly to \$4.41/piece from \$4.35/piece last month.

Home-made plywood: The price climbed gently to \$3.94/piece from \$3.87/piece last month.

Figure , Monthly Wholesale Prices of Converted Timber

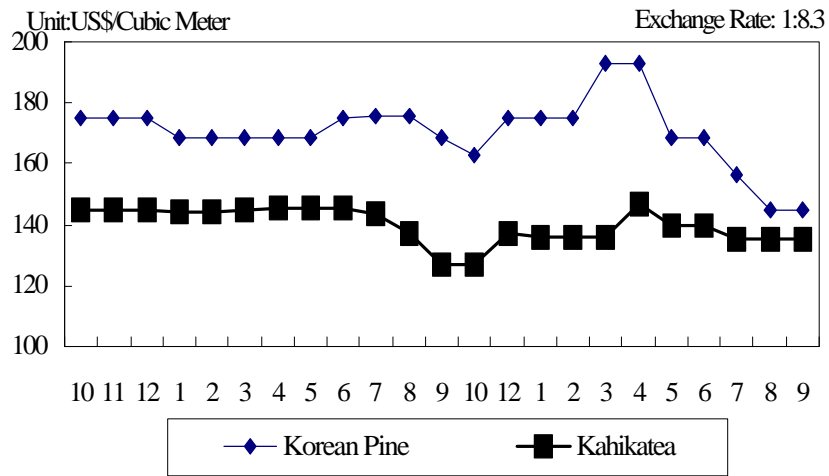


Figure , Monthly Wholesale Prices of Plywood

