

# Research on Sino-African Timber Trading Chains

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# **Timber trade between China and African countries is hot**

- President Hu Jintao visiting to African countries indicate better prospect of cooperation between China and Africa.**
- The relative Chinese government is decide to strength the cooperation with African countries.**
- Relative Chinese government have interesting to strength forest cooperation on Forum on China-Africa Cooperation.**

# **Timber trade between China and African countries is hot**

- Timber cooperation between China and Africa is important as Africa is one of the largest hardwood suppliers to China.**
- NGOS such as IUCN , FT , WWF are concern about timber trade between China and Africa and do some research.**
- Some Chinese companies had invest in Gabon in timber logging and processing and Liberia will become the next hot topic.**

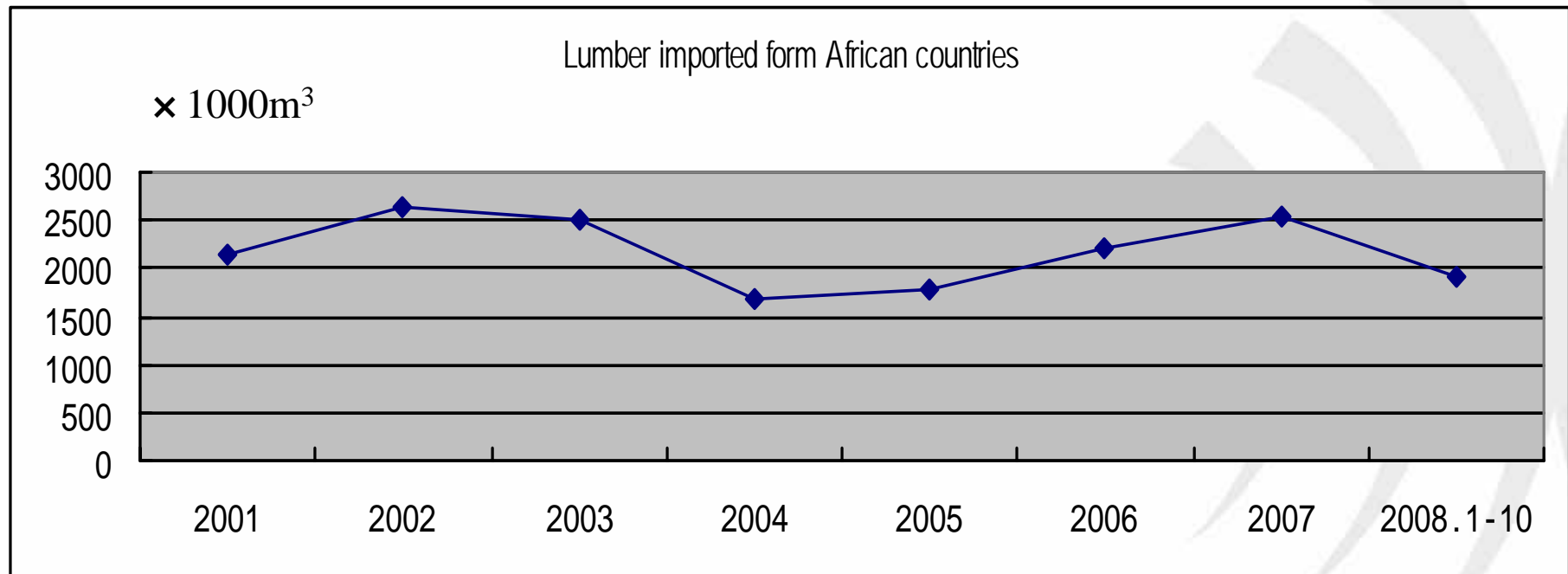
# **Timber trade between China and African countries is hot**

- **China and Africa is both important to each other in timber trade.**
- **China and African countries are concern about timber trade.**
- **Some African organizations are interesting to cooperate with Chinese government.**

# About the project

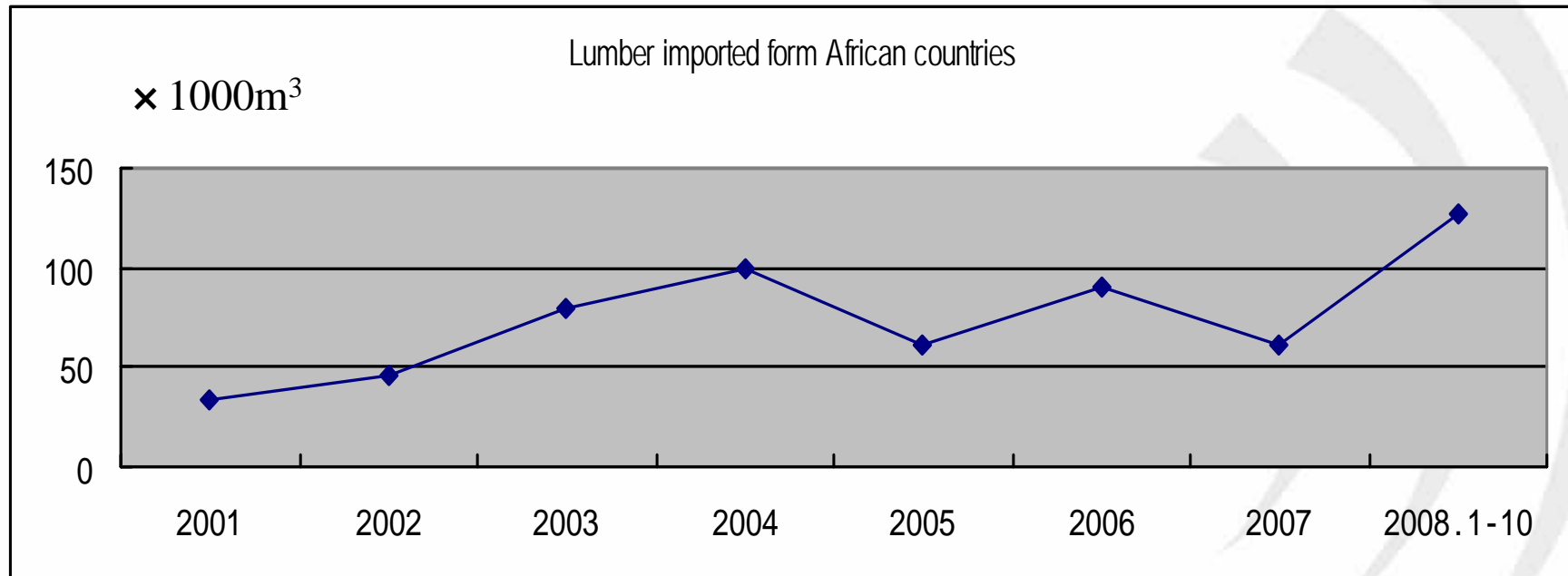
- **We have a research on timber trade chain between China and African countries on consign of IUCN.**
- **We have interviewed some companies engage in Africa timber logging and processing, and got some information of African companies.**
- **We stress on timber importer directly from African countries.**
- **We also interview some consumer on legal timber and forest certification.**

# Log trade between China and African countries



- log imported from African countries accounts for 10% of the total volume
- 90% of the timber imported from Africa is log
- The import volume is not stable

# Lumber trade between China and African countries



**Because of the limited of log export of African countries, lumber imported is increasing in 2008.**



# **Analysis of Sino-African timber trading Chains**

- **Important section in the trading chains**
- **Typical companies in the trading chains**
- **Function of the important section**

# Important section in the trading chains

- **Timber logging and processing enterprises**
- **Trade companies**
- **Transporters**
- **Wood products processing enterprises**
- **Main consumers**

## **Typical companies in the trading chains**

- We have visited the biggest port of African timber-Zhangjiagang in order to make clear the important section of the trading chain.**
- We have interview the first level and second level wholesalers in Zhangjiagang port.**
- We also interviewed the big importer in Zhangjiagang port.**

# **Primary timber logging and processing companies in Africa**

## **1. Companies in Gabon**

- Rougier Ocean Gabon of France**
- SNBG of Gabon**
- Rimbunan Hijau of Malaysia**

## **2. Chinese companies in Gabon**

- Chinese Sunly Office in Gabon**
- Huajia Wood Stock Co., Ltd**

# **Role of timber logging and processing enterprises**

- **At the beginning of the trading chains, assume logging, processing, export and sometimes transport.**
- **The relative activities of wood logging must comply with the policy of African countries.**
- **Logging and processing companies control the timber source, and participate export directly, so they are important of forest sustainable development.**

# **Primary timber importers of China**

- **Wenzhou Wood Group Trade Co., Ltd**
- **SUMEC International Technology Co., Ltd**
- **Jiangsu Provincial Foreign Trade Corporation**

# **Primary timber importers of China ( come from China's Customs )**

- **Shandong Longsheng Group**
- **Rizhao Shengye Wood Co., Ltd**
- **Guangdong Native Produce Import & Export Corporation**

# Role of trade companies

- **Take on about 90% import volume of African timber.**
- **Trade companies are the connection of timber supplier and wood processing companies. And distribute timber to different market according utilization.**
- **Take on import, selling, distribute, transport duties.**
- **First level wholesalers import timber from Africa directly, so they are important to forest sustainable development.**



# **Role of trade companies**

- **90% timber is selling to second level wholesalers directly in the port.**
- **Only 10% timber is selling to wood processing companies in the port.**
- **Second level wholesalers have monopolize status in the port.**

# Role of transporters

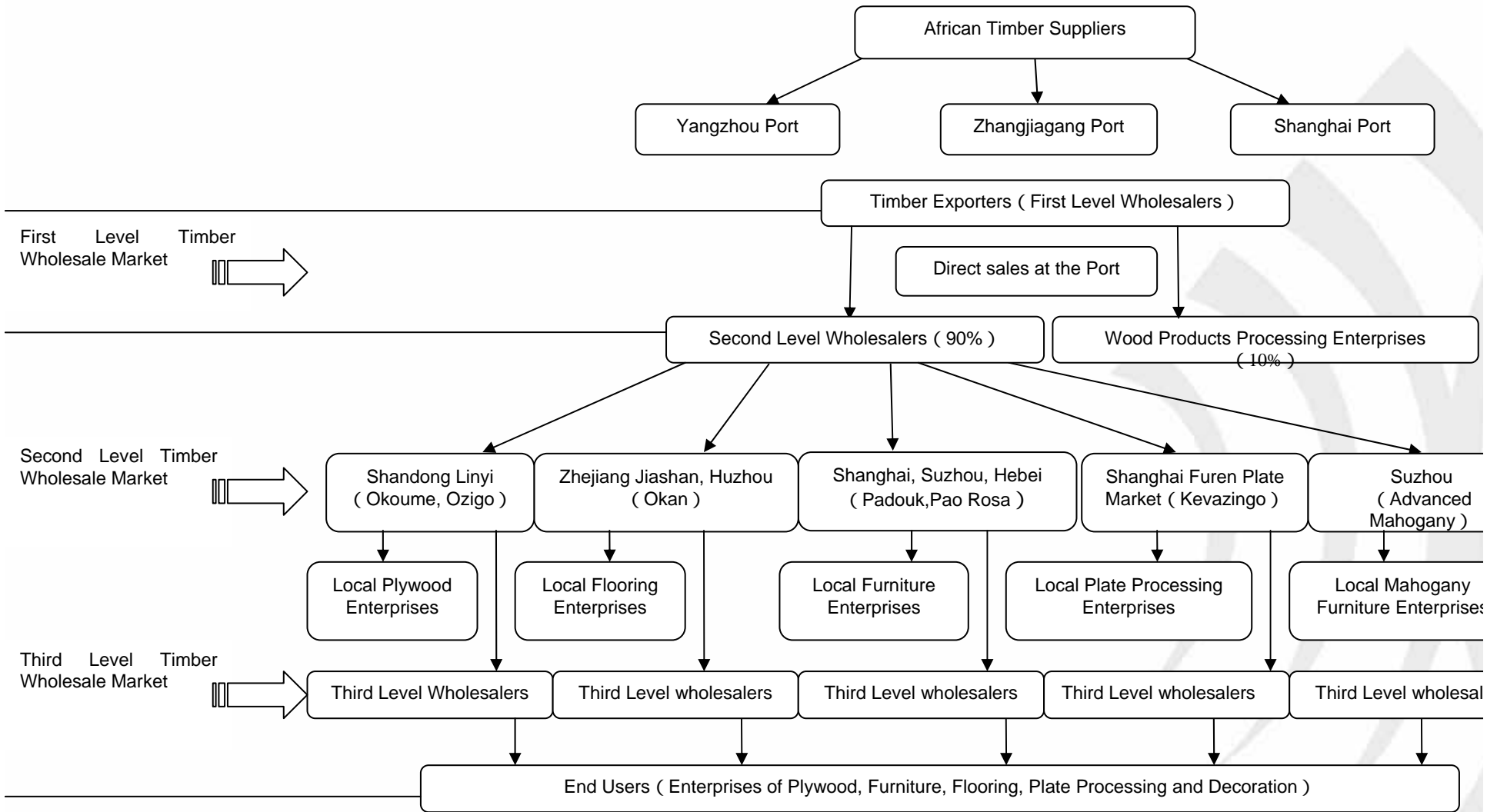
- **All of the companies on the trading chains may take on transport.**
- **Transport in China and African countries must obey relative policies.**
- **For example, transport in China should carry with transport certification.**

# **Role of wood products processing companies**

- **Usually purchase timber from trade companies.**
- **Rarely processing companies purchasing timber from wholesaler in port, normally from second and third level wholesalers on the market.**
- **Wood processing companies have certain impact on forest sustainable development because they are the consumer of timber.**

# Role of main consumers

- **Domestic consumers are the primary consumers of Africa timber, but they didn't have higher requirements of certification.**
- **America and Europe countries consumers are the second largest consumers, they are improve the requirement of timber legality gradually.**
- **Attitude of forest certification of consumers is crucial to sustainable development.**



# **Promote sustainable timber trade between China and African countries**

- **Policies analysis of sustainable development**
- **Suggestions to sustainable development**

# **Policies analysis of sustainable development**

- Little forest land is certified in Africa, but FSC and PEFC is in development in recent years.**
- China's Customs' inspection has not covered illegal logging yet**

# Suggestions to sustainable development

- **Suggestions for relative governments and departments**
- **Suggestions on enterprises engaging Sino-African trades**
- **Suggestions on related organization**



## **Suggestions for relative governments and departments**

- African countries should promote enterprises forest land planning reinforce forest certification.**
- China should reinforce Customs inspection and issue related policies to restrict import of African timber.**

# **Suggestions on enterprises engaging Sino-African trades**

- **Suggest Chinese companies in Africa complete forest planning as soon as possible.**
- **Suggest Chinese timber importer refuse illegal logging timber.**

# Suggestions on related organizations

- **Enhance African countries' degree of importance on forestry**
- **Help Chinese enterprises engaging timber logging and processing complete forest land planning.**
- **Urge Chinese related government department to strengthen the inspection of imported timber**
- **Improve capability and push legal and sustainable timber production and trades through cooperation**
- **Strengthen domestic consumers' understanding of forest certification**

## **Contribution of CWI in promote sustainable forest products trade**

- We suggest that legal trade and sustainable development must treat companies as the principal part.**
- We are cooperate with GFTN in promote GFTN member in China, and they have hold their annual meeting with us for 3 years.**
- In order to establish the flat for sustainable trade, we plan to holding Seminar and Fair for International Legal Forest Products Trade in this October.**

## **Promote sustainable forest trade with GFTN**

- **Collect information of typical wood products companies and propagandize forest certification and GFTN to them.**
- **Doing research on typical companies and recommend potential ones to GFTN.**
- **Assist promote GFTN in China and Chinese companies become member of GFTN.**

# Seminar and Fair for International Legal Forest Products Trade

- **Objective**
  - Analysis on trade and policies situation, development trend of international legal forest products
  - Assist Chinese forest products companies to purchase legal timber resources
  - Promote cooperation between Chinese forest products suppliers and overseas purchasers
- **Date and location**
  - Date : October, 2009
  - Location : Beijing

# **Seminar and Fair for International Legal Forest Products Trade**

## **Organizers and Supporter ( tentative )**

- **China Wood International Inc.-International Wood Magazine**
- **WWF , Forest Trends, PEFC, Green Peace, CFPA and etc**

## **Co-organizer**

- **Beijing Xiangfei Market Investigation Co.**

# **Seminar and Fair for International Legal Forest Products Trade**

## **1. Companies representatives**

- Legal raw material supplier**
- Legal wood products manufacturers**
- Legal trader and consumers**

## **2. NGOS**

## **3. Government representatives**



# **Seminar and Fair for International Legal Forest Products Trade**

## **Preliminary agenda**

- 1. Development status and future trend of global legal forest resource supply, market demand and develop of legal forest product.**
- 2. The contribution of NGOs in promote global sustainable forest development, consume policies and develop trend of legal forest products in primary countries.**
- 3. Situation for supply and demand, develop trend of legal forest product in global**
- 4. Exhibition and trade negotiation**

# Thank you!

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