

# China

**Trämarknaden 2018**  
**Mathias Fridholm**



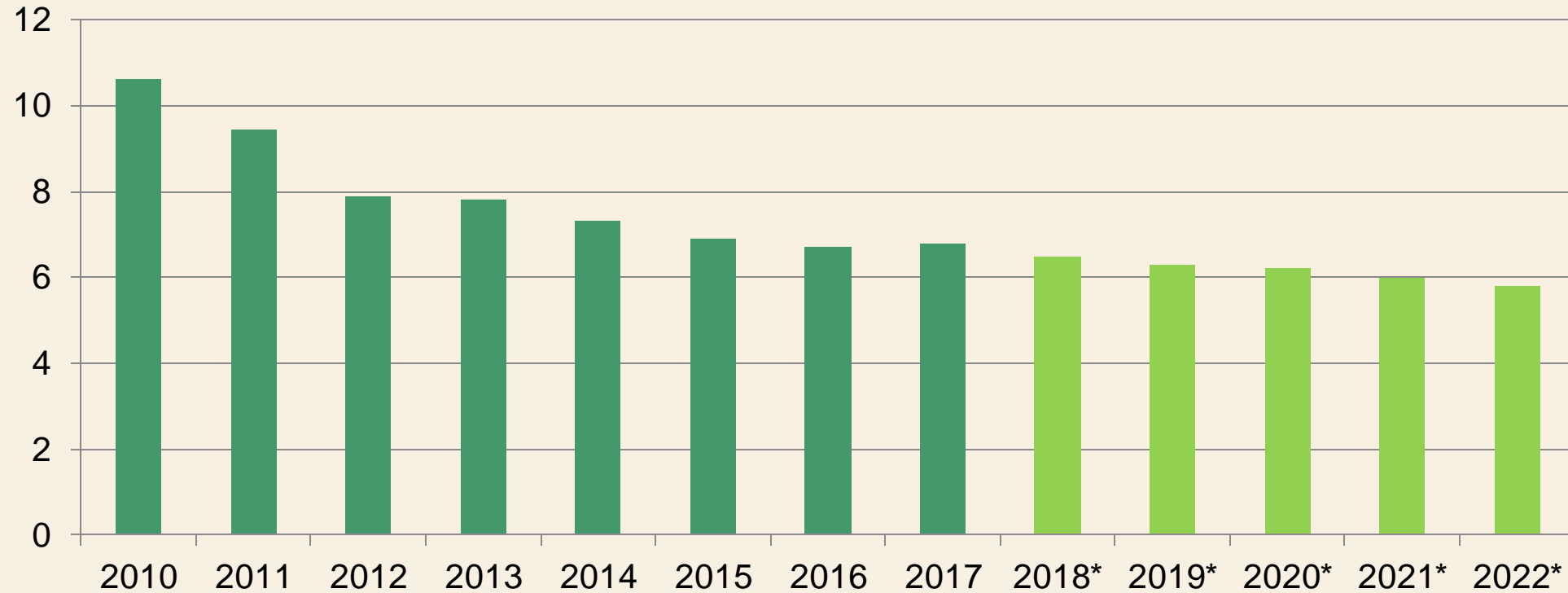


Chinese statistics is like sausage...





# GDP growth in %



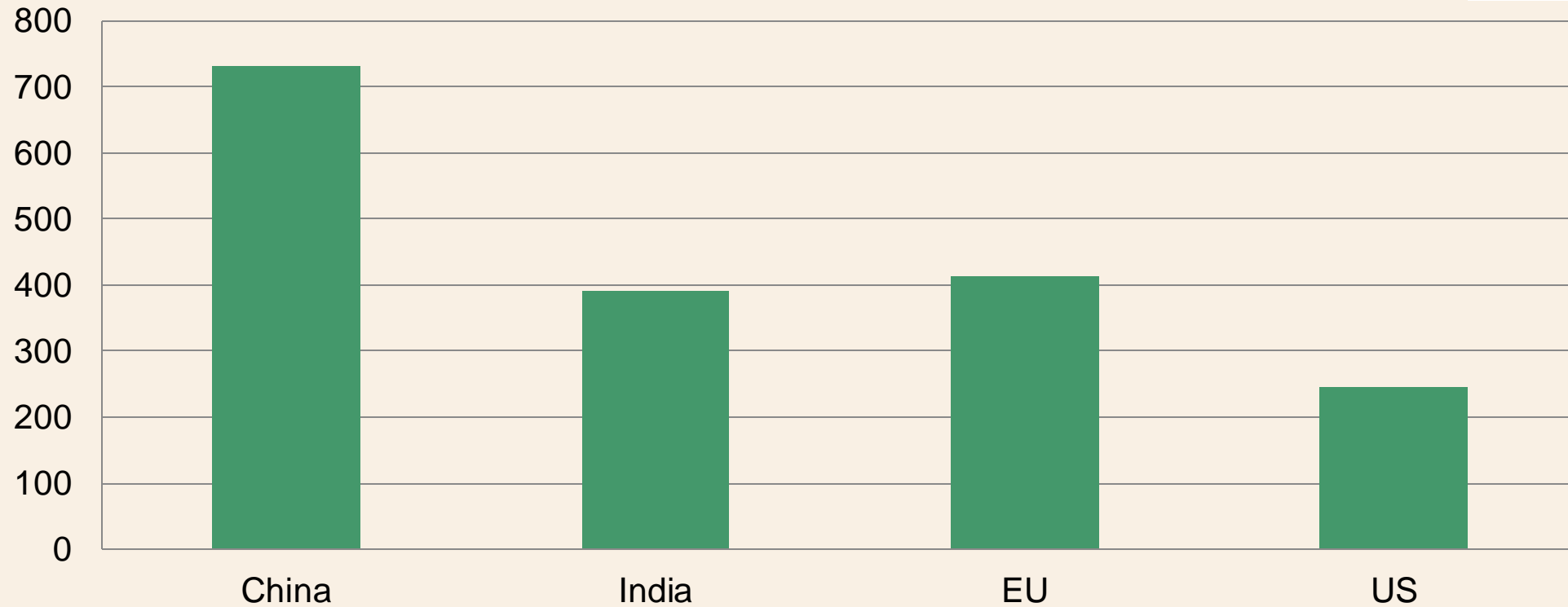
Going from investment driven to consumption driven



# Global leader in E-commerce



Million internet users



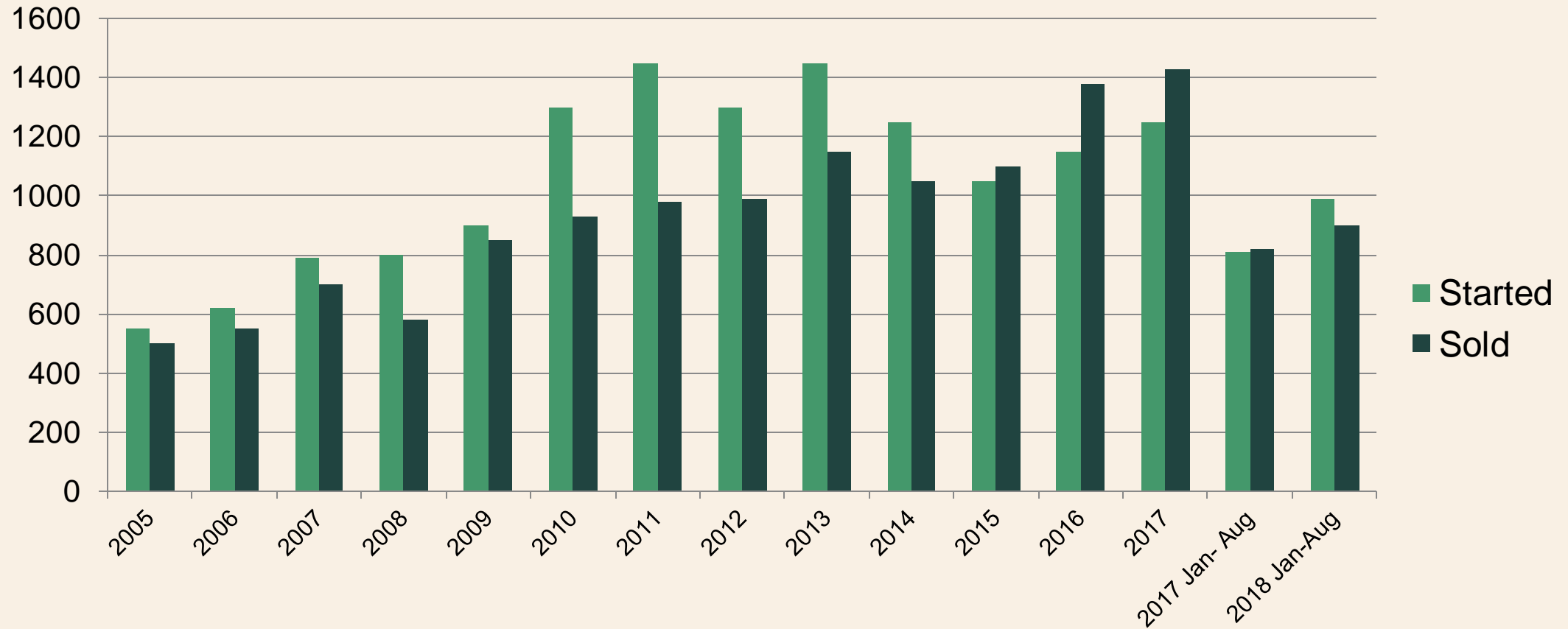
Alibaba Singles Day, Nov 11<sup>th</sup>, turned over 31 billion USD (+27%)



# Construction



Million m2 of urban residential buildings





# Currency – not favorable for import



Kinesiska Yuan per USD





# Trade war



- First round of tariffs in July did not include wood products from either side.
- Second round of tariffs in August did not include any wood products from US side but included 25% duty on SYP logs from Chinese side
- A 200 Billion USD tariff scheme has been advised by US in September
  - this includes a lot of wood products
- As retaliation from September 24th
  - 5-10% tariff on Douglas-fir logs,
  - 5-10 tariff on spruce logs, hemlock logs and hardwood logs,
  - 10%% tariff on SYP, Douglas Fir and Hemlock lumber





# Softwood lumber to China



Import of softwood lumber to China (1 000 m <sup>3</sup> )			
	Jan - Sept 2018	Jan - Sept 2017	2018/2017
<b>Russia</b>	11 728	10 975	+7 %
<b>Canada</b>	2 995	3 747	-20 %
<b>Finland</b>	954	1 319	-28 %
<b>Sweden</b>	596	701	-15 %
<b>US</b>	399	451	- 11 %
<b>New Zealand</b>	280	309	-9 %
<b>Total</b>	<b>18 765</b>	<b>19 109</b>	<b>-1,8 %</b>

**Softwood log import up with 3 Mm<sup>3</sup> (11%)**



# Inventories



- Higher inventories than normal in Taicang (about 1 Mm<sup>3</sup>)
- High inventories in south China of Scandinavian products
- Unbalanced in terms of specification
- Customers want to fill up with popular specification only



# Summary



- Still high consumption which contributes tremendously to the global supply/demand balance
- Construction market is strong
- Inventories are on the high side
- Closure of a lot of factories due to environmental demands
- China will continue to strive for 6% growth and will use all the tools
- Have no doubt about it – China is trying to become independent of import
- For many years to come it will be an increasingly important market for European sawmills

# Thank You!!

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