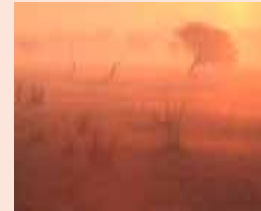




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Current Trends & Prospects for the Future of Chinese IMPFs

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The trends

- Increased Chinese's government supports toward:
 - Wood based industry development (pulp, paper and solid wood)
 - IMPF development
- Increased efforts from Chinese industry to form partnerships with timber producing countries





Issues

- Economic and ecological footprints
- Impact of Chinese wood-based industry development on forests in other countries
- Conversion of natural forests with high conservation values into IMPF





Issue #1:

Economic and Ecological Footprint

- Growth in China economy means more demand for natural resource-based products from other countries :
 - *Economic spill over to other countries through linkage effects*
 - *More ecological footprint*
- Growth of imports of large markets of Europe and North America from China
 - *70% of China's timber imports is for re-exports*
 - *Creates ecological footprint indirectly through China's industrial sector, hence, don't blame the Chinese (only)*





Issue #2: Impact of Chinese wood-based industry development on forests in other countries

- *Increased growth in China's pulp and paper industry + increased partnerships with timber supplying countries*
- *Lack of current and future domestic supply of timber will create more demand for timber from neighboring countries:*
 - *Lack of land availability and slow(er) growth of trees*
 - *Need to check if industrial development is based on overly optimistic supply scenario*
 - *Impacted forests: Indonesia, Russia, Australia*





Issue #3: Impact on High Conservation Value Forests

- Pulp industry vs. IMPF development:
 - Is the sustainability action plan credible enough?
- Potential risks: fall back on timber from HCFV (Indonesia, Russia, Australia)

