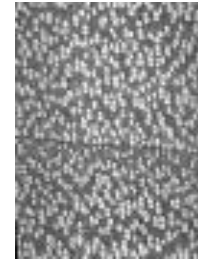
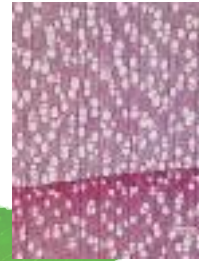
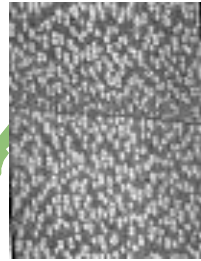


# The Founding and Development of the Wooden Products



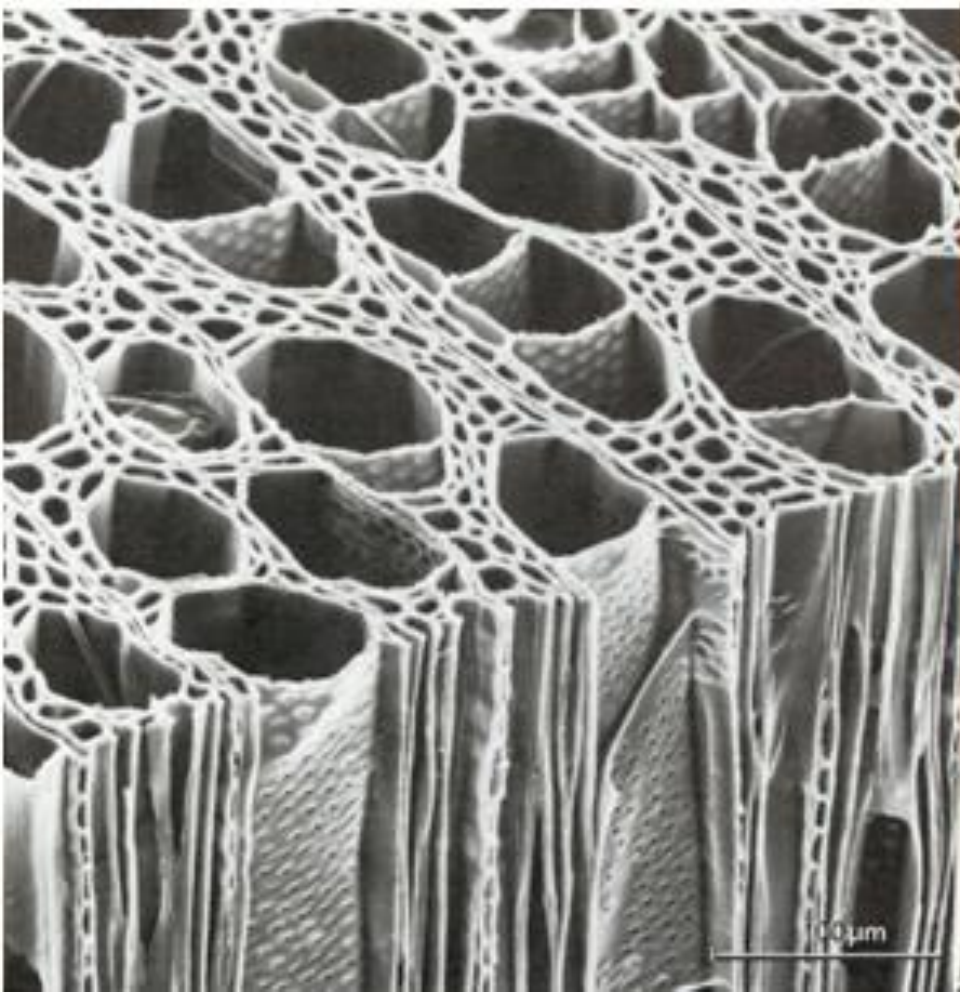
**Wu Shengfu**  
**CNFPIA / Green Panel Corporation**  
**August 27, 2012**



绿奥诺

# Wooden Products

- **Made by**



# Archaeology study

I. 图四 河姆渡遗址木构件榫卯类型

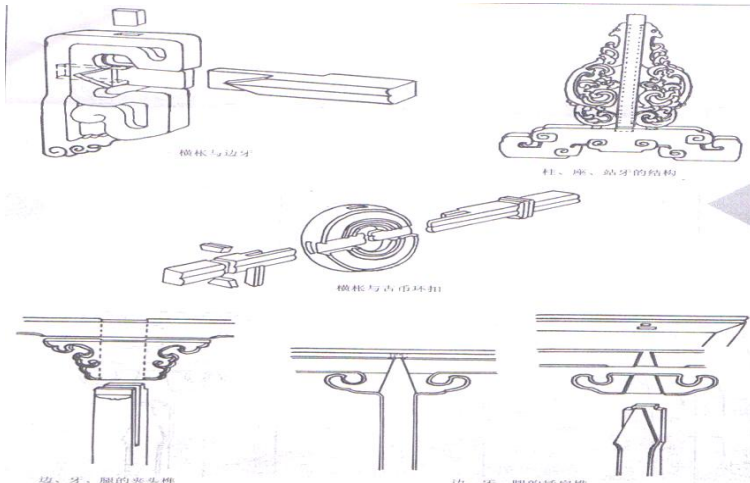
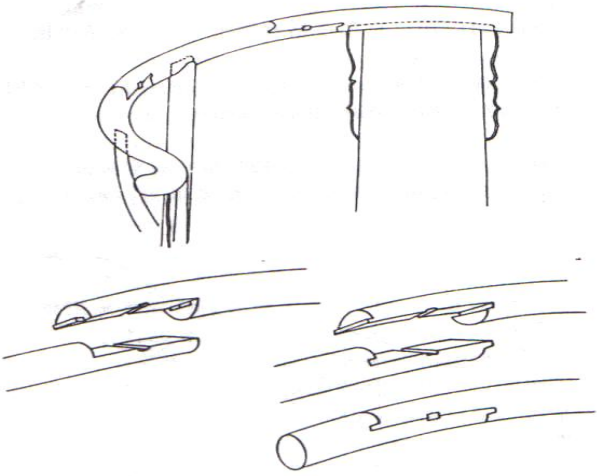
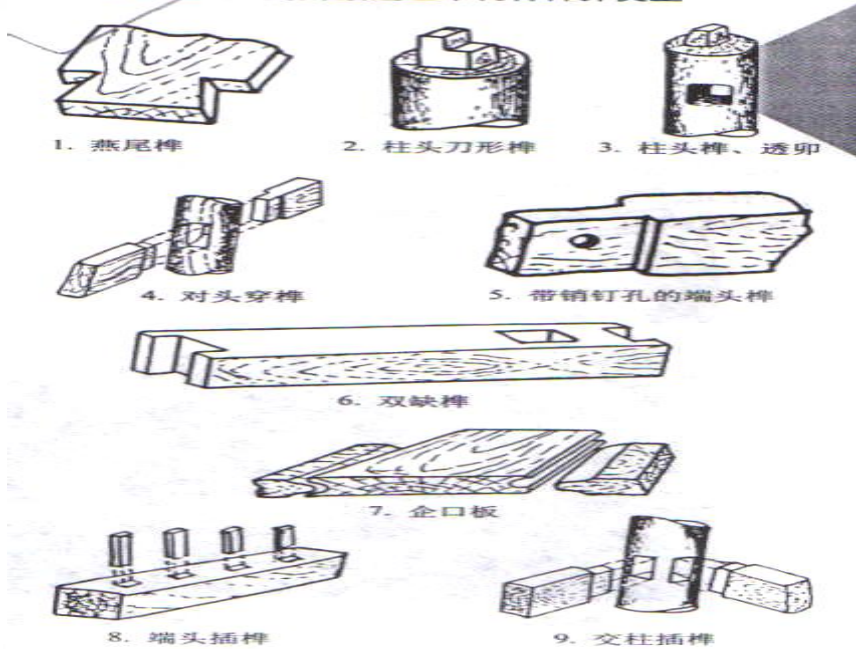


图 108

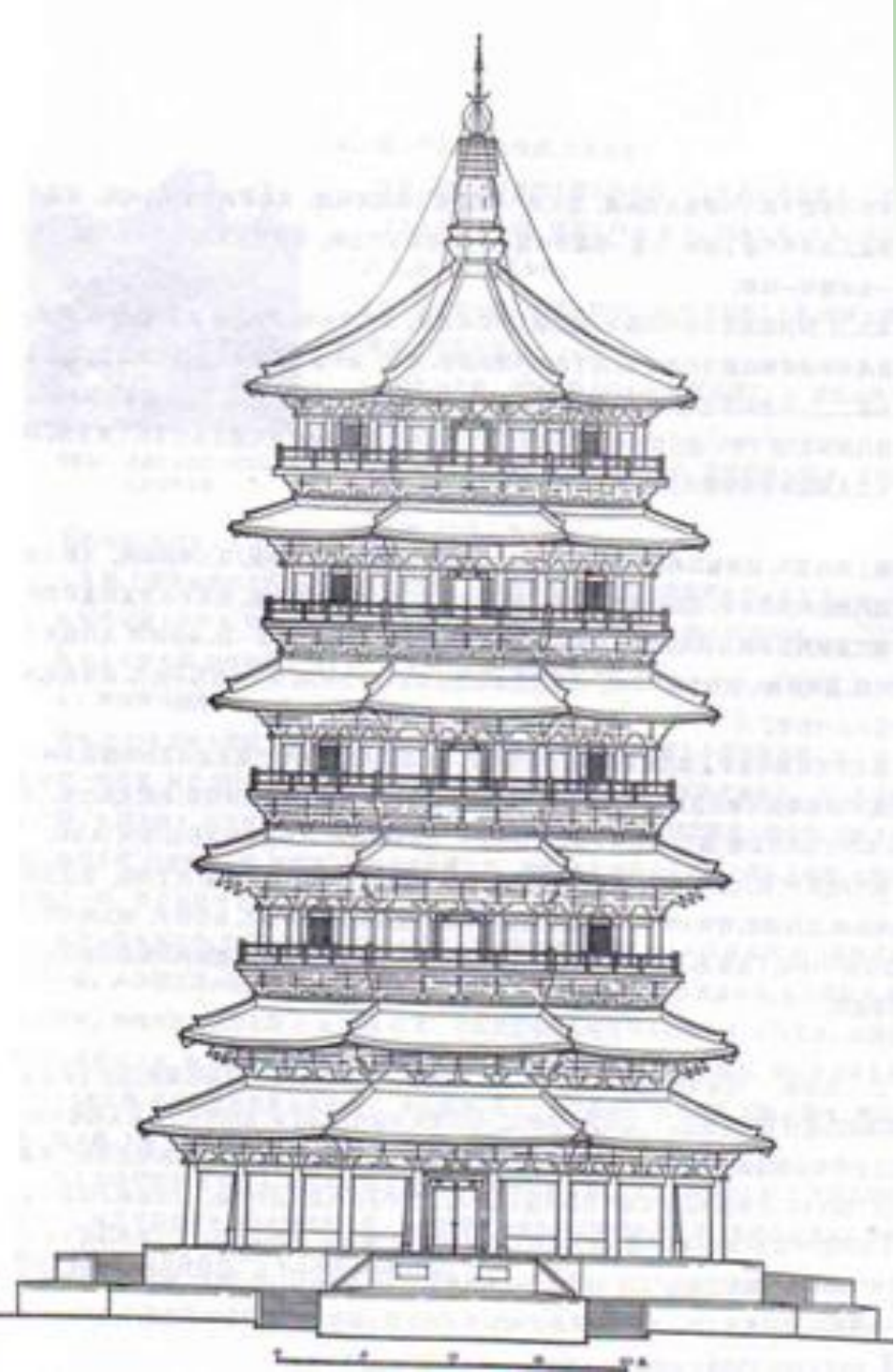


绿 奥 诺

# Historical wooden products

1. **Yinxiang Pogoda** is oldest & highest wooden structure in China
2. It was build in 1056.
3. The height of the Pagoda is 67.31 meters.
4. There are four parts of the Pagoda,
  1. The foundation made by stone which has 4.4 meters.
  2. The nine floors body made by wood has 51.4 meters.
  3. The basement of Bddhist monastery made by blacks has 1.86 meters.
  4. The Bddhist monastery made by metal has 9.31 meters
5. It is standing even after Earthquake

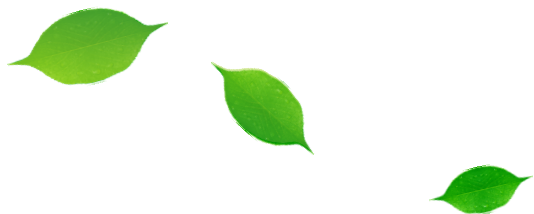




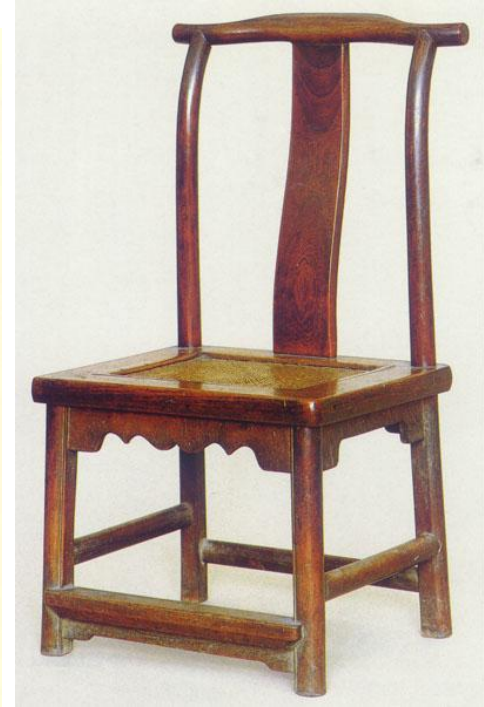


绿奥诺

1. The structure
2. The architecture
3. The technology
4. The handicraft
5. The materials
6. The foundation
7. Etc.



# The wooden product development





绿奥诺

# Handcraft with Ages







绿奥诺

# Special functioning products

编号: NYZM-001101

折叠式竹摇椅





2010/10/15

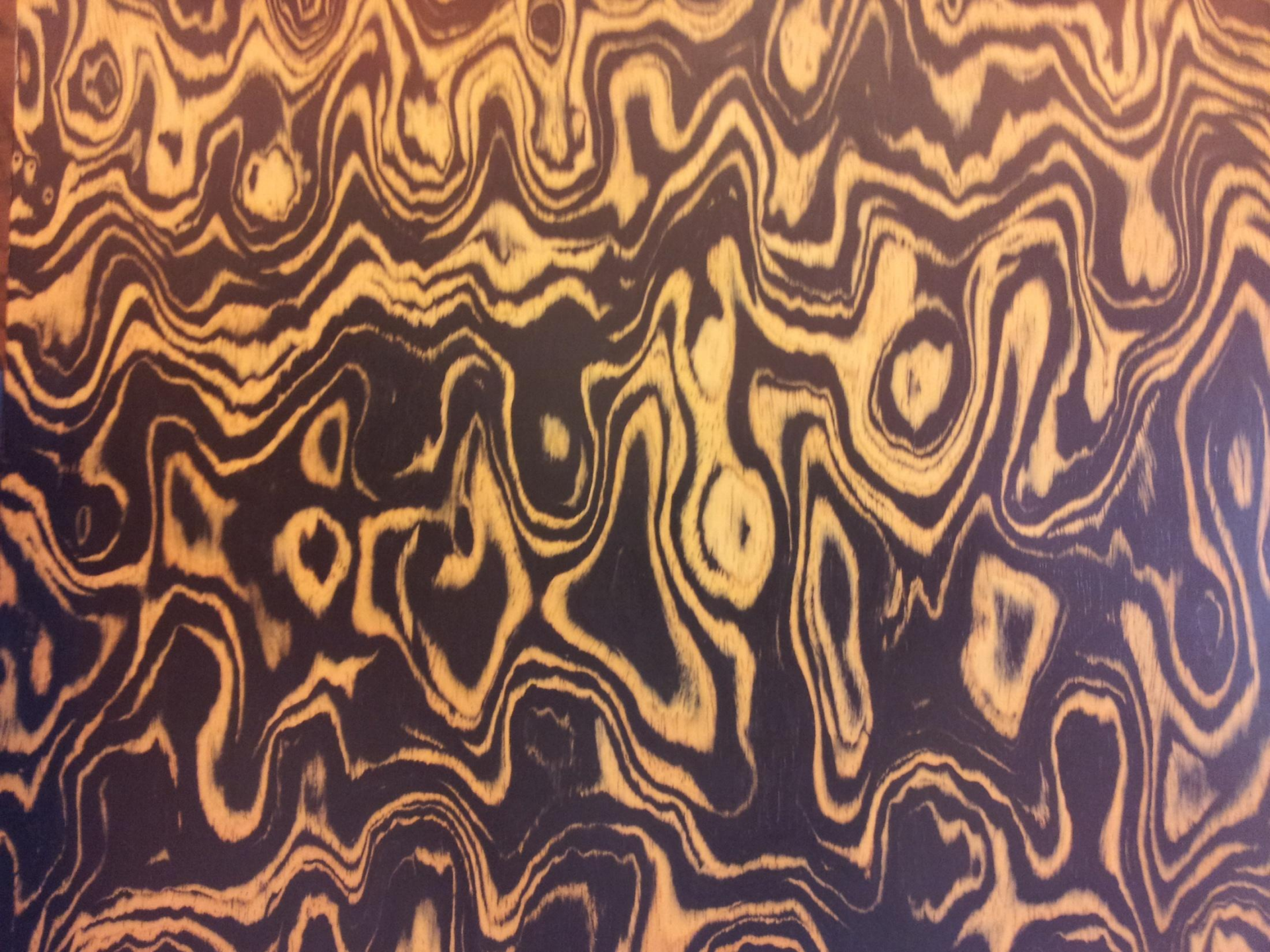


2010/10/21



2010/10/21









# Bamboo Resources



木標委





**Bamboo resources can be manufactured into different products as good as wood replace the tropical timber for the market**





绿奥诺

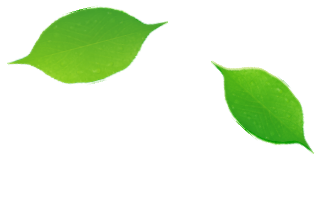
# China wood industry

1. **Production cost increases reduced the competitiveness**
2. **Labor cost increase –**
3. **Exchange rate affect export**
4. **Efficiency issue**
5. **Recovery issue**
6. **Technical issue**
7. **Diligent and discipline**



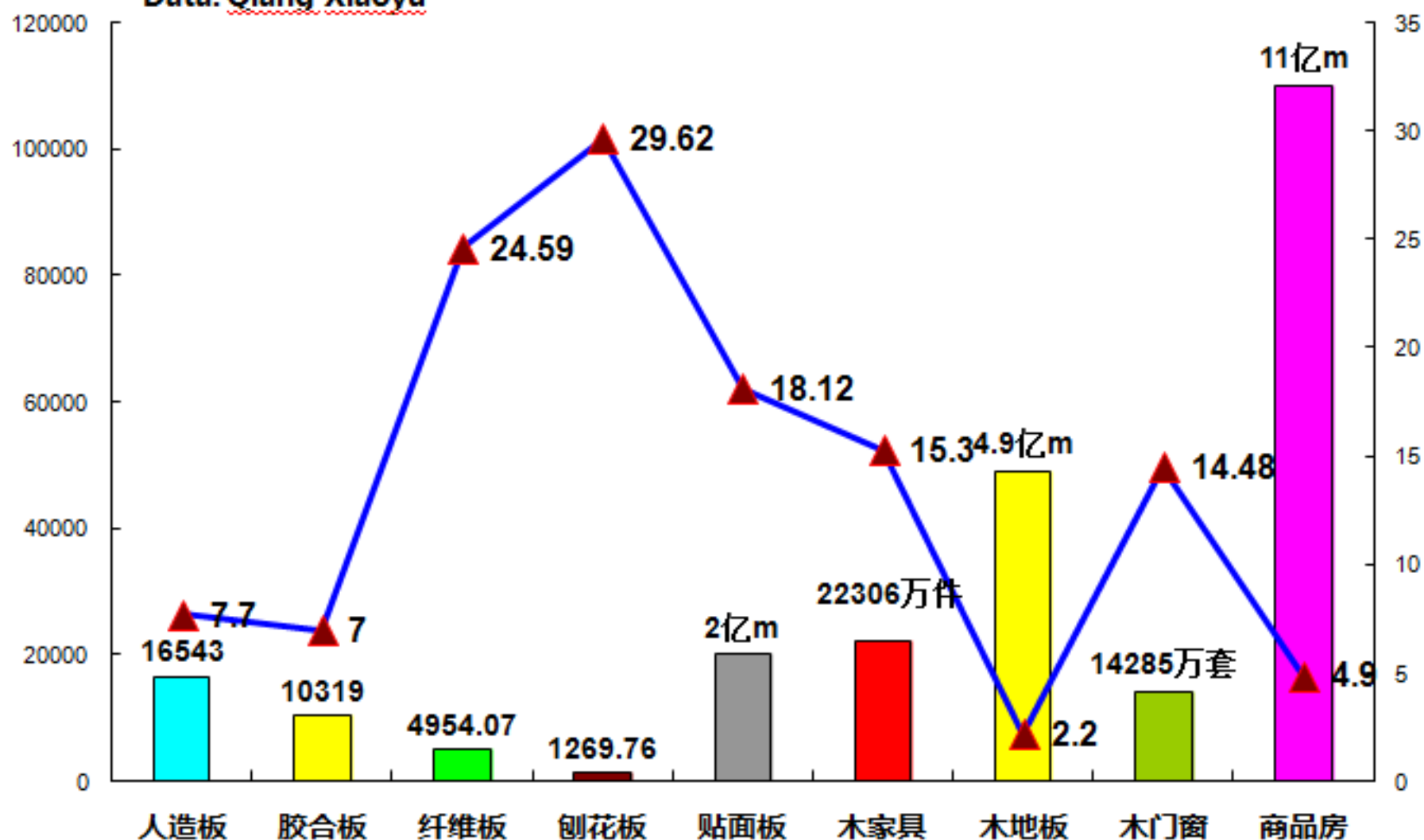
# Woodworking Industry

- Plywood
- MDF
- Particalboard
- Flooring
- Door & Stair
- Wooden Toy & Arts
- Furniture
- Paper & paper product

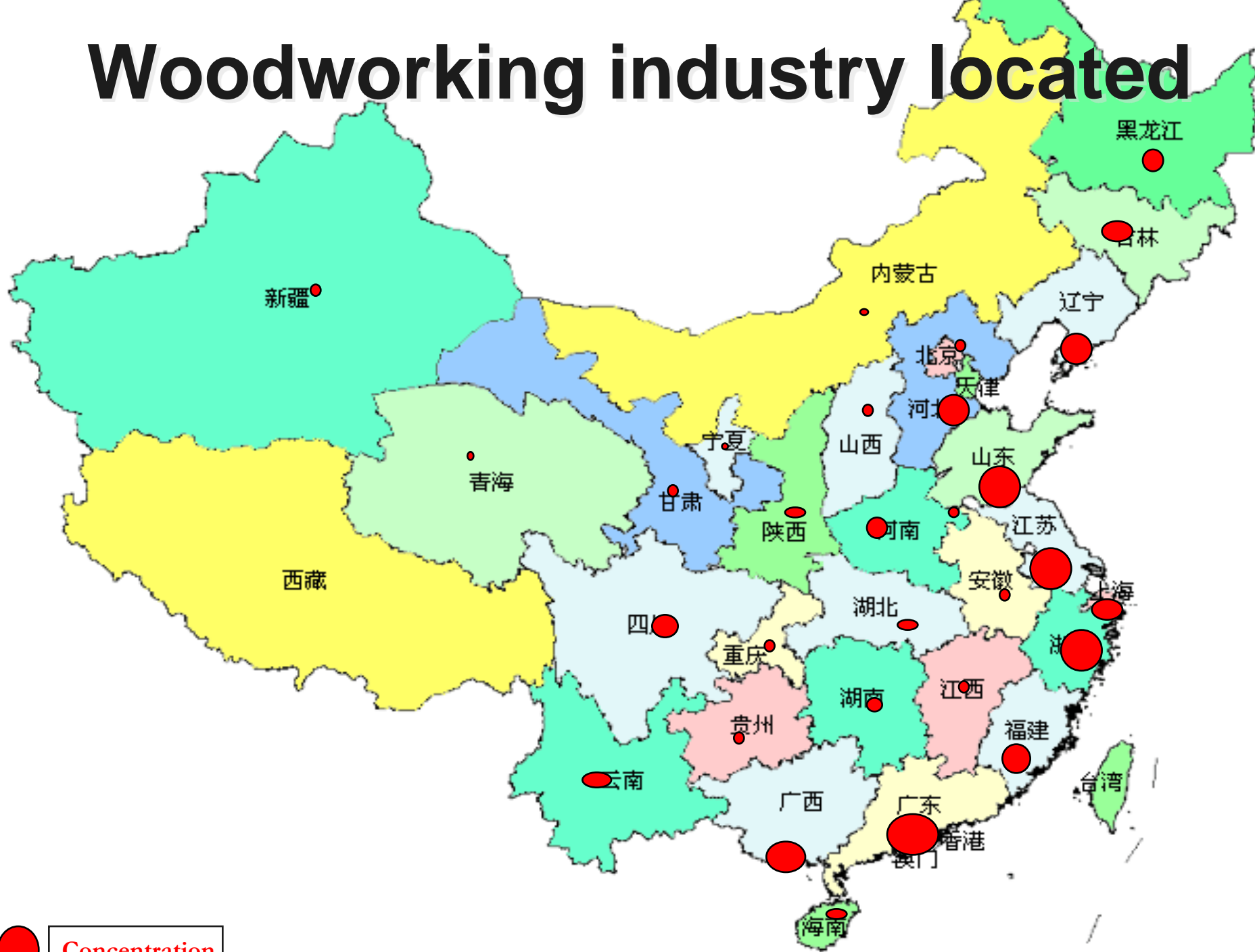


# China panel & Its products increased in 2011

Data: Qiang Xiaoyu

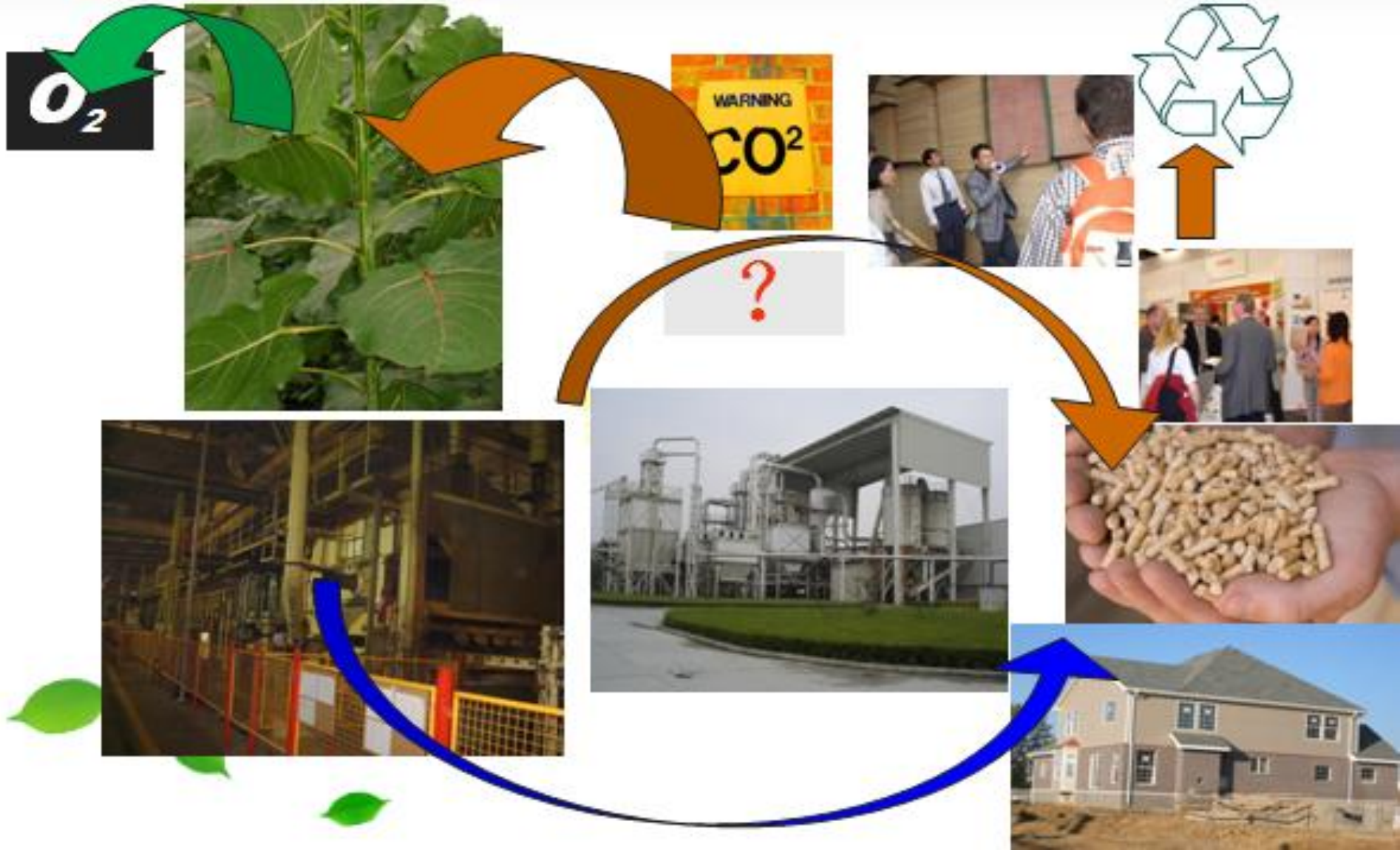


# Woodworking industry located



 Concentration

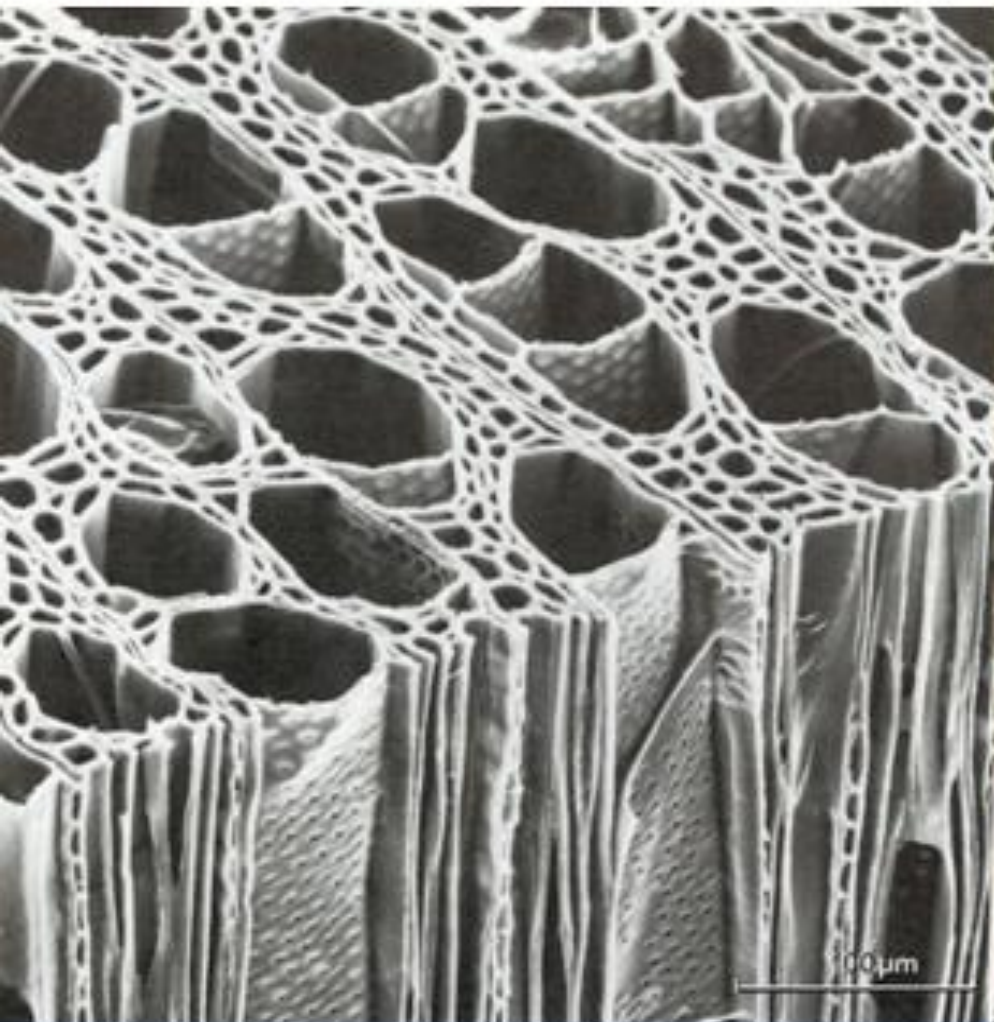
# Wood Processing Industry – Low Carbon Emission





绿奥诺

# Find way out





**Agriculture forest is the key of the plantation in China**







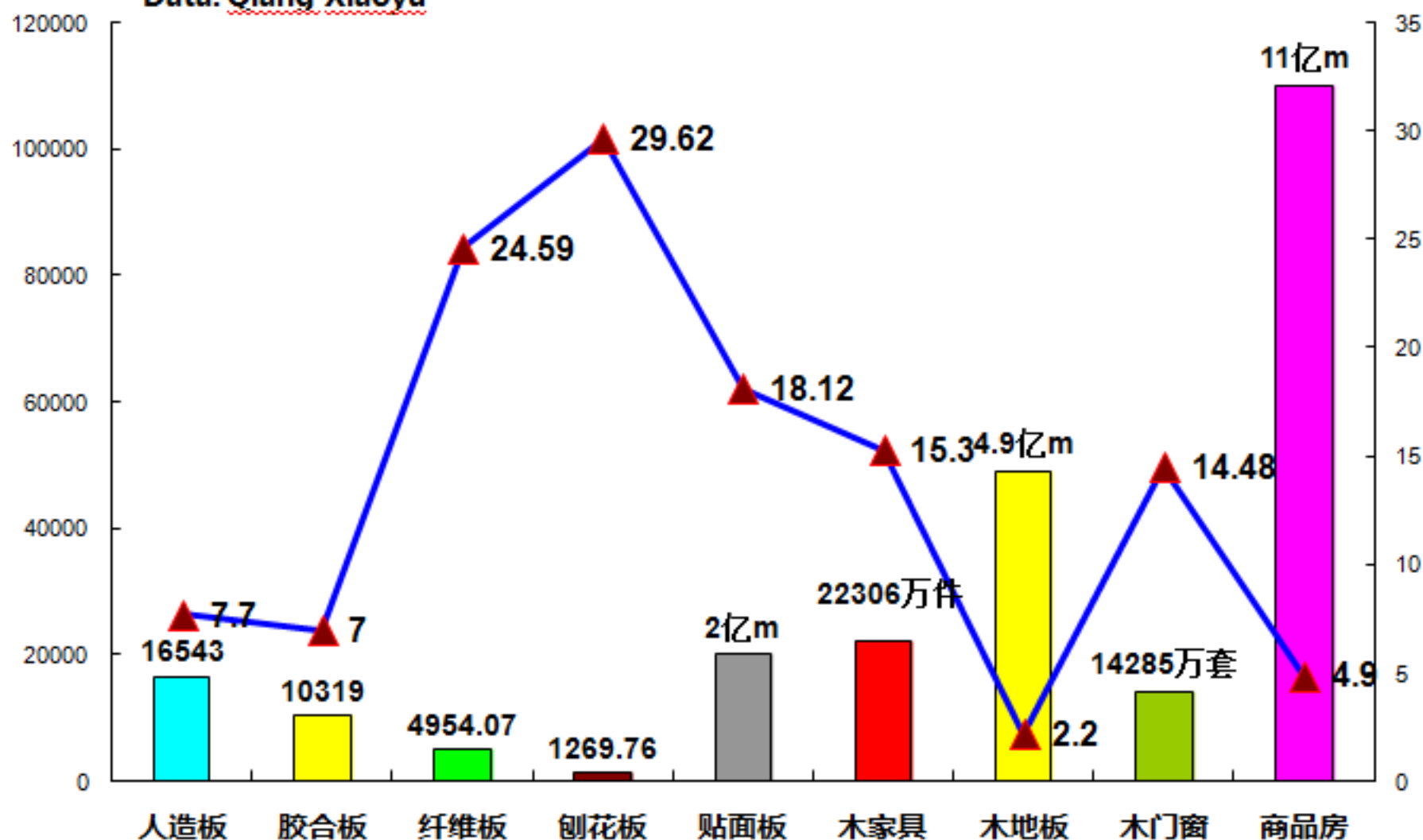
绿奥诺

# Why Poplar so popular?

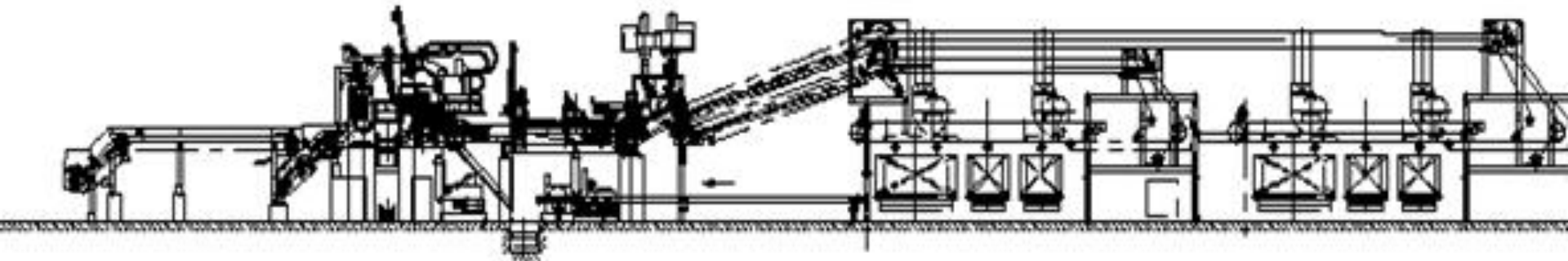
| Products         | Invest (rmb)     | Capacity (kg)                 | Price (rmb/kg)                     | Total Value (Yuan) | Net Value (Yuan) |
|------------------|------------------|-------------------------------|------------------------------------|--------------------|------------------|
| Wheat            | 290 <sup>Ⓢ</sup> | 350 <sup>Ⓢ</sup>              | 1.00 <sup>Ⓢ</sup>                  | 430 <sup>Ⓢ</sup>   | 140 <sup>Ⓢ</sup> |
| Corn             | 201 <sup>Ⓢ</sup> | 400 <sup>Ⓢ</sup>              | 0.90 <sup>Ⓢ</sup>                  | 360 <sup>Ⓢ</sup>   | 159 <sup>Ⓢ</sup> |
| Cotton           | 240 <sup>Ⓢ</sup> | 100 <sup>Ⓢ</sup>              | 9.00 <sup>Ⓢ</sup>                  | 900 <sup>Ⓢ</sup>   | 660 <sup>Ⓢ</sup> |
| Oil veg.         | 170 <sup>Ⓢ</sup> | 150 <sup>Ⓢ</sup>              | 1.80 <sup>Ⓢ</sup>                  | 270 <sup>Ⓢ</sup>   | 100 <sup>Ⓢ</sup> |
| Pinuts           | 235 <sup>Ⓢ</sup> | 190 <sup>Ⓢ</sup>              | 2.20 <sup>Ⓢ</sup>                  | 426 <sup>Ⓢ</sup>   | 196 <sup>Ⓢ</sup> |
| Water melon      | 400 <sup>Ⓢ</sup> | 2500 <sup>Ⓢ</sup>             | 0.40 <sup>Ⓢ</sup>                  | 1000 <sup>Ⓢ</sup>  | 600 <sup>Ⓢ</sup> |
| Calot            | 185 <sup>Ⓢ</sup> | 2000 <sup>Ⓢ</sup>             | 0.20 <sup>Ⓢ</sup>                  | 400 <sup>Ⓢ</sup>   | 215 <sup>Ⓢ</sup> |
| 黄花菜 <sup>Ⓢ</sup> | 310 <sup>Ⓢ</sup> | 100 <sup>Ⓢ</sup>              | 8.00 <sup>Ⓢ</sup>                  | 800 <sup>Ⓢ</sup>   | 490 <sup>Ⓢ</sup> |
| Speice           | 415 <sup>Ⓢ</sup> | 200 <sup>Ⓢ</sup>              | 4.20 <sup>Ⓢ</sup>                  | 840 <sup>Ⓢ</sup>   | 425 <sup>Ⓢ</sup> |
| Poplar           | 445 <sup>Ⓢ</sup> | 3 m <sup>3</sup> <sup>Ⓢ</sup> | 450 元/ m <sup>3</sup> <sup>Ⓢ</sup> | 1350 <sup>Ⓢ</sup>  | 905 <sup>Ⓢ</sup> |

# China panel & Its products increased in 2011

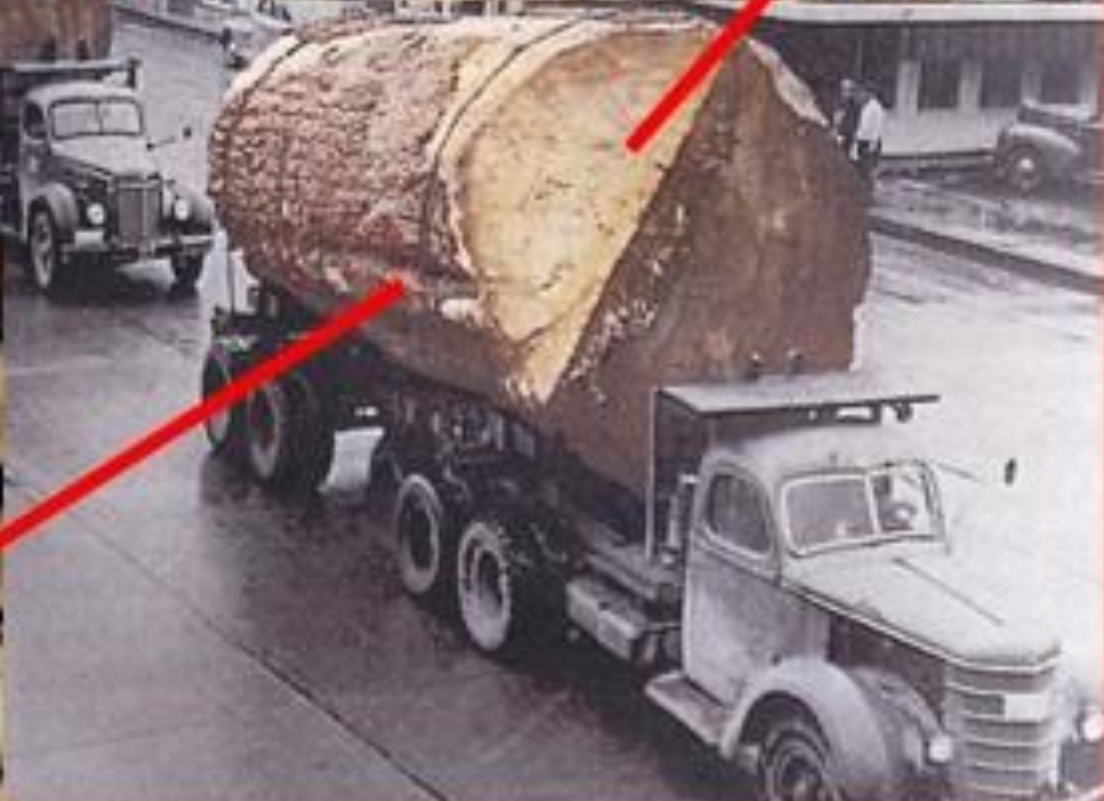
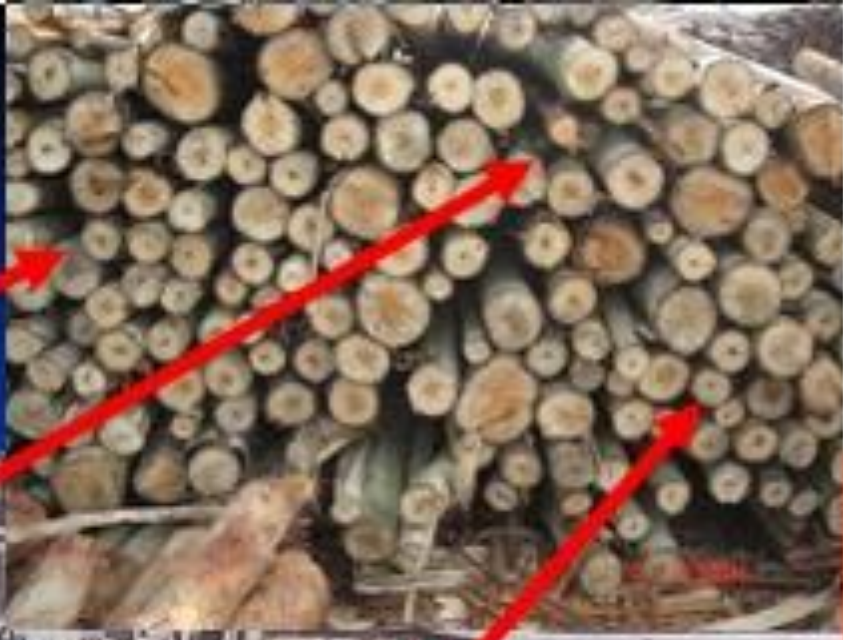
Data: [Qiang Xiaoyu](#)



# The OSB materials in NA, is good for plywood in China



# Log changes in the plywood industry





绿奥诺

**It works only  
in China**

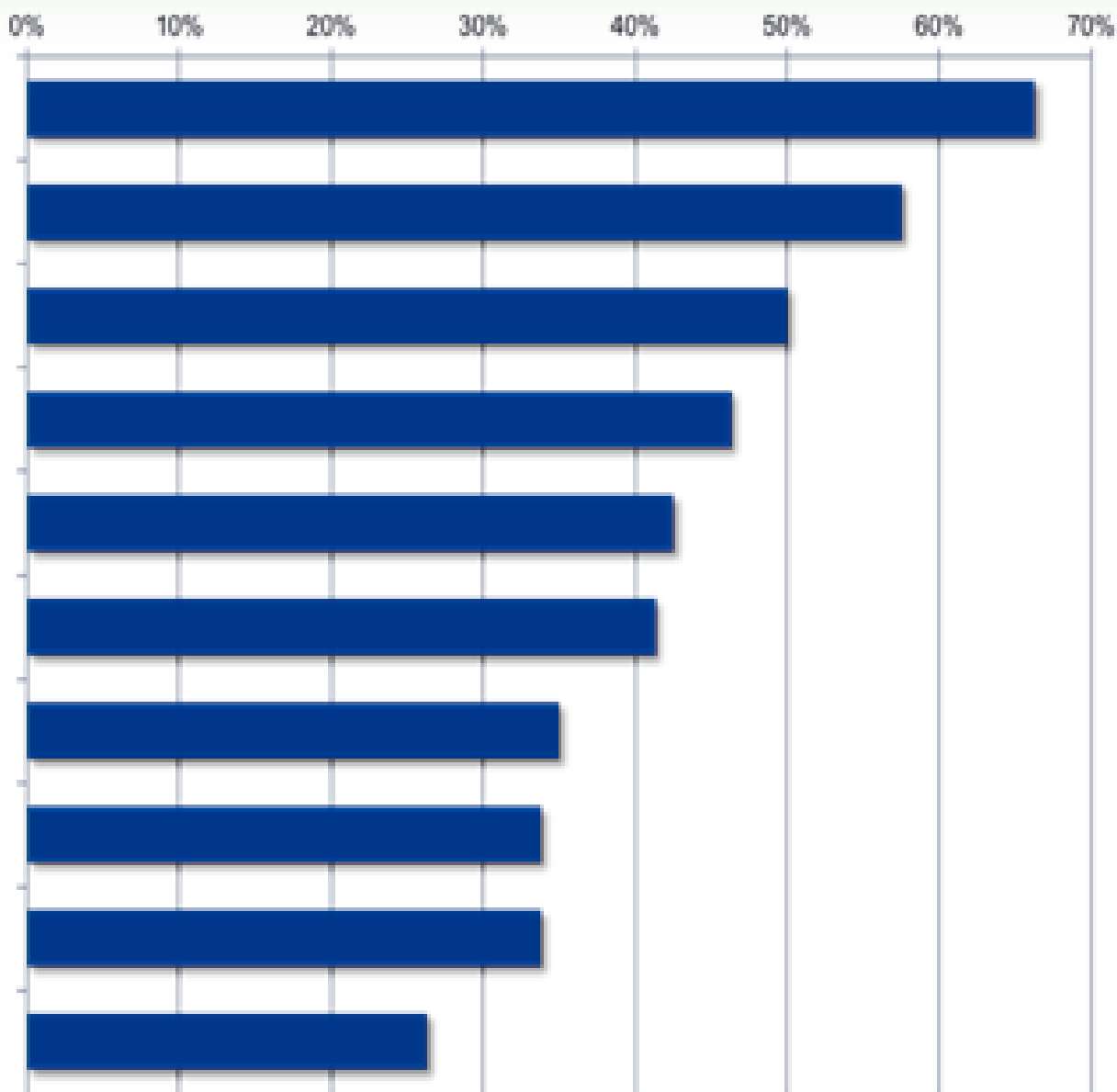


Such intensively care only  
could be happen in China



# The company faced new challenges

- Difficulty Increased to the new market
- Cost has Increased
- Product life time decreased
- Difficulty to corporate with partners
- Difficult Increased to product Devl.
- Cost Increased on marketing.
- Staff exchange Increased
- Market change surpass decision maker
- Difficulty Increase on financial manage
- Difficulty Increased on internal corp.





绿奥诺

# Carefully Management

-  **Quality**

meet: CARB CE JAS ISO

-  **Cost**

cost effective, low & no margin

-  **Delivery**

In time,

-  **Service**

Customer need





绿奥诺

# The wood industry is now very difficult to survive



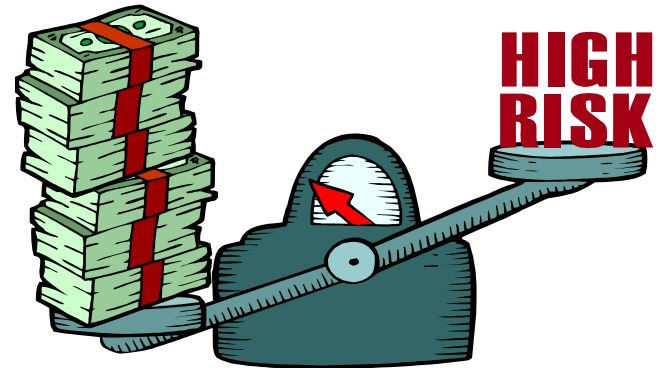


绿 奥 诺

# Can China develop so quick?



?





绿奥诺

# Trade Barrier

## Dumping



Subsidy

Dumping

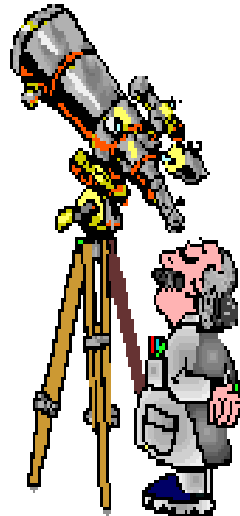
Dumping

Subsidy

Dumping Subsidy

## Subsidy

• Investigation-???





绿奥诺

# US&EU Policies

## Lacey Act

US adopted Amended Lacey Act in 2008 which is extending the range of plants and plant products included in the Act.

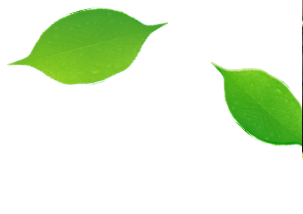
## FLEGT

Start in 2003. The principal instruments is sign VPA between timber-producing countries and the EU. The goal is to encourage sustainable forest management while ensuring the legality of forest operations.

## EUTR

It will be published in about end of April and implemented in March 2013  
Looking forward for the public/market policy

# Legal Verification in Practical Field



# 6 Key National Forestry Programmers

- Natural Forest Conservation
- Land Conversion
- Desertification prevention and control surrounding Beijing and Tianjin areas
- The protection of fauna and flora and the construction of natural reserves
- Shelterbelt Systems in North and M&L Reaches of Yangtze River
- The construction of timber forest bases with fast-growth and high-yield





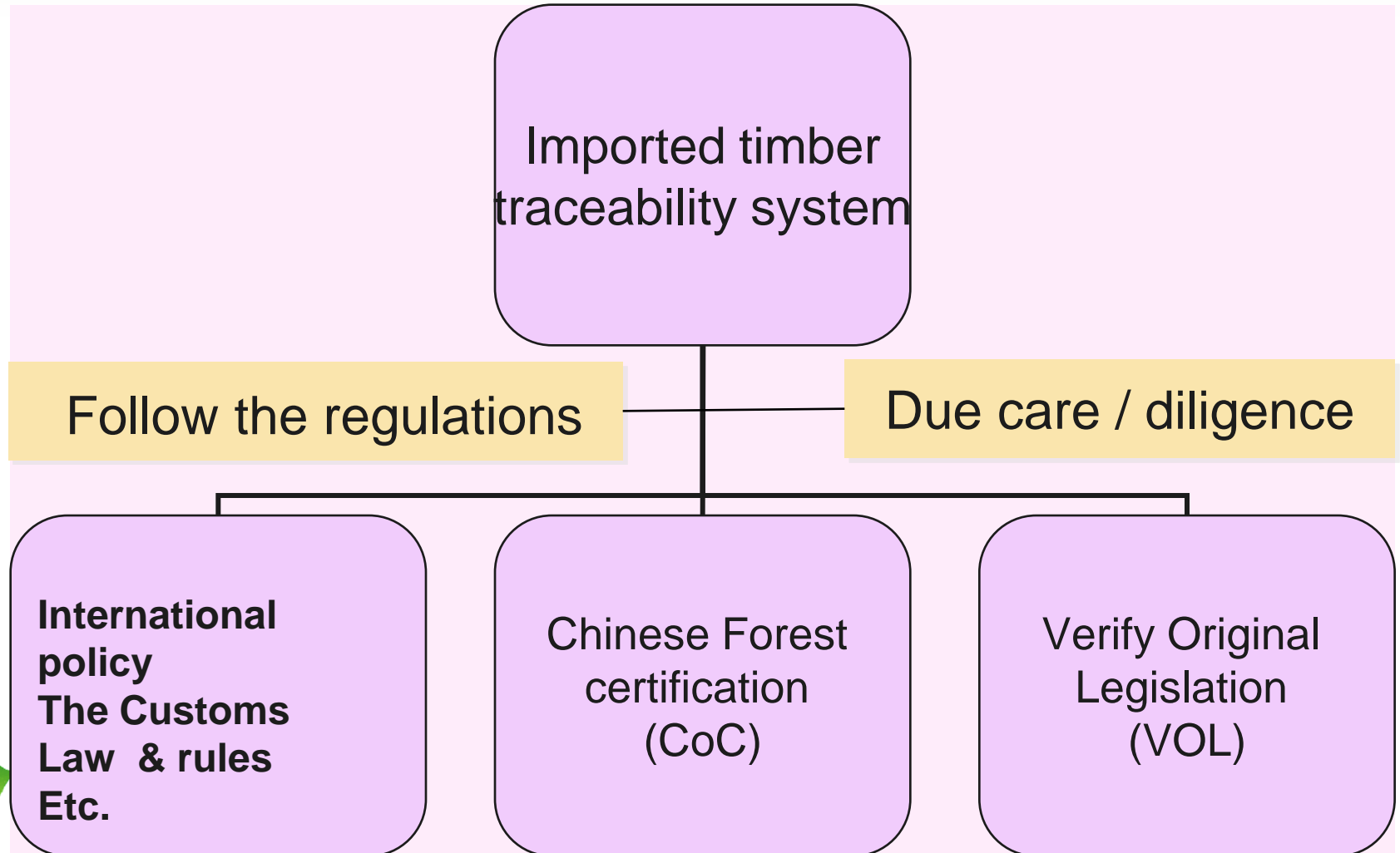
绿 奥 诺

# China Domestic materials Policy

- Harvest permission certification control the logging
- Transport permission documentation control the logs transport out of the forest
- Processing license to control the production
- This system works well and keeps growing of the forest with its industry in China



# Imported timber traceability system







绿 奥 诺

# Co. Purchase policy

- Prioritized purchase the wood sourced from certified forests.
- Prioritized purchase recycle material.
- Develop green product, improve technology and process to reduce consumption of energy and natural resource.
- Local materials shall have logging, transporting & processing licenses to keep it legal.
- Especially care on the imported logs (different countries has different risk level and treated differently)
- Do not use the high risk materials

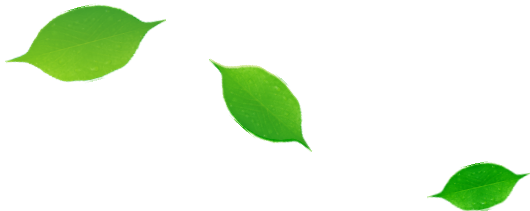




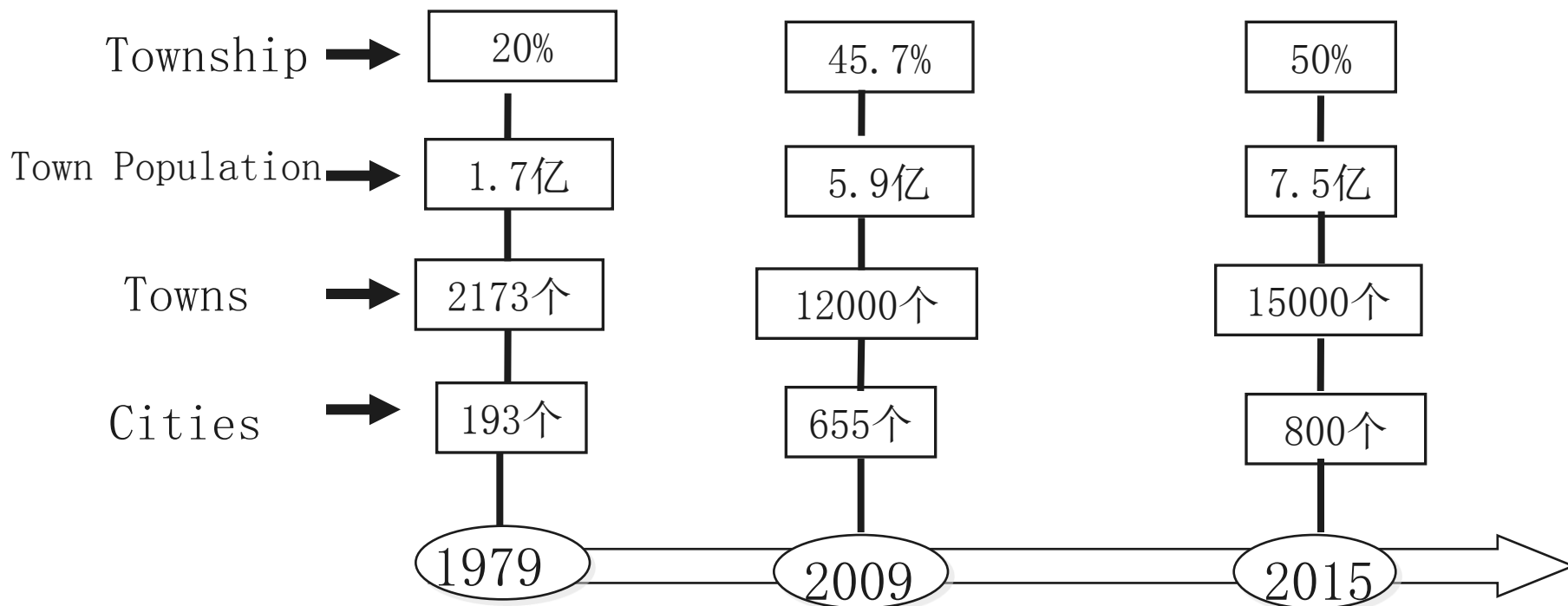
绿奥诺

# Wood Industry Struggling

- **World economic recession**
- **Trade barriers increased**
- **Export decreased**
- **There are hundreds of mills close down**
- **Millions people unemployed**
- **How to manage and continue survive?**



# Increase Domestic Market



After the GDP increases together with the Government policy, the domestic market developing speed has surpass the export etc, and the domestic market increase to keep the industry and employment.



**THANK YOU**