

Methodology and study team

The general methodology used for this study is the product of 30 years of methods research and development by BIS Shrapnel and BIS Shrapnel Forestry Group.

Background analysis

The study begins with an analysis of internationally published data on the plywood industry, and the markets and economies of the key producing and consuming regions.

BIS Shrapnel's own studies have also been used as references. Among the most relevant: *Building & Construction in the Asia-Pacific Region*, *East Asian Economic Outlook*.

Field research

Field research by an executive team included visits to the key producing and consuming countries in the region. Interviews and strategic discussions were held with producers, users and distributors in the principal markets of Japan, Korea, and China.

Interviews were also conducted with key producers in Indonesia and Malaysia.

Cost and timing

The study was published in August, 2001 and is available at a cost of A\$ 16,000.

A\$ = Australian dollars

BIS Shrapnel Forestry Group

BIS Shrapnel is a marketing intelligence and forecasting company with specialist knowledge in the following areas:

- forestry and forestry products
- economic analysis and forecasting
- financial services
- building and construction
- information technology
- commercial, residential and industrial property
- industrial products and manufacturing

BIS Shrapnel Forestry Group specialises in multi-client and private client studies specific to the forest industry and has expertise in forecasting, marketing and strategic advice.

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The Global Market for Tropical Hardwood Plywood, 2001-2006

Market opportunities, strategies and prospects for trade and investment



“The constraints on production in Indonesia and Malaysia, the world's largest suppliers of tropical hardwood plywood have created much uncertainty about the future of the industry.

Changes over the next decade will have an impact on existing producers and on substitutes such as softwood plywood, MDF, particleboard, OSB and LVL.”

BIS Shrapnel Forestry Group

Global business research and forecasting

The Global Market for Tropical Hardwood Plywood, 2001-2006

A forest industry and market study

Asia is by far the world's largest plywood consuming, producing, exporting and importing region.

Indonesia and Malaysia are the world's largest suppliers of tropical hardwood plywood, accounting for over 50 per cent of Asia's plywood production. China, Japan and Korea by contrast account for almost 80 per cent of the plywood consumed in Asia, much of it tropical hardwood plywood. Indonesia and Malaysia also export considerable volumes of tropical hardwood plywood to Europe, the Middle East and North America. They have few competitors with only Brazil and several African countries exporting small volumes of tropical hardwood plywood.

The industry is at a crossroads, with softwood plywood, MDF, particleboard, OSB and LVL rapidly being substituted for a wide range of applications. At the same time there is enormous pressure on Malaysia and Indonesian producers to harvest logs on a sustainable basis. Illegal logging is contributing to depletion of the resource.

Demand for tropical hardwood plywood remains strong, especially in Japan, China and Korea. World economic dynamics however, will play a major role in the prospects for this industry over the next five years. How will a weakening United States economy impact on demand in tropical hardwood plywood in North America and in Asia which will be affected by the United States downturn? When the United States recovers, will Malaysia and Indonesia have sufficient capacity to supply a rejuvenated North Asian market and stronger world demand? How will economic restructuring affect Indonesia's capacity to supply?

This timely study, is designed to identify market opportunities, strategies and prospects for investment and trade in the tropical hardwood plywood industry.

Report objectives

This report addresses key issues facing the industry in the next five years and forecasts production, trade, consumption, and prices. It forms a basis for suppliers to develop strategies for the main world markets, and for investors to identify opportunities in view of the forecasts. Further objectives are to:

- identify the **key driving factors** affecting the industry. This will assist in developing production, investment and marketing strategies
- forecast **prices, production, consumption and trade flows** and competitive dynamics over the next five years
- identify factors influencing future demand, and production.

Contents of the report

- Executive summary explaining the methodology and highlighting the main conclusions.
- Separate chapters on:
 - the world market for plywood
 - Indonesia
 - Malaysia
 - Japan
 - Korea
 - China
 - North America
 - Middle East, Europe and other countries
- The world market includes
 - production, exports, imports and consumption by world region and major countries
- The chapters on Indonesia and Malaysia, the key supplying countries include:
 - the economy
 - the forest resource
 - the plywood industry structure and major players
 - industry restructuring
 - export volumes and prices to Japan, China, Korea, Europe, Middle East, North America
 - five year price, production and export projections
- The chapters on Korea, Japan and China include:
 - the economy
 - the forest industry and resource
 - the plywood industry structure
 - the plywood market
 - end uses
 - housing forecasts
 - demand for plywood by end use
 - plywood prices
 - distribution system
 - five year projections
- The chapters on Middle East, Europe, North America and other countries include:
 - actual and projected (five years) consumption and prices, export volumes from Indonesia, Malaysia and other countries
- More than 200 tables and charts

