

# FSC IN CHINA

China is growing at a dramatic rate positioning itself as the 'manufacturer of the world'. As the most populous country sporting a remarkable two-digit economic growth for a number of years, it is calling for large and ever increasing amounts of energy and resources.

Already positioned as a key player in the global marketplace for timber and wood products, this strong position is likely to become more pronounced over the next decade. Catastrophic pressures on their own forests have led to policy constraints on domestic production. Consequently, China imports vast quantities of timber from some of the world's most endangered forests in the tropics. After manufacturing, many of the products are then sold on the European and North American markets.

Given China's role in the world's timber markets, the development of an FSC accredited National Initiative (NI) in China presents truly global opportunities for creating incentives for better forest management both in China and in some of the world's most threatened forests. At the same time, significantly more responsibly produced wood products should become available on the North American and European markets.

## China's Forests

China's own temperate and tropical forests are some of the most biologically diverse in the world, home to the endangered Giant panda, Asiatic elephant, South China tiger and snow leopard.

The country has suffered the acute consequences of widespread deforestation with now only 18% of its area currently forested. Mostly on mountains, they are important for regulating water flow to lowland agricultural fields.

In 1998, over 2,500 lives were lost as disastrous floods decimated entire towns and villages, prompting a government ban on commercial logging of natural forests in seventeen provinces. While intended to conserve landscapes, the ban has not only fuelled the sharp increase of wood and pulp imported from Southeast Asia and Siberia, but also created hardship for local families whose livelihoods depend on logging.

Much of the timber imported from these countries is illegally logged or not harvested responsibly. This shows the great potential for improvements in some of the most crucial and threatened forests of the world.

However, even with the ban, over half of China's wood fiber requirements still come from Chinese forests. Local communities still practice subsistence gathering from the forests, including fuel wood, fruits and medicinal plants.

China is looking at how it can resume logging in state forests in a sustainable way, maintaining wildlife habitat and controlling flooding and erosion. As the government now reviews its forest strategy, the development of FSC certification and national FSC forest stewardship standards are key steps in the progress towards of responsible forest management in China.

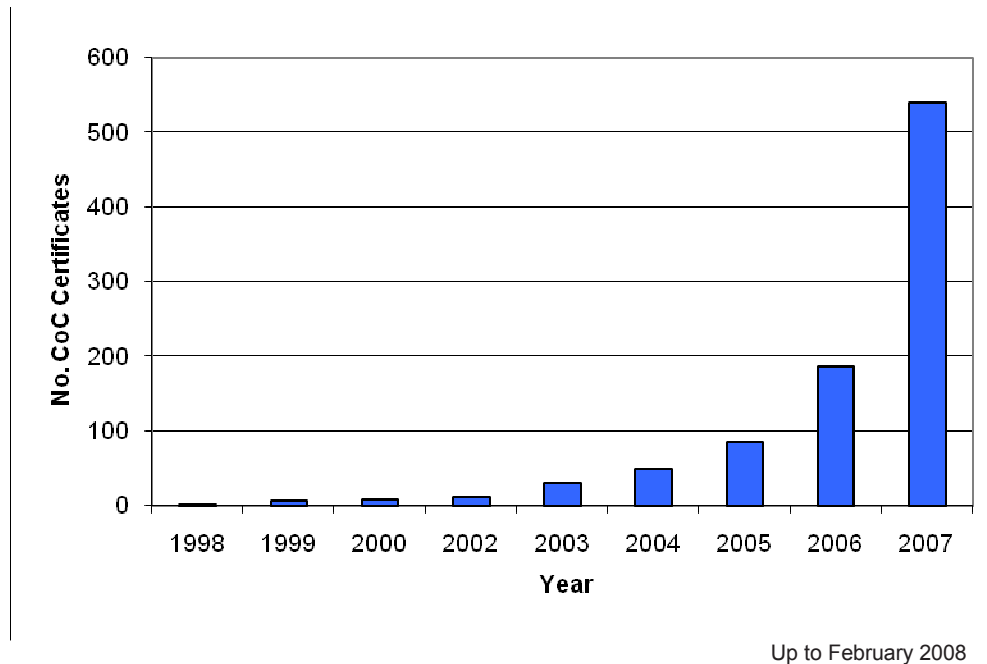
## China's Timber Trade

China's market for industrial timber, pulp, and paper is the second largest in the world, outranked only by the United States. China's timber product imports tripled in volume and doubled in value between 1997 and 2003.

Nearly half of all tropical trees harvested worldwide are utilized by the Chinese goods producing sector. This is due in part to an increasing domestic demand, but international demand for exports of China's low-cost finished wood products, such as furniture, has also increased.

## FSC Certification in China

FSC certification is growing quickly in China, particularly in Chain of Custody (CoC). There are over 500 FSC CoC certificates issued and the numbers are increasing at an astonishing rate.



In February 2008, China had 11 Forest Management Units certified according to FSC standards totaling more than 550,000 ha of forest.

A number of other large forest holdings and community forest projects with a strong focus on non timber forest products (NTFPs) are currently working towards certification.

## FSC Chain of Custody (CoC) Certification

Chain of Custody (CoC) is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution. It connects responsible forest management practices and products with consumers.

Only FSC CoC certified companies can label their products with the FSC trademarks. By tracking the product through the production process, end customers are able to choose FSC certified products knowing there is a system in place to verify the source of the wood.

FSC CoC's credibility is maintained by an internationally recognized system of accreditation and certification, based not only on documentation, but also requiring physical surveillance visits, including unannounced audits, tracking of shipments and powerful database technology.

## **Development of Forest Certification Standards in China**

A unique multi-stakeholder FSC National Initiative (NI) was established in China with the support of China's State Forest Administration (SFA), the Chinese Academy of Forestry (CAF), the World Wide Fund for Nature (WWF) China and many others. Accredited by FSC in June 2007, it joins 45 other accredited FSC National Initiatives around the world in their mission to promote responsible forest management.

The NI is leading the development of China's national standards, building on a previous set of criteria and indicators developed for the SFA, to produce a standard that can be internationally recognized by FSC.

Its objectives are to enhance the development of forest certification in China, create synergies between the regional and international forest certification systems, and encourage public involvement in the process of forest certification through seminars, training and publications.

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