

Chinese wood industry being gradually recovery

Under thousands of people's caring, patience and selflessness, coronavirus cases are downing in China. On 4 March, except for 134 confirmed cases in Hubei province, only 9 cases were confirmed in other cities in China.

At current, besides for fighting with coronavirus, business recovery is the most important task in China. Chinese central and local governments made all kinds of policies to stimulate domestic demand, reducing tax and fee and resolving the difficulties meeting in the process of business recovering. For example, 7 provincial governments published their investment plans for major projects and in 2020, nearly 3 trillion investment should be completed, which will be a great impulse for Chinese economy. According to the Ministry of Transport of P.R.C, nearly 300 million people have gone back to work in China since the Lunar New Year as more companies restart business and coronavirus travel restrictions ease. And Chinese industrial recovery has risen up to 50% by 23 Feb., 2020.

7 Provincial Government's Investment Plans for Major Projects

Province	Project number	Total invest amount (billion yuan)	Invest amount finished within 2020 (billion yuan)
Yunnan	525	5000	440
Henan	980	3300	837.2
Sichuan	700	4400	600
Chongqing	1136	2600	347.6
Shanxi	600	3380	501.4
Hebei	536	1880	240.2
Total	4477	20560	2966.4

In terms of wood industry, according to another investigation, by the end of Feb.,2020, about 60% of companies have partly restarted to work and with about 50% productivity recovery as before. The major difficulties they are facing includes domestic demand declining, most employees staying at home and not like going back to work, and interrupted transportation of raw materials and products. As the result, the portal inventories are very high and don't have enough place for new arrival. It is estimated that the inventories could offer about two months' consumption.

Now, Chinese domestic demand hasn't recovered to normal, because we still take cautious attitude towards coronavirus, and most people stay at home and only go to shopping when necessary, and no face to face meeting. Academician Zhong Nanshan said coronavirus epidemic will keep stable and be under controlled by the end of April within China. By then, the domestic demand will boost explosive growth, which we are strongly expecting now.