

WOOD-BASED PANELS SCENARIO IN BRICS COUNTRIES

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ABSTRACT

This paper assesses the pattern of wood based panel's production, consumption, import and export during 1991-2010 of BRICS (Brazil, Russia, India, China and South Africa) group of countries. The current scenario shows that BRICS production of wood-based panel is total of 119 million m³ in 2010. When compared with the world scenario these countries have registered an increase in production from 5.5% to 44.4% and also an increase export quantity from 5.0% to 19.4% during 1991 to 2010. However, there has been decrease in the import quantity from 11.9% to 6.2%. Consumption pattern also indicates that there is an increasing growth from 18.6 million m³ in 1992 to 110.27 million m³ by 2010. On the basis of the projections made it has been estimated that the BRICS countries will be the highest producer of wood based panels comprising nearly 51.47 per cent of the world output in 2015 and will reach to 54.51 per cent (210.85 million m³) by 2020 of global share. Among BRICS countries, share of China is expected to be nearly 45.25 per cent (175.01 million m³) which may be the leading country, Russia is second with 4.13 per cent (15.98 million m³) followed by Brazil 3.49 per cent (13.52 million m³), India 1.38 per cent (5.34 million m³) and that of South Africa 0.27 per cent (1 million m³) by 2020 of global share.

Key words: Wood based panels, BRICS, Production, Import, Export, Consumption.

Introduction

The world total forest area is covered by 39 million Km², which corresponds to 26.19 per cent of total land area. The five most richest forest countries (Russia, Brazil, Canada, United State of America, and China) accounts for more than half of the total forest area (Wikipedia, 2012). The world has about 95% natural and 5% man-made forest (plantation). The largest proportion of the world's forests is in the tropical zone (47%), followed by the boreal (33%), temperate (11%) and sub-tropical (9%) zones. The area of planted forests has increased rapidly since the early 1980s, and in 2000 covered about 187 million hectares. About 62% of the plantations are in Asia, 17% in Europe, 9% in North and Central America, 6% in South America, and 5% in Africa (Katila *et al.*, 2003). Most of the tropical rain forests are in South America (58%), followed by Africa (24%) and Asia (17%). Most of temperate and boreal forests are located in Europe, North and Central America and Asia (FAO, 2000). Within the tropical zone, three countries – Brazil, Indonesia and the Democratic Republic of Congo – account for more than 50% of the closed natural forest area.

BRICS region of countries reflects the emerging economy of the world accounts for 5.23 million Km² of the total forest area, which corresponds to 39.05 per cent of total world forest area (CAF, 2004). In the above it has been mentioned about five richest forest countries in the

world in which three countries reflex are of BRICs group. BRICs term was coined by Goldman Sachs economist Jim O'Neill in 2001, as these are the large emerging economy with fast growth rates (Wilson, 2003; Neil *et al.*, 2005). It has been predicted that China may overtake the United States to become the largest economic country in the world by 2027. India may overtake Japan to become the third largest economy as early as 2027, while Brazil and Russia may overtake Japan to become the fourth and fifth largest economies by 2050. Goldman Sachs' economic forecasting is echoed by Frost and Sullivan who also project that other than the United States, the BRIC nations will be the world's largest economies by 2050 (Frost and Sullivan, 2009). The BRICS countries held fourth summit in March 2012 at New Delhi, India focused on synergies and complementarities (South Africa, joined as a new member to the group in 2011) (GOI, 2012).

In this study focus is on only wood based panel's production, consumption, import and export specifically in the BRICS countries (Brazil, China, India, Russia and South Africa) have been considered. The BRIC (Brazil, Russia, India and China) economies are promising engines of global economic growth and development. There is a new era arising in international relations. The rise of the BRICS countries (Brazil, Russia, India, China, and South Africa) is changing the power dynamics in world affairs. Representing 40 per cent of the world's population and 25 per cent of global GDP, the BRICS

Production of wood based panels in BRICS countries has been increased from 5.5 to 44.4 per cent during 1991-2010 totaling to 119 million m³ and also an increase in export from 5.0 to 19.4 per cent.