

I Production and Market Information

I-1 Pine Resources & Oleoresin Situation

I-1.1 Pine Resource in China

- Distribution of Pine Resource

Pine resources in China are abundant with over XX million hectares of pine growing and a total growing stock of around XX million cubic meters. Pine available for tapping accounts for XX% of the total growing area. The major pine growing areas are found in the provinces of Guangxi, Guangdong, Fujian, Jiangxi, Yunnan, Hunan and Hubei.

Table I-1.1-1 Pine resources in the major pine growing provinces

Province	Guangxi	Guangdong	Fujian	Jiangxi	Yunnan	Hunan	Hubei
Pine area (hectares)	XX	XX	XX	XX	XX	XX	XX
Pine area for tapping (hectares)	XX	XX	XX	XX	XX	XX	XX
Proportion (%)	XX	XX	XX	XX	XX	XX	XX
Growing stock (million M ³)	XX	XX	XX	XX	XX	XX	XX
Trees for tapping (million)	XX	XX	XX	XX	XX	XX	XX
Major gum production Districts	XX	XX	XX	XX	XX	XX	XX

I-2 Position of Chinese Gum Rosin in the World

In 1980, Chinese gum rosin output got to about XX kMTs, exceeding USA as the first in the world. Since then, the output has been XX-XX kMTs/year.

Table I-2-1 Position of Chinese gum rosin in the world (Unit: MTs/a)

Year	Average output in the world (Unit: MTs/a)	Average output in China (Unit: MTs/a)	Percent of China's rosin output among the world, %
1934-1938	XX	XX	XX
1956-1960	XX	XX	XX
1975-1979	XX	XX	XX
1994-1998	XX	XX	XX

View from the situation of global gum rosin production, China is the largest gum rosin manufacturer. In 1998-2001, global output of gum rosin was about XX kMTs/year. Chinese annual output of gum rosin was about XX kMTs/year on average, which was about XX of total global production.

Table I-4-3 The average price of gum rosin (1st grade) in the twelve months in 1996-2005 (Unit: MB/MT)

Year	Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
1997	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
1998	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
1999	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2000	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2001	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2002	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2003	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2004	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2005	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

Table I-4-4 The average price of gum rosin (1st grade) in 1996-2005 (Unit: RMB/MT)

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Price	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

I-5 Production Situation of Gum Rosin in 2005 and 2006

From various sources by January 2006, XX companies/factories have been reported to engage in the business of gum rosin. Extensive telephone interviews have been conducted to verify the actual situation of these companies. After verification, XIMEI found that:

- XX companies could not be contacted, due to the unclear information source. Basing on the past experience, XIMEI thought it is quite possible that the spelling name of the manufacturers in the original source may be incorrect.
- XX companies could not be contacted, due to no-answer of the telephones.
- XX companies have been located and verified these XX companies,
 - XX companies were finally excluded from the study because:
 - XX of them are not doing gum rosin at all.
 - XX of them are traders.
 - XX of them stopped production.
 - XX of them are idled.
 - XX companies were the objects of our study because they are doing the gum rosin, from commercial production point of view.

Each of these XX producers has been interviewed through telephone. Most of these producers have been interviewed twice or even three times.

The details information of the top XX producers has been recorded in this document, in the

part: **Situation of Gum Rosin Manufacturers**

Table I-1.5-1 Summary of active manufacturers of gum rosin in 2006-1 (unit: MTs)

No.	Abbreviation	Location	Status	Gum rosin		Gum turpentine	
				Capacity'06	Output'05	Capacity'06	Output'05
II-01	Wuzhou Chemicals	Guangxi	Active	XX	XX	XX	XX
II-02	Guangxi Heli	Guangxi	Active	XX	XX	XX	XX
II-03	Guangdong Huashi	Guangdong	Active	XX	XX	XX	XX
II-04	Jinggu Forestry	Yunnan	Active	XX	XX	XX	XX
II-05	Guangdong Xianglong	Guangdong	Active	XX	XX	XX	XX
II-06	Guangdong Hualin	Guangdong	Active	XX	XX	XX	XX
II-07	Guangxi Xingui	Guangxi	Active	XX	XX	XX	XX
II-08	Wuming Taiping	Guangxi	Active	XX	XX	XX	XX
II-09	Guangxi Zhaozhou	Guangxi	Active	XX	XX	XX	XX
II-10	Guangdong Changlin	Guangdong	Active	XX	XX	XX	XX