



Basic facts on the timber, pulp and paper industries

By the Raw Materials Group

As an introduction to the special reports on forestry in Africa, Asia and Latin America, the Raw Materials Group has compiled some background data on the forest pulp and paper industries of the world.

The tables below clearly indicate the extent to which the global forest industry is dominated by the industrialized capitalist countries, or more precisely by a number of large transnational corporations based in these countries.

On the other hand the developing countries in the "third world" are dominating the production of fuelwood and of charcoal, which in fact is an important indicator of their underdevelopment.

No significant change in this picture has occurred during the 1965-1980 period. However, the share of the developing countries has increased, particularly in the veneer and pulp industries.

The relative underdevelopment of the "third world" becomes even more striking if we relate our figures to the global distribution of forests. In fact about 50 per cent of all forests in the world are located in the developing countries. Despite this their share of the industrial processing of these forests is still very small.

Data on the distribution of forests are, however, considerably more uncertain than for corresponding industrial data, primarily because of the difficulties in classifying the forests, to compare different forest types and to measure forest areas and volumes of wood.

Table 1

Share of developed and developing countries in world production of industrial roundwood and fuelwood 1915, 1980 (Mm³)

		1965		1980	
			%		%
Developing	Fuelwood and charcoal	836	38.0	1 476	48.9
	Industrial roundwood	160	7.3	294	9.7
Developed	Fuelwood and charcoal	233	10.6	151	5.0
	Industrial roundwood	971	44.1	1 100	36.4
Total		2 200	100.0	3 021	100.0

Source:

FAO Yearbook of forest products 1965 and 1980, Rome 1967 and 1982.

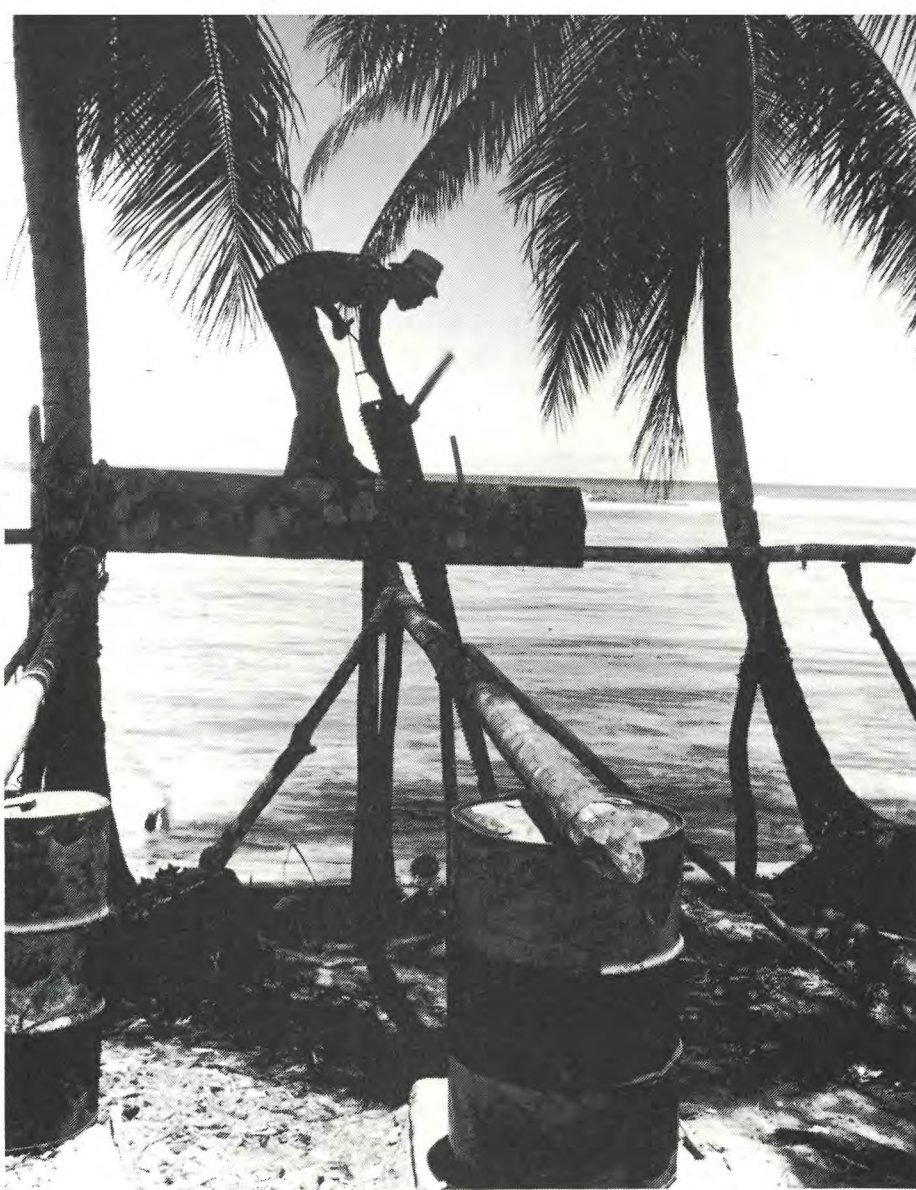
Table 2

Production and exports of industrial roundwood in developing and developed countries (M m³)

		1965		1980	
			%		%
Developing	Production	160	13.5	294	19.5
	Exports	20	1.7	42	2.8
Developed	Production	971	82.0	1 100	72.9
	Exports	33	2.8	72	4.8
Total world production		1 184	100.0	1 508	100.0

Source:

FAO Yearbook of forest product 1965 and 1980, Rome 1967 and 1982.



*A man in Dominica sawing timber. (Top).
Commercial exploitation of lumber
brought from the Casamance Forests,
Zigenchor, Senegal. (Bottom left).
Traditional clearing of the jungle in
Lorato Province, Peru. (Bottom right).*

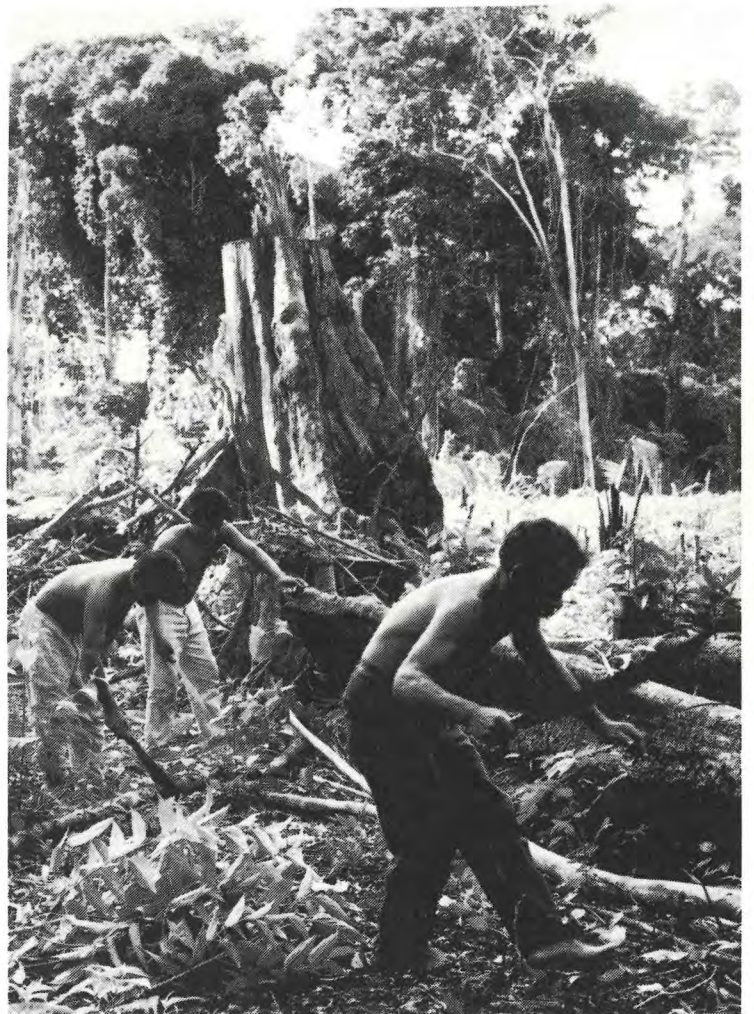


Table 3

**Production of sawnwood and woodbased panels
(M m³)**

		1965		1973		1980	
			%		%		%
Sawnwood	developed	342	89.1	385	87.3	352	82.1
	developing	42	10.9	56	12.7	77	17.9
	World	384	100.0	441	100.0	429	100.0
Woodbased panels	developed	45	93.7	86	90.5	89	87.3
	developing	3	6.3	9	9.5	13	12.7
	World	48	100.0	95	100.0	102	100.0

Table 5 continued

Directions of trade 1980

Plywood (km ³)	Directions of trade 1980	
	Developed exporters	Developing exporters
Developed importers	2 415	2 738
Developing importers	270	1 485

Table 4

**Production of pulp, paper and paperboard
(Mt)**

	1965		1973		1980	
	Mt	%	Mt	%	Mt	%
Pulp						
Developed wood and other fibres pulp	77.4	93.7	11.9	92.9	119.7	88.4
Developing wood pulp	2.4	2.9	4.7	3.9	9.0	6.7
other fibres pulp	2.8	3.4	3.9	3.2	6.6	4.9
Total	82.6	100	120.5	100	135.3	100
Paper and paperboard						
Developed	90	92.8	137	91.3	152	87.4
Developing	7	7.2	13	8.7	22	12.6
Total	97	100	150	100	174	100

**Wood pulp
(kt)**

	Developed exporters	Developing exporters
Developed importers	17 781	985
Developing importers	1 874	532
Newsprint (kt)		
Developed importers	10 415	18
Developing importers	1 740	272

Source:

FAO: Yearbook of forest products, 1965, 1973 and 1980. Rome 1966, 74 and 81.

Table 5

Directions of trade 1980

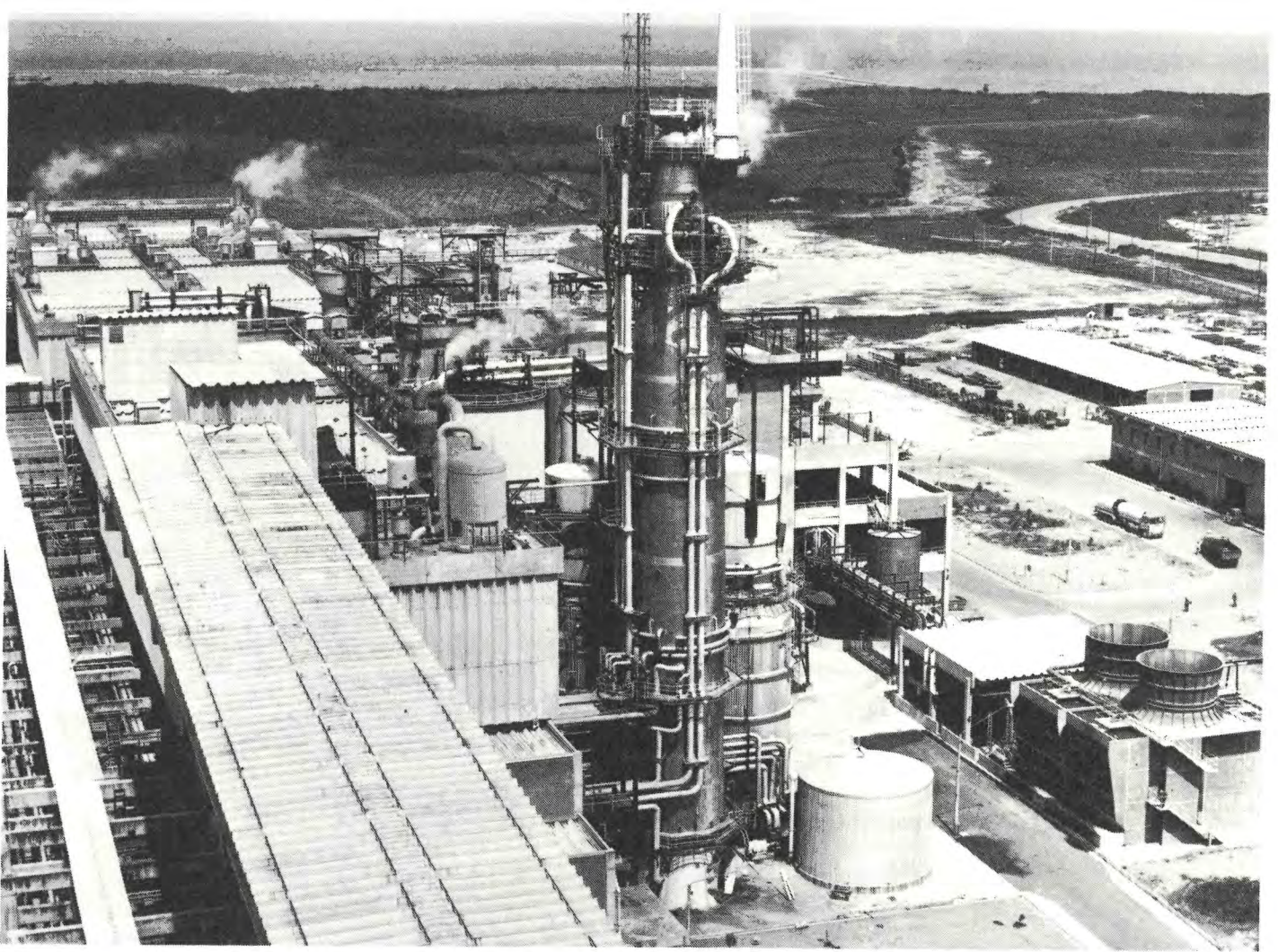
Sawlogs and veneer logs (km ³)	Sawlogs and veneer logs		Sawnwood (km ³)	
	Developed exporters	Developing exporters	Developed exporters	Developing exporters
Developed importers	27 890	25 258	61 404	4 629
Developing importers	1 992	14 577	6 500	6 318

**Paper and paperboard other than newsprint
(kt)**

	Developed exporters	Developing exporters
Developed importers	17 342	564
Developing importers	4 805	

Source:

FAO, Yearbook of forest products various years.



In East Kalimantan, worldwide Citibank could be helping to produce your next Board Room table.


From its 650,000 acres of Indonesian timberland, the Citibank customer whose logging operation you see here exports 50,000 cubic meters a month of meranti mahogany and ulin logs. In its own ships, to destinations as far away as Europe.

With meranti mahogany currently at \$60 a cubic meter, that translates, by elementary arithmetic, into a multimillion-dollar business. And when the company installs its own sawmill, as it plans, so it can ship lumber instead of logs, volume may well go higher.

Citibank financing has been a tangible growth factor for this company. For three reasons that may hold significance for you.

First, Citibank has the substantial resources to undertake virtually any financing commitment, frequently as a single source. Second, Citibank does not finance by formula. We structure flexible, innovative, individual financing plans. Third, as the leader in worldwide banking, we can work effectively with you where your product starts—and where it sells.

Throughout a worldwide network of branches, subsidiaries and affiliates, Citibank demonstrates a dual commitment. To the growth and profitability of local industry—and to the economic vigor of the countries and communities we serve.

FIRST NATIONAL CITY BANK 
In any language—just say "Citibank"



The three largest private forest companies in the world are all based in the US.



Weyerhaeuser



**INTERNATIONAL
PAPER
COMPANY**

Aracruz Cellulose is one of the largest pulp and paper companies in the "third world". (Left).

Large banks play a major role in the exploitation of the forest resources of the "third world". Advertisement by First National City Bank of New York (today Citicorp, the second largest US bank). (Bottom).

The 10 largest pulp and paper companies in the world (ranked by gross sales)

Forbes Non US	Rank 1981		Company (country of origin)	Total assets M USD	Total sales M USD	% of sales from pulp and paper convert.	Production (Kt)		Share of world p & b production	
	US	PPI 1974					Market pulp	paper and board		
—	38	5	1	Georgia Pacific (USA)	5 060	5 414	29	588	1 884	1.1
—	111	1	2	International Paper (USA)	5 544	4 984	85	553	5 261	3.0
—	127	4	3	Weyerhaeuser (USA)	5 717	4 500	36	958	2 500	1.4
—	152	3	4	Champion International (USA)	3 443	4 004	60	255	2 539	1.5
—	153	—	5	Owens-Illinois (USA)	2 200	3 943	25	—	1 118	0.7
139	—	2	6	Bowater Corp (UK)	1 389	3 504	59	343	1 874	1.1
140	—	6	7	Reed International (UK)	1 588	3 445	43	30	974	0.6
—	196	—	8	Time Inc (USA)	1 800	3 296	35	117	1 460	0.9
—	208	7	9	Crown Zellerbach (USA)	2 614	3 148	85	273	2 157	1.3
—	211	10	10	Boise Cascade (USA)	2 740	3 107	38	313	2 582	1.5
Total top 10								22 349	13.1	

Pulp and paper companies based in developing countries appearing in PPI's ranking lists top 100 or Runners up.

—	—	—	96	Compania Industrial de San Cristobal (Mexico)	692	354	100	—	203
—	—	—	100	SEKA (Turkey)	637	333	86	28	366
—	—	—	104	Klabin do Parana (Brazil)	288	322	100	23	464
—	—	—	108	CMPC (Chile)	819	296	94	155	205
—	—	—	127	Ballarpur Industries (India)	122	198	60	—	119
—	—	—	131	Aracruz Cellulose (Brazil)	736	187	100	401	—
—	—	—	133	Susano feffer (Brazil)	106	180	100	91	187
—	—	—	148	Picop (Philippines)	354	142	72	1	135

Total world production of paper and board 1974 and 1981 (Mt)

	1974	1981
Total	157 Mt	171 Mt
Share of top 100	46 %	52 %

Geographic distribution of the top 100

	No. of companies	1981 sales M USD	% change 81/80	% of total 1981
North America	43	71 673	+ 7.0	59.2
Europe	38	33 811	- 9.3	28.0
Asia	12	10 571	- 5.0	8.7
Oceania	4	3 785	+34.5	3.1
Africa	2	837	+ 7.8	0.7
South America	1	354	+ 9.2	0.3
Total	100	121 031	+ 1.5	

The top 100 1977, 79 and 81

	1977	1979	1981
Sales* (M USD)	74 778	108 582	121 031
Net Earnings (M USD)	2 918	5 614	4 571
Assets (M USD)	69 698	96 657	110 508
Production (kt)			
● Market pulp	13 368	15 216	15 264
● Paper and board	75 920	85 710	88 754
● % of world total P & B output by the TOP 100	47.7%	50.3%	51.7%
● % of TOP 100 total P & B output by the first 10 companies	29.7%	27.0%	25.2%
Employment (thousands)	1 167	1 246	1 218

* All sales, earnings and assets are in current dollars of the year in question: no allowance for inflation.

Sources: Forbes 1982-05-10, Fortune 1982-06-14, Pulp and Paper International, September 1982.