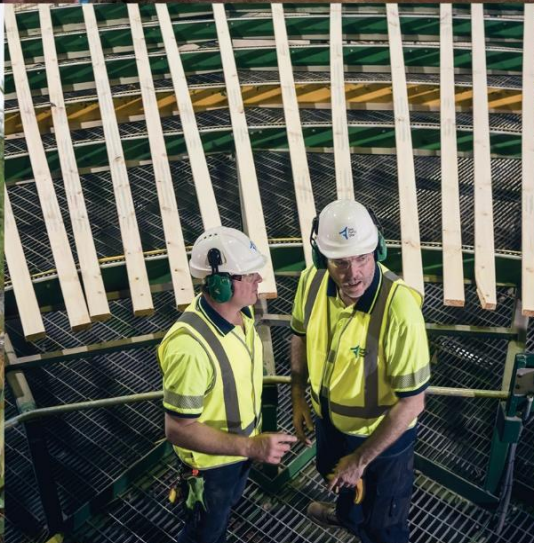




Australian  
Forest  
Products  
Association

# AUSTRALIAN FOREST PRODUCTS ASSOCIATION

SUBMISSION – General Review of the China-Australia Free  
Trade Agreement



April 2026

Department of Foreign Affairs and Trade  
FTA Modernisation Team  
Email [FTAModernisation@dfat.gov.au](mailto:FTAModernisation@dfat.gov.au)

### **About Australian Forest Products Association (AFPA)**

*The Australian Forest Products Association (AFPA) is the peak national industry body representing the Australian forest, wood and paper products (forestry) industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forests and associated manufacturing and marketing of wood and paper products in Australia.*

*Australia's Forestry Industries directly employ approximately 80,000 people and another 100,000 indirect employees and is a major employer in many regional towns. Australian Forest Industries contribute \$24 billion to the Australian economy each year.*

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**Re: SUBMISSION** - General Review of the China-Australia Free Trade Agreement.

AFPA welcomes the opportunity to provide a submission to the General Review of the China-Australia Free Trade Agreement.

### **Executive Summary**

AFPA strongly supports a free and fair-trading system however the data suggests that China's wood products sector has benefited from the FTA more so than Australia's forest industries. Chinese domestic support for its wood products sector has contributed to the rapid expansion of China's manufacturing capacity for processed wood products including plywood and laminated veneer lumber (LVL). This has created trade friction with numerous trading partners including the European Union, Canada and the United States.

Australia is no different and the ChAFTA has resulted in considerable import volumes of manufactured timber products reaching Australia undermining Australia's domestic processors and its sovereign capability. In short, like the Australian steel industry, Australia's timber industries are in distress as a result of the surge in low-priced imports and excess product being dumped into the Australian market.

China on the other hand-imposed bans on timber imports from several Australian states starting in 2020, leading to a significant drop in trade. This along with disruptions in trade of coal, wine, barley, beef, seafood, cotton and copper prompted Australia to raise the issue with the WTO.

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plywood and laminated veneer lumber (LVL). This has created trade friction with numerous trading partners including the European Union, Canada and the United States.

## CHAFTA ANALYSIS

AFPA wishes to highlight two specific concerns that threaten Australia's sovereign capability to supply manufactured timber products in support of the housing and construction industries in Australia. In particular, we wish to highlight the precipitous decline in the pricing of certain imported timber products, specifically LVL, imported from China with a consequent highly disruptive impact on domestic suppliers.

Specifically declared LVL imports totalled 205,343 m<sup>3</sup> year-ended October 2025, up 63% on the prior year. Growth in LVL imports was driven entirely by Softwood LVL (rather than Hardwood LVL), which accounted for greater than 85% of total LVL imports for the year. In a similar vein, imports from China accounted for 69% of total imports for the year. Given a dwelling construction market that is only just recovering and is struggling with momentum, LVL import growth appears to be running counter to the general direction of the market.

Imports of LVL have grown by 63% in aggregate, led by 77% growth in imports of softwood LVL. As the chart below shows, imports in October 2025 shot to a monthly record of 33,632 m<sup>3</sup>, with softwood LVL accounting for nearly 94% of all imports. In a single year (to October 2025) the AUD Fob/m<sup>3</sup> for China decreased by 63.2%.

In this context, AFPA wishes to draw attention to reports of illegal smuggling of embargoed Russian plywood into western markets (<https://www.earthsight.org.uk/blood-stained-birch#group-section-Introduction-2Am8PnT5eK>) and the frequent reports of its routing via Chinese suppliers. Note that, prior to Russia's invasion of the Ukraine, China was already the largest single customer for Russian timber, especially coniferous logs (<https://www.timbertradeportal.com/en/russia/103/timber-sector>).

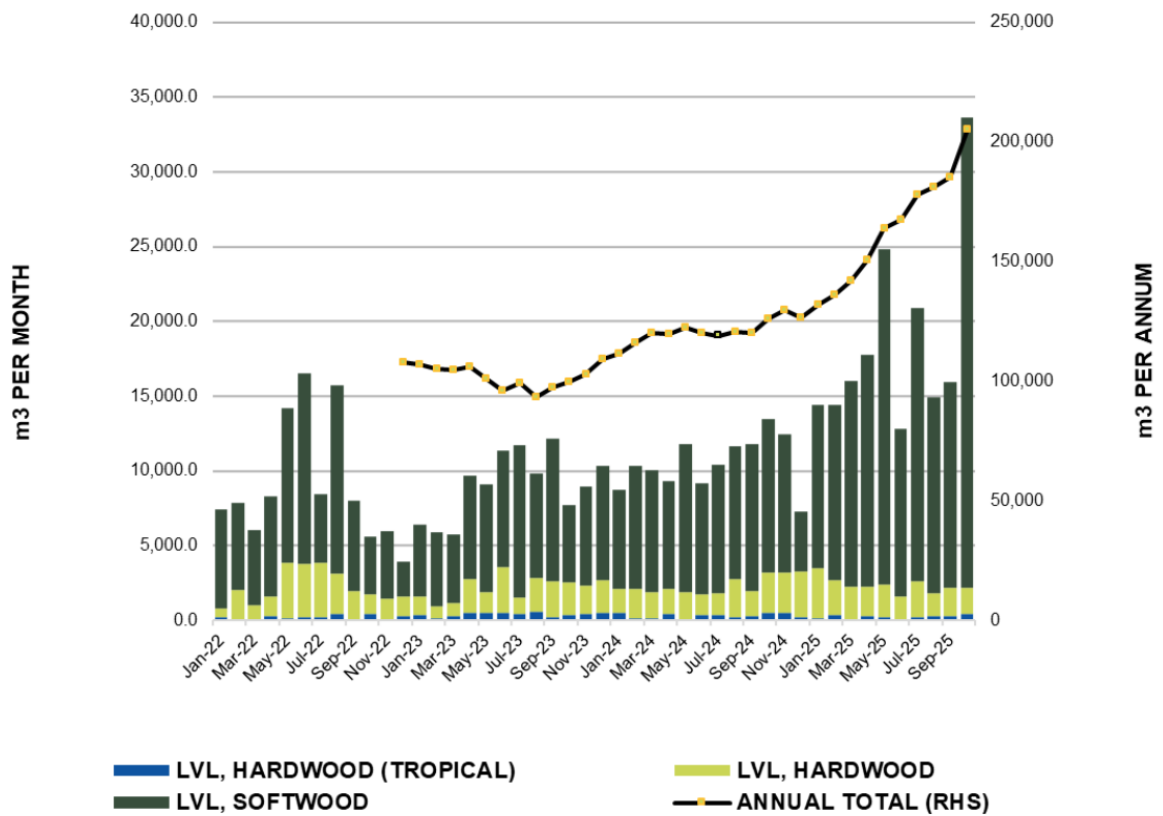
AFPA questions whether the dramatic reductions in the price of Chinese sourced LVL is the result of sourcing and relabelling cheap Russian embargoed plywood. Note that in March 2025 the EU Commission issued a 'Sanctions Alert' for the import of plywood identifying specific red flags for plywood made of birch and producer/exporter from China (and certain other countries) with trade links to Russia or Belarus ([https://finance.ec.europa.eu/document/download/80ab8c2a-1ac5-44dd-9532-76a95942deb4\\_en?filename=250314-sanctions-alert-plywood-import\\_en.pdf](https://finance.ec.europa.eu/document/download/80ab8c2a-1ac5-44dd-9532-76a95942deb4_en?filename=250314-sanctions-alert-plywood-import_en.pdf)).

In any event, a decrease in pricing of 63.2% in a single year without explanation or similar pricing from other sources strongly suggests dumping of product into one of the world's only truly open markets. We note that these price reductions follow international trade hostilities following US decisions to increase tariffs on a wide range of products and particularly on Chinese products.

We have attached data below sourced from a report by Forest & Wood Products Australia <https://fwpa.com.au/news/lvl-imports-under-spotlight-china-supply-scrutiny/> to elaborate on the

extraordinary changes in the market driven by dramatic price falls in Chinese imported product.

**Australia's LVL Imports by Grade:  
Jan '22 – Oct '25 (m<sup>3</sup>)**



Source: ABS and IndustryEdge

<b>m<sup>3</sup></b>	<b>LVL, Hardwood (Tropical)</b>	<b>LVL, Hardwood</b>	<b>LVL, Softwood</b>	<b>Total</b>
YE Oct '24	3,928.9	22,698.2	99,338.0	125,965.1
YE Oct '25	2,959.8	27,019.9	175,362.9	205,342.6
% Change	-24.7%	19.0%	76.5%	63.0%
Proportion (%)	1.4%	13.2%	85.4%	

<b>AUDFob/m<sup>3</sup></b>	<b>LVL, Hardwood (Tropical)</b>	<b>LVL, Hardwood</b>	<b>LVL, Softwood</b>	<b>Wtd Average</b>
Oct '24	1,366.34	815.24	840.62	855.88
Oct '25	889.82	849.32	372.96	404.45
% Change	-34.9%	4.2%	-55.6%	-52.7%

In October 2025, the weighted average price of softwood LVL imports was AUDFob372.96/m<sup>3</sup> – the lowest ever. By contrast, the weighted average price of sawn softwood imports in the same month was AUDFob733.47/m<sup>3</sup>, almost double the softwood LVL import price.

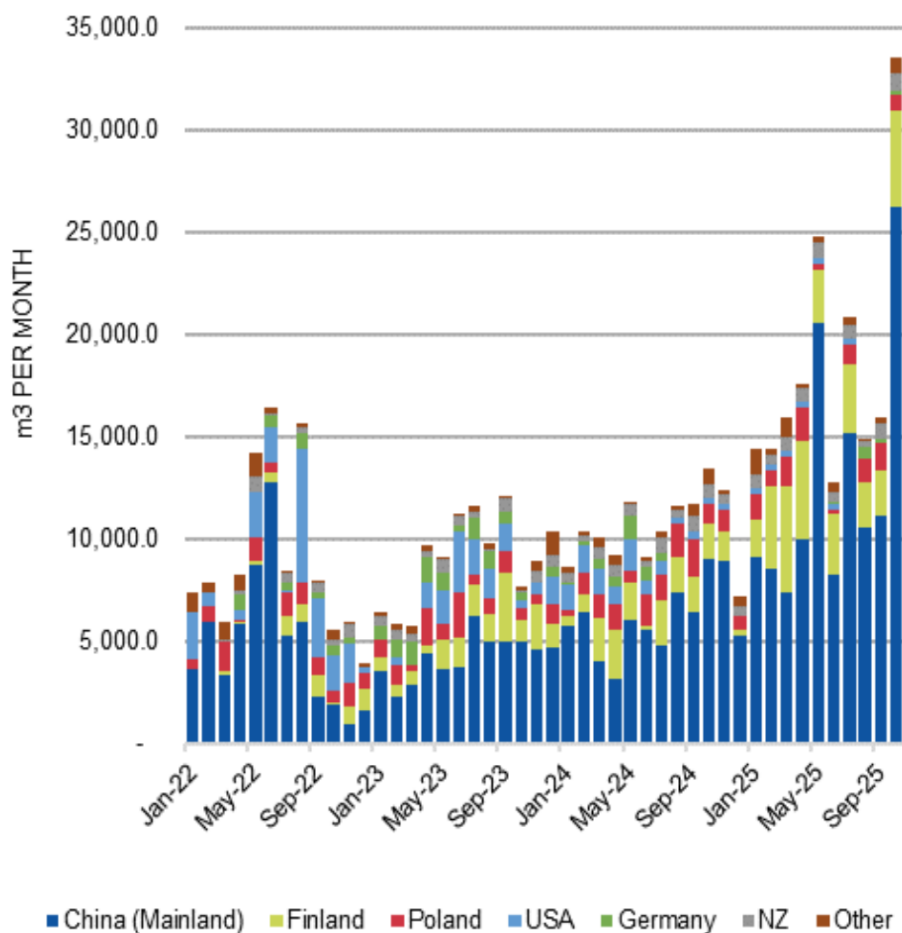
Domestic manufacturers – LVL and sawn softwood producers – were already highlighting the impact of very cheap LVL imports in late 2025. The latest data fuels increased concerns that further scrutiny of trade integrity and regulatory level is urgently required.

Throughout the year, China continued to be the primary supplier, accounting for 69% of all reported LVL imports.

The chart below shows a very significant import spike for shipments from China in 2025 – up 107% year-ended October – underscoring market, standards and trade integrity

concerns that have long been subject of speculation for engineered wood products. Most recently, the speculation has included the provenance of the log supply being manufactured into LVL in China.

### Australia's LVL Imports by Country: Jan '22 – Oct '25 (m3)



Source: ABS and IndustryEdge

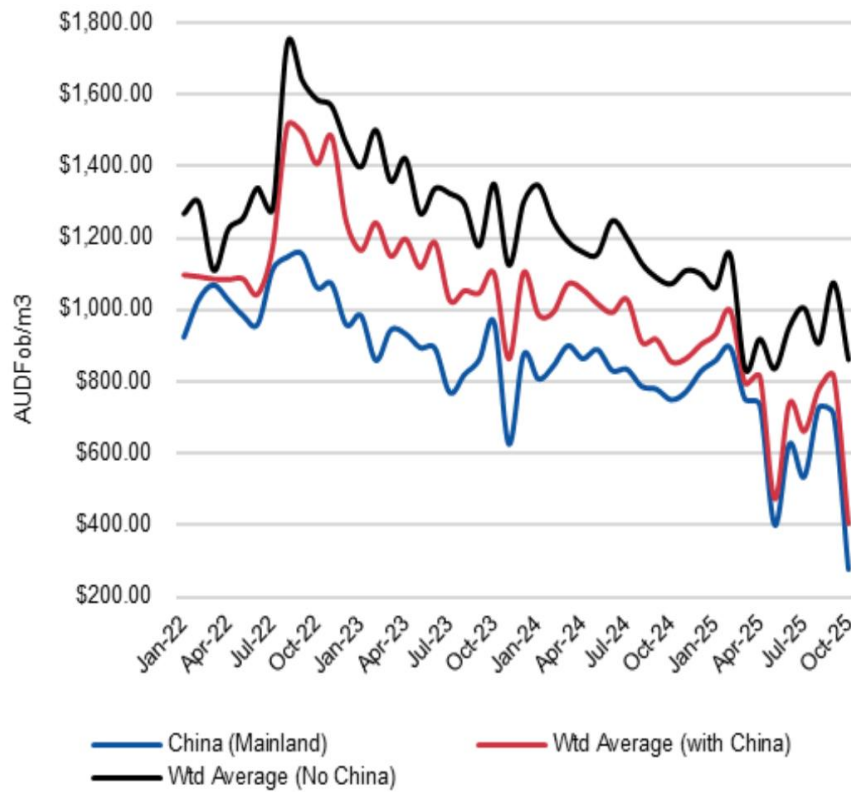
m <sup>3</sup>	YE Oct 24	YE Oct 25	% Change	Proportion (%)
China (Mainland)	68,272.9	141,466.7	107.2%	69.0%
Finland	18,727.2	35,574.4	90.0%	17.3%
Poland	13,060.5	11,641.1	-10.9%	5.7%
USA	10,350.1	2,283.3	-77.9%	1.1%

<b>m<sup>3</sup></b>	<b>YE Oct 24</b>	<b>YE Oct 25</b>	<b>% Change</b>	<b>Proportion (%)</b>
Germany	3,900.0	1,094.6	-71.9%	0.5%
NZ	6,324.9	7,143.2	12.9%	3.5%
Other	5,302.8	5,902.6	11.3%	2.9%
Total	125,938.4	205,105.8	62.9%	

Imports of LVL from China are being delivered at prices that appear questionable. In October 2025, as outlined above, the weighted average LVL import price was AUDFob404.45/m<sup>3</sup>. The price was dragged lower by imports from mainland China that averaged just AUDFob275.77/m<sup>3</sup>. As the chart and table below show, if China is removed, the weighted average price is nearly 68% higher at AUDFob859.98/m<sup>3</sup>.

Relevantly, and by way of example, not all imports from China are the same price although still well below their expected cost of production. For instance, the data for October 2025 shows that imports despatched from the port of Tsingtao (Quingdao) amounted to 22,108.4 m<sup>3</sup> at the extraordinary low average price of AUDFob172.56/m<sup>3</sup>.

**Australia's LVL Imports by Selected Country: Jan '22 – Oct '25 (AUDFob/m<sup>3</sup>)**



Source: ABS and IndustryEdge

AUDFob/m <sup>3</sup>	China (Mainland)	Wtd Average (with China)	Wtd Average (No China)	Differential - China to Wtd Ave Without China
Oct '24	\$749.76	\$855.88	\$1,071.10	-30.0%
Oct '25	\$275.77	\$404.45	\$859.98	-67.9%
% Change	-63.2%	-52.7%	-19.7%	

Thank you for providing AFPA with the opportunity to provide this submission. If you have any questions regarding this submission, please contact Richard Hyett, Director of Policy via email [richard.hyett@ausfpa.com.au](mailto:richard.hyett@ausfpa.com.au)