



Medium Density Fibreboard in the Pacific Rim and Europe 2009 – 2013

Market opportunities, strategies and prospects for trade and investment.

The forthcoming upturn will present unparalleled opportunities for market expansion, investment, and exports:

- Where will the opportunities be?
- Will the industry consolidate?
- Will it be caught short?
- Will it be more competitive?
- What will happen to prices and costs?
- What new products are on the horizon?
- What are the prospects for resource supply, furniture manufacturing and housing?



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

FORESTRY

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1. INTRODUCTION

MDF, invented and first produced in the United States in the early 1960s, is today produced and consumed worldwide and is internationally traded. It is now in a phase of the product life cycle where cyclical factors are determining market supply and demand balances, prices, and profitability. It is important that the market is more clearly understood, so that producers, investors and traders can plan their operations more effectively, enhance profitability and reduce risk in the short to medium term. A world wide perspective on the industry is an important element of strategic planning and ensuring that companies operating in this industry remain viable and profitable in the long term.

This is the seventh edition of this report. It is a companion report to “Particleboard in the Pacific Rim and Europe: 2009-2013”. The two reports in combination provide a comprehensive world market report on non structural panels with five year forecasts, and strategic implications for operations, trade and investment.

Medium density fibreboard (MDF) is a composite panel product typically consisting of cellulose fibres combined with a synthetic resin or other suitable bonding system and joined together under heat and pressure. Additives may be introduced during manufacturing to impart additional characteristics.

The surface of MDF is flat, smooth, uniform, dense and free of knots and grain patterns. The homogeneous density profile of MDF allows intricate and precise machining and finishing techniques for superior finished products. Trim waste is significantly reduced when using MDF compared to other substrates. Stability and strength are important assets of MDF, which can be machined into complex patterns that require precise tolerances.

MDF is widely used in the manufacturing of furniture, kitchen cabinets, door parts, mouldings, millwork and laminate flooring. MDF panels are manufactured with a variety of physical properties and dimensions suited to the design of the end product. Common end products include doors, jambs, millwork, edge shaping and machining, embossing, laminate flooring, laminating and finishing, moulding, office and residential furniture, panelling and store fixtures.

1.1 Objectives

The main purpose of this report is to provide an assessment of the global prospects for MDF, so that key players in the industry can identify market opportunities and devise strategies for production, trade and investment. A further aim is to bring to the fore today's key issues and to determine the relationship of suppliers with the main markets.

Additional objectives are to:

- identify current and projected production, consumption and trade flows, competitive dynamics, cost structures and prices over the next five years
- identify the key driving factors which influence buyer response to the use of MDF, to assist producers to establish defensive and offensive marketing strategies
- identify prospects for new MDF products and other factors influencing future demand

1.2 Methodology

The general methodology used for this study is the product of 30 years of methods research and development by BIS Shrapnel. The methodology utilizes the unique experience and background of the author, and combines forecasting techniques with high level market research to develop a product that provides an analysis of the industry over the past five years, the present, and the expected direction over the next five years. The report is updated every two years, and provides a solid basis for forward planning.

Each country and regional assessment begins with an analysis of the economies, the key end use sectors, and the forest industry and is followed by an overview and detailed analysis of the MDF industry. A global overview is provided in the executive summary.

The countries in this edition are grouped by geographic region, as follows:

- Australasia
Australia, New Zealand
- Europe
European Union, East Europe and Russia
- North America
Canada, United States, Mexico
- North Asia
China, South Korea, Japan
- South America
Argentina, Brazil, Chile, and other
- South Asia
India, Indonesia, Malaysia, Thailand, Vietnam

A key element of the methodology is the field research based on interviews with producers, consumers, distributors, associations and research organisations in key regions. The field research, combined with an expertise in economics, forecasting methodology and strategic market research and published data, is the basis for the analysis and forecasts for the MDF industry in each region and country.

1.3 Organisation of the report

The report is organised on a geographic basis, with one chapter for each region.

Each chapter provides an economic overview of the economies and end use sectors (furniture and building) of the key countries and an overview of the MDF industry, including the resource base, production facilities, production capacity, cost of production estimates where possible, and forecasts for production, consumption, trade and prices. In addition, there is an analysis of MDF usage by end-use sector (housing and furniture), an assessment of product quality and prospects for new applications for MDF, distribution channels and of the level of promotion.

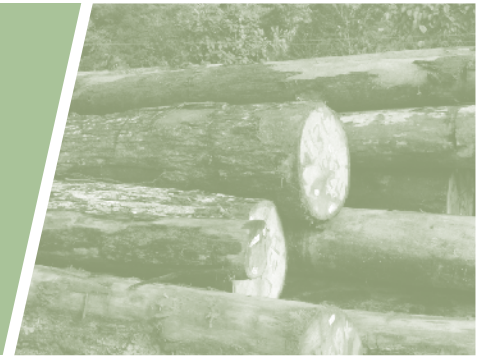
A global overview of the prospects for MDF and an interregional comparison is provided in the executive summary.



Particleboard and Medium Density Fibreboard in the Pacific Rim and Europe: 2009 – 2013

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