



## Study on Business Potential and Major Players of PLYWOOD Industry in Indonesia, 2015 - 2019

Indonesia used to be the king of world wooden industry in 1980 – 1995. At that time, the foreign exchange income from this industry reached US\$ 6 billion – US\$ 7 billion per annum and gave great economic contribution to state income. Wood based industry had also created business opportunity and absorbed a great number of man power. Wooden products from Indonesia such as plywood, processed woods, pulp and paper and furniture industries led the world markets. However, the economic crisis in 1998 had changed everything and made this industry to be at the lowest point so there were lots of wood based industries collapsed and their ownership was changed. This industry shall awake since there is still a great opportunity to be developed.

According to Department of Forestry of Republic of Indonesia that total plywood plants which had been still in operation in 2013 reached 150 companies with production capacity of 12,396,815 M3 per annum or 82,645 M3 per company. The number decreased if compared with that in 2000 reaching 102 companies with production capacity of 9,806,505 M3 or 96,142 M3 per company on the average. Meanwhile, in 2013 the number of veneer companies operating in the country was 102 companies with production capacity of 3,095,795 M3 per annum.

A survey conducted by CDMI shows that there are five greatest plywood producing provinces including East Java, East Kalimantan, Central Java, South

Kalimantan and West Kalimantan. In 2013, plywood production of East Java amounted to 705,519 M3 followed by East Kalimantan of 506,148 M3, Central Java of 463,640 M3, South Kalimantan of 397,109 M3 and West Kalimantan of 270,289 M3. In 2014, the production seemed to increase. Other six provinces with great plywood production are Banten, Papua, Central Kalimantan, South Sulawesi, Riau and Jambi.

This study discusses the growth of Indonesian plywood industry with a number of faced issues and competition of world plywood industry which places Indonesia in a position lower than that of China, Japan, Malaysia and even Vietnam.

This study is only available in CDMI, and it can be directly ordered in our Marketing Division with Mrs. Tina by phones (021) 3193 0108, 3193 0109, 3193 0070 or Fax (021) 3193 0102 or e-mail : [marketing@cdmione.com](mailto:marketing@cdmione.com) at a price of US\$ 650 for Indonesian Edition and US\$ 700 for English Edition.

Having submitted this offer, we thank you for your cooperation and look forward to hearing your response promptly.

Cordially yours,  
**P.T. CDMI**

Muslim M. Amin



P.T. CENTRAL DATA MEDIATAMA INDONESIA (CDMI)  
AGP Building, 2<sup>nd</sup> Floor  
Jl. Pegangsaan Timur No. 1 Cikini  
Jakarta 10320, Indonesia

Phone : (021) 31930108 - 9  
Fax : (021) 31930102  
E-mail : [marketing@cdmione.com](mailto:marketing@cdmione.com)  
Website : [www.cdmione.com](http://www.cdmione.com)

Please Send Us	:	..... copy(ies)	<b>"Study on Business Potential and Major Players of PLYWOOD Industry in Indonesia, 2015 – 2019"</b>					
Name (Mr/Mrs/Ms)	:	<input type="text"/>	Position	:	<input type="text"/>			
Name of Company	:	<input type="text"/>						
Address	:	<input type="text"/>						
Telephone/Fax	:	<input type="text"/>	Date	:	<input type="text"/> / <input type="text"/> / <input type="text"/>			
E-mail	:	<input type="text"/>	Signature	:	<input type="text"/>			
Please tick	<input checked="" type="checkbox"/>	Price :	<input checked="" type="checkbox"/> US\$ 650 (Indonesian edition); <input checked="" type="checkbox"/> US\$ 700 (English edition)					
	<input type="checkbox"/>	Check/Bank Draft	<input type="checkbox"/>	Invoice us	<input type="checkbox"/>	Indonesia Edition	<input type="checkbox"/>	English Edition
Note : Overseas added by delivery cost								

# LIST OF CONTENTS

❑	<b>LIST OF CONTENTS</b> .....	<b>i</b>
❑	<b>LIST OF TABLES</b> .....	<b>iv</b>
❑	<b>LIST OF FIGURES</b> .....	<b>vii</b>
<b>1.</b>	<b>INTRODUCTION</b> .....	<b>1</b>
	1.1. Background.....	1
	1.2. Scope of Study.....	2
	1.3. Methodology .....	2
<b>2.</b>	<b>FORESTRY DEVELOPMENT IN INDONESIA</b> .....	<b>3</b>
	2.1. Indonesian Forestry Area .....	3
	2.2. Development of HPH.....	9
	2.2.1. Width of HPH Area 2013.....	11
	2.2.2. Estimation of HPH Width 2014.....	12
	2.3. Plantation Forest .....	14
	2.3.1. Width of HTI Area 2013.....	15
	2.4. Public Forest .....	16
	2.5. Log Production .....	17
<b>3.</b>	<b>DEVELOPMENT OF PLYWOOD INDUSTRY IN INDONESIA</b> .....	<b>20</b>
	3.1. Plywood Industrial Development .....	20
	3.2. Indonesian Plywood Production .....	21
	3.2.1. Plywood Production in General.....	21
	3.2.2. Plywood Production by Province .....	22
	3.3. Veneer Production .....	23
	3.3.1. Veneer Production in General.....	24
	3.3.2. Veneer Production by Province.....	24
	3.4. Estimation of Indonesian Plywood Production 2015 - 2019.....	28
	3.5. Status and Condition of Plywood Companies in Indonesia .....	29
<b>4.</b>	<b>A BRIEF OF PLYWOOD IN INDONESIA</b> .....	<b>37</b>
	4.1. History of World Plywood .....	38
	4.2. History of Plywood in Indonesia .....	39

4.3.	Plywood Production Process .....	41
4.3.1.	Selection of Logs .....	41
4.3.2.	First Treatment of Logs .....	41
4.3.3.	Peeling of Logs .....	41
4.3.4.	Sorting of Veneer .....	42
4.3.5.	Drying of Veneer .....	42
4.3.6.	Sticking .....	42
4.3.7.	Pressing .....	42
4.3.8.	Cutting, Sanding .....	43
4.4.	Production Quality .....	43
<b>5.</b>	<b>ECO LABELING AND MANAGEMENT FOR SUSTAINABLE FOREST MANAGEMENT .....</b>	<b>45</b>
5.1.	Eco Labeling .....	46
5.1.1.	Application in Europe .....	48
5.1.2.	America .....	48
5.1.3.	Indonesia .....	49
5.2.	Management for Managing Perpetual Forest .....	49
5.3.	Government Policy .....	50
5.3.1.	Law and Regulation .....	50
5.3.2.	Collection and Payment of Forest Product .....	52
5.3.2.1.	Provision of Forest Resources .....	52
5.3.2.2.	Reforestation Fund (RF) .....	54
5.3.2.3.	Imposition of PSDH Tariff .....	55
5.3.2.4.	Imposition of Reforestation Fund (RF) Tariff .....	58
<b>6.</b>	<b>DEVELOPMENT OF INDONESIAN PLYWOOD EXPORT IMPORT .....</b>	<b>60</b>
6.1.	Development of World Plywood Price .....	60
6.2.	Indonesian Plywood Export Market .....	62
6.2.1.	Indonesian Plywood Export Volume in World Market .....	62
6.2.2.	Export Volume Based on Destination Country .....	63
6.2.3.	Indonesian Plywood Export Value .....	67
6.2.4.	Export Value Based on Destination Country .....	68
6.2.5.	Productivity of Indonesian Export Value .....	70
6.3.	Indonesian Plywood Import .....	73
6.3.1.	Import Volume .....	73
6.3.2.	Indonesian Plywood Import Value .....	75
<b>7.</b>	<b>PROJECTION OF INDONESIAN PLYWOOD MARKET .....</b>	<b>78</b>
7.1.	Domestic Plywood Market .....	78
7.2.	Plywood Market Value .....	80

7.3.	Projection of Indonesian Plywood 2015 - 2019 .....	82
7.3.1.	Projection of Domestic Production, Export and Supply .....	82
7.3.2.	Projection of World Plywood Price Trend .....	83
7.3.3.	Projection of Indonesian Plywood Export Value .....	84
7.4.	Strategy of Indonesian Plywood Production and Marketing in the Future .....	85
<b>8.</b>	<b>POSITION OF INDONESIA IN WORLD PLYWOOD MARKET .....</b>	<b>88</b>
8.1.	World Plywood Production .....	88
8.1.1.	China .....	89
8.1.2.	Malaysia .....	90
8.1.3.	Indonesia .....	92
8.1.4.	India .....	93
8.1.5.	Brazil .....	94
8.2.	World Plywood Consumption .....	96
<b>9.</b>	<b>PROFILE OF MAJOR PLAYERS OF PLYWOOD INDUSTRY IN INDONESIA .....</b>	<b>100</b>
1.	P.T. ARTIKA OPTIMA INTI .....	100
2.	P.T. BALIKPAPAN FOREST INDUSTRIES .....	101
3.	P.T. DIAMOND RAYA TIMBER .....	102
4.	P.T. ERNA DJULIAWATI .....	103
5.	P.T. HENRISON IRIANA .....	104
6.	P.T. INDAH KIAT PULP & PAPER Tbk. (INKP) .....	104
7.	P.T. INTERNATIONAL TIMBER CORPORATION INDONESIA KARTIKA UTAMA (ITCIKU) .....	106
8.	P.T. KAYU LAPIS INDONESIA .....	107
9.	P.T. KUTAI TIMBER INDONESIA .....	108
10.	P.T. LYMAN INVESTINDO (LI) .....	109
11.	P.T. PERUM PERHUTANI .....	110
12.	P.T. PUTRA SUMBER UTAMA TIMBER .....	111
13.	P.T. RIAU ANDALAN PULP & PAPER .....	112
14.	P.T. SLJ GLOBAL Tbk (SULI) <i>formerly P.T. SUMALINDO LESTARI JAYA Tbk.</i> .....	113
15.	P.T. SUMBER MAS INDAH PLYWOOD .....	115
16.	P.T. TIRTA MAHAKAM RESOURCES Tbk (TIRT) .....	116
<b>10.</b>	<b>CONCLUSION .....</b>	<b>118</b>

**APPENDIX :****FOREST AREA OF THE REPUBLIC OF INDONESIA**