Good morning, members of the staff. My name is Wu Shengfu. I am the
Vice Chairman for the China National Forest Products Industry Association. I
have testified at other ITC hearings and have worked in the wood products industry
for over 35 years.

Our association has been working hard to make sure that the Commission
has a complete record on the industry of China just as we have done before.
Members of our association provided questionnaire responses from about 100
companies that produced and exported their products to the U.S. This is a lot of
work for companies in a short amount of time.

I want to talk today about the Chinese home market. The companies who
have responded to the ITC questionnaires are naturally the companies that have an
interest in the US market, that is, the exporting companies. In this case as in most
cases the companies which sell mostly in the Chinese domestic market will not fill
out the questionnaires because they do not have any interest in this case or in the
US market.

In fact, the Chinese home market for wooden cabinets is far more important
than the US or any export market. The amount of new housing in China has been
growing significantly and so has the demand for renovation and upgraded cabinets in existing homes.

In China, in 2018 the demand for kitchen cabinets was about four times bigger than it was in 2010. Of course, production has increased also to keep up with demand in the Chinese home market. Over the next two years, demand in China is projected to increase by 15-20 percent.

The result of high demand within China is that the home market will remain the focus of the Chinese cabinet industry. Because the US economy has been strong for the last couple of years, there has been demand for the Chinese product, and particularly for the flat packs that customers prefer. But the Chinese home market demand will remain the strongest market for Chinese companies for many years to come.

We will address other threat issues in our brief but based on the relative importance of the Chinese and US markets to the Chinese producers, there is no basis for a finding of threat of material injury in this case.

Thank you.