



# Softwood Export Council Newsletter

APRIL / MAY 2003

## SARS affects shows

Upcoming SEC trade show activities and other industry events in China have been severely effected by the Sudden Acute Respiratory Syndrome (SARS) outbreak.

SEC activities at China Wood 2003 scheduled in Dalian in June has been rescheduled for October 10-13, 2003. The AHEC China convention in Qingdao has also been postponed and the SE Asia convention in Vietnam has been pushed back to the fall of 2003.

The International Building and Construction Trade Fair scheduled for late May in Shanghai has also been postponed. This was an USChinaBuild / EBPA event.

U.S. Department of Agriculture has suspended all non-emergency travel to China, Hong Kong and Vietnam. USDA program participants, including the Softwood Export Council and its members, are prohibited to travel to any of these countries until further notice. US wood industry China based representatives are also prohibited from traveling outside of China.

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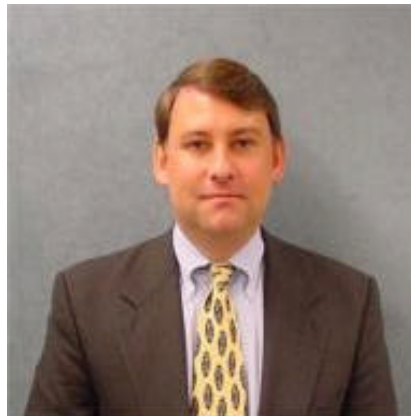
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## New ASJO office staff

Former US and Foreign Commercial Service (FCS) Attaché Steven Corless will join the American Softwoods Japan Office staff as the new Japan Director beginning in mid May, 2003.

He will assume the lead position in



Steven Corless, New ASJO Director

the newly formed US softwood products promotional office created by the Tokyo office merger of the APA-The Engineered Wood Association, the Southern Pine Council and the Softwood Export Council. The new office will handle the basic technical and promotional needs for all three of the participation cooperator organizations.

Steve's trade promotion skills and extensive experience working directly with both American and Japanese business people seeking new business in Japan will enable him to continue the highest level of service provided by the ASJO office in the past.

His background and experience be-

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Bringing more than 19 years of experience in wood, building material, and the Japanese housing business, Yuichi Hayashi, will assume the new position of Deputy Director in the new ASJO office in mid May..

Hayashi san will bring a wealth of technical knowledge about wood products. His recent experience includes representing French and German OSB producer Kronoply in Japan, as well 5 years as the lumber and panel sales manager for the Canadian forest products company Norbord. In between these two positions, he worked for Smart Wood, the Japanese representative for Boise Cascade Engineered wood products and for Simpson Strong-Tie wood connectors.



Yuichi Hayashi, New Deputy Director

Yuichi entered the Japanese wood products industry with a ten-year tour with Mitsui Wood Systems where he worked in both the Sendai and Tokyo sales offices, where he

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## Markets

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### DF off WTO list

According to preliminary information received by the Spanish lumber importers association, US softwood species threaten with increased duties have been dropped from the retaliatory list.

Douglas fir, Southern pine and other US rough sawn softwoods were targeted with possible 100% duties as a retaliatory measures from the WTO on the matter of Foreign Sales Corporations which were deemed to be illegal under WTO rules.

#### **SARS** (Continued from page 1)

Countries have implemented measures such as screening of incoming passengers at airports, and persons with SARS-like symptoms may be quarantined and/or sent designated hospitals until the authorities are satisfied they do not have SARS.

For those planning international travel outside of the USDA/FAS programs check the State Department's web-site for travel warnings at: [http://travel.state.gov/travel\\_warnings.html](http://travel.state.gov/travel_warnings.html) .

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### Vietnam emerging

*Tony Halstead (FAS-FFPD)*

Vietnam is emerging as a new market for U.S. wood products. Between January 2002 and August 2002, wood exports to Vietnam were valued at \$15.4 million. In 1996, U.S. exports of wood products to Vietnam were valued at just \$0.5 million and exports of wood products had only reached \$4.5 million in 2001.

Because labor costs are extremely low in Vietnam, many of its products are competitive in world markets. Vietnam's furniture industry has grown as a result of this combination of increased market access and low labor costs. In 1996, Vietnam exported an estimated \$100 million of wooden furniture. By 2001, exports had increased to almost \$300 million and they are on pace to reach about \$450 million in 2002.

As Vietnam's furniture industry grows, so too does its demand for logs and lumber. The industry must supply furniture manufactured from woods acceptable to customers. Vietnam is increasingly relying on imported wood to supply its growing wood processing industry. In 1997, imports of wooden products amounted to an estimated \$25 million. By 2001, imports increased to an estimated \$70 million, and could reach \$100 million in 2002. In 2002, the United States and the EU have increased market share to an estimated 20 percent. Indonesia's market share has fallen below 10 percent while Malaysia leads all suppliers with an estimated 33 percent share.

For full version of this report go to: [www.fas.usda.gov/ffpd/fpd.html](http://www.fas.usda.gov/ffpd/fpd.html)

### Iraq reconstruction

News and trade publication reports released over the past few weeks have highlighted a number of potential opportunities for U.S. companies related to Iraq's reconstruction and the need to rebuild infrastructure and restore essential services within the country. According to some estimates, the cost of reconstruction in Iraq could reach \$100 billion

The U.S. Agency for International Development (USAID) and the Department of Defense (DOD) have been overseeing the reconstruction process. To date, only a limited number of contracts have been awarded, primarily to the energy sector to manage any needed repair and maintenance of Iraq's oil resources. Additional sectors targeted by USAID include sea and airport administration, capital construction, health, education and governance. To see USAID's solicitations for reconstruction activities in Iraq, go to: <http://www.usaid.gov/iraq/activities.html>.

It should be noted that reconstruction efforts at this time are not associated with direct sales opportunities. At this stage all procurement is being handled directly by USAID contractors or the Department of Defense. Until the U.S. government and the United Nations Security Council modifies or lifts sanctions, it remains unlawful for U.S. companies to do direct business with or in Iraq. Contracts with the DOD appear to be the one exception.

The SEC along with other industry association will continue to monitor this issue and keep members apprised of any new developments. For more information contact Anne Divjak (AF&PA) (202)463-2721.

## Programs

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### **Corless** (Continued from page 1)

gins with a five-year tour with the FCS in both Tokyo and Osaka where he was responsible for the promotion of US residential building materials. Prior to his FCS posting, he spent 4 years as a trade specialist focusing on the housing industry for the State of Washington. While there, he was directly involved with providing housing assistance during the Kobe earthquake aftermath. His experience in promoting housing began in Kagoshima, in west Japan, where he worked for Nomoto Co. as a manager in the imported Building materials section of the company.

In addition to his housing background and knowledge, Steve was instrumental in developing the USFCS Japan website for both US and Japanese users and will be leading the implementation of the ASJO information site in Japan.

The new ASJO team in Japan will be supported by the US cooperator offices, and by technical support through the AFPA Tokyo office.

### **Hayashi** (Continued from page 1)

traveled extensively all over Japan. He also gained additional communications knowledge when attached to Information Technology department.

Hayashi has a Master of Science in Forest Products from Purdue University in Indiana, as well as a BA in Forest Products from Hokkaido University in Sapporo. He has lived in the US and has excellent English language skills

First activities for the new team will be to represent AJSO at two trade shows and update and add to the Japanese website.

## WoodMac draws record participation

*Ralph Bean FAS Shanghai*

A unique set of wood products and wood processing machinery shows, WoodBuild, WoodMac and Furnitek China form China's premier wood products trade show event. This year, the wood products show, WoodBuild China, attracted the largest U.S. contingent in its history. Twenty nine U.S. wood suppliers participated in the show, along with offices from five different state governments. A large proportion of the companies participating were small companies, many of them family-owned. In



Sam Umeda, Portac (PLIB), Tacoma, WA participating in WoodMac, 2003

addition to the U.S. exporters, industry cooperator participation was at record levels, with the American Hardwood Export Council, the American Forest and Paper Association and the Softwood Export Council all in attendance.

China charted an average growth of 55% in value for imports of selected solid wood and panel products from the U.S. in 2002.

Total wood products imports from the U.S. amounted to \$221 million.

Growth was particularly strong for

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## New China staff on board

The Softwood Export Council and AF&PA have hired Ms. Fanny (Yihua) Wu as the new Program Manager in the Beijing, China office. Ms. Wu's responsibilities will cover both the promotional activities for softwood interiors and support to the General Manager in trade policy and public relations issues she will be working closely with both SEC and AF&PA staff. Ms. Wu will be on board by late May.

Ms. Wu holds a Bachelor degree in Civil Engineering from the Nanjing Institute of Architecture and Civil Engineering, and an MBA degree from the China Europe International Business School (CEIBS). Her previous work experience was with a Hong Kong-based information service provider and Dun & Bradstreet as Operations Manager, China.

The Evergreen Building Products Association (EBPA) and AF&PA have hired Ellen Xin as a Trade Development Specialist (TDS) This is a shared position as part of the USChinabuild program. Ellen was the China Senior Manager of Jebesen & Co. Ltd. in charge of the Oregon Trade project covering China and Hong Kong before joining EBPA/AF&PA.

Ms. Xin's responsibilities will be focused on outreach activities geared to increase U.S. wood industry presence in China. She will work closely with industry China staff to promote products and services offered by U.S. wood suppliers to Chinese builders and developers and to create linkages between the Chinese buyers and wood suppliers in the US.

# Events

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## SEC MEMBER ORGANIZATIONS

Alaska Manufacturers Association

American Institute of Timber Construction

California Redwood Association

Center for International Trade in Forest Products

Evergreen Building Products Association

OSU Forest Products Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

Washington State Office of Trade and Economic Development

West Coast Lumber Inspection Bureau

Western Wood Products Association

Wood Moulding and Millwork Producers Association

**WoodMAC** (Continued from page 3) both hardwood and softwood lumber and veneers and for hardwood logs. Strong growth was also seen in smaller volume products such as wood doors and frames. While increased domestic consumption has played a role in this growth, the main driver has been the relocation of furniture and flooring manufacturing plants from high-cost neighbors such as Hong Kong, Taiwan and Japan, as well as the US. This implies that much of the increase in domestic demand expected to result from housing reforms is yet to come, making China an attractive market for some time to come. For more information on SEC Programs in China go to [www.softwood.org](http://www.softwood.org).

## Spring trade shows and seminars

### *Mexico-*

The Softwood Export Council (SEC) is offering the opportunity for its members to participate in two upcoming marketing/networking opportunities in the cities of Juarez and Tijuana in May. In addition, SEC will participate in the Expo Construcciün Internacional trade show in Tijuana. This show offers a great opportunity for US companies interested in accessing northern Mexico's building industry.

### *Europe-*

SEC members WMMPA, and WWPA will join in manning the

American Softwood booth at Interzum in Köln, Germany in May. WMMPA members will also attend the Ligna-Interholz show in Hannover during the same time period

### *Japan-*

The new combined SEC/APA/SPC staff along with US industry participants will be participating in the Osaka Total Construction and Materials Housing Fair during the first week in June. In addition, SEC staff is encouraging SEC members to join them at the Sapporo Housing Fair.

## Upcoming Events

**Interzum**, Furniture trade show, Köln, Germany; May 18-22, 2003  
**Ligna-Interholtz**, Hanover, Germany; May 26-30, 2003  
**Mexican Distributor Seminars**, Tijuana, Juarez, Mexico; May, 12-16, 2003  
**Carrefour du Bois**, Nantes, France; June 2-4, 2003  
**Total Construction Materials and Housing**, Osaka, Japan; June 4-7, 2003  
**SEC Spring BOD meeting**, Seattle, WA, June, 2003  
**TechnoMeuble**, Guadalajara, Mexico; July 2003  
**Sapporo Housing Fair**, Sapporo, Japan; July 17-20, 2003  
**EBPA Summer Gateway**, trade mission; Seattle, WA; August 2003  
**International Forest Products Conference**, Seattle WA; September, 2003  
**China Housing Mission**, Shanghai, Beijing, China; September, 2003  
**Taipei Building Materials Fair**, Taipei, Taiwan; October, 2003  
**China Wood 2003**, Dalian; China; October 2003  
**Japan Home Show**, Tokyo, Japan; November 11-14, 2003

For links to information on these events go to [www.softwood.org/calendar](http://www.softwood.org/calendar)

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