



Softwood Export Council Newsletter

APRIL 2000

Trade missions highlight spring

SEC members will be busy over the next two months developing foreign contacts and gathering market information. During the week of May 8, a delegation of lumber buyers from Japan will tour U.S. lumber manufacturers in Oregon and Washington. The group will be sponsored by Pacific Lumber Exporters Association, North American Wholesale Lumber Association, Pacific Lumber Inspection Bureau, West Coast Lumber Inspection Bureau, and Western Wood Products Association.

Members of these associations will have the opportunity to meet with a group of eight members of the Japanese lumber importing industry during two industry cocktail receptions, tentatively scheduled for May 9 in Portland and May 11 in Seattle.

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U.S.-Japan housing talks make progress

Contributed by Casey Bean – FAS/Japan

Market access issues for U.S. wood products took another step forward the week of March 21st during USTR Ambassador Richard Fisher's visit to wrap-up talks on the 3rd Year Joint Status Report of the U.S.-Japan Enhanced Initiative. Housing is one of 5 sectors in the EI. The objective of liberalizing Japan's housing sector is to speed the approval and acceptance of U.S. imported wood products used in the residential construction industry, second largest in the world to only the United States.

In large part due to technical meetings led by FAS/Japan and the U.S. wood industry "cooperators" on February 23 and March 10, agreement was reached with Japan on eight building regulation and standard issues.

For example, under the EI Japan agreed to steps that would permit construction of 4-story wood-frame buildings. Until as recently as 1996 even 3-story wood-frame construction was banned in quasi-fire protection zones in Japan. Japan also agreed to continue technical discussions with U.S. fire and structure experts aimed to further remove remaining "prescriptive" building codes.

In the area of broader housing policy reforms, Japan will revise rental, land, lease, and lending regulations. These policy changes will ultimately lead to rejuvenated housing starts and demand for imported wood products. The full report of the EI will be released sometime in April 2000. Looking ahead, expect more regulatory news from Japan leading-up to the June implementation date of the Building Standards Law and the Housing Quality Assurance Law.

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SEC Board member recognized

Bob Weiglein, Executive Vice President of SEC-Member Wood Moulding and Millwork Producers Association (WMMPA) was presented with the Warren C. Jimereson Award of Excellence, which is WMMPA's most prestigious award.

Weiglein has been in the wood moulding industry since 1962, and

the WMMPA Vice President since 1993. He is only the eighth recipient of the award, which is given by the WMMPA Board of Directors only to a select few who meet the incredibly high award standards and criteria.

Weiglein has been an active member of the SEC Board of Directors since its creation in October 1998.

Markets

April 2000

Korean economy improving

The Korean economy finished 1999 with better than expected results. Government of Korea statistics show that the economy grew nearly 10% in 1999, consumer demand rose 9%, and inflation remained below 2%. Officials predict a 9% economic expansion in 2000.

Housing starts increased 32% over 1998 figures, but the 404,715 figure is still below pre-crisis levels. Construction of wood frame homes also increased to a modest 1265 units in 1999 – up 13% from the prior year.

Demand for imported forest products made a tremendous recovery in 1999. Total wood imports totaled \$1.4 billion, up 54% from 1998, and imports from the U.S. increased 50% to \$177 million, maintaining its 13% market share.

Nordics eye China

Timber and Wood Products International reports that the Nordic Timber Council is expanding activities into China.

The project has four aims. First, to give Nordic sawmills information on timber use, providing opportunities for more rational marketing decisions and material use in each sawmill.

Second, boost the development of special timber products and value-added timber suitable for demands in both the construction and joinery/furniture sectors.

Third, reinforce the Nordic sawmilling industry's reputation for problem solving technology and flexibility.

Last, give mills an opportunity to reach high price segments of the distribution system.

(Spring Missions - Continued from page

A group of American lumber suppliers will head to China June 18-24 to establish contacts and better understand the market. SEC members Oregon Economic Development Department, North American Wholesale Lumber Association and Western Wood Products Association will send representatives on a week long mission to Hong Kong and Shanghai. The activity will take members to visit construction projects, remanufacturers, importers, government officials, and other groups involved in the Chinese timber market. The delegation will establish trade contacts and gather market information to bring back to their association colleagues.

For more information about either of these events, or to discuss how your association can organize its own international trade mission, contact the Softwood Export Council or your SEC member association.

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Craig Larsen, President

Certification update

February meetings in the EU led to the finalization of the Pan European Forest Certification Scheme (PEFC). The approval of rules and procedures for chain of custody certification and use of the logo has paved the way for PEFC labeled wood to enter the European marketplace in the spring. The pace of development is such that the volume of PEFC certified suppliers to the European market should rapidly overhaul those of the Forest Stewardship Council (FSC).

Morocco support

The U.S. Department of Agriculture has launched an "AgLink" program in Morocco. The program will provide Moroccan trade contacts, market information, translation service, and in-country assistance for companies selling American commodity products. For more information, access their web site at www.fas.usda.gov/icd/grants/morocco/html.

Programs

April 2000

WWPA sends support to China

Western Wood Products Association contributed technical support to promote wood frame construction in China. Don Wallace, former WWPA Director of Technical Services joined technical experts from the American Forest and Paper Association, the American Hardwood Export Council, and the APA -The Engineered Wood Association to provide a March 27 seminar in Guangzhou on wood frame construction for Chinese architects, engineers and real estate representatives.

China expects to start 12 million housing annually over the next few years. Wood frame systems have limited acceptance in niche markets. SEC and the U.S. forest products industry are working to gain popularity and code acceptance for wood frame construction in China.

High volume for www.softwood.org

www.softwood.org, the web site of the SEC, is getting more attention from internet users every day. During the first quarter of 2000, the site logged almost 50,000 "hits", or 589 per day. An average of 44 people use the site daily, staying for an about 7 minutes per visit.

In total, almost 2200 different users logged on to the site during the three-month period, roughly 21% of them visited multiple times, and over 20% of them came from outside of the U.S.

The most popular pages accessed via the site were the SEC market reports, publication information, trade show schedule, and links to SEC member web sites. In addition, visitors actively used the site over 1200 times to download SEC newsletter and market report files.

SEC members look into Fensterbau

The SEC and its members from the Oregon Economic and Community Development Department, and Oregon State University recently attended the Fensterbau show in Germany. Fensterbau is an exhibition focusing on the window and door industry in Germany and throughout Europe. More than 1,350 exhibitors and 110,000 visitors attended the show. The five days of exhibiting welcomed 500 visitors to the booth, over 50 requests for specific information and 20 high quality trade leads, most looking for laminated window and door styles and rails in Douglas fir and Hemlock.

European and German wood trade exhibitors continued to show both hardwood and softwood components for window and door fabrication. Many German widow producers (there are more that 300) were looking for high quality solid vertical grain western species but were content with the three-ply laminated alternatives being offered by US and European component manufacturers.

Most requested information at the American Softwoods stand was for contacts with component producers and for sources of Douglas fir, Southern Pine, Western Red Cedar and Western Hemlock. Ponderosa Pine, Western and Eastern White pine also received some inquiries.

Carpenter program slated for June

The 5th Annual Carpenter Training Program will take place June 26-July 12, 2000 in Kongju-city, Korea.

This is a joint activity between the U.S. forest products industry and is organized by the AFPA Korea office. One of the biggest constraints to 2x4 home construction in Korea is the lack of trained technicians. The program allows

30-40 carpenters to receive a two-week hands-on training course in building 2x4 style housing.

Any companies interested in the opportunity to donate materials to the program should contact Dick Krieger at the Softwood Export Council. Participating companies receive excellent public relations coverage in Korea.

Events

April 2000

SEC MEMBER ORGANIZATIONS

American Institute of Timber Construction

California Redwood Association

Center for International Trade in Forest Products

Evergreen Building Products Association

North American Wholesale Lumber Association

Oregon Economic Development Department

OSU Forest Products Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

West Coast Lumber Inspection Bureau

Western Wood Preservers Institute

Western Wood Products Association

Wood Moulding and Millwork

Marketing Seminar

The Center for International Trade in Forest Resources (CINTRAFOR) has partnered with SEC to present the 17th Annual Conference on International Forest Products Marketing.

The seminar will take place November 12-14, 2000 in Seattle. More details to come in future newsletters, or visit: www.cfr.washington.edu/outreach/ifpm2000.html

Member Meetings

The West Coast Lumber Inspection Bureau will hold their 32nd Annual meeting on April 14 in Portland, OR (Fifth Avenue Suites Hotel). 503/639-0651 for information.

The North American Wholesale Lumber Association will hold their 108th Annual meeting from April 29 - May 2 in Carlsbad, CA (LaCosta Resort & Spa) 800/527-8258 or 847/870-7470 for information.

Upcoming Events

- ◆ Woodtech Malaysia, Kuala Lumpur - April 8-12, 2000
- ◆ Tokyo International Good Living Show, Tokyo - April 27-30, 2000
- ◆ Japanese Trade Delegation to Portland/Seattle May 7-13, 2000
- ◆ Interbuild 2000, Birmingham, UK - May 21-24, 2000
- ◆ Carrefour International du Bois, Nantes, France - May 24-26, 2000
- ◆ Japan Housing Conference/AWDA, Yokohama - June 6, 2000
- ◆ Gardeners' World Live, Birmingham, UK - June 14-18, 2000
- ◆ NAWLA/OEDD/WWPA China Tour - June 18-24, 2000
- ◆ European Wood Council, Luneburg, Germany - June 26-30, 2000
- ◆ ATMAC 2000 & Frame Australia, Melbourne, Australia - July 14-19, 2000
- ◆ PLIB/WCLIB/WWPA Australia Tour - July 16-22
- ◆ Imported Housing Materials Expo, Kobe, Japan - Sept. 28-30, 2000
- ◆ Japan Home Show, Tokyo, Japan - Nov. 14-17, 2000

Call Dick Krieger for more detailed information

New information on
www.softwood.org

China/Brazil Wood
Packaging Requirements

SEC Travel Requirements

Details on upcoming events

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purchasing news

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