



# Softwood Export Council Newsletter

DECEMBER 2002

## SEC Annual Meeting



New SEC Chairman Mike Caldwell, AITC, with Craig Larsen, SEC President

The Softwood Export Council held its 5<sup>th</sup> Annual Meeting at the Benson Hotel in Portland, Oregon. Michael Caldwell, from the American Institute of Timber Construction, Englewood, Colorado, assumed the SEC chairmanship and was joined by Robert "Butch" Bernhardt, from the Western Wood Products Association, Portland, Oregon as Vice Chairman and Mark Calhoon, Evergreen Building Products Association, Tacoma, Washington, as Secretary Treasurer.

Mr. Caldwell conducted both the bi-annual Board of Directors meeting  
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## Mexican Maquiladora Update

*Derek S. Lieberman &  
Lashonda McLeod, FAS-FFPD*

Employing over one million people, the maquiladora sector in Northern Mexico has grown in step with the reform of the economy and it has withstood difficult business cycle fluctuations that have taken place along the way. In the process, the maquiladora industry has transformed the border region with the United States from one of the poorest to one of the most vibrant areas in Mexico.

The maquiladora industry is largely U.S.-demand driven since most of Mexico's maquiladora production is destined for the U.S. market. Maquiladora output, which reached U.S. \$83 billion in 2000, now contributes to nearly one-half of Mexico's exports. Maquiladoras are currently

being used by 70 percent of the labor-intensive Fortune 500 companies. The maquiladora industry currently accounts for over 3,700 maquiladora businesses with annual sales in excess of U.S. \$37 billion of inputs and supplies, 98 percent of which are of U.S. origin. The wood furniture sector has achieved notable growth in recent years.

US lumber and panel products, as well as moulding and mill work, dominate U.S. exports to the Mexican maquiladora sector. Furniture exports from Mexican maquiladoras to the United States exceed all other wood-based exports to the United States from Mexico.

For more information and publications in Spanish regarding U.S. softwood lumber go to [www.softwood.org/publications.htm](http://www.softwood.org/publications.htm).

## New publications

SEC members have released two new publications for use in the promotional activities in overseas markets.



Douglas fir HIRAKAKU

Douglas-fir HIRAKAKU is the first specie, product, and country specific publications produced by the SEC. Aimed at the Japanese home builder

target audience, the publication points out the benefits of using

American produced Douglas fir beams for home construction. The publication reinforces the Japanese knowledge of long term supply, forest sustainability, traditional sizes, and high quality.

The second publication is the new West Coast Lumber Inspection Bureau, (WCLIB) Buyers guide. The publications lists US



WCLIB Buyers Guide

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# Markets

December 2002

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and planning meeting for future activities in 2003 and 2004. The Board of Directors Meeting covered the activities of the SEC and its member organizations in 2002. SEC member organizations actively promoted U.S. softwood lumber and secondary products in Japan, Korea, China, Taiwan, Mexico, and the European Union, including trade show participation, technical seminars, hosting trade groups, reverse trade missions, in depth market research and the development of several new pieces of foreign language publications.

The second meeting was the annual planning session for the Unified Export Strategy (UES). The UES is the road map for future market development plans and highlights the industry international marketing strategy, future marketing activities and funding support requests for the USDA foreign market development programs. Member focus for the future continues to be the maintenance and development of markets in the Pacific Rim, and niche product marketing in Mexico and in the European Union.

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Craig Larsen, President  
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## EU market reports

*By Eddie Pearce—Northern Europe*

**EU Tariff - FSC Dispute:** As a result of the ongoing dispute between the EU Commission and the USA regarding a proposed punitive retaliatory tariff, the EU is considering applying tariffs on imports of wood and wood products entering EU countries. The American Softwoods Northern Europe Office has contacted major timber trade organisations in Europe in order to gain their support in opposing this tariff.

**The United Kingdom:** Spruce and Hemlock imports continues to increase slowly. These species are generally used in the manufacture of joinery such as doors. The decking market, however, continues to be of considerable interest in the UK. It is the opinion of leading companies in the timber decking market, that the market will continue to grow, but not at the same level as it has for the last two years.

**The Netherlands:** The continued increase in the import levels of Douglas fir from the US confirms the increased activity in the Dutch window manufacturing sector. Douglas fir exports are standing at 70% above the level compared with the same period last year. Unfortunately, the

overall export figures show a continuing downward trend for Southern Pine, mainly due to continued preference of Honduran Pitch Pine to that of Southern Pine.

A complete version of the 3<sup>rd</sup> Quarter EU Market Report can be found on the SEC web site at [www.softwood.org/market\\_reports.htm](http://www.softwood.org/market_reports.htm)

**Advertising** A number of generic American Softwoods advertisements were placed in various publications this past fall. The Holz-Zentralblatt in Germany carried an ad promoting the benefits of Douglas fir for windows and SEC participation at FensterBau 2002.

In the UK, the Timber Trades Journal (TTJ) carried information promoting the new American Softwoods brochure, Builder, and also carried advertising promoting generic American softwood species, and the new brochure Furniture Production. The Het Houtblad from the Netherlands carried generic promotion of American softwoods.

**Health Note:** American Softwoods Northern European representative Eddie Pearce is currently at home for the next few weeks where he is recovering for major knee replacement surgery. He has promised to be up and ready for the next major round of trade shows in Europe this spring.

You can wish him well through the American Softwoods Office in the UK, through the American Softwoods website: [www.americansoftwoods.com](http://www.americansoftwoods.com) or through his personal email at: [Edgarpearce@aol.com](mailto:Edgarpearce@aol.com)

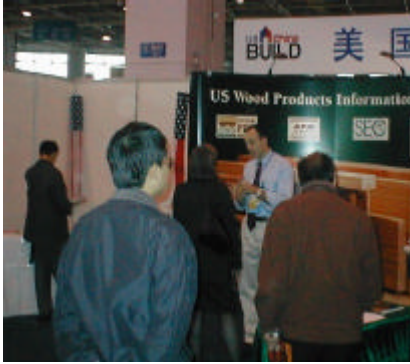
*(Publications—Continued from page 1)*

based mills of the WCLIB members who are producing products for international markets. The publication was produced in Commonwealth English, Mexican Spanish, Japanese and Chinese. The brochure may also be downloaded from the WCLIB website, [www.wclib.org](http://www.wclib.org).

## Programs

December 2002

### US China Build



Several SEC members participated in and led a trade mission of 20 U.S. exporters of wood-based building materials to China from November 4-15<sup>th</sup>. The group met with over 400 developers, architects, construction professionals and government officials in Shanghai, Beijing, Guangzhou and Chengdu to promote wood frame construction and US building materials. Seminars about wood frame construction were accompanied by mini trade shows where U.S. companies displayed their materials and met with seminar attendees. Seminar presentations provided information about wood frame home design structural design, and proper selection and use of building materials.

The trade mission members also participated in the Chengdu International Building Materials Fair. The four day trade fair is the largest of its kind in Sichuan province, an emerging market for home construction and building materials within China. U.S. associations such as the SEC, WWPA, AHEC and AF&PA distributed materials about U.S. timber species.

For more information on US china build activities go to [www.uschinabuild.org](http://www.uschinabuild.org)

### EXPO CIHAC—Mexico

The Softwood Export Council, along with the Southern Pine Council, promoted US structural Softwood Lumber products at the recent EXPO CIHAC building and construction trade show in Mexico City, Mexico. This show offered an opportunity to reach a wide range of specifiers across Mexico and throughout South America.

The show booth was constructed from US softwood building materials with additional materials supplied by the APA-EWS and the American Hardwood Export Council. In addition to structural wooden building materi-

als, this year's booth featured a wall section using brick construction. This was done in order to showcase how wood roof systems work with



Softwoods Booth at 2002 EXPO CHIAC October, 2002

brick wall construction. US industry and association representatives were assisted by American Softwoods Mexican Office Director, Dr. Ramon Echenique Manrique.

### Japan Home Show — Home Builders Expo

The American Softwood Japan Office recently participated in Japan Home Show at Tokyo Big Sight and the Osaka Home Builders Expo in conjuncture with APA, promoting solid sawn Douglas Fir for structural applications and Southern Pine specialties.

The prominent booth features were a center post and beam structure made of Douglas fir with visual explanatory panels. A display of old-growth Douglas fir samples reminded builders of the

one-time cherished products. Southern Pine flooring paved two booth spaces and samples of pressure-treated Southern Pine were also shown and distributed. ASJO representative Daisaku Aoki persuaded four major Japanese distributors to provide the product samples.

Aoki and Yamaguchi, with the assistance of agency staff also conducted a survey about South-

ern Pine usage and collected 200 responses over four days.



# Events

December 2002

## 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

Northwest Wood 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

Happy  
Holidays  
from the SEC



## First Quarter Trade Shows — 2003

Trade show events for SEC member organizations and their member companies are rapidly approaching for 2003.

The first major China event in 2003 will be SEC participation in the Wood Mac China trade show in Shanghai in late February. The show combines wooden furniture, interior fittings and wood frame construction.

Japan starts off with two shows in early March, the West Japan Total living show with participation by SEC and APA-TEWA, and the Ar-

chitecture and Construction Show in Tokyo, with participation by EBPA and OTED.

Europe trade show activities begin with the annual SAIE Due wooden components show in Italy in late March, followed by the bi-annual Interzum furniture supplier show in Köln Germany in May. Both shows will feature SEC/SPC trade booths and member participation.

Any organization or company member wishing to participate in any of the listed shows should contact Allan Czinger at SEC Portland.

## Upcoming Events

**EBPA Winter Gateway**, trade mission, Seattle, WA; January 16,17 2003  
**International Home Builders Show**, Las Vegas, NV; January 21-24 2003  
**KY Housing Fair**, Seoul, Korea; February 21-27 2003  
**Wood Mac China**, Shanghai, China; February 25-28 2003  
**West Japan Total Living Show**, Kitakyushu, Japan; March 2003  
**Architecture and Construction Show**, Tokyo, Japan; March 2003  
**SAIE Due**, trade show, Bologna Italy; March 19-23, 2003  
**HOMEDEX**, trade show, Seoul Korea, March 26-30, 2003  
**Softwood Trade Mission**, Northern Mexico; April, 2003  
**Interzum**, trade show, Köln, Germany; May 18-22, 2003  
**Ligna-Interholtz**, Hanover, Germany; May 26-30, 2003  
**Dalian Furniture Fair**, Dalian, China; June 6-9, 2003  
**TECHNOMEUBLE**, Guadalajara, Mexico, July 2003

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



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