



Softwood Export Council Newsletter

JANUARY / FEBRUARY 2004

New Tokyo Staff



Tomoko Igarashi has joined the American Softwoods Office in Tokyo. She will be serving in the position of programs manager. Prior to joining the combined SPC/SEC/ APA office in Japan, Tomoko worked in public relations for the US Meat Export Federation, another US export group which gave her a background into the programs of US commodity export promotion.

Igarashi holds a Bachelor of Arts from the University of Hartford, a Masters degree in Music and is an accomplished musician. She holds an English language proficiency certificate and brings some industry experience in working at her father's architectural firm in the past.

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Japan Wood Meetings

From APA, AFPA and Staff reports
Member representatives of the Softwood Export Council made up a large contingent of industry participants at the thirteenth annual US wood products industry trade mission to Japan in November. The two-day event, traditionally organized and led by the American Forest & Paper Association, began an intensive week of additional wood industry meetings which ended with the Japan Home Show. The US wood industry meetings included visits with the Japanese Lumber Importers Association, Ministry of Land, Infrastructure and Transportation, Ministry of Agriculture, Forests and Fisheries, and a US Embassy briefing.

Embassy briefings: The Embassy briefings are traditionally the kick-off point for the annual trade mission which are especially valuable to the U.S. based industry and asso-

ciation participants. In addition to meeting with the Ambassador, the Political, Financial, Commercial and Economic Attaches from the Embassy also provided the group with an overview of each of their relevant Embassy sections.

Japan Lumber Importers Association Meeting: The purpose of this industry meeting is to bring U.S. wood products industry representatives together with Japanese importers to examine current market conditions, opportunities and constraints. This year's meeting focused on the continued poor economic situations of both U.S. and Japan and the consequent impact this was having on the domestic and international wood products industry. Members of both the U.S. and Japanese delegations made presentations. The floor was then opened up for discussion. WWPA president, Mike O'Halloran made a presentation on the current

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China Wood Design Code

By Mathew Brady AFPA Beijing
The approval of the revised version of GBJ5 (now known as GB50005-2003), China's incorporated design guidelines for wood frame construction 'Code for Design of Timber Structure,' has been in effect since January 1, 2004. The code's release represents the culmination of several years of work by the US forest products industry in collaboration with several other national forest products industries and US government agencies. The released version specifically incorporates US building code standards pertaining to a num-

ber of critical aspects such as; visual grading rules for dimension lumber, size and grades of North American dimension lumber; prescriptive design methods used in 2x4 wood frame construction, references to US codes and standards, and other US requirements

With the release of the code, work has also begun on the drafting of the 'Timber Structure Design Manual', the authoritative companion to China's wood construction design and building codes, GB50206-2002 and GB50005-2003.

Markets

January / February 2004

Northern European Markets

By Eddie Pearce:

For the first time in many months, there are signs that the economies across the EU are beginning to improve. This is based on the fact that a number of EU members, particularly Germany, have reported improvements in manufacturing output levels in their countries.

Germany

Germany's furniture making sector touted sales increases of 2.4% for the period between January-July 2003 compared with the same period in 2002. Window sales have also increased. This is good news for US suppliers of Douglas Fir and Western Hemlock, with increased volumes of these species over the past months.

Although sawn timber exports has fallen in 2003, the amount of softwood veneer exported to Germany has increased significantly over the past few years from 515,000m² in 2001 to 1,002,000m² in 2002. The 2003 estimates also show a further increase by 152%.

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Belgium-Luxemburg

Belgium timber importers has been severely affected by the slowdown in the level of building activity, especially in the residential sector. The downward trend has taken place during the past two years.

France

The timber trade mirrors the building and construction industry which remains at a low level of activity. Reports of a shortage of Maritim Pine, as a result of the forest fires last summer in Southern France, may lead to opportunities for US timber industry.

Ireland

The Irish timber industry continues to import greater quantities of sawn softwood from Russia and the Baltic countries. For the period between January - June 2003, the imports are up 87% compared with the same period in 2002. This is due to the very competitive prices being offered by these countries.

United Kingdom.

While US softwood exports to the UK are down compared with 2002, the volumes of Douglas Fir and Western Hemlock are up by 26% and 128% respectively. This coincides with the increased house building that has taken place. Douglas Fir is a favoured species for windows and Western Hemlock is a main choice for doors.

The Netherlands

Although the Dutch timber industry is not particularly active, the outdoor and garden products sector has continued to flourish. For 2003, California Redwood imports totalled 21,675 mbf compared to 539 mbf in 2002.

The Med

By Ignacio Martinez

The Spanish Market

Solid-sawn softwood imports from Brazil, Poland and Chile experienced two and even three-digit growth spurts during the first half of 2003, but overall softwood imports were basically stagnant. The severe drop in U.S. exports during the past two years continued to decline throughout 2003. However, a stronger demand for cedar does exist. Some import volumes classified under pine may correspond to other U.S. coniferous species, such as eastern white pine.

In the short term, the relief provided by the weakening of the dollar against the Euro is creating the right conditions for potential consumers of coniferous lumber to again focus their attention on American coniferous products. Unfortunately, some of the ground lost is already taken by other softwood species and a continued stability of the currency will be required to make the importers feel confident and able to resume higher volume purchases.

Consumer response calls for US exporters to increase their marketing efforts as well as provide more product education. The Spanish reverse trade mission that took place in the western US last summer may be repeated in 2004 in the South. Immediate short-term sales from contacts made during the tour were positive and increased the likelihood of improving long-term relationships.

The Italian Market

The Italian market has not been especially active during the first half of 2003. Imports were below last year's volume but individual export-

Programs

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JLIA Meetings (Continued from page 1) trends in the U.S. lumber market.

The following comments reflect the JLIA organization's views

- Position of JLIA, as an organization, has been weakening over the last 10 years as the overall demand for lumber has weakened. The number of importers in business is decreasing and so is JLIA's membership. JLIA members currently account for 50% of US lumber imports
- The global wood economy is changing with China becoming a major player, both as an importer and exporter. JLIA expects future large increases in imports of the Chinese value-added products.
- Recent JAS revisions were described as an overreaction of Japan's government regulatory bodies.
 - The "3 Ks," representing, Health, Quality, and, Living Environment must be addressed in order to survive in the Japanese wood products sector/market

Ministry of Land, Infrastructure and Transportation (MLIT): The Housing Policy Division provided information on the housing loan tax reduction system. Under this program which was recently extended, an income tax deduction up to ¥5 million over the next ten years is possible. The reduction is based on personal income, size of the house and occupancy provisions. MLIT estimates that lack of an extension of this tax program could lead to fewer houses being built and a reduction of Japan's gross national product by ¥2 trillion.

Japan Home Show: The Japan Home Show is the largest housing industry trade show in Japan. According to the organizers, the four-day event drew more than 90,000 members of the building industry. Industry mission members as well as

staff worked the booth at various times. The ASJO booth featured an array of products from each of the softwood associations including lumber, panel products, glu-lams, treated lumber and millwork.

The exhibit was in a prime location and enjoyed good traffic throughout the show, American Softwoods staff reported that many new high quality leads were generated at the event.

Mediterranean (Continued from page 2) ers, such as Austria, have made progress in this market. As for U.S. activity, the first half of the year has seen a decrease in volume. Most likely, the drop in U.S. exports to Italy is due to the major losses that have already taken place and because opportunities to expand are more viable during the months ahead than in the past two years.

The Italian market is largely served from its nearest wood basket, Austria, Germany and several former members of the Eastern block, Russia, Ukraine and the Czech Republic. Canada is also an important supplier of softwoods to the Italian market with a healthy increase in exports during the first semester of 2003.

The main market for U.S. softwood clears in Italy is window manufacturing. The percentage of wood windows in total production is nearly 50% of approximately 7.25 million units

For the full Mediterranean report go to the market reports section of www.softwood.org

Wood-Mac China



Representatives of the Western Wood Products Association, and company members of the Pacific Lumber Exporters Association will be part of the SEC team representing the US softwood lumber industry at the upcoming Wood Mac trade show in Shanghai China in late February.

The four day event is combining three major trade sectors into one venue. WoodBuild, FurniTek, and WoodMac targeted major wood users all over China.

The SEC booth featuring US softwood specie samples and secondary products will be the center of activity. A special sample board of various grades and species has been produced to give the Chinese target audiences something to see, and touch first hand and to compare grades.

During the trade show, representative of the American Softwoods Advertising agency in China will be conducting a survey of show participants, assessing Chinese product knowledge about US species and product information.

Events

January / February 2004

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 Department of Wood Science and Engineering

Oregon Economic & Community Development 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

First quarter trade shows—2004

SEC Staff and member organizations will be participating at a number of shows and seminars in the first half of 2004. Your organization is strongly encouraged to join the SEC marketing efforts at trade shows and other activities. Mark your calendar for your participation. Contact SEC Portland for travel assistance.

China: After the Wood Mac show in February, there are several large tradeshows including, the WM Furniture show in Beijing and Guanzhou March 5-8 and the Shanghai Construction show May 21-23.

Japan: Japan begins with West Japan Home show on March 20–23 the Architecture and Construction show in Tokyo on March 4-7 and continues with the 18th annual Total Construction Materials and Housing show will be held June 4-7 in Osaka, Japan. Then the Sapporo Housing Fair will take place in July.

Europe: Two major events will take place in March, one in Nürnberg, Germany and the other in Bologna, Italy. The SAIEDUE Living Tradeshow in Italy is a huge windows as well as other interiors show and the Fensterbau Tradeshow in Germany is the largest window tradeshow in Germany. Other shows coming up include Veteco Windows in Madrid, Spain May 5-8, Carrefour at Nantes, France June 2-4 and Gardeners World Live at Birmingham, England, June 16-21.

Mexico: The Technomueble will be held in Guadalajara, Mexico in June 23-26, 2004. This show is Mexico's largest show for wood furniture.

Korea: The HomeDex 2004 will be held in Seoul, Korea, March 24-28. This is the home developer and builder expo event to attend in Korea.

Publication updated

The American Institute of Timber Construction is set to launch a completely revised Superior Fire Performance brochure in Chinese, Japanese, Spanish and Commonwealth English. The publications will be available through the various in country offices and on the AITC and SEC websites. This is the first of several publications that AITC is revising and publishing in various languages. The Glued-Laminated Design Guide will be released in a revised form later this summer.

SEC members continuously develop, and reprint publications for use in international markets.

Upcoming Events

Architecture and Construction , Tokyo	March 2-5, 2004
Japan Reform Seminars , Tokyo	March 8-12
SAIE Due , Bologna	March 17-21, 2004
Fensterbau , Nurnburg	March 31-April 3, 2004
Veteco , Madrid	May 5-8, 2004
Japan Reform Seminars , Kansai	May 17-19, 2004
US China Build—Trade mission	May 25-27, 2004
Carrefour Int. du Bois Nantes, France	June 2-4, 2004
Gardner's World , Birmingham, UK	June 16-20, 2004
Total Construction Materials , Osaka, Japan	June 4-7, 2004
AHEC China Convention , Quindao	June 9-11, 2004
Technomueble , Guadalajara, Mexico	June 23-26, 2004
SEC Board of Directors , Portland	June 2004
Sapporo Housing Fair , Sapporo, Japan	July 2004

For links to information on these events go to www.softwood.org/calendar