



Softwood Export Council Newsletter

JANUARY 2001

OTED to join SEC

The Softwood Export Council will start out the new millennium with a new member. As of January 1, 2001, The Washington State Office of Trade & Economic Development (OTED) will be joining the SEC. The International Trade Division of the State of Washington works to assist small and mid size businesses in Washington State compete successfully in the global economy.

OTED will be a valuable addition to the SEC membership by providing years of experience and representation in the Japanese market. The State of Washington International Trade Division offers a wide range of marketing programs to Washington businesses. These programs range from providing technical information on foreign markets, to organizing workshops, seminars, and trade missions .

For more information on OTED programs in Japan and in general contact Mark Calhoun, Director of Forest Products Marketing. At (206) 956-3131. Link to their website at www.softwood.org.

SEC annual member meeting



Ivan Easton, CINTRAFOR, Seattle WA, congratulates the new SEC Chairman of the Board, Brad Shelly, WCLIB Portland OR, on his new position

Portland, Oregon – The Softwood Export Council recently held its third Annual Board of Directors meeting at the Multnomah Athletic Club. Bradley Shelly, of the West Coast Lumber Inspection Bureau, Portland, OR will assume the Chairmanship of the SEC for 2001. Michael Caldwell, from the American Institute of Timber Construc-

tion, Englewood, CO, was elected to the Vice Chairman position and the newly elected SEC Secretary Treasurer will be Mr. Robert “Butch” Bernhardt, from the Western Wood Products Association, Portland, OR.

Out going SEC Chairman Ivan Eastin, CINTRAFOR, Seattle, WA, led the meeting through a review of
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Japanese WTO tariff action

The Ministry of Agriculture, Forestry, and Fisheries (MAFF) will consider a WTO tariff actions on lumber and laminated products. On November 30 MAFF jointly with the Ministry of International Trade and Industry (MITI) and the Finance Ministry, proposed a survey of the relationship between increased imports and injury to the domestic lumber industry. Imports are increasing while sales are decreasing;

annual imports for 2000 are projected to increase 6.3% for cut lumber and 46.6% for laminated lumber while the domestic lumber industry is forecast to have a 14.6% drop in sales.

MAFF will impose the tariffs if three prerequisites are found: 1) The increase of imports to Japan are caused by unexpected changes and circumstances such as currency
(continued on page 3)

Markets

January 2001

Japanese housing market

By Kazuhisa Takabatake
U.S. Commercial Service Japan

Japan's monthly housing starts for October, 2000 totaled 105,251 units, a 1.5% increase compared to October, 1999. Year on year starts of single-family dwellings and row houses increased by 6.2% and 3.1% respectively while multi-family dwellings decreased by 2.5%. 2x4 housing starts increased by 3.9% and prefabricated housing starts declined by 1.1%. The seasonally adjusted annual rate of housing starts in October decreased 4.6% to 1,163,676 units.

The Japan External Trade Organization, the Ministry of Construction, the Ministry of International Trade and Industry and the Japan 2x4 Homebuilders Association jointly conducted the survey on the imported housing market in Japan. The survey results show that the projected number of imported housing in 2000 will be 11,969 units, a 17.8% increase compared 1999.

There is no clear definition of an "imported home," but it usually means a home built mostly with imported building materials and archi-

tectural design. Imported homes are built primarily with housing products imported from North America or Europe. Typical imported homes use about 60% imported building products such as windows, doors, kitchen cabinets, flooring and lumber while another 40% of the building products are Japanese because of differences in lifestyle and Japanese regulations.

According to the survey, Japanese homebuyers are interested in high insulation, high soundproof quality and designs of imported houses. Among construction methods, 70.7% of imported houses were 2x4 method or 2x4 panelized method. By supplying countries, the United States has the largest market share of 54.9% followed by Canada (21.7%), Sweden (15.7%) and Finland (5.8%). The average price of imported homes was 524,000 yen (US\$4,800) per 1-tsubo (3.3 square meters), a 1.9% decline compared to 1999.

According to recent Japanese newspaper articles, the three ruling political parties of the Government of Japan (GOJ) have agreed to revise the current tax incentive program to home buyers and extend the program, which was scheduled to end in June 2001, for another two and half years to December 2003. The revised program will reduce the tax deduction period from 15 years to 10 years and the maximum allowable deduction amount from 5.87 million yen to 5 million yen.

(Meeting— continued from page 1)

the activities covered by the SEC and its member organizations in the year 2000. SEC member organizations actively promoted U.S. softwood lumber and secondary products in Japan, Korea, China, Taiwan, Mexico, the European Union, Australia, and the South Pacific. SEC member activities included 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. Other highlights of the meeting included the introduction of the newly redesigned SEC website, www.softwood.org, and the worldwide advertising campaign.

Tom Westcot, of the Forest and Fishery Division of the Foreign Agricultural Service in Washington D.C., spoke on the new direction the FAS has adopted for the upcoming 2001-2002 program year. This direction is a general change in focus toward new emerging markets for wood products rather than traditional market maintenance.

The second half of the meeting was a 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.

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Programs

January 2001

CINTRAFOR conference

The 17th Annual International Forest Products Marketing Conference was held on November 13-14, 2000 in Seattle. This year's conference was cosponsored by the Center for International Trade in Forest Products and the Softwood Export Council. Speakers from all over the world presented included outlooks for log, lumber, and chip markets, their predictions for major regional suppliers and consumers, and the role of e-commerce in the forest products industry. The SEC sponsored speakers Lawrie Halkett of the New Zealand Pine Manufacturers' Association, and Jan Hagstedt of the Nordic Timber Council.

The conclusion: Increasing production of lumber from international suppliers, more lumber substitutes, and lower projected demand from the world's leading wood consuming countries is requiring the forest products industry to improve its efficiency through better wood utilization, marketing, and adoption of e-commerce technologies.

For more information on the 17th Annual International Forest Products Marketing Conference link to their website at www.softwood.org.

(**Tariff**— continued from page 1) devaluation in overseas markets; 2) The increased imports cause serious damage or pose a threat on domestic Japanese industry, this should be determined objectively; 3) The national economy needs the safeguard measure urgently. For more info contact Betsy Ward AF&PA (202) 463-2785

Oceania treated wood seminars

During the first week of December, four representatives from the Western Wood Preservers Institute conducted workshops with local business people government officials regarding the use of treated western U.S. softwoods in French Polynesia. The travelers included Dennis Hayward - Executive Director, Western Wood Preservers Institute; Dr. Jeff Morrell - Professor, Forest Research Lab; Oregon State University, David Bond - Chief Operating Officer, Permapost Products Company; Ralph Morris - Industrial Sales Manager, Pacific Wood Preserving.

The mission took place principally in Papeete, the capital and largest city in French Polynesia. In 1999 Tahiti was the 11th largest export market for softwood lumber with exports valued at nearly \$9,000,000. The group was assisted by Jean-Jacques Jorda, president of *Polybois*, a major importer of western softwood lumber. The organizations that the group visited included import trading firms, architects, contractors, wood milling, chemical suppliers, inspection agencies and housing authorities. Over 30 individuals attended the two seminars covering issues related basics of wood technology, risk hazards, termite control and wood treating technology; types of preservatives, the industry, US standards, Quality Assurance and safety information; brief



visitor center combining concrete, steel and wood construction

presentations on the types of firms and the types of products and services offered by the U.S. industry were made. The attendees were provided with a complete packet of guidance materials on use and specification. The seminars concluded with lengthy discussions on issues related to treated wood in Tahiti.

The group determined that Radiata Pine represents a significant threat to U.S. softwood products if the western softwood lumber and plywood entering the country is not treated to appropriate level to match the high risk environment. The group also suggested that French Polynesian industry form a loose working group to establish standards and guidelines for the use of western softwoods within their Country. For more information on this tour contact Allan Czinger



travelers, Morris, Morrell, Bond, Hayward

News Briefs

January 2001

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

North American Wholesale Lumber Association

Northwest Wood Products Association

Oregon Economic Development Department

OSU Forest Products Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

Washington Department of Community Trade and Economic Development

West Coast Lumber Inspection Bureau

Western Wood Preservers Institute

Western Wood Products Association

Wood Moulding and Millwork Producers Association

The EU asked the WTO to authorize imposing up to 4.04 billion in retaliatory tariffs on U.S. exports. The EU retaliatory list includes wood, paper and paperboard, but does not provide specific product detail. Actual retaliation is being deferred until mid-2001, after a WTO panel rules on the EU charge that the Foreign Sales Corporation (FSC) replacement legislation passed by the senate and signed by the President still provides an illegal export subsidy to U.S. companies.

President Clinton Signed the 2001 Agriculture Appropriation bill, that includes 27.5 million for USDA's Foreign Market Development program (FMD) and \$90 million for the Market Access Program. The forest products industry typically receives more than \$9 million annually from these two programs. The SEC in conjunction with the Southern Pine Council, the AF&PA, the APA and the American Hardwood Export Council use this \$9 million fund to encourage the greater market access and use of U.S. wood products overseas.

Upcoming Events

- 2001 Winter Gateway Program, Seattle, WA - Feb. 6-7, 2001
- International Home Builder Show, Atlanta, GA - Feb. 9-12, 2001
- WMMPA -Meeting, Las Vegas, NV - Feb. 21-24, 2001
- Wood Mac Furni Tek, Shanghai, China, Feb. 20-23, 2001
- Kyung Hyang Housing Fair, Seoul, Korea - Feb. 24 - Mar. 1, 2001
- Western Wood Products Assn., Portland, OR - Mar. 2001
- Architecture & Construction, Tokyo, Japan - Mar. 6-9, 2001
- Seoul Living Design Fair-Interiors, Seoul, Korea - Mar. 13-17, 2001
- West Japan Total Living Show, Kitakyushu, Japan, Mar. 15-18, 2001
- SAIE Due, Bologna, Italy, March 21-25, 2001
- Homdex -Seoul Housing Fair - Korea - Mar. 23-29, 2001
- WCILB Annual Meeting, Portland OR, Apr. 2001
- WoodTech Malaysia, Kuala Lumpur, Malaysia, Apr. 8-12, 2001
- China Wood, Trade Show, Beijing, China, Apr. 10-30, 2001

Contact Allan Czinger for more detailed information

Sponsored by

For Forest Industry news and information check out the **Links** section of www.softwood.org



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World Wide Wood

World Wide Wood is dedicated to providing a virtual community for the North American wood products market.