



Softwood Export Council Newsletter

SPECIAL CHINA ISSUE 2005

US staff training

Mid August will find American Softwood domestic and international staff engaged in a mill training mission. The agenda will be:

August 18th-Arrive Seattle

August 19th- Door factory, sawmill and glu lam use visits.

August 20th-Home construction and product distribution.

*Member Reception : Seattle
Black Bottle Restaurant—6pm*

August 21st- Cascade Forest tour

August 22nd-Yakima area Sawmill factory visits.

August 23rd-Central Oregon sawmill and moulding and millwork factory visits.

August 24th- Eugene sawmill and Engineered wood tours.

August 25th- Portland area- Sawmill and treated lumber and glu-lam facility tours.

*Member Reception: Portland
Benson Hotel—6pm*

August 26th-Portland Glulam Tour
Portland Street of Dreams

August 27th- Technical tours in Alaska

August 29th-Idaho Distribution/Production/ State agencies

In this issue

Dalian Trade show	1
US China Build	2
WoodMac	3
Upcoming Events	4
SEC membership	4

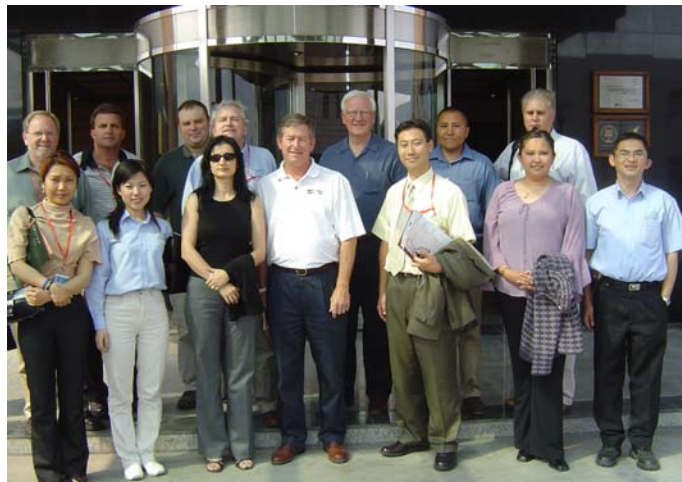
Dalian Furniture and Woodwork 2005

By Hande Ozer-Buyuksahin

On May 27- 31, 2005 SEC and member associations, WWPA, PLEA, OECDD and WMMPA, attended Dalian Furniture and Woodwork trade show in China. The trade show celebrated its 10th year anniversary with more than 70 different countries and hundreds of visitors from all around the world.

various industries had a chance to talk with US manufacturers. There were more than 480 visitors at booth during the exhibition period, and comprised mainly of furniture manufacturers, furniture designers, construction materials distributors, and local lumber decoration materials suppliers.

This successful trade mission included local manufacturer visits including, one of the leading flooring and furniture manufacturers in China. SEC organized informational seminars for Chinese manufacturers to introduce American Softwoods and grading systems.



SEC/AF/PA and U.S. company representatives visiting Dalian Hua-De Wood Products Product Co., Ltd.

The visitors of the trade show were mainly Chinese furniture and interior fitting manufacturers and interior designers.

With a population of 5.2 million , Dalian, is in the northeastern China region, home to many popular Chinese softwood species such as Chinese larch, red pine and white pine.

The American Softwoods booth was one of the most crowded booths in the convention. The visitors from

The five day trade mission provided opportunities for US companies to see the local market, meet manufacturers from all around China and Southeast Asia, and enjoy traditional Chinese food and historical sights.

During the mission, the member companies had an opportunity to establish connections with Dalian Furniture Association . The Chinese association provides suppliers and buyers from the Dalian area.

(Continued on page 3)

Programs

Special China Issue 2005

US-China Build program leads mission to China

By Rose Braden

In June 2005, the US-China Build Program (USCB) led its second annual business development mission to Shanghai. The group met with Chinese developers, building materials distributors, representatives from a Chinese building materials testing and certification bureau, members of the local American Forest & Paper Association and Foreign Commercial Service offices, and an American attorney specializing in Chinese business law.

The group also toured single family home developments Chinese wooden door, prefabricated home, and flooring factories.

Representatives from the Foreign Commercial Service, the American Forest & Paper Association, and the Shanghai Housing Industry Association provided an introduction to China and Shanghai's economies and housing markets. As one of China's fastest growing and wealthiest cities, with \$90 billion in annual GDP and a per capita income of \$5,000, housing demand and investment in construction in Shanghai is booming. In 2004, 37% of Shanghai's capi-

tal investment was spent on residential construction, and prices are following suit. In 2004 housing prices in Shanghai increased 16% city-wide and 28% in the downtown area. As a means of stabilizing housing prices, the Chinese government has started

products and they longer to arrive at the job site after being ordered, domestically produced products tend to be used more widely.

A panel of distributors selling US building materials advised companies to work with a distributor with offices in China so that the US companies have representation in the market. The distributors also emphasized the importance of keeping inventory in China to circumvent the long lead time needed to supply developers with unpredictable project schedules. Under the WTO agree-



US-China Mission-Shenshan Golf Villa in China

ment, foreign companies are allowed to store products in China's Free Trade Zones for an unlimited period of time. However, the ability to stock a wide variety of products is a difficult obstacle to overcome.

to require larger down payments, which are intended to discourage speculative short-term investors. Mr. Hu, Deputy Secretary General of the Shanghai Housing Industry Association (SHIA), added that the Chinese government has decided to delay an earlier plan to phase out of "shell", or unfinished homes from 2005 to 2010 in an attempt to keep housing relatively affordable.

In a panel discussion with developers, the delegation discussed the product selection process. All of the developers agreed that price and delivery time are the primary factors that determine which products are selected. Since imported products are typically more expensive than domestically produced

products in China's Free Trade Zones for an unlimited period of time. However, the ability to stock a wide variety of products is a difficult obstacle to overcome.

Niche Markets for US Wood Product

Site visits to Sheshan Golf Villas and Xijiao Gubei International Visits, luxury developments of single family wood and concrete homes, provided a look at the construction quality and types of products used in high-income single family homes. Sheshan is the site of the first glulam bridge in China and also includes treated southern yellow pine walkways and clubhouses featuring heavy timber beams.

(Continued on page 3)

Contact Information

Softwood Export Council
520 S.W. Sixth Avenue #810
Portland, Oregon 97204 USA

Phone: 503-248-0406
Fax: 503-248-0399
Email: Info@softwood.org
Web site: www.softwood.org

Craig Larsen, President
Hande O. Buyuksahin, International
Programs Manager

Programs

Special China Issue 2005

US China Build (Continued from page 2)

Annually, 300 wood frame homes are built in China, four of which are at the Sheshan and Xijiao developments. Acceptance of wood frame homes among consumers is still limited due to concern about longevity and fire susceptibility. While the market for framing lumber in China is not promising due to the limited demand for wood frame houses and competition from Canadian and Russian suppliers, there are opportunities for other products. Chinese developers and designers are becoming more familiar with the benefits of glulams as a result of the seminars and promotion work by APA-The Engineered Wood Association, the American Forest & Paper Association, and the American Softwoods campaign.

During the week of September 19, 2005, the US-China Build Program will conduct its fourth annual Fall Sales Mission and Seminar Series. Chinese audiences of developers, architects, and traders in Shanghai, Chongqing, and Beijing will hear presentations about US building materials and construction technologies.

DALIAN (Continued from page 1)

Another key point that made this trade show significant was that Dalian is an important port for Russian wood import. Dalian has a big market for Russian wood and logs, as well as having an established local market for woods from Northern China. During the visits to the manufacturing facilities, it was found that Russian wood is a large volume of the total wood imported by manufacturers in Dalian.

SEC premiers grading seminar

By Hande Ozer-Buyuksahin

The SEC used the recent AHEC convention in China to launch the Softwood Seminars, its latest education tool. Robert Bernhardt, WWPA, started the series with "Western US Softwood Species and their uses." Don Wallace, AIA, presented "US Softwood use in interior design in the USA" and Rich Geary explained "US Softwood Grading System for non-structural lumber products." There were 350 attendees at the seminar

AHEC held its 10th Greater China and Southeast Asia Convention in early June at the China World Hotel in Beijing. The convention theme was "Design Excellence, Architectural Applications of U.S. Hardwoods." With over 700 attendees, the Convention emphasized the growing consumption of US hardwoods in the Chinese market.

The Convention was supported by the Chinese Ministry of Construction, the Chinese Institute of Interior Designers, the China National Furniture Association,

the Hong Kong Interior Designers Association and the Hong Kong Chapter of the American Institute of Architects as well as many other Chinese and Southeast Asian professional associations.



Butch Bernard, Don Wallace and Rich Geary in Beijing



SEC and member companies visiting Japanese furniture factory in Dalian, China

Events

Special China Issue 2005

SEC MEMBER ORGANIZATIONS

American Institute of Timber Construction

California Redwood Association

Center for International Trade in Forest Products

Evergreen Building Products Association

Idaho Department of Commerce and Labor

Ketchikan Wood Technology Center

North American Wholesale Lumber Association

OSU Department of Wood Science and Engineering

Oregon Economic & Community Development Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

University of Alaska-Fairbanks Sitka Forest Products Program

University of Minnesota—Duluth

Washington State Office of Community Trade and Economic Development

West Coast Lumber Inspection Bureau

Western Wood Products Association

Western Wood Preservers Institute

Wood Moulding and Millwork Producers Association

Upcoming events —2005

SEC Staff and member organizations will be participating at a number of shows and seminars in the summer and fall of 2005. 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:

The Shanghai International Furniture Supply Trade fair will take place Sep 14-17.

City Expo, a show for exterior products and uses will be in Guangzhou on Sep. 14-20, 2005

US China Build Mission aimed at builders and developers will take place in September 19-22, 2005

Music China will be held in Shanghai on October 19-22, 2005

Mexico:

Expo CHIAC, the home builders

show will be in Mexico City on October 18-22, 2005

Japan:

Japan Home and Building Show will be in Tokyo on Nov 8-11, 2005

Europe:

Branchentag Holz, the German wood industry show will take place from Oct 19-21 in Wiesbaden, Germany.

Maderalia, a trade show for furniture supply will take place from Nov. 9-12 in Valencia, Spain.

Saie Due: the Italian interior design trade show will take place from March 16-20, 2006 in Bologna, Italy

India:

Interbuild India, construction and building trade show will take in New Delhi on Oct 6-8, 2005.

India Wood, wood working industry trade show will be in Bangalore, India on Feb. 16-20, 2006

Upcoming Events 2005

SEC International Staff Reception —Seattle	Aug. 20, 2005
SEC International Staff Reception - Portland	Aug. 25, 2005
China Furniture Supply , - Shanghai, China	Sep, 2005
USChinaBuild mission , - Shanghai, China	Sep, 2005
Expoferretera , - Guadalajara, Mexico	Sep, 2005
Expo CIHAC , Mexico City	Oct, 2005
Music China , - Shanghai China	Oct, 2005
Interbuild , New Delhi, India	Oct, 2005
Maderalia — Valencia, Spain	Nov, 2005
Japan Home & Building Show , Tokyo, Japan	Nov, 2005

For direct links to information on these events go to

www.softwood.org/calendar