



FAS reduces budget for 1999/2000

The Foreign Agricultural Service (FAS) has notified forest products cooperators that the Market Access Program (MAP) funding allocation for 1999/2000 will be reduced by 20% from the current year's budget level. The budget reduction is being applied to the entire program and to all agricultural commodities, not just forest products.

To lessen the immediate impact of the budget reductions, US cooperators, including the SEC, have decided to extend the MAP year from June 30 until September 30, 1999. This will shorten the next MAP financial year to just nine months, from October 99 to June 2000.

SEC international activities are currently funded under three FAS programs, the Foreign Market Development program (FMD), the MAP, and the Emerging Markets program. The MAP program

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NAWLA conducts trade mission



Robert Owens (center) and Eddie Pearce (right) promoting US softwood products

A member group from the North American Wholesale Lumber Association participated in a softwood trade mission to Germany in mid May.

The trade mission tour was sandwiched between two major trade shows, Interzum and Ligna, which allowed the group to attend and work each of the events for a few days. In between the

exhibitions, the delegation toured the German countryside, visiting two furniture manufacturers using US species: Rodam and Holtkamp, as well as Ostermann & Scheiwe, a major forest products importer.

SEC-Europe Director Eddie Pearce guided the visits, giving the group additional background information on the European market as the week

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INC joins SEC membership

The Industry Network Corporation of Alaska has joined the SEC as its newest full member.

Founded in 1994 as a non-profit corporation, INC is a Manufacturing Technology Center affiliated with the National Institute of Standards and Technology. INC is the nucleus of an ever-expanding network of resources and experts

from private-sector organizations, educational institutions, and government facilities and agencies. The INC mission is to improve productivity and global competitiveness of manufacturers in Alaska and four other state geographic areas.

INC will conduct joint activities

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Markets

June 1999

Japan targeted for ad campaign

Four SEC members, the PLIB, RIS/CRA, WCLIB and WWPA, will be introducing the new Western Species and Grade guide for softwood lumber into the Japanese market through a summer advertising campaign.

The display ads will feature the cover and brief synopsis of the book's contents and the value it adds to the lumber trade as essential reference material. In addition, each of the four SEC members sponsoring the book will be represented with their logo and grade stamp. A call to action to the American Softwoods Japan Office (ASJO) and a tag line mentioning SEC and the web address will also be included.

The high frequency media schedule will target lumber importers, distributors and processors, as well as general contractors, home builders and architects.

Contact Information

Softwood Export Council
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Portland, Oregon

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Email: info@softwood.org
Web site: www.softwood.org

Craig Larsen, President
Dick Krieger, Program Manager

China agrees to market access

In April, the US concluded some of the main elements that will comprise a World Trade Organization accession agreement with China. Of interest to US wood products manufacturers is a market access agreement detailing tariff commitments China will make upon joining the WTO. For wood products, China has agreed to :

- *Reduce most tariffs to the 5% to 7.5% range, with some as low as 1%-2%. Current wood tariffs run as high as 21%.*
- *Participate in the APEC initiative for the complete elimination of wood tariffs*
- *Extend to US suppliers any preferential Chinese tariff treatment, such as the arrangements that may exist with Indonesia.*
- *Permit 100% foreign ownership of distribution networks and full trading rights within three years.*

Staging varies on wood products tariff cuts with some completed earlier than the 2004 deadline. China's commitment on the tariff elimination initiative represents a major step forward. It steps up the pressure on Europe, but especially on Japan to join as well.

For complete information on the China agreement, contact Kris Marceca of the Wood Products International Group at AFPA or the SEC office.

INC joins SEC

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with the State of Alaska, Department of Commerce and Economic Development. Those activities may include an Alaska forest products source manual , a buyers trade mission, foreign language product information literature, trade shows and other joint SEC member activities.

NAWLA Tour



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progressed. He also served as the tour interpreter.

At the conclusion of the mission, the delegation reported a number of new contacts had been made and significant new market information had been collected. Participants agreed the time and resources required to support the trade mission were well utilized and recommended further marketing tours in the future.

The wholesaler group included of Robert Owens of Owens Forest Products and chairman of the NAWLA Magellan Club for International Trade; Dave Zappone with Timber Trading Group from New England, and Nicholas Kent, NAWLA president.

Programs

June 1999



SEC active at German trade shows

Two major wood products trade shows in Germany attracted the participation of several SEC member organizations.

Interzum was held May 7-11 in Cologne, Germany, attracting more than 120,000 visitors. It takes place every two years and features products for the furniture industry. Ligna occurred May 10-15 in Hannover, Germany, and focused on wood machinery, drawing more than 150,000 attendees.

SEC members joined European Representative Eddie Pearce in manning the American Softwoods booths at each exposition. Staff received requests for information on Ponderosa pine, Hem-Fir and Douglas fir for softwood products as well as inquiries for Western Red cedar for furniture, interior paneling, cigar boxes and various other home features.

European window manufacturers were seeking information on Cedar

and Douglas fir, with full length solid pieces being preferred.

Delegations from Canada, Austria, Russia, Sweden, Denmark and Finland organized forest product supplier pavilions to promote their wood products. Their presence reinforced the need for SEC representation at the show.

Scandinavian redwood (pine) and whitewood (spruce) suppliers exhibited several new high-strength wood panel products with three or more layers. The panels featured appearance grades on the thicker outside veneers to allow shallow carvings while keeping the solid wood look.

The American Softwoods booth had high visitor counts at both shows, with many visitors from outside Germany. More than one-third came from other European countries, and from the Middle East and Asia. The shows served as a

good opportunity to promote US products to all markets.

Attendees at Ligna were eager to get the new SEC CD-ROM Buyers Guide for use on a personal computer. The disk contained contact data and direct internet links for most SEC organizations, as well as information on the SEC. The CD-ROM disk can be upgraded to include other languages and digital copies of member's technical literature

In addition to regular trade show marketing activities, Cintrafor delegates conducted market research relating to US softwood competitiveness vs. European manufactured products.

The SEC delegation attending the events were Jim Talley of Blasen & Blasen, for the Northwest Wood Products Association and the State of Oregon; Butch Bernhardt of Western Wood Products Association; Rose Braden and Josef Kolar of the Center for International Trade in Forest Products; and Dick Krieger of the SEC staff.

FAS reductions

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program allocation.

While this reduction will not impact will affect the amount of FAS fund- for the next fiscal year. Final FAS allocations will be announced in allocations for its membership later this summer.

Activities

June 1999

MEMBERSHIP ORGANIZATIONS

Alaska Department of Commerce

American Institute of Timber
Construction

California Redwood Association

Center for International Trade in
Forest Products

Evergreen Building Products
Association

Idaho Department of Commerce

Industry Network Corporation

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
Producers Association

SEC schedules active September

September looks to be a busy month for SEC member organizations and their member companies.

Now is the time to begin planning participation and block out dates for those upcoming trips, trade shows, seminars, and meetings.

The Japan Home show is early this year, starting on September 28.

Korea is holding two housing fairs in September and the SEC Korean Opportunities tour will be tied into one of the events.

On the US side, the CINTRAFOR conference on Pacific Rim Housing Opportunities is scheduled for September 15-16, followed by the SEC Annual Meeting on the 17th, all in Seattle.


Upcoming Events


Sapporo Trade Fair - June 17-20, 1999

China Build - Beijing - June 25-28, 1999


 Japanese Builders Seminars & Tour - Seattle, June 21-23, 1999

 Korean Carpenters School - July 10-17 1999


 SEC - Korea Opportunities Tour - September, 1999

 Australian AQIS Technical Mission - August 1999

 Pacific Rim Housing Conference-Seattle, Sept. 15-16, 1999

 SEC Annual Meeting - Seattle, September 17, 1999

 Philippines Treated Softwood Seminars - September, 1999

 Alaska Softwood Products Tour - September 1999

Country Style Living Fair - Seoul - September 1999

KY Housing Fair - Pusan - September 1999

Japan Home Show - Tokyo - September 28 - October 1, 1999

WoodMac/Furnitek China - Shanghai - October 12-15, 1999

Batimat - Paris - November 1999

China Building 99 - Beijing - December 1-4, 1999

Call Dick Krieger for more detailed information

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