



Japan activities

By Butch Bernhardt

Wood markets in Japan will see more challenges next year, according to attendees to the annual U.S.-Japan Industry meetings, which included SEC member company representatives. In addition to the meeting, SEC sponsored an exhibit at the Japan Home Show.

In late October, the delegation representing the American industry met with U.S. Ambassador Howard Baker, Embassy officials, a number of Japanese government ministries and the Japan Lumber Importers Association.

Outlook for the Japanese economy for this year and next was pessimistic. Unemployment in Japan recently hit a post-war high of 5.3 percent, with some analysts expecting the jobless rate to rise to 6 percent by next year. Housing in Japan, once totally more than 2 million units annually, could dip below 1 million units in 2002.

The slower economy and strong U.S. dollar have hampered American

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China wood housing promoted

SEC Members and companies were a major presence in the US group of participants at the just completed at the Building Shanghai 2001 Exhibition. Member companies and staff from PLIB, PLEA, WMMPA, EBPA, OECD, OTED, CINTRAFOR, and SEC all participated in the American Wood Products pavilion provided by the AF&PA under an emerging markets funding grant. In all, wood products companies and organizations took up 10 of the 22 USA/NAHB pavilion.

The 4 day show ran from November 6th through the 9th and was the background for the "NAHB World Focus on Housing: China" conference, held on the 7th and 8th of November. US wood products exhibitors each had a time frame on the agenda during the second day of the conference to discuss their company and the

products that they represented. Booth traffic and interest in wood frame construction was strong. Participants and industry observers were also briefed by the US Consulate Foreign Commercial Service staff about housing activities in Shanghai. USDA FAS china staff also supported the wood based housing activities.

In addition to the trade show and housing conference, the NAHB program with assistance from AFPA staff in China, also provided a tour of Brilliant City, a large reconstruction project in the old district of Shanghai, a tour of a wood frame housing project, Beverly Oasis Garden, and a tour of Yishanlu building materials street, where more than 6,000 vendors, big and small, selling a wide range of building materials.

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Jessie Shi, from the AFPA Beijing office busy distributing SEC literature at the US Wood Products Information Booth at Building Shanghai 2001.

Markets

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JAPAN

wood exports to Japan. Other suppliers, notably Europe and Russia, have managed to increase volumes into Japan and grow market share. Europe, for example, now supplies 25 percent of Japan's imported lumber, compared to 2.5 percent in 1993.

Adoption of the Housing Quality Assurance Law (HQAL), requiring Japanese builders to warranty homes for 10 years, has increased demand for both kiln-dried lumber and laminated products at the expense of unseasoned lumber traditionally sold by U.S. and Canadian mills.

Earlier this year, the Japanese government considered safeguards against imported wood, which would raise tariffs on lumber and increase housing construction costs. While the safeguard issue is still on the table, Japanese representatives told the delegation the action likely would not proceed.

Dutch timber industry meets

The annual meeting of the Dutch timber trade, Hout Dag (Wood Day), is organized by Centrum Hout, the Dutch timber promotion organization. SEC, through the American Softwoods London Office participated in meeting with an information booth staffed by Director Eddie Pearce.

468 meeting delegates attended Hout Dag, and a high level of interest was shown in the information which was available from the American Softwoods booth. There were many enquiries coming from architects and designers, particularly for Douglas-fir and Western Hemlock lumber for use in windows.

Following a down turn in the demand for Douglas-fir in 2000, there has been a significant increase in demand during the first 9 months of 2001 when compared with the same period last year. Reasons for the increase in Douglas-fir imports to the Netherlands include:

- Douglas-fir is a preferred species in the Netherlands for windows
- The softening of the US dollar to the Euro has encouraged Dutch imports to look at Douglas-fir more favorably.
- The general level of the building and construction Industry in the Netherlands is on the rebound.

China housing news

New Town

Shanghai has started to build a garden-like town for 500,000 residents to live and work. Officials say the town will be free of problems facing big cities such as "a lack of parking lots". Total overseas investment in 2001 in the district around the new town was US\$710 million, ranking first in the country.

21st Century Housing

An international housing expert recently pointed out that housing construction is a major driver of China's economy, and should be based on 4 principles, namely affordability, livability, sustainability, and adaptability. He said that China's housing construction professionals should not copy western styles, but develop plans to fit with Chinese people's cultural background and customs.

Wood Frame Promotion

The Shanghai government and British Columbia have committed to develop the local wood construction market. BC officials believe that China, with its fast growing economy has enormous potential for wood frame development. They believe that a large number of Chinese builders want to build wood frame housing but are held back by a lack of technical guidance and practical know-how.

Housing Laws Change

Beijing and Shanghai have begun testing a new law which requires builders to offer renovated housing units to customers, in stead of the current "shell" housing. A renovated unit would include electrical wiring, plumbing, cabinets, doors, and other extras which would be considered part of the basic housing unit in the US.

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Programs

November / December 2001

OECD at Taipei trade show

The Taipei International Building Materials and Furniture Trade show for 2001 is the largest such trade show of its kind, held in Taiwan. It offers companies and participating organizations the opportunity to market their products and services to a broad range of Taiwan's building industries. The show highlighted building materials, green buildings, furniture, and housing interior products.

The State of Oregon featured a trade booth with examples of primary and secondary softwood products as well as examples of finished products using environmentally certified softwood products.

Sunun Setboonsarng, International Trade Manager for the state of Oregon, Stanley Tsang, and Jessie Lin, Director and Assistant

Director of the State of Oregon Trade and Information Center (OTIC), were on hand to answer visitors questions and take down trade leads from the booth visitors. Allan Czinger, Programs Manager for the Softwood Export Council (SEC) also helped out.

Also at the trade show was a large exhibit featuring examples of wood frame construction, a glulam bridge, and wood used in interior applications. This exhibit was jointly sponsored by several private Taiwanese companies in the wood importing and building industries in Taiwan, as well as the State of Idaho, APA, AITC, WWPA, SEC, Quality Beam Corp, and Western Wood Structures. This exhibition drew a good amount of booth traffic, ranging from importers, designers, and architects, to perspective home buyers seeing wood frame construction for the first time.

(Shanghai—continued from page 1)

The NAHB: "World Focus on Housing: China" international conference was held on November 7th and 8th in Shanghai, China. The conference was co-sponsored by AF&PA and supported by SEC member organizations and companies through their participation.

The conference topics included the challenges and possibilities of the Housing industry in China, the US-China housing initiative and housing development in Shanghai. The main conference session for the Chinese audience was a focus on US style wood frame construction, it's application, and it's efficiency and cost effectiveness. Quality assurance for wood frame and interior design

trends were also topics for the Chinese program. The US audience session was a discussion of the current and future Chinese housing market, and how to do business with China.

The second day featured presentations on building with components, energy efficiency, and multifamily design and construction. The day finished up with short company presentations, of their products, for the Chinese audience. More than 300 Chinese builders, designers, and developers were in attendance for the conference, as well as 75 builders, suppliers, and technical experts from North America.

EBPA China series

The Evergreen Building Products Association (EBPA) and the Washington State Office of Trade and Economic Development (OTED) are pleased to announce a new five part seminar series entitled "Unlocking the Door to the Land of the Dragon : Doing Business in China".

This seminar series will provide essential information on market entry, distribution, finance and legal issues that are key to successful business in China. The seminar topics will be on a broad range of issues including China market entry strategies, China business and legal practices, distributing products in China, and payment risk issues.

For more information on these seminars contact EBPA by phone at (253) 396-0131.

Yami's party

After 30+ years of service to the US softwoods industry in Japan, Ikuo "Yami" Yamaguchi will be formally retiring from his position as Director for the American Softwoods Office in Japan. A farewell dinner party will be held at the Lows Coronado Bay resort in San Diego, California, on Saturday, March 9th, 2002, just prior to the WWPA annual meeting.

Special room rates are available through the WWPA meeting room block and dinner registration materials are available from the SEC website and the SEC Portland office.

For those who would like to participate in the Yami Tribute program, contact Allan Czinger at the SEC.

Events

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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 and Community Development Department

OSU Forest Products Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

Washington State Office of Trade and Economic Development

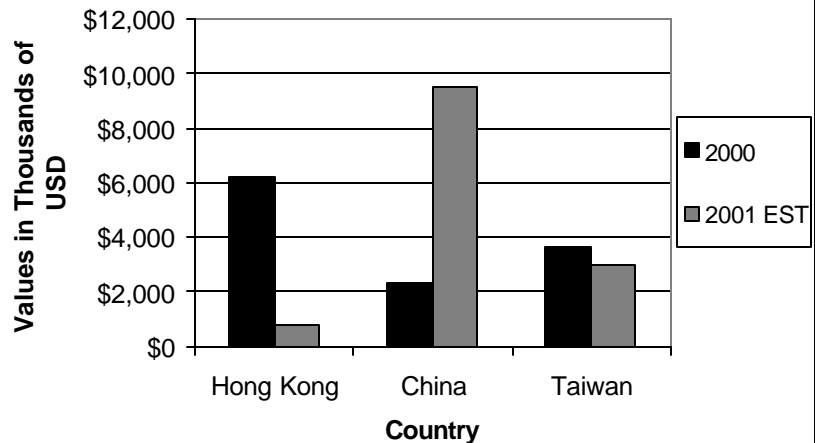
West Coast Lumber Inspection Bureau

Western Wood Preservers Institute

Western Wood Products Association

Wood Moulding and Millwork Producers

US Softwood Lumber Exports to Hong Kong, China and Taiwan (FAS Data)



Upcoming Events

EBPA Annual Meeting, Seattle, WA; November 27, 2001

SEC UES Planning Meeting, Portland, OR; December 11, 2001

KY Housing Fair, Trade show, Seoul, Korea; February 2002

Yamaguchi Retirement Party, San Diego, CA; March 9, 2002

HOMDEX, Trade show, single family homes, Seoul, Korea; March, 2002

Fensterbau, Trade show, windows, Nuremberg, Germany; March 2002

SAIE Due, Trade show, housing interiors, Bologna, Italy; March, 2002

China Wood, Trade show, general wood, Beijing, China; April, 2002

Construmat, Trade show, construction, Barcelona, Spain; April 2002

Carrefour Du Bois, Trade show, wood import, Nantes, France; May 2002

Total Construction and Materials Fair, Osaka, Japan; May 2002

Provimueble, Trade show, furniture, Monterrey, Mexico; May 2002

Gardeners World Live, Trade show, Birmingham, U.K. June 2002

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

Seasons Greetings
From the SEC staff



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