



## WTO ruling

A preliminary ruling against the United State by a World Trade Organization panel could result in \$4 billion of retaliatory duties on US exports to Europe. Wood products would likely be included among the retaliation targets.

The trade case brought by the European Union involves tax provisions that helped limit taxes paid by US companies on export earnings. This tax provisions replace the Foreign Sales Corporation program which was ruled as illegal by the WTO. The US is expected to appeal the final decision, but analysts believe that it will not be overturned.

FSC's were used by forest products companies of every size. The tax exclusion was created to put US business on equal footing with European and other competitors with territorial tax systems. Such systems don't require companies to pay taxes on their foreign source income. For more information contact Betsy Ward at AF&PA.

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## German trade mission



Interzum participants: Steve Rowland, NWP, Allan Czinger, SEC, Jerry Haney, Whittier Wood Products, Ron Loe, Wood Castle Limited, Frank School, Wood Castle Limited, Eddie Pearce, American Softwoods Europe.

SEC recently led members on a 10-day schedule of trade shows, and trade servicing in Germany. Delegation members were from the Northwest Wood Products Association (NWP) and the Wood Moulding and Millwork Producers Association (WMMPA).

First stop was the INTERZUM trade show in Koln where SEC had a trade stand. INTERZUM is held in mid June and attracts upwards of 100,000 visitors.

The show is held on a bi-annual basis, in the city of Koln, and is one of the most important trade shows for the furniture manufacturing industry in Europe. The show attracts manufactures and suppliers of materials, components and accessories to the industry. The show is truly international in focus, with attendees from EU countries and areas such as the Middle East and Asia.

Among the many participants at INTERZUM were former eastern block countries. These countries include Latvia, Lithuania, Estonia, Russia, Ukraine, and Poland. The majority of these countries were selling primary softwood and hard wood products, such as Red Pine Lumber and Birch Plywood.

Following the attendance at INTERZUM, SEC-Europe Director Eddie Pearce led a visit to a furniture producer in a small town near Münster.

Rodam Moble is a manufacture of high quality, virtually handmade, solid wood furniture. The SEC group had a chance to view a German furniture manufacturing facility in full production.

Next stop was LIGNA, in Hannover, Germany. This show attracts over 165,000 attendees and is focused on

*(Continued on page 2)*

## Markets

June / July 2001

### China tariffs

China will cut import tariffs on wood products to 2-3 percent over the next three years from 15-22 percent currently and will allow foreign companies to deal directly in timber transactions in China, according to the China Timber Import and Export Company.

The changes are being made in an attempt to overcome the expected shortage of domestic timber over the next decade as a result of the increasing use of timber in construction and material making. The variety of fast-growing forests is very limited and the quality of such wood is poor, leaving a void to be filled by imported timber.

China banned the felling of natural forests in 1998 to protect the environment and, although it has encouraged state-owned forestry enterprises to boost tree planting, the shortage of commercial timber is running at between 33-43 million cubic meters. Annual demand for timber is about 100 million cubic meters.

(AFX-Asia via COMTEX)

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### Sapporo trade show

The Softwood Export Council recently participated in the Sapporo International Trade Fair For the Living Environment. The show focuses on living environments, housing construction technologies, housing facilities, construction materials, and other areas. This year's show saw strong participation from the U.S. wood products cooperators in Japan.

SEC representatives participated in the Wood Solutions Design Fair held at this year's show. This series of seminars and exhibits is a joint effort among the US softwood cooperators. The series provides presentations, publications and interaction with Japanese builders to help them design with, and use U.S. wood products, for both traditional post and beam and 2x4 construction.

*(Germany—continued from page 1)*  
the European wood utilization machinery. The sheer size and full representation of the European forest products industry makes this show important for the US industry to gather up to date market and competitor information.

The presence of the American Softwood industry at INTERZUM proved to be very successful as confirmed by the high level of interest shown by the visitors to the stand, and requests for additional information and useable trade leads.

The industry tour provided indicators for the opportunities that exist for the U.S. lumber industry, and particularly for the secondary manufacturing sector who have the facilities for producing components of the type and quality required by the German industry.

### Taiwan workshop

A technical workshop promoting U.S. Multistory Wood Frame and Heavy Timber Construction to the Taiwanese market was held late May, in Taipei, Taiwan and was attended by over 200 designers, architects, builders, and governmental officials key to the Taiwanese construction industry. The event was jointly sponsored by the SEC, APA-TEW, WWPA, the State of Idaho Trade Asia Trade Office and the U.S. ATO in Taiwan. The SEC and the WWPA were represented by Dr. Kevin Cheung, WWPA Director of Technical Services.

There is currently great interest in Taiwan both from the government and private industry to build with wood structures. The workshop is a joint effort by the U.S. industry to supply the Taiwanese market with information on proper design and utilization of U.S. wood building materials.

During the workshop Dr. Cheung had the opportunity to conduct a presentation on U.S. Multistory Wood Frame Construction. Also featured were presentations from representatives of the APA TEW, and U.S. private industry. Following the presentations Dr. Cheung manned a booth for the WWPA, handing out both WWPA and SEC literature.

After the workshop the participants were asked to fill out a questionnaire. The participants indicated that they were extremely satisfied with the workshop and would find great benefit in participation in future workshops. Also indicated was a need for more information on the resistance of wood structures to fire, insect attack, and earthquake / land slide damage.

# Programs

June / July 2001

## Mexican activities

*By Butch Bernhardt*

Members of the WWPA and the SEC/SPC representative Ramon Echenique attended the three-day PROVIMEUBLE show which featured companies supplying to the furniture manufacturing industry, such as power tools, upholstery, plastics and wood. A total of 65 companies exhibited at the show.

The wood products on display included "triplay" or plywood faced with domestic pine, imported softwoods and hardwoods, veneer overlays, particleboard, OSB and solid sawn products in both domestic and imported species. Chilean pine and Brazilian pine were the most common species seen in addition to American pines from the U.S. West and South.

A total of 54 companies stopped by the SPC/SEC booth during the show and received a packet of literature on American lumber products. Pine was the most common species used by these companies.

The furniture industry is a key user of American lumber products, particularly Western pines. Ponderosa Pine exports to Mexico increased 56 percent in 2000, despite a modest decline in American lumber exports to the country.

In solid-sawn lumber, the chief competition appears to be from Chile and Brazil. Lumber from other major producing countries, including Canada and Europe, are virtually absent in the market.

*By Butch Bernhardt*

The Mexico offices of the Southern Pine Council / SEC and APA-The Engineered Wood Assn. sponsored a free four-hour seminar on the basics of wood construction and selection of American lumber and panel products. The seminar was held in Piedras Negras, a border town near Eagle Pass, Texas, and drew 53 attendees.

A second builder seminar held in Monterrey in conjunction with the Provimeuble show drew an overflow audience of 63 people. Similar to the Piedras Negras session, the Monterrey seminar drew fewer builders but more designers and distributors interested in wood-frame construction.

Solid attendance at the two seminars indicate a growing interest in wood-frame construction, particularly along the U.S./Mexico border where business for maquiladoras and transplanted American factories is expanding. Efforts to expand wood-frame construction within the interior of Mexico is proving more difficult, since access to lumber and panels is more limited.

## WMMPA meeting

The Wood Moulding and Millwork Producers Association Semi-Annual Meeting is scheduled for August 22-25, 2001 in Quebec City, Quebec.

The four-day meeting will focus on the international wood moulding and millwork markets. Eddie Pearce, from the SEC London office, will be discussing the European market and the opportunities millwork manufacturers could find there. For more information go to [www.wmmpa.com](http://www.wmmpa.com)

## New publications

The SEC is rolling out two new publications to provide western softwood species education around the world. The new *Douglas fir species guide*, and the new *Western Hem-fir species guide* are produced under the direction of SEC's member grading agencies, the PLIB, RIS, WCLIB, and the WWPA.

The publications provide information regarding production, grading, special international services, and specialty products. There are also various sections on uses for structural, appearance, industrial, and remanufacturing applications, and pictures of many of the actual US grades.

The publication debuted in four languages, Commonwealth English, Japanese, Simplified Chinese, and Korean. Other languages may be added in the future. For a copy of any or all the new publications, contact one of the SEC members listed

## Traders Market

The North American Wholesale Lumber Association will be holding its annual Traders Market October 11-13 2001, in Dallas, Texas. The event brings more than 2,000 wholesalers, manufacturers, producers, importers and service providers together in a trade show atmosphere.

In addition to the trade show, there are educational sessions, professional development presentations, and general industry updates. Details on attendance, registration and general information is available from the NAWLA website, [www.lumber.org](http://www.lumber.org)

# Events

June / July 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 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 Association

## CINTRAFOR conferences

The Center for International Trade in Forest Products at the University of Washington is holding its 18th annual International Forest Products Markets in conjunction with the 3rd annual Asian Housing Export Markets conference on September 24-26, 2001 at the Sea-Tac Marriott in Seattle, Washington.

The International Forest Products Markets conference will include market outlooks for timber, logs, chips, and other forest products, as well as a number of special topics.

The Asian Housing Export Markets conference will include overviews of leading destinations for wood frame housing and building materials, advice about doing business in these markets, information about picking joint venture partners, and successful export strategies of leading suppliers.

Information, conference agendas, registration information, and a registration form is available on the internet through a link from the SEC home page [www.softwood.org](http://www.softwood.org)

## Upcoming Events

**EBPA Gateway Program**, Seattle, WA, Portland, OR; July 15-17, 2001  
**HOUMATEX**, Trade Show, Kobe, Japan; September 6-8, 2001  
**CINTRAFOR**, Annual Conference, Seattle, WA; September 24-26, 2001  
**Taipei Construction Show**, Taipei, Taiwan; October 2001  
**NAWLA Traders Market**, Dallas, TX; October 11-13, 2001  
**E.U. Softwood Conference**, Berlin, Germany; October 11-12, 2001  
**U.S. Forest Products Mission to Japan**, October 17-19, 2001  
**Japan Home Show**, Trade Show, Tokyo, Japan; Oct 30 - Nov 3, 2001  
**Maderalia**, Trade Show, Valencia, Spain; November 6-10, 2001  
**Tokyo Landscaping and Gardening Fair**, Japan; Nov 30 - Dec 2, 2001  
**China Housing Conference**, Shanghai, China; November 7-8, 2001

For links to information on these events please check [www.softwood.org](http://www.softwood.org)

**Kayo Komatsu** trusted assistant to Yami Yamiguchi in the SEC Tokyo Office officially retired on July 1, 2001.

Kayo spent more than 16 years with SEC and its predecessor organizations. We wish her well as she spends time with her grandchildren and returns to school to study biology.

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