

December 1998

### SEC members develop new publications

SEC member associations are taking advantage of FAS allocations to develop informational literature about their members products.

Grading association members Pacific Lumber Inspection Bureau, West Coast Lumber Inspection Bureau and Western Wood Products Association have combined to begin the development of a new *Western Lumber Species Guide* featuring color photos of most species and grades of Western softwood species.

The guide will be translated into Japanese, Korean, and Chinese initially and used to help potential foreign buyers specify their needs. Similar guides in the past have been extremely popular with international buyers and have often become part of their company training manual.

SEC Member Wood Moulding and Millwork Producers Association is developing translations of three informative pieces of literature. Titles such as "Wood Moulding Ideas for the Home Builder and Remodeler" and "Finishing Wood

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**In This Issue...**

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### SEC begins 1999 UES development

The Unified Export Strategy, or UES for short, is the document developed by the US Forest Products industry cooperators every year to refine international marketing strategy, present marketing plans and to request support funding for the USDA foreign market development programs. The UES is a consolidation of required documents that were used to request funding from a number of USDA marketing and sales support programs.

The UES, as presented by the US Forest Products Industry, includes marketing strategy, activity planning and resultant targets for the Foreign Market Development program (FMD) and the Market Access Program (MAP). Requests for assistance under the Emerging Markets Program (EMP), the Cochran Fellowship training program, and financial marketing assistance under the GSM-

102, GSM-103, Supplier Credit, and PL-480 commodities funding programs are also covered in the UES. All industry program and activity funding is based on the UES submittal.

The US Forest Products Industry UES is developed using both Market Assessment and Export Strategy worksheets for each country or marketing region where US wood products are being used, or where future markets may be developed. The US co-cooperators (AFPA, AHEC, APA-TEWA, SEC, and SPC) will develop a market assessment and promotional strategy for the products they represent and promote. AFPA will coordinate and develop the cross-industry strategies for international standards, building codes, and trade and tariff matters.

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### U.S. forest products China office opens

SEC members now have even more extensive foreign representation. SEC, in cooperation with other forest industry trade groups, opened a new office in Beijing, China. The office began operations in mid-November and will be working to help promote U.S. forest products, monitor trade and standards issues, and facilitate the U.S.-Sino Housing Federation with the logistical support to build three U.S.-style demonstration projects in China.

The office is managed by Grace Zheng and Raymond Ma. Ms. Zheng was a Deputy Manager at the China Timber Import & Export Corporation. Mr. Ma has a Ph.D. in Marketing and was Director of International Relations at APCO TRADEC, a public relations and communications firm. While there, Mr. Ma directed and organized numerous Chinese trade delegations to the U.S. and reverse missions to China.

(Continued on page 2)

## Market Review

### Around the globe...

- ☞ Access information about SEC members and services at: [www.softwood.com](http://www.softwood.com)
- ☞ SEC member CINTRAFOR has released the executive summary of a new report: *An Assessment of the South Korean Market for Non-structural wood products*. The full report will be available in early 1999.
- ☞ An SEC media tour this summer has resulted in articles featuring SEC Association members companies as well as SEC Supporting Member Setzer Forest Products. Articles are in Dutch, French, and Italian magazines.



Happy Holidays from the  
Softwood Export Council

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### European market briefs

*issued by the UK Office*

#### Europe

- 1998 European softwood consumption is expected to be about 79.2 million m<sup>3</sup>. Consumption is expected to slightly rise in 1999.
- Decreased export demand has decreased sawn softwood stock value by 20%.

#### Germany

- German furniture sales have increased 5.7% from 1997.

#### Japan

- European softwood exports to Japan dropped 51% during the first half of 1998 compared to the same period in 1997.

### Korean wood products market

*issued by the Korean Office*

Korea's 1998 Gross Domestic Production (GDP) is expected to be -7% growth, the worst performance over the last 30 years.

Economists predict that Korea will post a \$25 billion trade surplus for 1998. However, reduced demand for Korean exports in other Asian countries will lead to a trade deficit in 1999.

Housing starts through August 1998 are at 166,142 units, down 48.5% from that period in 1997.

Wood frame construction is expected to increase as the per

capita GNP makes its way back to the \$10,000 mark. Until then, the demand for WFC housing lies primarily in the Korean suburbs, especially on land which is jointly owned by the employers of private and public companies.

The Ministry of Construction and Transportation announced that sale prices for apartments over the standard national size (about 925 ft<sup>2</sup>), built in the Seoul metropolitan area, will be deregulated as of October 1, 1998. Similar price controls for all other areas in Korea were lifted in 1997.

*(China - Continued from page 1)*

The office serves SEC members by providing information on activities, importers, and logistics for export to China.

The office may be contacted at the following numbers:

U.S. Forest Products China Office  
Office C615, Beijing Lufthansa  
Center Offices  
50 Liangmaquiao Road  
Beijing 1000016 PRC

Phone: 011-86-10-6463-8046  
Fax: 011-86-10-6463-8047  
E-mail: [bjafpa@public2.east.cn.net](mailto:bjafpa@public2.east.cn.net)

# Programs

*(UES - Continued from page 1)*

The marketing strategies for each country are also broken into market segments. Current market segments include Structural, Interiors, Exteriors, and Materials Handling for softwood lumber products. These market segments are further refined in certain markets such as Japan. The Japanese Structural segment breaks down into a traditional post and beam segment, a 2x4 segment, and a packaged housing segment, each with its own set of constraints, performance measures, goals, and activities which address those opportunities. The Interiors market segment can also be broken into furniture components and millwork components in certain markets.

With the requirements of the UES in mind, the SEC marketing staff will begin shortly to shape a new, expanded, softwood products export strategy for its membership. Market selection, products for promotion and activity requests will be necessary from all participants to develop a UES plan that addresses and balances the market opportunities of each country with the product and promotional direction of the diversified SEC membership.

SEC marketing staff have begin working with individual members and their international marketing committees. Marketing data will be gathered to help support specific market assessments and promotional strategies. Cross member activities will be explored, and an appraisal of market support literature will be completed. SEC members are encouraged to poll their own members for possible future market opportunities and strategies to regain market share lost in recent years.

The production of the UES for the MAP 99 and FMD 00 fiscal year will begin in February and must be completed and submitted to AFPA for final compilation by mid March. The final US Industry document must be submitted on April 1, 1999. Funding allocations will be announced in June 1999, and activities under the MAP may commence in July 1999. Activities under the FMD 00 Program begin in October 1999.

*(Publications - Continued from page 1)*

Mouldings” will be translated and printed into Commonwealth English, Japanese, and Spanish to help overseas customers understand and use WMMPA products.

Development, translation, and printing of informational literature has proven to be an effective means of getting U.S. forest product information into the hands of foreign buyers. For more information on SEC publications, contact Dick Krieger at 503-248-0406.

UES Time Line:

- December – February 1999  
Develop SEC member input
- February – March 1999  
Produce softwood UES
- April 1999  
Submit UES to FAS
- June 1999  
Allocations announced
- July 1999- June 2000  
MAP programs
- October 1999 – September 2000  
FMD Programs

**Market reports available from SEC**

*Free to SEC Members, \$5.00/report to all others*

- American Softwoods London – October EU Market Update
- AFPA Tokyo – September Japan Report
- AFPA Seoul – August Korea Report
- SEC Australia - July-September Market Report
- China Forest Products - Logging Ban Update
- 1998 FAS GAIN Report – Annual Forest Products/Mexico
- 1998 FAS GAIN Report – Annual Forest Products/Chile
- 1998 FAS GAIN Report – Annual Forest Products/Australia

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

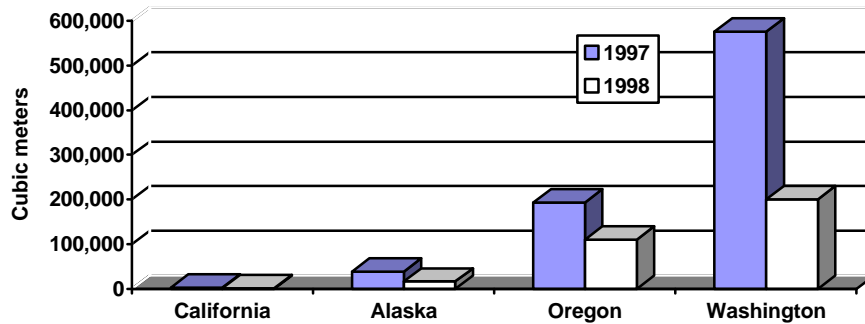
Phone number: \_\_\_\_\_

Amount included ( if required) \$ \_\_\_\_\_

REPRESENTING

- American Institute of Timber Construction
- California Redwood Association
- Center for International Trade in Forest Products
- Evergreen Partnership
- North American Wholesale Lumber Association
- Oregon Economic Development 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

US softwood exports to Japan by state



Total US softwood lumber export volumes to Japan are down 44.1% through September 1998. The largest percentage drop was from Washington State where shipments decreased 65% from the previous year. (JLIA Data)

Upcoming Activities...

- SEC Planning Committee  
December/January
- Building Products International Showcase - Seattle  
Evergreen Partnership  
Jan. 12-13, 1999
- Bouwbeurs - Holland  
Feb. 8-13, 1999
- Kyoung Yong Housing Fair -Seoul  
Feb. 18-22, 1999
- Japan Housing Conference  
Feb. 26, 1999
- SAIE DUE - Bologna  
March 17-21, 1999
- West Japan Total Living Show  
March 18-21 1999
- ProMeuble - Mexico  
April 8-10, 1999
- Construmat - Barcelona  
April 12-17, 1999
- Good Living Show - Tokyo  
April 21- 24 1999
- Interzum - Köln, Germany  
May 5-10 1999
- Ligna/Interholz - Hannover, Germany  
May 10-15, 1999