

January / February 1999

US-Asia housing conference slated for fall 99

The Second International Conference on "Exploring Change in the New Asia: Opportunities for US Housing and Building Material Exports" will take place in Seattle on September 15-16, 1999 at the Bell Harbor International Conference Center.

The conference will focus on housing outlooks for the Japanese, Korean, and Chinese markets, and how they provide opportunities for U.S. building material suppliers. Speakers will be selected from various countries around the Pacific Rim. U.S. Ambassador to Japan, Tom Foley is also invited to speak.

The event is organized by SEC-members CINTRAFOR and Evergreen Building Products Association, the American Forest and Paper Association, and others. For information, contact CINTRAFOR: at 206-543-0867 or e-mail: forestce@u.washington.edu website: www.cintrafor.org

SEC welcomes new members

Three new organizational members have joined the Softwood Export Council. The Alaska Department of Commerce, Idaho Department of Commerce, and Oregon State University Forest Products Department have each decided to include SEC as part of their international activities.

Each organization brings a unique geographical focus to western softwoods and broadens the SEC membership base.

The State of Alaska intends to use SEC funds to maintain recognition in Japan and other Asian markets for Yellow Cedar, western Hemlock, and Sitka Spruce.

The Idaho Department of Commerce will continue representing Idaho softwood products in foreign

markets, giving special attention to China this year.

The OSU Forest Products Department will broaden SEC's softwood focus in the promotion of treated material in Southeast Asia, and market research on certification issues in Europe and other markets.

Two other companies have joined the SEC under the Supporting Membership program.

Setzer Forest Products is a specialty moulding and millwork producer in Sacramento, California with interests in Korea .

The National Bank of Alaska, is the regions leading commercial bank supporting the Alaskan forest products industry.

Oregon to attend Asian trade shows

The Oregon Economic Development Department (OEDD) is offering opportunities to Oregon forest product companies to receive exposure in two international markets.

OEDD will be exhibiting at the West Japan Total Living Show in Kitakyushu, Japan on March 18-21, and at the Kyung Hyang Housing Fair in Seoul, Korea on March 2-7.

At each show, Oregon companies may participate by having their

company literature displayed at the booth. Participants will also be able to have small samples of their products in the exhibit. OEDD members will answer questions about company products and forward a list of trade leads after the show.

Participation costs \$150 per show and is available by contacting: Mr. Junichi Shibatani
OEDD Phone: 503-229-5625
E-mail: junichi.shibatani@state.or.us

In This Issue...

e e i e s e
T e e s i e
i e u i i n s e
h s i n e e
e i i n h e s u e
e n e n s e
s e e

Market Review

Around the globe...

- ☞ China lowered 1999 import tariffs on rough-sawn wood from 2% to 0% and on sawn wood more than 6mm thick from 3% to 0%.
- ☞ The third U.S.-Japan Housing Conference will be February 26, 1999 in Tokyo. The Conference targets the Japanese audience and is organized by AFPA.
- ☞ On December 17, the U.S. ban on untreated Chinese packing materials went into effect requiring that wood material from the region be certified to combat infestation of the Chinese long-horned beetle.

SEC Newsletter and Trade Leads by E-mail

Trade leads, the Newsletter and other information is available electronically from SEC. If you would like your address added to the list, submit your name, company, and e-mail address to:

info@softwood.org

Softwood Export Council

520 SW Sixth Avenue #810
 Portland, Oregon 97204
 Phone: 503-248-0406
 Fax: 503-248-0402
 Email: info@softwood.org
 Website: www.softwood.org

Craig Larsen
 President

e-mail: CraigLarsen@Compuserve.com

Dick Krieger
 Program Manager

e-mail: Dickkrieger@Compuserve.com

European market briefs

issued by the UK Office

Germany

U.S. Planed or profiled boards, window blanks, and flooring imports have increased to 1,399 m³ in 1998, a 50% increase from 1997.

Europe

Western European construction volume predicted to grow 2.3% in 1999.

England

Retail giant B&Q claims that they will be close to attaining their goal of stocking 1000 FSC-Certified products by this Christmas.

Scandinavia

Lumber producers expect a price increase in both Scandinavian pine and Spruce logs in upcoming months.

Korean wood products market

issued by the Korean Office

Korea registered a record high trade surplus in October, 1998 of \$3.6 billion. Consumers have increased their savings rate to above 36%. These and other factors have spurred government economists to forecast Korean GDP to grow at 1-2% in 1999 instead of the previously calculated drop of 2%.

Economic conditions coupled with the devaluation of the Korean Won has slowed imported housing

material. Total housing starts for 1998 are predicted to be 300,000 - about half of that were built in 1997.

US industry representatives report that many builders are still consulting them for technical advice on U.S. style building techniques. Additionally, the Government of Korea has announced that it will develop land for 78,000 new low-rise multi family and single-family homes.

Japan wood products market

issued by the Japan Office

Housing starts in Japan are predicted to end at 1,156,000 by the end of the 1998 fiscal year. This would mark the worst year for housing since 1983. Ministry of Construction officials announced that starts in 1999 should increase, due to several factors including a decision to expand tax breaks for housing loans.

Overall housing in 1998 decreased 15%, but imported housing only decreased 4%, according to the

Ministry of Construction. The office reports that imported housing units numbered over 9,300 in 1998, of which 43.9% originated in the United States.

Japan's Liberal Democratic Party has proposed an economic stimulus program including corporate and individual tax cuts amounting to over 6 trillion yen, as well as the creation of a temporary mortgage interest deduction system.

Programs

New group to promote NZ timber products

The New Zealand Forest Industries Council (NZFIC) announced the formation of "Wood New Zealand", a project establishing a permanent international network on in-market offices promoting New Zealand wood products. The organization is funded by private industry and expects an operating budget of almost \$2.1 million for the year 2000.

NZFIC Chairman Colin McKenzie expressed the need for such a group, saying, "Over the next 10 years, assuming no increase in domestic use which is likely, we'll have 6 to 7 million cubic meters of Radiata pine lumber to place into a very competitive market."

The organization will provide the New Zealand Industry with:

- Credibility in key markets through a permanent presence
- Focused market research and intelligence

- Promotion of the generic New Zealand wood message
- Facilitation of wood processing investment
- Coordinated and effective media strategy
- Leverage from an umbrella brand

It also promises to members:

- Quarterly market reports
- Lead Generation and dissemination
- International marketing capability
- In-market support offices; translation and support material
- Trade show and seminar facilitation
- Product development opportunities
- In-market technical support for customers

Wood New Zealand expects to open its first office in Japan in early 1999, followed closely by centers in the United States, Korea, China, and Southeast Asia.

Evergreen Partnership Changes Name

SEC member Evergreen Partnership has changed its name to the Evergreen Building Products Association. The name was amended to better represent the association's expanding membership, which now includes many building materials manufacturers and distributors.

Evergreen Building Products Association members represent just about every component of building a house. The scope of the Association, which at first was limited to Washington State companies, has grown into a regional organization with 100 members from many areas of the Pacific Northwest.

For more information about the Evergreen Building Products Association, contact Ted LaDoux, President
 Phone: 253-922-6640
 E-mail: evgreen@ep.org
 Web-site: <http://www.ep.org>

Web Reports: You can access Foreign Agricultural Service, Forest Products GAIN reports from the FAS web site: www.fas.usda.gov/ffpd, or hot link through the SEC web site at www.softwood.org.

Market reports available from SEC

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

- American Softwoods London – December Market Update
- AFPA Tokyo – January Market Report
- AFPA Seoul – November/December Market Report
- SEC Australia - July-September Market Report
- AFPA Beijing - November/December Market Report
- Update on U.S. industry program for trade and environment (EU certification) November/December report
- Progress of US-China Housing Initiative

Name _____

Company _____

Address _____

City, State, Zip _____

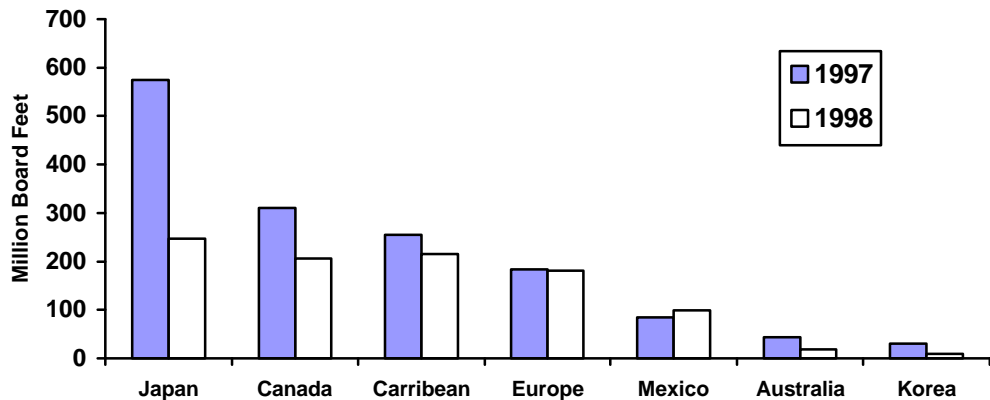
Phone number: _____

Amount included (if required) \$ _____

REPRESENTING

- 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
- 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

US softwood lumber exports, January-October



Despite a decline in several world markets, softwood exports to Mexico increased 17% and shipments to Europe remained nearly unchanged through October 1998.

Upcoming Activities...

- Bouwbeurs - Holland
Feb. 8-13, 1999
- Philippine International Furniture Show - Manila and Cebu
Feb. 24 - March 2
- Japan Housing Conference - Tokyo
Feb. 26, 1999
- SEC Board of Directors Meeting - San Francisco, March 2, 1999
- Kyoung Yong Housing Fair -Seoul
Mar. 2-7, 1999
- SIAEDUE - Bologna
March 17-21, 1999
- Seoul Living Design Fair - Seoul
March 15-20, 1999
- West Japan Total Living Show
March 18-21 1999
- ProMeuble - Mexico
April 8-10
- Construmat - Barcelona
April 12-17
- Good Living Show - Tokyo
April 21- 24 1999
- Interzum - Köln, Germany
May 5-10 1999
- Ligna/Interholz - Hanover, Germany
May 10-15, 1999