



## SEC members active in trade shows

SEC members are traveling the world this spring to gather market information and promote U.S. forest products.

The Oregon Economic Development Department (OEDD) offered companies space to display literature and samples at the Kyung Yeong Housing Fair in Seoul this February and the West Japan Total Living Show this March. This gave Asian show-goers access to Oregon companies who may not have been able to exhibit.

Representatives from the Western Wood Products Association (WWPA) and the Wood Moulding and Millwork Producers Association (WMPMA) will represent U.S. products at the Good Living Show in Tokyo, April 21-24.

An even larger delegation will be on hand for the Interzum exhibition in

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## SEC announces new leadership

George Thompson of the Pacific Lumber Inspection Bureau in Bellevue, Wash., has been elected chairman of the Softwood Export Council for 1999. Mr. Thompson, who was elected by the Board of Directors, will be the first chairman of the newly formed organization.

The SEC board also elected Ted LaDoux, of the Evergreen Building Products Association in Tacoma Wash., as vice chairman and Brad Shelley of the West Coast Lumber

Inspection Bureau of Tigard, Ore., as the Secretary-Treasurer. Craig Larsen was selected by the board for the position of president and will conduct the day-to-day operations of the Council.

Through its trade association and grading agency members, SEC represents U.S. softwood exporters of lumber, veneer, mouldings and millwork, softwood component products and housing parts and building materials packages.

## USDA extends \$1 billion in credit to Korea

The U.S. Department of Agriculture has allocated \$1 billion in GSM-102 export credit guarantees for sales of U.S. agricultural products to South Korea in fiscal year 1999, including 10 million dollars for US wood products.

The \$1-billion allocation will help support sales of a wide range of American farm and forest products this year. South Korea is a major market for U.S. agricultural products and continues to need assistance in financing imports as it works to rebuild its economy. The allocation to South Korea is a continuation of efforts to use the GSM program to counter the adverse effects of the global financial crisis on American forest products.

GSM-102 export credit guarantees underwrite credit extended by the private sector in the United States to approved foreign banks providing credit to foreign buyers. Payment is guaranteed by USDA's Commodity Credit Corporation.

Exporters may apply for credit guarantees on a first-come, first-served basis to cover sales of any of the commodities specified below.

*Wood products, solid*  
(fiberboard, flooring, laminated lumber, lumber, molding, builders joinery, oriented strand board, particle board, plywood, railroad ties, siding, treated lumber, utility poles, and veneer)

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# Market Review

March / April 1999

## Samples support overseas promotion

SEC Member companies have come together to provide overseas exhibits and seminars with samples of appearance-grade softwood lumber.

Hampton Lumber Sales, Ochoco Lumber Company, and Sierra-Pacific Industries (all of whom belong to one or more SEC members NAWLA, PLEA, WCLIB and WWPA) combined to donate Douglas fir, Lodgepole pine, Ponderosa pine, Sugar pine, Western Hemlock, and White fir boards. The boards were crafted into drawer fronts by Evergreen Building Products Association member DeWils Industries.

The samples are being used at international trade shows and seminars to show how finished U.S. softwoods might look. SEC is working with other member groups to provide samples of structural lumber, softwood veneer, flooring, panels, moulding, door/window parts or other product represented by its membership.

## Contact Information

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Craig Larsen, President  
Dick Krieger, Program Manager

## European trade and the environment

*From the AFPA European Consultant*

The launch of the Pan European Certification Initiative (PREC) has been delayed. The scheme is now scheduled to be launched in Paris on June 30, 1999. The hold-up has been differences over the extent of involvement of environmental groups.

FSC certification of Sweden's industrial forest land is proceeding rapidly but problems over the chain of custody are placing constraints on product certification.

Malaysia is promoting its national certification scheme in Europe and has implied that they may seek and accommodation with FSC.

French DIY stores are discussing ISO 14001-based certification with forest owners and suppliers of tropical timbers.

The Keur-Hout scheme is making strong in-road into the Dutch Local Authority market. Assi-Doman may seek Keur Hout endorsement alongside FSC.

## Japan market report

*From AFPA and SEC Japan offices*

Housing starts were down 11.2% in January compared to a year earlier, a 25 consecutive month decline. Annualized, the figure come to 1.157 million units. Wood based units accounted for 42.3% of all units.

The Japanese Forestry Agency announced that on a US dollar basis the value of imports of forest products in 1998 came to \$9.2 billion, down 19% from 1997.

A Japanese consumer survey on home ownership concluded that only 60% of Japanese are satisfied with their current homes. Some of the factors which drove their dissatisfaction were, dilapidation of the home, poor sound insulation qualities, and structural and appliance performance. There is also a growing need for non-owner occupied higher quality rental units.

## China market report

*From the US Industry Beijing office*

China ended 1998 with GDP growth of 7.8%. China will continue to implement proactive fiscal policies to ensure sound and stable growth. The governor of China's Central Bank repeated the country's pledge to keep its currency stable, and noted there is no reason to devalue the renminbi.

China completed 350 million square meters (3.5 billion sq.ft.) of floor space in urban areas in 1998, a 10% increase. Per capita living space for urban chinses grew to 9 square meters from 8.8 square meters in 1997. The continued push to sell homes directly to citizens, has played a decisive role in developing the housing market.

Full copies of the these reports, and the latest European, Mediterranean, and Korean reports are available from the SEC offices.

## Programs

March / April 1999

### SEC hosts Philippine furniture producers

SEC and Member associations will host a group of furniture manufacturers from the Philippines from April 11-17. The group of six producers are interested in U.S. softwood materials and represent medium to large companies who export their final products to high-end markets such as the U.S. The group includes producers from the two major furniture associations, the Chamber of Furniture Industries of the Philippines in Manila and the Cebu Furniture Industry Foundation in Cebu.

The Philippines has significantly increased its consumption of U.S. softwood lumber, buying \$13.35 million in 1998. In turn, they export about \$325 million of furniture annually.

The tour includes inland and coastal lumber mills and secondary manufacturers in central Oregon, Portland and Sacramento. They will be guests at three receptions in cooperation with SEC members WMMPA, as well as the Northwest Wood Products Association. SEC members are welcome to meet with the delegation at any of the trade receptions. Information is available by contacting the SEC or its member associations.

### SEC attends Philippine trade exhibitions

SEC recently exhibited at the Philippines International Trade Show in both Manila and Cebu.

Despite recent economic hardship, the Philippine furniture industry continues to thrive. Total exports of furniture have increased every year since 1993, reaching about \$325 million in 1998. Some companies have started using Ponderosa pine, White fir, and Radiata pine in their furniture, but knowledge is limited about softwoods uses.

Although Philippine manufacturers prefer domestic hardwoods in their products, an already restricted domestic forest harvest may be reduced further. There is news that 33 Philippine congressmen are seeking a total ban on commercial logging over a 30-year moratorium. Even if this law is defeated, the feeling is that domestic forest production will continue to be restricted.

Many show attendees asked about softwood veneer and flooring. Furniture manufacturers in the Philippine industry require a matching set of veneer to compliment the solid boards that they use.

### GSM 102

*(Continued from page 1)*

#### TERMS OF COVERAGE

In accordance with section 1493.20(v)(1), this announcement offers coverage on an f.a.s. or f.o.b. basis.

Coverage up to 98% of the principal is offered on credit terms from 90 days to two years, except for solid wood products and wood pulp, for which coverage is offered on credit terms of up to 720 days. Adjustable interest coverage is also offered in accordance with FAS program announcement PR 1080-94, issued Sept. 26, 1994.

Any banks approved by CCC in Korea are eligible. Exporters are advised to obtain from their foreign buyer the name of the CCC-approved foreign bank that will be opening the letter of credit. Pursuant to section 1493.70, fees are as stated in program announcement PR 1080-94, issued Sept. 26, 1994.

Sales must be registered with CCC by Sept. 30, 1999, and exporters' contractual arrangements must call for exports no later than Nov. 30, 1999. For more information contact Liliana Bachelder at the Foreign Agricultural Service, Forest Products Division at 202-720-2409.

### Treated opportunities

A major opportunity for the U.S. will be in supplying treated poles for Philippine infrastructure development. In the early 1990's, the Philippine government budgeted

billions for infrastructure development. From 1993-1998, the government committed US\$7.2 billion to transportation projects and US\$362 million to communication projects. In 1997, the government was forced to temporarily stop some

projects. The Philippines imported \$2.3 million U.S. treated poles in 1997, but nothing in 1998 due to postponements. As government projects restart, the need for treated poles is rising. Tenders for up to 120,000 poles are being offered.

# Activities

March / April 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

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

## Trade Shows

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Cologne, Germany May 7-11 and  
the Ligna / Interholz show in  
Hanover, Germany on May 10-15.

Representatives from OEDD,  
WWPA and WMMPA will be  
joined by delegates from the Center  
for International Trade in Forest  
Products (CINTRAFOR) to staff the  
American Softwoods booth. During  
the shows, CINTRAFOR will also  
be conducting market research on  
U.S. softwood competitiveness in  
Western Europe.

During the German exhibitions,  
members of the North America  
Wholesale Lumber Association  
(NAWLA) will participate in a tour  
of German door, window, staircase  
and furniture manufacturers. They  
will meet with German importers  
and receive an update on the Ger-  
man market from SEC's European  
Market Director Eddie Pearce.

The tour will allow NAWLA mem-  
bers an in-depth look into the needs  
and changes in the market as well  
as provide them contacts and poten-  
tial trade leads.

## Upcoming Events

- SAIE Due - Bologna, March 17-21, 1999
- Korean Living Design Fair - Seoul, March 15-20-1999
- West Japan Total Living Show - March 18-21, 1999
- ProMeuble - Mexico, April 8-10, 1999
- Philippine Furniture Producers Tour (USA) - April 11-17, 1999
- Construmat - Barcelona, April 12-17, 1999
- Good Living Show - Tokyo, April 21-24, 1999
- Interzum - Köln, May 5-11, 1999
- NAWLA Euro Trade Mission - Germany, May 8-14, 1999
- Interholz - Hannover, May 10-15, 1999
- Osaka Building Materials Fair - May 11-14, 1999
- Sapporo Trade Fair - June 17-20, 1999
- Japanese Builders Seminars & Tour - Seattle, June 21-23, 1999
- Pacific Rim Housing Conference - Seattle, September 15-16, 1999
- SEC Annual Meeting - Seattle, September 17, 1999
- Philippines Treated Softwood Seminars - September, 1999
- Alaska Softwood Products Tour (USA) - September 1999

## GAIENNIÉ-BROWN INTERNATIONAL

### Seeking Partner

To establish concentration yard in Romania for  
re-distribution of U.S. lumber throughout the entire region.

Contact: Adeline Gaiennié-Brown - President  
Fax: (615) 386-9358

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of key players in the U.S. forest product  
export market.

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Contact SEC for details