



Softwood Export Council Newsletter

SEPTEMBER / OCTOBER 2003

Importers tour

The Pacific Lumber Exporters Association and the SEC, in cooperation with the Spanish Timber Importers Association (AEIM), hosted nine Spanish lumber importers and an industry journalist during a reverse trade mission to the Pacific Northwest in July.

The trip was proposed by AEIM when its members expressed an interest in renewing their understanding of Douglas fir, Hemlock and other western species. The goal of the mission was to reintroduce the Spanish lumber trade to the quality, diversity, and availability of western US lumber products.

The mill tours, started in Portland, Oregon, and ended in Red Bluff, California. The tours included discussions with industry sales and marketing personnel, a grading seminar on pine industrials, and an industry reception.

Initial feedback from the importers was very strong with the impression that inquires and orders would be forthcoming, after the August holiday of course.

In this issue

Mediterranean Report	2
Northern Europe Report	2
CINTRAFOR Conference	3
Euro Timber Council	3
Trade show activities	4
Upcoming events	4
Members listing	4

New SEC office staff

SEC is announcing the appointment of Paul Boardman as the new Director of International Programs. Mr. Boardman is currently Director of the Center for International Trade in Forest Products (CINTRAFOR) at the College of Forest Resources, University of Washington. He will join Craig Larsen and Allan Czinger on a part time basis as the Director of International Programs at the Softwood Export Council beginning September 1, 2003. He will maintain some outreach responsibilities for CINTRA FOR through the end of the year, when he will transition to full-time SEC involvement from January 1, 2004.

As Director of CINTRA FOR Paul manages its international market research as well as supervises its outreach programs such as conferences and symposiums.

Mr. Boardman came to CINTRA FOR in July 2000 after establishing and managing the American Forest & Paper Association (AF&PA) Japan office. His work in Japan with AF&PA included coordinating forest products trade policy with the US Embassy.

Prior to his work as the Director of the AF&PA Japan office, Mr. Boardman managed Washington State's Japan Representative Office. He was responsible for Washington State export market development and coordinating Japanese direct investment into the state. He also served as in-Kobe coordinator for the Hyogo Washington Village Project.



Paul Boardman, New Programs Director

While in Japan he served as Chair for the American Chamber of Commerce Housing Industry Subcommittee, as Vice-Chair of the US-Japan Housing Industry Roundtable, and on the International Committee of the Japan 2x4 Home Builders Association. Mr. Boardman grew up in Japan, the son of missionaries. He holds a Masters of Divinity from Princeton Theological Seminary.

Mr. Boardman will assume the current responsibilities of Allan Czinger who is returning to graduate school this fall. Mr. Czinger will continue to assist the SEC Portland office in the transition through the remainder of 2003 on a part time basis. Mr. Boardman can be reached through the SEC Portland office or by his email address: boardman@softwood.org.

Markets

September / October 2003

Spain report

By: Ignacio Martinez—Spain

Softwoods Stable

Prices on softwoods are considered stable, especially spruce. American species are seeing a slight upward pressure in prices, mainly due to the dollar's depreciation against the Euro. However, many importers with relatively large inventories have been told to purchase when the dollar is high. The options are to reduce those old costs with new purchases at the current lower prices, or sell only the new stock awaiting prices to return to past levels. Since it is uncertain when this may happen, the trend may be to operate very carefully and to end the season with the minimum exposure.

Economical Indicators Show Mixed Trends

Spain's GDP increased 2% in 2002, unemployment dropped 12.5% in the first quarter of 2003, helped by a 14.3% jump in housing starts. Weakness in the furniture industry is due to the slump in export markets, namely Germany and the U.S. There is growing concern by the competition and design copy of Chi-

Northern European Report

By: Eddie Pearce—United Kingdom

Germany

Germany's economy continues to remain very slow. The window industry's forecast is a reduction in the number of window units produced by 10%, from 13 million in 2002 to around 11.7 million units in 2003. As a result, two major window producers decided to go into liquidation.

Conversely, the refurbishment / renovation markets have provided positive sales opportunities for timber products. However, there are now indications that these markets are being adversely affected by the

nese production. The flooring sector shows solid growth, especially floating parquet, which is taking over solid flooring. Both imports and production are growing. Finally, the carpentry sector is enjoying a steady momentum with increases in domestic and export markets. Activity remains solid, noticeably with door manufactures, thanks to increased construction activity.

Pressure on Tropical Hardwoods

The "green" groups are causing a big media stir, spotlighting non-certified/sustained lumber, which is severely affecting the African lumber market. On the other hand, supplies for iroko are becoming very difficult because of a price escalation. Other alternative wood like niangon cannot be found easily. The outlook for the upcoming months is not positive and price pressures will likely continue on these species and others like sapelli.

economy, with reports from DIY companies claiming lower sales during the first half of 2003. Wood industry consensus is that there will not be a significant change in Germany's situation until at least the middle of 2004.

United Kingdom

The timber decking market continues to grow. According to the major deck installers using American softwoods, a 15% increase is expected in the number of decks installed in 2003 compared with 2002.

Following a successful series of seminars on the use of American softwoods for outdoor applications and timber decking, held at various venues across the UK, two additional companies have been added to the list of US product deck installers.

The Netherlands

Outdoor garden furniture products does not appear to have been affected by the general economic slow down. This growth sector continues to benefit American softwoods, particularly California Redwood. During the first five months of 2003, this species increased by 1,164% (6809 mbf compared with 539 mbf for the same period in 2002). The largest California Redwood importer in the Netherlands indicated that this situation has developed because of the environmental position the Netherlands has taken with regard to imports of tropical hardwoods for garden furniture manufacture, and their potentially dubious origins (i.e. illegally logged timber). The Dutch buying public are now looking to obtain products made from certificated, managed forests, which Redwood fulfills.

Contact Information

Softwood Export Council
520 S.W. Sixth Avenue #810
Portland, Oregon 97204 USA

Phone: 503-248-0406
Fax: 503-248-0402
Email: Info@softwood.org
Web site: www.softwood.org

Craig Larsen, President
Allan Czinger, Programs Manager
Paul Boardman, Director, International

Programs

September / October 2003

Euro Timber Council

The Nordic Timber Council believes that the latest European Timber Council (ETC) meeting provided the beginning of a new dimension in multilateral cooperation of national timber councils in Europe.

This summer's meeting in Copenhagen of the timber councils of France, Austria, the Netherlands, Norway, Sweden, Finland, Belgium, the United Kingdom, Switzerland, Denmark and the European organizations CEI-Bois and FEBO was a strong confirmation of the Nordic Timber Council's strategy and efforts during the last years. The UK project "wood for good" is a example of a successful bilateral effort.

Of special interest for many national timber councils are the opportunities offered by the Asian markets. The Nordic Timber Council is willing to share its extensive experience in the area with joint projects.

Several new project suggestions came up during the ETC meeting in Copenhagen. Final confirmation of which countries will definitely join projects is expected in November, when another European event for the timber industry is also taking place, the European Wood Day in Brussels.

The Nordic Timber Council has initiated several multilateral projects. These include the European Wood Magazine, which will be distributed in most European countries in November, and the Wood-Food project aimed at all interested parties in the field of transport and packaging. "Environmental communication" and "Building Europe" are other growing ideas that could become pan-European successes.

Taiwan delegation joins Gateway

The State of Washington and Evergreen Building Products Association teamed up to combine the annual Gateway program with an extended trade mission for Taiwan companies. The mission was accomplished by Eric Crowley, Director of the Taiwan Office of the Washington State Department of Community, Trade, and Economic Development. The Taiwan companies included a construction firm, a structural engineering and wood design firm, a wood products importer, and a wood housing package importer.



The Taiwanese group activities included seeing both the Seattle and Portland Street of Dreams showcases, and participating in the EBPA Gateway mini trade show. Company tours included a wood treater, a glu-lam manufacturer, a sawmill specializing in Pacific Rim markets and products, a home center tour and meetings with 3 wood housing packagers.

A follow up survey with the delegation shows that they were requesting additional information and quotes on many of the products.

Japan starts

A recent report from the Society for the Study of the Housing and Real Estate Market in Japan provides projections on the Japanese housing market up to 2010. It says, based on the current public housing loan system, new starts would be 1.11 million units in 2003, 1.12 million in 2004 and 1.05 million units for 2005 through 2010.

If the public housing loan system is changed to give more loans to low income families, new starts in 2003 could be 1.11 million units, 1.14 million in 2004 and 1.17 million units from 2005 to 2010.

Source: ITTO **Place:** Tokyo

Fall conference

The Center for International Trade in Forest Products (CINTRAFOR) 20th Annual International Forest Products Markets Conference will be held October 16 & 17, 2003 at the Seattle Marriott Hotel Sea-Tac. The event is cosponsored by: The Softwood Export Council, APA - The Engineered Wood Association, Evergreen Building Products Association, and The State of Washington Department of Trade and Economic Development among others.

Visit the conference web page online at: <http://www.cintrafor.org/> for agenda updates and lodging information or contact CINTRAFOR at the University of Washington, Box 352100, Seattle, WA 98195-2100.

Events

September / October 2003

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

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 Products Association

Wood Moulding and Millwork Producers Association

Fall trade shows and seminars

SEC Staff and member organizations will be working hard at a number of shows and seminars this fall.

China: The annual USChinaBuild technical seminar and marketing tour starts off the fall China activities. This one week event will hit Shanghai, Beijing, and Shenzhen with a general focus on wood frame construction.. Next up is the furniture fair in Dalian in October. This SARS delayed event is the top furniture shows in northern China. A exteriors wood construction show in November featuring treated lumber will also find an exhibit attended by SEC staff.

Japan. The annual Building Experts Committee meeting in Nagoya in early October begins the fall season in Japan. The EBPA/OTED fall trade mission to western Japan is happening the same week.

The annual Japan Home show and Osaka Home Building Show are set for mid November where the American Softwoods staff will be in attendance.

Europe: Woodworking Ireland kicks off the fall show schedule for SEC's European representatives in early September. In October, Houtdag, a conference for the Dutch timber industry is held in the Netherlands. Maderalia, the large Spanish furniture show comes up next in Valencia in November. In addition to the trade show activity, a number of seminars to the trade audiences have been scheduled.

Mexico: The major fall activity in Mexico is that annual construction trade show in Mexico City, Expo CIHAC. This year there is a corresponding conference on home building sponsored by the National Association of Home Builders.

New publications

Two new publications from SEC members became available this summer.

The Western Wood Products Association recently published an update to its International Buyers Guide. The publication is available in 4 languages, distributed through the SEC overseas offices and through the WWPA website.

The Pacific Lumber Inspection Bureau updated its internationally known R-List Grading and Dressing Rules for its 100 year anniversary with a new international edition in Commonwealth English and metric numeration.

Upcoming Events

Woodworking Ireland, Dublin, Ireland, September 14-20, 2003

USChinaBuild Housing Mission, Shanghai, Beijing, Shenzhen, China, September, 22-26, 2003

Building Experts Committee, Nagoya, Japan October 6-8, 2003

China Wood 2003, Dalian, October 14-17, 2003

International Forest Products Conference, Seattle WA; Oct. 16-17, 2003

Expo CIHAC, Mexico City, October 16-21, 2003

Japan Lumber Importers Assoc, Tokyo, November 10-11, 2003

Japan Home Show, Tokyo, November 11-14, 2003

Osaka Home Builders Show, Tokyo, November 17-18, 2003

Maderalia, Valencia, November 12-15, 2003

Taipei Building Materials Fair, Taipei, Taiwan; November, 2003

CINTRAFOR China Conference, Seattle WA; December 3, 2003

SEC Board meeting, Seattle WA; December 4, 2003

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