



Softwood Export Council Newsletter

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USCB Sales Mission

By Xu Fang



The fall US China Build sales mission and seminar series achieved great success. According to registration record, there were 420 people attended the seminars in the three Chinese cities. Most of the attendees were design professionals, developers and distributors. During the seminars, publications from SEC and the other cooperators were distributed. The China office is in the process of analyzing the questionnaire collected from seminar audiences and will provide details for follow up and improvement for the Spring 2009 activity.

2008 Year to Date Analysis

By Hande O. Buyuksahin

Between January and August 2008, the world total American softwoods exports were \$444 million. Canada was leading importer with \$119 million, followed by Mexico with \$77 million, Japan with \$46 million, and China with \$17 million. Korea increased its imports over 500% and bought \$7.9 million softwoods from U.S. Vietnam imported \$1.3 million increased 37% from 2007.

South Korea

South Korea has the highest American softwood imports rate of 2008. The imports increased 531% comparing the first 8 months of 2007 and reached \$8 million. The most demanded species were Hemlock, D-Fir and SYP. Hemlock and D- Fir imports made around \$6 million out of \$8 million. D-Fir mbf price is \$601.

	Value			Quantity		\$/m3	
	2007	2008		2007	2008	2007	2008
KOREA	2007	2008	m3	2007	2008	2007	2008
SOFT/ LUMBER	1,259	7,947	m3	4,202	35,684	\$ 299.62	\$ 222.70
R,D,HEMLOCK	131	4,334	m3	831	22,695	\$ 157.64	\$ 190.97
HEM-FIR MIX	377	250	m3	1,408	1,006	\$ 267.76	\$ 248.51
D,D-FIR	259	1,685	m3	847	6,616	\$ 305.79	\$ 254.69
R, FIR	42	153	m3	80	513	\$ 525.00	\$ 298.25
D, R, SY PINE	166	449	m3	294	1,081	\$ 564.63	\$ 415.36
TOTAL	1,259	7,947	m3	4,202	35,684	\$ 299.62	\$ 222.70

mbf

The first 8 months of exports to Mexico was over \$77 million. The exports decreased slightly from 2007 which was \$80 million. The most imported species were Ponderosa Pine, Douglas fir, SYP and Hemlock. This year Mexico imported total of \$15 million Ponderosa Pine. Redwood also was on demand with \$600,000 imports up by %176 from 2007. D-Fir imports also increased %128 and reached \$4.5 million. Redwood has the highest mbf price with \$1,659 and Hemlock with lowest price, \$384.

Mexico	2007 Value	2008		2007 Quantity	2008	2007 \$/m3	2008	2008 \$/mbf
SOFT/TREATED	80,786	77,466	M3	308,070	314,009	\$ 262.23	\$246.70	\$ 582.21
D, Hemlock	198	367	M3	1,109	2,270	\$ 178.54	\$161.67	\$ 381.55
S-P-F MIX	3,015	2,403	M3	17,951	13,995	\$ 167.96	\$171.70	\$ 405.22
D,SY PINE	742	1512	M3	4,085	7,654	\$ 181.64	\$197.54	\$ 466.20
TREATED	17,889	15,393	M3	79,966	72,560	\$ 223.71	\$212.14	\$ 500.65
D,R,W/R PINE	2,880	2,118	M3	13,938	9,807	\$ 206.63	\$215.97	\$ 509.68
D,OTHER SW	6,429	8,778	M3	26,638	40,580	\$ 241.35	\$216.31	\$ 510.50
D, R,OTH PINE	15,415	14,661	M3	54,131	60,740	\$ 284.77	\$241.37	\$ 569.64
HEM-FIR MIX	1,105	959	M3	4,171	3,854	\$ 264.92	\$248.83	\$ 587.24
D,OTHER SPRU	1,076	2,321	M3	3,741	8,735	\$ 287.62	\$265.71	\$ 627.08
R,D-FIR<5.1	6,504	1,372	M3	20,957	4,847	\$ 310.35	\$283.06	\$ 668.03
D,D-FIR	1,980	4,527	M3	7,558	14,862	\$ 261.97	\$304.60	\$ 718.86
FNGR-JNTD	4,688	5,406	M3	14,955	16,925	\$ 313.47	\$319.41	\$ 753.81
R,D,PONDROSA	13,383	16,262	M3	40,775	47,448	\$ 328.22	\$342.73	\$ 808.85
D,FIR	1,320	268	M3	3,526	779	\$ 374.36	\$344.03	\$ 811.91
R,FIR	1,379	744	M3	3,154	1,833	\$ 437.22	\$405.89	\$ 957.91
R,D-FIR<12.7	1057	850	M3	2,096	1,674	\$ 504.29	\$507.77	\$ 1,198.33
D, REDWOOD	216	597	M3	266	856	\$ 812.03	\$697.43	\$ 1,645.93
OTHER SPRU	2,769	274	M3	3,781	357	\$ 732.35	\$767.51	\$ 1,811.32
Total species	80,786	77,466	M3	308,070	314,009	\$ 262.23	\$246.70	\$ 582.21

Japan

Since the beginning of 2008 Japan increased its imports from U.S. by 11% and reached \$46 million. The D-Fir imports were the majority of the trade by \$30 million imports. The D-Fir imports increased 159% from 2007. The other most imported species were SYP, Sitka Spruce and Cedar. Sitka Spruce was the highest priced mbf followed by SYP, Cedar and redwood. Sitka Spruce has the highest mbf price with \$1,268.56

Japan	2007	2008	2007	2008	2007	2008	2008
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	Value			Quantity		\$/m3		\$/mbf	
SOFTWOOD	39,665	46,410	M3	109,920	134,586	\$360.85	\$ 344.84	\$ 813.81	
HEM-FIR MIX	2,829	1,537	M3	10,324	5,028	\$274.02	\$ 305.69	\$ 721.42	
R,FIR	439	75	M3	1,110	238	\$395.50	\$ 315.13	\$ 743.70	
R,D-FIR>12.7	2,254	540	M3	6,424	1,705	\$350.87	\$ 316.72	\$ 747.45	
R,D-FIR<5.1	3,090	907	M3	8,449	2,797	\$365.72	\$ 324.28	\$ 765.29	
D,D-FIR	11,885	30,881	M3	37,979	94,848	\$312.94	\$ 325.58	\$ 768.38	
D,R Hemlock	222	546	M3	463	1,674	\$479.48	\$ 326.16	\$ 769.75	
R,D-FIR<12.7	10,138	4,040	M3	24,983	11,423	\$405.80	\$ 353.67	\$ 834.67	
D,SITKA SPRU	1,058	2,223	M3	2,590	6,192	\$408.49	\$ 359.01	\$ 847.27	
TREATED	552	285	M3	1,476	749	\$373.98	\$ 380.51	\$ 898.00	
R,REDWOOD	448	112	M3	438	263	\$1,022.83	\$ 425.86	\$1,005.02	
D,OTH CEDAR	138	271	M3	180	526	\$766.67	\$ 515.21	\$1,215.89	
D,SY PINE	1,431	868	M4	2,873	1,674	\$48.09	\$ 518.52	\$1,223.70	
R,SITKA SPRU	542	218	M3	880	409	\$615.91	\$ 533.01	\$1,257.90	
D,REDWOOD	674	376	M3	948	408	\$710.97	\$ 921.57	\$2,174.90	
D,WR CEDAR	1,169	1,840	M3	1,089	1,937	\$1,073.46	\$ 949.92	\$2,241.82	
	39,665	46,410	M3	109,920	134,586	\$360.85	\$ 344.84	\$ 813.81	

CHINA

In the first eight months of 2008, China reached \$18 million of softwood imports from the U.S. The most imported species were SYP, Hemlock and Ponderosa Pine. WR Cedar was the highest mbf price with \$1,434. Ponderosa Pine imports increased 49% from 2007 and reached over \$1.7 million.

CHINA	2007		2008		2007		2008		2008	
	Value			Quantity				\$/mbf		
SOFTWOOD	21,812	17,883	M3	49,939.00	49,463.00	\$436.77	\$ 361.54	\$ 853.24		
D,R,OTH CEDAR	951	953	M3	4,759.00	9,817.00	\$199.83	\$97.08	\$ 229.10		
R,PONDROSA	913	1,362	M3	4,380.00	7,068.00	\$208.45	\$ 192.70	\$ 454.77		
R,D Hemlock	2,080	2,377	M3	5,270.00	10,091.00	\$394.69	\$ 235.56	\$ 555.91		
R, SY PINE	449	379	M3	1,709.00	1,528.00	\$262.73	\$ 248.04	\$ 585.37		
D,PONDROSA	425	353	M3	1,663.00	1,266.00	\$255.56	\$ 278.83	\$ 658.04		
TREATED	412	1,399	M3	1,048.00	3,568.00	\$393.13	\$ 392.10	\$ 925.35		
D,SY PINE	5,746	3,268	M3	11,166.00	7,673.00	\$514.60	\$ 425.91	\$ 1,005.15		
D,OTH CEDAR	2,448	791	M3	6,291.00	1,782.00	\$389.13	\$ 443.88	\$ 1,047.56		
R,OTH PINE	853	66	M3	2,474.00	137	\$344.79	\$ 481.75	\$ 1,136.93		
D, OTHER SW	1,415	3,907	M3	3,065.00	8036	\$61.66	\$ 486.19	\$ 1,147.40		
R,WR CEDAR	828	474	M3	980.00	780.00	\$844.90	\$ 607.69	\$ 1,434.15		
							\$	\$		

Total	21,812	17,883	M3	49,939.00	49,463.00	\$436.77	361.54	853.24
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EU

The European imports were reduced to just over \$32 million that is 50% less than first 8 months of 2007. D-Fir, Cedar and SYP were the most imported species from U.S. D- Fir and WR Cedar imports continued to increase to \$2.8million and \$866,000 respectively. S-P-F fell back this year to only \$295,000 from \$19 million last year.

EU-25	Value (000)					\$/m3		\$/mbf
	2007	2008		2007	2008	2007	2008	2008
SOFTWOOD	61,180	32,488	M3	159,624	73,592	\$ 383.28	\$ 441.46	\$ 1,041.85
S-P-F MIX	19,993	295	M3	66,393	1,072	\$ 301.13	\$ 275.19	\$ 649.44
SW TREATED	476	1,315	M3	1,538	4,684	\$ 309.49	\$ 280.74	\$ 662.55
D,D-FIR	1,393	1,456	M3	4,111	4,299	\$ 338.85	\$ 338.68	\$ 799.29
R, SY PINE	8,428	4,561	M3	21,338	11,991	\$ 394.98	\$ 380.37	\$ 897.67
D,OTH PINE	1,492	562	M3	3,792	1,463	\$ 393.46	\$ 384.14	\$ 906.58
R,D-FIR<5.1	2,927	2,278	M4	7,324	5,434	\$ 399.65	\$ 419.21	\$ 989.34
R,OTH PINE	2,279	1,518	M4	5,510	3,554	\$ 413.61	\$ 427.12	\$ 1,008.01
D,OTHER SW	142	259	M3	192	589	\$ 739.58	\$ 439.73	\$ 1,037.76
D,SY PINE	17,460	13,512	M3	37,376	28,840	\$ 467.14	\$ 468.52	\$ 1,105.70
FNGR-JNTD	157	151	M3	403	286	\$ 389.58	\$ 527.97	\$ 1,246.01
R,HEMLOCK	794	278	M3	1,455	475	\$ 545.70	\$ 585.26	\$ 1,381.22
R,D-FIR<12.7	2,389	2,884	M3	3,086	3,721	\$ 774.14	\$ 775.06	\$ 1,829.14
D,R,WR CEDAR	251	1081	M3	304	881	\$ 825.66	\$ 1,227.01	\$ 2,895.75
Total	61,180	32,488	M3	159,624	73,592	\$ 383.28	\$ 441.46	\$ 1,041.85

Japan market news

By Tomoko Igarashi and Ed Matsuyama

Market Briefs

According to MLIT, the number of housing starts in July 2008 was 97,212 -unit which was 19.0% above the same period of July 2007. It increased for the first time in 13-month due to the establishment of the new BSL in 2007. The annualized figure after seasonal adjustments in July was 1,144,000-unit.

The wooden house ratio was 46.6% (45,335-unit) in July 2008.

The number of housing starts by Post and Beam system was 34,784 - unit which was 17.7% increased compared to July 2007. 2x4 system was 9,011-unit which 32.5% increased compared to July 2007.

According to MLIT, the number of housing starts in August 2008 was 96,905 -unit which was 53.6% above the same period of August 2007. The annualized figure after seasonal adjustments in August was 1,130,000-unit. It was obvious that the housing starts finally recovered from the impact on the new BSL changes of 2007.

However; it is also expected that house owners seem to refrain from buying and building new houses due to the confusions of the global economical situations.

The wooden house ratio was 47.9% (46,391-unit) in August 2008.

The number of housing starts by Post and Beam system was 35,543 - unit which was 38.5% increased compared to August 2007. 2x4 system was 9,243-unit which 55.9% increased compared to August 2007.

Housing Starts Rise in August 2008

Housing starts in August 2008 increased 56.7 percent compared to the same time last year to 96,905 units. The sharp rise was partly due to the slowdown starting August of last year due to changes in the Building Standard Law. Wooden starts were up 41.1 percent to 46,391 units, 2x4 starts were up 55.9 percent to 9,243 units, post and beam starts were up 38.5 percent to 35,543 units and wooden prefab increased 22.5 percent to 1,605 units. Housing starts have increase for two consecutive months after declining for twelve straight months. The seasonally adjusted annual housing starts were 1.130 million units and the share of wooden housing starts was 47.9 percent of total starts in August 2008.

200 Year Housing

The Japanese Ministry of Land, Infrastructure, Transportation and Tourism (MLIT) selected 40 proposals as part of the Incentive Model Business Project for Extra Longevity Housing (200 Year House). A total budget of 13 billion yen has been allocated to this project in FY2008. The Japanese Government's goal of promoting longer lasting housing was former Prime Minister Fukuda's way of addressing global environmental issues. Wooden houses in Japan are typically rebuilt within 30 years, so the 200 Year Housing concept is designed to move Japan away from a "flow-oriented society" to a "housing stock oriented society". Japan would contribute to reducing emissions from construction and demolition as housing lasts longer.

The 40 proposals that were selected from 603 applications in the first of three rounds includes notable single family house builders such as Yamadai, Mitsui Homes, SXL, Fuji House, Toyota Home, Misawa, Sanyo Homes, Yamasa Sangyo, Asahi Chemical Homes, Sumitomo Forestry, Sekisui House, Daiwa House, Panahome and Sekisui Chemical. The winning proposals from the second round will be announced in late November 2008. For those that qualify, there would be a subsidy for two-thirds of the cost of meeting the extra longevity housing criteria up to JPY3 million per house.

JAS RFCO Certifications to Be Nullified in February 2009

MoAFF implemented a three year grace period starting March 1, 2006 so that all existing RFCO's (registered foreign certification organizations) and certified mills could continue to operate under the current system until March 1, 2009. The grace period expires at the end of February 2009, so mills have to get re-certified to JAS under the new ROCB (registered overseas certification body) in order to continue supplying JAS graded product.

Japan Housing Finance Agency Releases New Technical Specifications

The Japan Housing Finance Agency (JHFA) released a new version of their specifications in late September 2008. This manual is used by many banks when issuing loans to consumers. AF&PA's technical consultant is a member of the committee that drafts the standards.

2x4 Fire-Resistive Construction

There have been 883 2x4 buildings registered as fire-resistive buildings in 31 prefectures to date. This includes 525 single family houses, 253 apartment buildings, 15 social and welfare accommodations, 65 office-residential buildings, 5 commercial building and 20 other types of buildings. 29 of these buildings were four-story buildings, and one was a five-story building. The number of the 2x4 wooden buildings constructed in fire protection districts is 702 out of the total of 883 (approximately 80%). Most of the fire-resistive buildings have been registered in Kanto (Tokyo), but an increase in health and welfare applications will be a growth market in the regions.

Summary of Wooden Starts

TYPE	2007	2008	Change
Total	343,411	325,150	105.6%
Single Family	176,232	170,918	103.1%
Rental Units	89,787	74,088	121.2%

Company Housing	1,064	912	116.7%
Speculative Housing	76,328	79,232	96.3%

Summary of 2x4 Starts

TYPE	2007	2008	Change
Total	67,561	59,539	113.5%
Single Family	19,238	17,850	107.8%
Rental Units	36,406	28,827	126.3%
Company Housing	82	102	80.4%
Speculative Housing	11,835	12,760	92.8%

Upcoming Trade Shows and Seminars

October

- USCB Sales mission
- Expo Cihac, October 14-18, Mexico City, Mexico
- Interbuild - October 26-30, Birmingham, UK
- EBPA/WSCTED Sales mission - October 20-24, SW Japan

November

- Japan Home Show - November 12-14, Tokyo, Japan
- Big 5 Construction Show - November 23-27, Dubai, UAE

December

- Japan Lumber Importers Association, December , Tokyo

January

- Expo Mobiliario, Jan 21-24 Mexico City

February

- Delhi Wood Show, Feb 12-15, New Delhi
- KH Housing Fair, Feb 18-23 Seoul
- WoodMac China, Feb 17-20 Shanghai

March

- Interzum Guangzhou, March 27-30 Guangzhou
- A+C Show, March 3-6 Tokyo

April

- Dubai Wood, April 21-23 Dubai


May

- Interzum, May 13-16 Koln

www.softwood.org/calender

Softwood Export Council- Promoting the expansion of export markets for primary and secondary softwood products manufactured in the United States.

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