



Softwood Export Council Newsletter

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Exports to China record high

According to the U.S. Department of Agriculture's Foreign Agricultural Service (FAS), American softwood lumber exports to China increased 127% and reached \$46 million by August 2010. In 2009 total U.S. softwood lumber exports were \$34 million. The most demanded species were Western Red Cedar, Douglas fir and Ponderosa Pine.

The exports were regarded as a "record high" by Random Lengths. The People's Daily Online, online Chinese news site, gives information about Canadian exports which was most of the North American exports to China. According to site exports from British Columbia reached 342 million Canadian Dollars which is a 71% increase from last year.

General industry information points to further increases for North American softwoods export to continue well into 2011. Most product is dimension low grade used for concrete forming and remanufacturing, but higher grades are making some headway.

TechnoMueble Trade Show 2010

By Fernanda Vale Garcia

The 22nd edition of Tecnomueble International was again organized for the second time in August, mainly because of the overall Mexican economic situation and hence a lower budget. In 2010, the organizers decided to continue putting together Expo Mueble Summer edition and Tecnomueble tradeshows in the same facilities and dates.

As an innate consequence of exhibiting Expo Mueble and Tecnomueble in the same facilities, we contacted different type of participants that we usually approach, which otherwise we would have not been able to contact. A fact that helped the tradeshow attendance quality is that the IMEXFOR meeting always celebrates on the same dates that Tecnomueble tradeshow takes place in Guadalajara and the members that are the biggest lumber and panel importers in Mexico attend the tradeshow after their summit.

Tecnomueble tradeshow is a very well positioned tradeshow due to its ability to gather the most important suppliers and distributors in the furniture industry in Mexico. The show was led by the *Asociación de Fabricantes de Muebles de Jalisco (AFAMJAL)* or the Furniture Manufacturers Association of the State of Jalisco.

Tecnomueble tradeshow had almost 3,000 visitors from Mexico, US, Spain, Italy, Ecuador and Brazil. About, 250 companies participated within 6,500 square meters or 96,875 square foot in 223 booths. Of all the companies, the distribution by activity is 70% hardware tools, accessories, paintings and machinery and 30% wood and panel distributors. Out of the 30% of lumber, 40% sell hardwoods and 60% softwoods lumber or/and panels and on the other hand 50% of the total are located in Jalisco and the rest in different states in Mexico.

Some of the attendees were complaining about the Chilean lumber resistance. They mentioned that they used Chilean pine to manufacture furniture, but it does not have the strength needed

for this purpose. Also some attendees mentioned that the market is slow and the Chilean prices lately has risen a lot, making the US lumber and panel prices competitive in this market.

A lumber distributor in Nayarit mentioned that they were looking for Pine distributors in Mexico. Another lumber distributor and furniture manufacturer showed interested on acquiring Douglas Fir directly in Mexico. A coffins manufacturer based in Michoacan was looking for lumber options. He was looking for hardwood and treated lumber as raw material for his operation.

A kitchen manufacturer mentioned that he has different projects with a building company to produce furniture and for that purpose he was looking to buy Cedar and Pine among other lumber species in Mexico. Around 40% of the attendees to our booth showed interest in SYP, mostly treated and Ponderosa Pine. This year people began to request Douglas fir. Another product that people requested repeatedly was OSB, a product that we have seen more and more often in Mexico, in different applications either in furniture and concrete forming.

This show provided an opportunity to AMSO member to connect with Mexican lumber and boards importers, as well as, to raise awareness on the different uses of the American Softwood species and products that are available in the manufacturing sector, such as Ponderosa Pine, Douglas fir, and SYP either treated or not treated and also Plywood and OSB panels. All these lumber species and panels have been highly requested among furniture manufactures, constructors and lumber distributors.

The next edition of this tradeshow promises to be a successful one, especially that it is expected that the economic slope will hopefully be positive and therefore it will be better than this year. Also it is expected to be better, because the tradeshow will take place in Guadalajara, Jalisco where most of the furniture manufacturers are located as well as most of the lumber distributors. We should focus on this show due to its location as well as to the quality of attendees that we had this year.

China Market Update

By Xu Fang

Sawnwood imports totalled 6.5 million cu.m, valued at US\$1,669 million in the first half of 2010, up 60% in volume and 77% in value over the same period last year.

Imported sawnwood came mainly from Russia and Canada which accounted for 56% of the national total.

Wood-based panels

In the first half of 2010, imports of various wood-based panels were 92,700 cu.m, valued at US\$49 million, an increase of 21% in volume and in value compared to the same period in 2009. Malaysia and Indonesia continued to be the main plywood suppliers. China imported 50,300 cu.m of plywood from Malaysia, valued at US\$22 million, accounting for 54% in volume and 45% in value of the national total. Imports from Indonesia were 19,300 cu.m, valued at US\$9.2 million, accounting for 21% in volume and 19% in value of the national total.

Fibreboard imports amounted to 135,100 tons, valued at US\$60.2 million, down 1% in volume but up 10% in value from the first half of 2009. Particleboard imports rose to 155,500 tons, valued at US\$49.8 million, 9% higher in volume and 16% in value from the same period last year.

Trade in wooden furniture

China imported furniture worth US\$160 million in the first half of 2010, up 9% in value from the same period last year. Even so, China exported much more furniture valued at US\$7,384 million in the first half of 2010, 46% higher than in the same period last year.

Guangdong and Shanghai are the major provinces in China with the largest exports of wooden furniture. Guangdong Province exported worth US\$3,936 million of wooden furniture in the first half of 2010, accounting for 53% of the national total; Shanghai City exported US\$1,655 million, a 22% share of the national total.

Special Committee to assist timber importers

China Timber and Wood Products Circulation Association (CTWPCA) (former China Timber Circulation Association) has applied to establish a Special Committee for Timber Imports. The initiative came from the timber and wood product importing companies which have been facing more challenges since China became one of the world's leading timber importers. CTWPCA has listed four main challenges faced by the importers which the new committee will

address.

The first challenge is to cope with the new environmental protection requirements for combating illegal timber logging and trade in illegal timber. These international requirements are proliferating and there is a high risk of failing to meet some of them. In this regard, an organisation is needed to offer guidance and support for traders, and also to monitor changes and law enforcement. The second challenge is that currently there is neither adequate statistics nor a system for stock evaluation at the national level that would help prevent over or under stocking in the country. The third challenge is to address corruption in the timber importing trade. The fourth challenge is to set a responsible procurement system for timber imports. The association would also aim at promoting and developing the Chinese timber importing and trade to international standards.

ASEAN countries are the major timber product trade partners for China

Statistics from China Customs show that the value of the China-ASEAN timber product trade reached US\$9,380 million in the first half of 2010. Of the total, China's imports were US\$6,850 million and exports stood at US\$2,530 million, implying a trade deficit of US\$4,320.

In the first half year period, the member countries of the Association of Southeast Asian Nations (ASEAN) were the main timber product trade partners for China accounting for some 21% of the total value of timber product trade with China, followed by the US with 15% (US\$6,610 million), EU with 13% (US\$6,050 million) and Japan with 6% (US\$2,480 million). In terms of growth, the value of trade with ASEAN grew 57%, with the US 42%, EU 34% and Japan 32% compared to the first half of 2009.

China hosts conferences on wood standardization

The Sixth International Conference on Timber Standardization Science and Practice and the Ninth Annual Conference for Wood Technical Committee of International Standardization Organization (ISO/TC218) were held in Beijing on 2-6 August 2010. The International Conference on Wood Standardization was held for the first time in China and hosted jointly by the China National Standardization Committee, State Forestry Administration, Timber Industry Research Institute under the Chinese Academy of Forestry and the International Center for Bamboo and Rattan.

At the conference, the latest developments in international timber standardization science and practice were discussed. Six workshops were held in the fields of standard terminology, logs, sawnwood and processed wood, test methods, wood products, and discarded wood. Altogether three international standards were approved, including those initiated by China on General Technical Requirements on Solid Wood Flooring.

The State Forestry Administration of China attaches great importance to forestry standardization. Currently, there are 23 national forest Standardization Technical Committees. In addition, there are national standards, industry standards, local standards and enterprise standards to supplement the forestry standard system which covers 300 national standards for forestry and 800 industry standards for forestry. These standards have been instrumental in the standardization of forestry production and construction sector in China. China is actively involved in international timber standardization development which is important in removing barriers to international wood processing technology trade and thus promoting the development of Chinese timber industry.

Japan Housing headed up



A report on September 30 by the Ministry of Land, Infrastructure, Transport and Tourism, Japan's housing starts in August 2010 increased for the third month year-to-year with 71,972 units (up 20.5% from the same month in the previous year), marking this year's best record. Seasonally-adjusted annual rate exceeded the 800,000-unit mark with 829,000 units. Though it had been expected to increase based on the trends of order receipt in precut factories, the actual figures were more than the expectations.

By construction method, housing starts of prefabricated houses reversed the trend to upward with 11,043 units (up 3.0%), and those of 2 x 4 houses increased for the seventh consecutive month to 8,544 units (up 22.8%). By structure, wooden houses marked a double-digit increase year-to-year with 42,073 units (up 21.0%). With the eight months of successive growth, the

percentage of wooden houses increased 0.1 point from the previous month to 58.8%

Upcoming Trade shows and Seminars

November

- Japan Home & Building Show, November 17-19 Tokyo

December

- Japan Lumber Importers Meetings - Tokyo - Osaka

January

- Expo Promeuble, January 19-22 Mexico City

February

- KH Fair 2011, February 23-27 Seoul

March

- A+C Show -March 8-11 Tokyo
- Domotex China- March 22-24 Shanghai
- Interzum Guangzhou- March 27-30 Guangzhou

April

- Dubai Wood 2011 April 5-7 Dubai

May

- Interzum Cologne May 25-27, Cologne Germany

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

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