



Softwood Export Council Newsletter



Wood Products to Japan

The devastation along Japan's northeastern coastline is almost unbelievable. Whole towns and villages pushed up into a jumbled mass of sticks of wood, metal, and clay tile roofs. The immediate question that comes to mind for the weakened US forest products industry is, "is there a market for US softwood products there in the future?" The short answer is yes, but not right away.

It will take some time for the Japanese government to clean up the devastation and plan for the long term rebuilding and or relocation of the homes and businesses destroyed. In the short term the Government of Japan (GOJ) has called for 33,000 temporary housing units of about 170 square feet to be built for immediate use from Japanese prefabricators throughout the country. These units should be about 50% wood frame and 50% other Japanese building systems.

The current shortage of materials in Japan is plywood. Two major plywood plants in the Sendai area were heavily damaged, and as a result there is a shortage of 3x6 and 3x8 JAS certified panels. Only one US plywood mill has JAS

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Shelter in Japan

According to the Ministry of Land Infrastructure and Transportation's (MLIT) Housing Bureau, prefectural governors in the area of devastation have ordered 175 temporary emergency housing units through the Japan Prefabricated Construction Suppliers & Manufacturers Association.

MLIT ordered temporary housing through the Prefabricated Construction Association (PCA). PCA will start to build 600 houses in two weeks, 4,800 in four weeks and 32,800 in two months. MLIT has also requested all prefectures to suspend ongoing public construction and give top priority to restoration of the disaster area. March is the end of fiscal year and it is the busiest season for public

certification at this time. Much of the shortage will be provided by OSB and plywood producers outside the US who do have JAS certification. The prefab wood frame units will lean toward 2x4 construction, with much of the re-supply coming from the usual suppliers in Canada.

In the long run, once the Japanese government begins the reconstruction process, traditional post and beam housing will regain its customary market share. While the Japanese produce much of this metric softwood lumber themselves, mostly from US log sources, many of the solid sawn posts and small beams are supplied by US mills with the ability to produce dry beams in metric sizes for the Japanese market. It should be noted that US shipments to Japan in 2010 were up 52% over 2009 and Japan continues to be the second largest market for US softwood lumber.

The prediction for the Japan housing market, prior to the earthquake, was for 850,000 housing units in 2011. With the current uncertainty of the Japanese economy, this may not be achievable, even with the new demand to replace and rebuild. The rebuilding will carry on into 2012 and beyond, and US producers will continue to be suppliers to this market.

construction in Japan.

Korea Housing Fair 2011



During late February SEC and APA members

traveled to Seoul, Korea to attend the KH Housing Fair. The trade show was a success, as some members toured facilities and secured sales from Korean importers. One member shipped more than forty containers to Korea due to a contact made during the show. Mr. Ahn, an AMSO consultant in Korea, reported the following about the trade show:

"The American Softwoods (AMSO) booth displayed various sample boards and technical literature including softwood species, grades, sample decking, and engineered wood products. The booth was crowded with visitors who showed a great deal of interest in US wood products. Unlike past years, the visitors seemed interested in specific products that they were looking to buy in the near future. The potential export value generated from the show far exceeded several million dollars: 110 units for Korean traditional wood houses, a golf course building, several containers of moulding, and engineered building products. As some specifications are not produced in the US, some of the delegation members were invited to a job site to better understand Korean products

and sizes. One delegate went to Busan during the show at the invitation of a visitor to the AMSO booth. A favorite part of the trip was the networking dinner, where US and Korean professionals were able to meet and explore business opportunities. Overall, 206 trade leads were generated from the show, which can be used for additional business possibilities."

In 2010, softwood lumber exports to Korea increased 50% from 2009 levels. The largest increases were seen in hem-fir (89% increase), hemlock (160% increase), Douglas-fir (215% increase), ponderosa pine (135% increase), and southern yellow pine (380% increase). Based on value hem-fir was the most exported species in 2010, with a value of over \$4 million. The majority of U.S. hem-fir imported is treated in Korea

Upcoming Trade Events



May 2011

- Design Australia - Sydney May 11-14
- US China Build mission May 16-20
- Construmat - Barcelona May 17-21
- Interzum - Germany May 25-30

For more information go to the SEC website www.softwood.org/calender

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



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