



May/June 2011



Softwood Export Council Newsletter

Design Build Sydney

In early May, SEC and APA members traveled to Sydney, Australia to participate in the Design Build trade show. Design Build is Australia's leading trade and professional building expo, which aims to showcase what's new, innovative, and sustainable in building design. As it has been for the past few years, the American Softwoods booth had a western red cedar deck, bevel siding, and channel siding. In addition, literature was available to booth attendees concerning western U.S. softwood species and engineered wood products. The American Softwoods booth attracted close to 200 visitors throughout the show, whose contact information was obtained for future use.

In the first three months of 2011, U.S. softwood lumber exports to Australia have increased more than 250% (value basis) over 2010 levels. Douglas-fir experienced the largest gain, with an increase of 490%. These large increases are due in part to the weak U.S. dollar in relation to the Australian dollar, which has made U.S. wood products relatively inexpensive for Australian buyers.



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From May 16-21, 2011, seven members of the SEC traveled to Barcelona, Spain to participate in the Construmat trade show. This trade show is the largest construction show in Spain, and is held every two years. The American Softwoods booth drew a wide variety of visitors, such as architects, engineers, importers, builders, distributors, and students. The trade show ran for six days, with the majority of booth traffic seen in the morning and early evening.

A word from Ignacio...

Ignacio Martinez, a Spanish consultant for American Softwoods, reported the following about the trade show and current state of the Spanish housing market:

"This year's edition of Construmat was smaller than it has been in the past. That said, the attendance was reasonably good. Most of the booth visitors were interested in starting commercial relations with US suppliers, but unfortunately, most of them lacked the necessary volume level to warrant further conversations.

Several visitors expressed interest concerning the range of wood species commonly available from the US softwood industry, with enquiries about grades and sizes, as well as minimum purchasing volumes. Most of these enquiries arose because the visitors would like to avoid paying the Spanish importer/wood distributors' price mark-up.

At present the consumption of wood in Spain is driven by remodeling and restoration activities since new construction is near to non-existent in the current depressed market. The aftermath of the past housing boom has resulted in an estimated million units for sale. Given the current deficit balance in the public and private sectors in Spain it is unlikely a fast recovery of the building industry will occur.

Growing pressure on interest rates coupled with renewed demands by the EU Commission to control the country's deficit by means of increasing the current level of consumer tax - 18% - will surely impact the capacity of those seeking dwellings, therefore adding more trouble to an already dark panorama.

Although the overall picture does not look encouraging, there exists a positive attitude towards US softwoods, taking into account the number of enquiries during the show. It is also interesting to note the comments received about the use of timber as a structural product, which points out the increasing awareness and interest of the construction community for this material."



A look at the numbers...

During the first four months of 2011 (Jan through April), softwood lumber exports to Spain increased 62% (value basis) when compared to the same time last year. Despite this large increase, the only species exported to Spain have been southern yellow pine (49% increase) and other pine (119% increase).

Interzum Germany



Summary of Interzum Germany, by Eddie Pearce (AMSO consultant)...

"The Interzum trade show has, for many years, been the focal point for suppliers and manufacturers of products for the German furniture industry. It is the show at which companies have new products and innovations on display for use in furniture. In addition, the show continues to draw international visitors looking for material and products for use in their own country.

The interest and demand for quality softwood lumber continues despite the fact a recession is taking place in many parts of the world. However, the number

of visitors from the Far East (China and Japan) was significantly lower at Interzum this year. This was likely due to the fact that there is now an equivalent show held in China.

From discussions that were had with several timber importers and agents from the German timber trade, the general opinion is that the economy has significantly improved over 2010 and timber sales in Germany have increased approximately 25-30%. Although sales of timber and timber products have increased in new building projects, the main increase has been seen in renovation and refurbishment projects. This is forecasted to continue into 2012.

Although most of the visitors to the booth were from EU countries, there was a significant level of interest from other parts of the world including Israel, Pakistan, and Turkey. Not surprisingly, the greatest number of visitors was from Germany.

According to the visitors from Turkey, there appears to be a Phyto-sanitary issue with regard to getting imports of US softwood lumber into Turkey. The authorities in Turkey are requesting that all imports of US softwood have a Phyto-sanitary certificate to confirm the lumber was cut from logs which are free from infection/contamination by a particular fungal growth (not specified). They have asked if we (American Softwoods) could help to try and resolve this problem.

Overall, participation at Interzum proved to be very successful. The show provided an opportunity to meet members of the timber trade and furniture industry of Germany, as well as introduce American Softwoods to many visitors from countries outside of Europe."

A look at the numbers...

In the first four months of 2011, U.S. softwood exports to the European Union increased 8% (value basis) compared to the same time last year. Italy (18%), the UK (37%), Germany (34%), and Spain (62%) all showed increases. Southern Pine and Douglas fir continue to be the majority of US softwoods imported. Softwood lumber exports to the EU are expected to continue the increase, which is primarily due to the weak U.S. dollar compared to the Euro rather than a strong market..

Upcoming Trade Shows

To reserve a spot for an upcoming trade show, please contact Craig or Natalie at (503) 620-5946. To view the trade show calendar for the entire year, visit <http://softwood.org/CALENDAR.HTM>

Tecnomueble, Guadalajara, Mexico, August 17-20

FMC, Shanghai, China, September 14-17

Japan Home and Building Show, Tokyo, Japan, September 28-30

Timber Expo, Coventry, United Kingdom, September 27-28

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



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