



Trade dispute

08/10/2001, Press Release, International Trade Administration,

U.S. Commerce Secretary Don Evans today announced that the Department of Commerce has made an affirmative preliminary determination in its countervailing duty (subsidy) investigation on imports of softwood lumber from Canada.

"This decision was one that the Department reached after careful consideration of the law and the facts on the record. I'm pleased that this process has been open and transparent and that all parties have had full opportunity to have their views heard. I look forward to continuing to work with all parties, including our friends in Canada, as this case proceeds to a final determination," said Evans.

As a result of the Department's finding, Canadian softwood lumber imports will become subject to import duties based on a net counter available subsidy rate of 19.31 percent.

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TECHNOMEUBLE Mexico

SEC representatives recently participated in the TECHNOMEUBLE trade show in Guadalajara, Mexico. TECHNOMEUBLE is the largest trade show of its kind focusing on the nations furniture manufacturing industry, attracting attendees from all over the country.

Over the course of the three day show numerous attendees stopped by the booth to ask questions and pick up information on U.S. softwoods. SEC/SPC staff were able to collect market information on 42 of the attendees. Of these around 40% of them were from the Guadalajara area, (a major furniture manufacturing sector in Mexico. The rest came from many other cities as for as Cancún, Mérida and Chihuahua. Confirming the national character of the show.

Approximately 25% of the visitors to the American Softwoods booth were forest products distributors, looking for sources of supply.

The visitors that came to see the American Softwoods booth also went to see the Canadian, Chilean and Brazilian softwood lumber producers present at the show. These suppliers have been quite active lately, and have made important inroads into the market of softwood lumber for, pallets, concrete form work and furniture manufacturing.

Two importers from border cities complained about delays in their import process, due to a lack of a certificate of origin, American Softwoods Personnel will look into this matter when they visit border cities in the coming months.

Some Eastern U.S. exporters attending the show mentioned that they were having reasonable success selling Eastern White Pine to the furniture sector. Sighting the Mexican industry's perception of Eastern White Pine as being highly workable with a low resin content.

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Stan Elberg, NOFMA; Happy Whitlock, AHEC D.C.; and Dr. Ramon Echenique-Manrique

Markets

August 2001

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These duties will be applied as of the date of publication of the preliminary determination, expected by August 20, 2001.

As part of its preliminary determination, the Department has also made an affirmative preliminary finding of critical circumstances. Critical circumstances refers to a provision in trade laws that is designed to prevent import surges before dumping or countervailing duties are imposed, and allows the potential retroactive imposition of duties on imports. If the Department and the International Trade Commission make final affirmative determinations that critical circumstances exist, duties will be imposed retroactively, 90 days prior to the publication of the preliminary determination.

The Department initiated the investigation based on a petition filed by the U.S. lumber industry after the expiration of the Softwood Lumber Agreement on March 31, 2001.

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While the Taiwan wood frame construction market has several significant pitfalls, there may also be opportunities to increase the use of softwood building materials. The most promising end-market for US softwoods appears to be government public service projects that use solid wood and glulam beams.

The building code in Taiwan is still a significant barrier to the wood frame construction market. Despite the designation of wood as a "special material", there are opportunities for wood frame construction. Foremost is the government's redevelopment project in Taichung. Since the government is converting agricultural land to multiple use, available land for construction is not an issue. Further, wooden construction is now recognized as earthquake resistant so the government has waived the need for a special permit.

Some of the preliminary recommendations made by the report are:

- Provide promotional literature in traditional Chinese
 - US species and products
 - wood frame construction technology
- Consider establishing a wood frame technical market promotion in Taiwan.
- Continue seminars on wood frame construction technology

For the full *Taiwan Bench Marking Study* go to the market research section of www.softwood.org

China Conference

AF&PA will be a co-sponsor of the National Association of Homebuilders (NAHB) World Focus on Housing Conference and concurrent trade show in Shanghai, China from November 6 - 9, 2001. US structural wood products and their applications in China will be featured at a conference session and AF&PA will sponsor a US wood products pavilion at the Shanghai Build trade show.

US wood product companies can rent a booth at the show for no cost. Each company that signs up to display their products in the US wood pavilion will also receive a complementary conference registration for up to two representatives and an invitation to a networking reception with local buyers - a total value of over \$6,500.

This is a low-cost opportunity for your company to gain exposure to the dynamic Chinese market place. AF&PA booths are offered on a first-come first serve basis and space is limited. For registration forms and information, please contact Rebecca Coleman (202) 463-2706.

(Mexico—Continued from page 1)

Another U.S. exporter mentioned that a majority of what was being sold to the major importers in Northern Mexico was #3 and #4 Ponderosa and Sugar pine which the Mexican importers would then re-grade into two basic sorts: a higher quality sort for furniture manufacturing and another lower quality sort for constructions purposes.

For more information on the Mexican softwood lumber market contact Dr. Ramon Echenique-Manrique mecma_sa@terra.com.mx

2001 Board of Directors Meeting

August 2001



SEC executive committee: Vice Chairman Michael Caldwell, AITC; Chairman Brad Shelly, WCLIB; and Secretary Treasurer Butch Bernhard, WWPA.



Larry Kvidera, EBPA; Junichi Shibatani, OECD; and Mark Calhoun, OTED.



Jeff Fantozzi, PLIB; Bob Knoll, Knoll Group; Chris Grover, CRA.



Jim Costello, WMMPA; Mike Runestrand, PLEA; and Junichi Shibatani, OECD.



Brad Shelly, WCLIB; Mike O'Halloran, WWPA; and Nick Kent, NAWLA.



Butch Bernhardt, WWPA; Jerry Parks, WWPI; Craig Larsen, SEC.

Asian delegations activities

August 2001



A member of the Korean Delegation and Ms. Kang, State of Washington Korea Office; talk with John Quast, Boise Cascade; and Lee Richardson, Collins Pine.



Mr. Jon Lee, West Pac; Shows off his company's products to a member of Korean delegation at the State of Oregon mini trade show.



Translator Wei-Jen Chen (Taiwan), with Mr. Lee, Dreamsite Korea (Korea).



Jeff Johnson, West Pac; with a member of the delegation



Dan Semsak, Willamette Industries, Inc; and James Chen, Beijing Shi Ji Jing Hua Real Estate Development Company, (China).



Jim Snodgrass, Contact Lumber; talks with a member of the State of Oregon mini trade show



Norikazu "Yoshi" Yoshikawa, North Pacific International; meeting with two members of the Korean delegation at the Oregon mini trade-show.

Programs

August 2001

Lithuania study

SEC Programs Manager Allan Czinger recently traveled to Lithuania in order to conduct a market competitiveness study on the lumber industry of Lithuania. While in Lithuania Mr. Czinger was able to meet with key companies in the Lithuanian sawnwood industry sector. These companies included U.S based Ochoco Lumber Companies operation in Kupiskis Lithuania, and the Libra Group a consortium of 9 companies working in the Forest products industry of Lithuania.

Lithuania is located on the Baltic Sea bordering Latvia to the Northwest Belarus to the South and Poland to the Southeast. As a country located in Central Europe, Lithuania is considered as the crossroads between east and west .

Lithuanian sawmills produce and export mainly green, rough lumber. As reported by a Lithuanian industry group, in 2000 there were around 500 sawmills operating in Lithuania. Most of these sawmills are very small producing an average of 2,500 m³ of lumber per year. These sawmill account for 70-80% of Lithuania's total production companies producing sawnwood. Approximately 75% of the products produced by Lithuanian mills is exported, half of which going to Germany.

Despite a recession during 1998, and 2000, the forestry and forest products based sector continued with steady growth. The sawnwood industry in Lithuania increased production output by 15% to 1.3 million m³ in 2000. The Lithuanian sawmill industry has access to low cost fiber supply, skilled low cost labor, and a functioning transporta-

tion infrastructure. These factors combined with events such as: the re-pegging of the Litas (the Lithuanian currency) to the Euro away from the U.S. dollar, EU partnership accession and increasing Foreign Direct Investment will play a role in the expansion of Lithuania Forest Products Industry.

The potential for growth in the Lithuanian forest products industry does exist, and as the Lithuanian free market economy matures, we can expect to see higher levels of exports from Lithuania.

For the full version of this report go to the Market-info section of www.softwood.org

2001 Board meeting

The 2001 Spring Board of Directors Meeting for the Softwood Export Council was recently held at the Benson Hotel in Portland Oregon. SEC Chairman Brad Shelly, WCLIB, led off the meeting with highlights from some of the activities covered by SEC and its member organizations.

SEC, President Craig Larsen, and Programs Manager Allan Czinger, discussed the financial status of the SEC domestic operating budget and the Foreign Agricultural Service international marketing funds. The member advertisement campaign in Japan and new Softwood.org website developments were also discussed. Other items of discussion included the Japan office, possible branded promotion, and the formal retirement of Japan office director Yami Yamaguchi

Gateway program

The 2001 EBPA Summer Gateway program was held July 16th and 17th. A delegation of approximately 80 Japanese, Chinese and Korean builders, architects, interior designers, and developers visited both the Seattle and Portland areas. As part of the Gateway seminars and programs, the group visited the Street of Dreams in Portland and Seattle, and participated in a tour of a manufacturing facility in Vancouver, WA.

On July 17th the Asian delegation visited the 2001 Portland Street of Dreams located at Fishback Creek in Hillsboro, OR. After the tour of the Portland site, the delegation attended a reception hosted by the WWPA members, Boise Cascade Corporation; Hampton Affiliates; Stimpson Lumber Company, and Willamette Industries; EBPA members, Keller Supply Co.; L.J. Smith Stair Systems; Armstrong Building Components, and The Wells Fargo Trade Bank also sponsored the event. The reception provided a good opportunity for northwest building and forest products suppliers to meet with key players in the Asian housing market and exchange market information.

On the morning of July 18th the Korean contingent of the delegation attended a "mini trade show" of Oregon companies providing building products and services. The Korean contingent was led by Mr. Lee president of Dreamsite Korea an organization specializing in single family wood frame construction.

Events

August 2001

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

North American Wholesale Lumber Association

Northwest Wood Products Association

Oregon Economic and Community Development Department

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 Preservers Institute

Western Wood Products Association

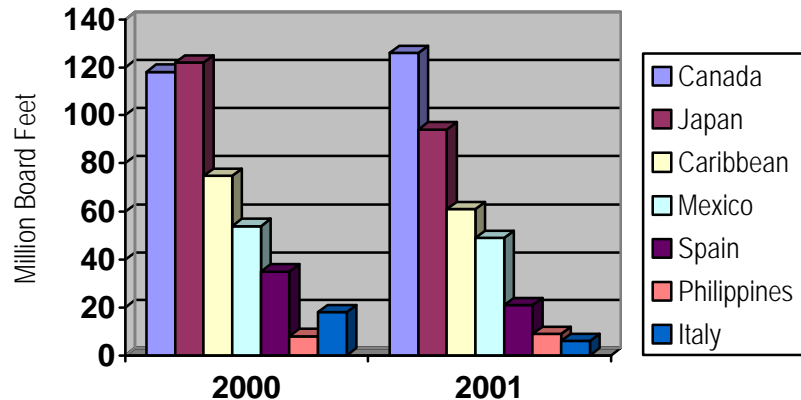
Wood Moulding and Millwork Producers Association

Website notes

SEC Supporting Member companies now have a direct link from the [Product and Sourcing](#) page on the SEC website

PLEA has its new website up and running. Link through the "Members" or "Sourcing" page on www.softwood.org or directly at www.lumber-exporters.org

US Lumber Exports - January to May



Upcoming Events

HOUMATEX, Trade Show, Kobe, Japan; Sept 6-8, 2001
CINTRAFOR, Annual Conference, Seattle, WA; Sept 24-26, 2001
Taipei Construction Show, Taipei, Taiwan; Sept 30-Oct 3, 2001
Japan Gardening Fair, Yokohama ; Oct 1- 3, 2001
NAWLA Traders Market, Dallas, TX; Oct 11-13, 2001
E.U. Softwood Conference, Berlin, Germany; Oct 11-12, 2001
EXPOCIHAC, Mexico City, Mexico; Oct 18-23, 2001
U.S. Forest Products Mission to Japan, Oct 17-19, 2001
Japan Home Show, Trade Show, Tokyo, Japan; Oct 30 - Nov 3, 2001
Maderalia, Trade Show, Valencia, Spain; Nov 6-10, 2001
China Housing Conference, Shanghai, China; Nov 7-8, 2001

For links to information on these events please check www.softwood.org

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