



## Aoki joins SEC



After an extensive search, the Softwood Export Council Japan Staffing committee has selected Daisaku Aoki to succeed Ikuo "Yami" Yamiguchi later this program year. He will join the ASJO office staff beginning with the new year, and will become the Japan Program Director upon Yami's formal retirement.

Aoki san comes to the SEC from the Shinken Shinbun, a Japanese newspaper which specializes in housing and construction. He also has experience with US imported housing materials, having worked for a building materials trading company, Housing Yamachi Co. Ltd.

*(Continued on page 3)*

## Japanese lumber safeguards

In response to the threat of a Japanese safeguard action against imported wood products, the Center for International Trade in Forest Products (CINTRAFOR) in cooperation with AF&PA conducted a comprehensive review of the factors influencing the competitiveness of the wood sector in Japan.

A summary of study's findings reveal that the benefit of trade restrictions to the Japanese domestic industry is mixed with the main burden of such an action being shouldered by the Japanese consumer. Many of the reasons for the lack of Japanese forestry and wood product sector competitiveness have more to do with internal systemic issues than with external issues traceable to exports.

Although the intended objectives of the Government of Japan forestry and forest products policies and subsidies is to realize "an era of

domestic timber", a safeguard action may have the opposite effect by increasing log imports 44%.

A simulated 25% increase in tariffs under a safeguard action theoretically eliminates all lumber imports and causes a 20% increase in domestic lumber production and a 7% increase in domestic log production. Consumers of lumber products lose approximately \$3 billion dollars annually with a tariff increase. The 16% increase in the price of lumber resulting from a Safeguard Action has the potential to increase home construction costs by ¥264,000 yen (\$2,200) per house.

Trade liberalization increases the use of imported lumber, with the price of lumber declining by 4%. As a result, consumers gain \$600 million dollars due to lower lumber prices. Further information is available from CINTRAFOR or AF&PA

## Mexico construction success

The State Government of Baja California recently built 80 classrooms using U.S. Douglas-fir lumber and U.S. softwood plywood. These classrooms were built in the towns of Tijuana, Ensenada, and Mexicali.

The State of Baja is experiencing a shortage of classroom space due to increased migration of people and their families to the region in search of work. These new classrooms are proving to be a good solution to the shortage.

American Softwoods Mexico representative Dr. Ramon Echenique Manrique, met with Ing. Andrés Zambrano who works for the State Government of Baja California Department of Education in the Office of Infrastructure. Mr. Zambrano's office oversees the specification and construction of all structures built by the State of Baja for educational purposes. Mr. Zambrano attended an American Softwoods seminar on wood frame construction in May of

*(Continued on page 2)*

## In this issue

|                     |   |
|---------------------|---|
| Chilean Tariffs     | 2 |
| Taiwan code issues  | 2 |
| Cuba opens market   | 3 |
| WMMPA meeting       | 3 |
| EBPA receives grant | 3 |
| Ponderosa Pine pub  | 3 |
| Yami update         | 4 |
| Upcoming events     | 4 |

# Markets

September / October 2001

## Mexico Success

*(Continued from page 1)*

2000. Since then his office has overseen the construction of 80 classrooms all using softwood lumber, and is planning to build 55 more in the near future.

According to Mr. Zambrano, the parents, teachers, and government and school officials of the State of Baja are very pleased with the new classrooms. By using U.S. softwood lumber and plywood and employing wood frame technology, the State of Baja was able to provide a rapid solution at a reasonable cost.

The lumber used in the construction of the classrooms included No. 2 and No 3 green Douglas-fir. The sizes were 2x4, 2x6 and 4x12. Each classroom used approximately 1,200 board feet of lumber, and around 29 sheets of plywood.

A review by the American Softwoods office noted that the design, construction, and material specification of the classrooms could be improved. The office provided Mr. Zambrano with additional information, specifications, and plan revisions in order to increase the safety and service life of future structures.

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## Chilean tariffs

In the latest round of U.S.-Chile trade talks, Chile has offered to Eliminate virtually all tariffs on U.S. paper and wood imports immediately upon implementation of a Free Trade Agreement (FTA). The Chilean offer covers more than 95 percent of the \$59 million in U.S. paper and wood products the country imported from the U.S. in 2000. The only exceptions on which Chile seeks to phase out tariffs over ten years are folding cartons, printed labels and hardwood for auto flooring.

The two governments aim to conclude negotiations by the end of 2001. The actual implementation date -- and therefore the date on which Chilean tariffs on our products will go to zero -- will depend on

how long it takes for the U.S. Congress to approve the agreement.

U.S. paper, paperboard and wood exports to Chile are subject to an 8 percent tariff this year. In contrast, exports from Canada enter Chile at zero tariff under the 1997 Canada-Chile FTA and exports from Mercosur countries --Brazil, Argentina, Uruguay and Paraguay -- enter at low tariffs (soon to be zero) under a regional preferential tariff agreement.

The FTA would put U.S. suppliers on par with major foreign suppliers and help restore more than \$100 million in annual sales lost since 1997. Chile is also negotiating with the European Union, and expects to wrap up that deal in mid-2002

## Taiwan code issue

The China National Standards (CNS) for construction in Taiwan are currently undergoing revision. Two of these standards have been identified as potentially restricting the use of U.S. products. The draft standards in question have been identified as: "foundation wood sill treated with preservatives by a pressure process", and "tolerance levels of structural woods".

These proposed drafts, rather than using a performance based approach to wood use in construction, are specifying individual wood species for use in Taiwanese construction. Some U.S. species that are not mentioned the draft standards include California Redwood and Southern Yellow Pine.

The US Agricultural Trade Office (ATO) in Taipei has requested from the Taiwanese Bureau of Standards, Metrology and Inspection (BSMI) a 60 day window so that the U.S. industry can have these standards translated and a thorough review can be undertaken. The BSMI formally agreed to the request in the first part of October.

The SEC and the WWPA are working with other trade associations and the U.S. ATO in Taipei to review these documents and assist in preparing a consolidated industry position to present to the Taiwanese Government. For further information on this matter please contact Allan Czinger, Programs Manager for the SEC.

# Programs

September / October 2001

## Cuba opens market

"The Cuban market has unexpectedly opened up for the wood products industry. On July 12th Commerce and Treasury regulations opened the market for direct sales.

Changes include:

- 1) Submitting a simple "Letter of Intent" to Commerce (BXA) based on an oral agreement from your Cuban buyer good for an estimated one year of purchases.
- 2) Your application must be reviewed within 12 days and automatically approved unless an objection is raised.
- 3) You can sell to Cuban government owned companies.
- 4) Foreign bank financing is available.
- 5) Shipping restrictions have been removed.
- 6) A non-profit US-Cuban Trade Association has been formed to provide current information on allowed sales, procedures and contacts.

A major sales conference with US and Cuban officials and buyers will be held in Cancun, January 30th to February 2nd, to allow US exporters to take full advantage of the opening of this market. There will be an opportunity for a follow-on marketing and sales trip to Havana leaving from the conference on February 3rd.

The Cubans are building 5 star hotels, along with a \$7 billion infrastructure backlog, to accommodate the jump in tourism from 2 million to 7 million as Congress prepares to eliminate the Cuban travel ban in the near future. Details on the conference including sponsorship and exhibitor opportunities, plus the new regulations, interpretations and a list of allowed products, can be viewed at the conference homepage: [www.wdsweb.com](http://www.wdsweb.com). You can also contact Paul Golden at (770) 325-3433, for more information.

## Aoki

*(Continued from page 1)*

He perfected his English communications skills while working at the Bilingual Company, a Japanese English language institute in Tokyo for 5 years. He has also had work experience with a major exhibition organizer, and has led trade missions of Japanese builders to the US for such events as the NAHB housing show.

Aoki san will spend time in the US touring western SEC and southern SPC member operations, attending member meetings, and getting to know SEC member organizational personnel later this winter and spring.

## "P Pine" published

The new Ponderosa Pine species guide is now available on the SEC website [www.softwood.org](http://www.softwood.org). The web publication is available in all 5 foreign languages and is much quicker to download than other SEC publications on the net. Other SEC publications, currently in a PDF format will be converted in the near future.

The newly minted publication adds a third species guide to the SEC series which also includes Douglas fir and Western Hemlock and the true firs. Printed copies of the Ponderosa pine publication are available from SEC international offices, the Western Wood Products Association, and the SEC Portland Office.

## WMMPA updated

Eddie Pearce, SEC Northern European representative attended the bi-annual meeting of the Wood Moulding and Millwork Producers Association, held in Quebec, Canada, August 21-25, 2001, at the invitation of Jim Costello, President of the WMMPA.

Mr. Pearce gave a presentation to the members of the WMMPA export committee on the European market and the potential there for the export of quality added value softwood lumber and millwork products.

In addition to European market potential, Mr. Pearce brought WMMPA member companies up to speed on the promotional and marketing activities that are carried out in Europe, in support of American softwood secondary products.

WMMPA association members indicated a strong interest in participating at a number of trade shows that the London and Madrid SEC offices have planned for the next program year, FY 2002.

## EBPA funded by DoC

Evergreen Building Products Association has recently received a market promotion grant for the US Department of Commerce to promote US wood frame housing and building materials in China.

EBPA plans to combine marketing strategy with other FAS cooperators in China, including AF&PA, APA and SEC, and its members, to help in wood frame technology transfer and promotion of structural and interior softwood products and other US produced building materials.

# Events

September / October 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

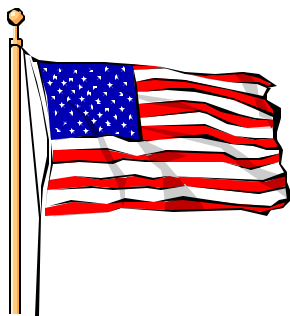
Washington State Office of Trade and Economic Development

West Coast Lumber Inspection Bureau

Western Wood Preservers Institute

Western Wood Products Association

Wood Moulding and Millwork Producers Association



**United We Stand !!!!**

## Yami feeling better

SEC Japan representative, Yami Yamiguchi is well on the road to recovery from his medical emergency suffered in the US earlier this year. Doctors have released him from continuous medical checks, but encourage him to maintain a slow return to his hectic schedule. To that end, Yami participated in the search and interviews for his successor, and is looking forward to assuming his new roll as senior industry consultant later in 2002. A small "welcome back to health" reception was held at the ATO in Tokyo earlier this month.



*Yami with Japanese industry "big shots" at recovery reception*

## Upcoming Events

**Taipei Construction Show**, Taipei, Taiwan; October 1-3, 2001  
**NAWLA Traders Market**, Dallas, TX; October 11-13, 2001  
**E.U. Softwood Conference**, Berlin, Germany; October 11-12, 2001  
**U.S. Forest Products Mission to Japan**, October 29-30, 2001  
**Japan Home Show**, Trade show, Tokyo, Japan; Oct 30 - Nov 3, 2001  
**Maderalia**, Furniture Show, Valencia, Spain; November 6-10, 2001  
**China Housing Conference**, Shanghai, China; November 6-9, 2001  
**EBPA Annual Meeting**, Seattle, WA; November 27, 2001  
**SEC UES Planning Meeting**, Portland, OR; December, 2001  
**KY Housing Fair**, Trade show, Seoul, Korea; February 2002  
**Yamaguchi Retirement Party**, San Diego, CA; March 9, 2002  
**HOMDEX**, Trade show - single family homes, Seoul, Korea; March, 2002  
**Fensterbau**, Trade show for windows, Nuremberg, Germany; March 2002  
**SAIE Due**, Trade show for housing interiors, Bologna, Italy; March, 2002

For links to information on these events go to [www.softwood.org/calendar](http://www.softwood.org/calendar)

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World Wide Wood is dedicated to providing a virtual community for the North American wood products market.