



FOCAL POINT: China Edition

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Mission Links US Exporters To Sales Contacts

The US China Build Program will lead a group of US building materials manufacturers and exporters on a one-week business development mission to Shanghai May 24-28. Participants will meet with purchasing agents at several of China's DIY home centers, single- and multi-family developers, product representatives and distributors.



US and Chinese company representatives meet during a 2003 mission

The group will also tour high-rise and single-family home developments, wholesale and retail markets, and the Shanghai International Building and Construction Trade Fair, one of China's largest building materials trade shows. One-on-one meetings with pre-screened product representatives and distribution companies will also be arranged for mission members.

Home centers will be an important stop on the mission

(Building Materials Mission — continued on page 3)

US-China Build Program

The US-China Build Program (USCB) was developed by the Evergreen Building Products Association and the American Forest & Paper Association, with federal support from the US Dept. of Commerce Market Development Cooperator Program and USDA Foreign Agricultural Service, to promote the export of US building products and services to China's residential and light commercial construction market. USCB offices in the Pacific Northwest and Shanghai are available to assist US companies. For more information about how your company can participate in USCB and opportunities available to US exporters in China's housing market, contact Rose Braden at (206) 543-0700 or rbraden@uschinabuild.org.



Chinese-Language Directory to Promote US Building Products

The US-China Build Program will publish a 2004 Chinese Language Directory of US Housing & Building Materials Companies in spring of 2004.

The 2004 Directory is an industry publication for Chinese buyers, specifiers and end-users of building materials in residential and light commercial construction. The directory will reach key industry contacts in China, including: builders, architects, land developers, importers and trading companies, building materials wholesalers, interior decorators, associations and government organizations.



Seven thousand copies of the printed directory will be distributed through direct mailing, professional associations, and at industry trade events. The directory will also be used by US-China Build staff as they respond to inquiries for building products and services.

One-page company listings in the directory will also be available in English and Chinese on the US-China Build web page (www.uschinabuild.org). Company information can be updated regularly to reflect staff changes, new product offerings and services, and other company changes.

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Advice for Exporters: Business Outlook for Asia

Information furnished by Richard Day, CofaceNorth America

Economic vitality was evident in the United States and Asia in the last quarter of 2003, contrasting with the sluggish economies in the main euro zone. These divergent trends have resulted in substantial decreases in the number of company payment defaults in the United States and only a slight easing in the frequency of defaulted payments in Europe.

China

China's growth has remained strong (slightly over the 8% expected in 2004) and could even raise fears of overheating in some sectors. The Chinese economy has benefited not only from high levels of household spending and investment, but also from expansion of exports after the country's accession to the World Trade Organization (WTO). WTO membership has contributed to opening the economy and has prompted investors to transform China into the world's workshop.

Meanwhile, due to the continued ballooning of foreign currency reserves, public authorities are facing growing international pressure to re-value the yuan. Although resisting those pressures, authorities acknowledge that a shift toward a flexible exchange rate would be desirable.

Hong Kong, Singapore, and Taiwan

The economies of Hong Kong, Singapore and Taiwan have registered an upturn, fuelled notably by the recovery in demand for electronic equipment in the United States. However, due to the negative impact of SARS, full year growth will remain moderate. (up .8% for Singapore, 1.9% for Hong Kong, and 3% for Taiwan) before rebounding sharply in 2004.

Key Economic Forecasts: GDP Growth (percent)

	2001	2002	2003	2004
World Production	1.3	2.1	2.7	3.6
United States	0.3	2.4	3.0	4.3
Japan	0.4	0.2	2.4	2.2
Emerging Asia	4.3	5.8	6.0	6.4

Key Economic Indicators Select Countries: Change Over Previous Year

Qtr 3, 2003	GDP	Industrial Production	Trade Balance
China	+9.1%	+17.9%	+22.9 bn
Hong Kong	+4.0%	-9.2%	-8.0 bn

Coface is one of the world's leading credit insurance and credit management service providers, with nearly 60 years' experience of facilitating global trade. Contact Richard Day, (206) 219-7111, or e-mail richard.day@coface-usa.com, for information about Coface North America services.

US Company Finds Niche Supplying Chinese Developments

California-based Building Material Distributors, Inc. (BMD), an EBPA member, has forged a successful partnership with Easy Home, one of China's largest builders of Western-style single family homes. Representatives from the global wholesale distributor attended the grand opening of Napa Valley in November, a community of 300 luxury western-style homes near Beijing. BMD supplied \$200,000 in materials for the project, ranging from entry doors to fireplaces, rain gutters and sheetrock products. Alan MacDougall, Export Sales Manager, expects sales to increase as the project continues. The first phase of Napa Valley will consist of 300 single-family homes. The second phase of the development will add another 200 homes.



BMD supplied materials for the Napa Valley project near Beijing

The relationship between BMD and Easy Home started when they met at the 2003 National Association of Homebuilders' International Builders Show. BMD consolidated a range of building materials for other Easy Home projects. Eventually the partnership led to the Napa Valley project.

In addition to the Napa Valley project, BMD is supplying other projects throughout China. BMD projects that sales will reach \$1.5 million by the end of 2004. When asked for advice for other companies interested in exporting to China, Mr. MacDougall said that taking time to learn approaches to doing business in China before entering the market will save time and money. "Read books, attend seminars, and talk to others about their business strategies and mistakes", he suggested. According to Mr. MacDougall, BMD has been working in China for two years, primarily from the US, yet only when their representatives started working in the market and meeting people did business start to take off.

BMD also recently announced plans to build a structural insulated panel plant in the city of Anshan, China. BMD is the licensee for a new partnership with two Chinese companies that will produce a polyurethane-core panel that will be used to build homes that are durable, affordable, highly energy efficient, and that can be erected quickly by workers with limited construction experience.

Located in Northern California, BMD has been in business since 1941. More information about BMD is available at their website at www.bmdusa.com/home.html

China Approves Timber Structure Design Code

Greater China Market Report – Nov./Dec., American Forest & Paper Association (AF&PA) - Beijing, China

The long awaited revised version of GBJ5 (now known as GB50005-2003), China's 'Code for Design of Timber Structure', was approved on October 26, 2003, and took effect on January 1, 2004

The code's release represents the culmination of several years work by the US forest products industry, in collaboration with several other national forest products industry associations and US government agencies.



China's Code for Design of Timber Structure outlines standards for wood frame construction

The released version of the code incorporates US building codes and standards pertaining to a number of critical aspects such as; visual grading rules for dimension lumber, size and grades of North American dimension lumber, prescriptive design methods used in 2x4 wood-frame construction, structural calculation of shear walls and diaphragms, generic requirements for engineered wood products and fire issues, and references to US codes and standards AF&PA NDS, IBC 2000, NFPA 220, ASTM D5055 (I-joist) and ASTM D5456 (SCL).

Work has also begun on drafting of the 'Timber Structure Design Manual', to become the authoritative companion to China's wood construction design and building codes, GB50206-2002 and GB50005-2003. AF&PA participated in the mid-November kick-off meeting for drafting of the Design Manual with representatives from the Canadian, Nordic, and New Zealand wood product industries. AF&PA was selected to oversee drafting of the following four chapters; glulam structures, wood frame construction, fire resistant design, and wood preservation. The final Design Manual is expected to be completed and published by late 2004.



(Business Development Mission continued from page 1)

schedule. Retail home centers are one of China's fastest growing building materials markets. Companies such as B&Q, Homeway, OBI, Homemart, and Orient Home are expanding and new companies are emerging to supply the growing demand for home improvement products and services. Relying on global purchasing power, home centers have created a niche for themselves by providing product and service guarantees, selection, and installation services. "Product quality and service are becoming increasingly important in swaying customers' decisions", said Yan Ligang, a spokesman for Beijing Commerce Bureau.

To keep up with consumer demand for the products offered through home centers, B&Q, a British retailer, plans to open 80 stores by 2008. German-owned OBI aims to open 100 stores by 2010. Chinese-owned Home World, which has stores in nine cities in coastal areas and North China, plans to expand to other major markets in the next few years. The latest government figures show that net profit from the home furnishing industry in China reached US\$1.4 billion in 2001, a 27% increase over 2000.

The mission participation fee is \$650 for EBPA members, \$750 for non-members. Meals, accommodations, and airfare are the responsibility of each participant. Hotel and in-country travel arrangements will be made by US-China Build. Travel packages that include hotel and transportation costs are also available.

E-mail Rose Braden at rbraden@uschinabuild.org or call 206-543-0700 if you are interested in participating or would like more information about the mission.

China Commercial News and Olympic Contracts Information Available Online & by Email

Information about opportunities to supply building products and services for the 2008 Beijing Olympics are available from the US Department of Commerce Foreign Commercial Service (USFCS). To subscribe, send an e-mail to beijing.office.box@NOSPAM|mail.doc.gov or visit the Olympics information website at www.buyusa.gov/china/en/olympics.html.

USFCS also produces bi-weekly summaries about developments in China's commercial sectors, tips on doing business in China, and US Embassy news. To add your name to this mailing list, send a blank e-mail to: join-china-commercial-brief@list.xianzai.com. For additional Foreign Commercial Service China news, including past issues of the China Commercial Brief, visit <http://www.buyusa.gov/china/en/>.

EBPA Gateway Program Hosts Delegations from China

The Evergreen Building Products Association welcomed two separate groups from China for the 2004 Winter Gateway Program this year. The first delegation of 30 visitors were in Seattle on January 15—16 before traveling to Las Vegas for the National Association of Homebuilders' International Builders Show. A second group of 40 attended a second Winter Gateway held on February 23—24.

The delegations, consisting primarily of developers and interior designers, visited residential developments to see the latest design trends and learn about structural and decorative building materials and wood-frame home construction. Both groups attended networking events where they met with suppliers of US building materials.



Gateway visitors learn about interior finishes

During the seminars and site tours, delegation members were very interested in learning about US developers' responsibility for providing after-sale upkeep of homes and grounds, and installation of road and sewer systems.

The groups also toured Lowe's Home Improvement Warehouse, where they heard presentations by All Weather Wood Treaters, Vandermeer Forest Products, Owens Corning and Empire Pacific, a manufac-

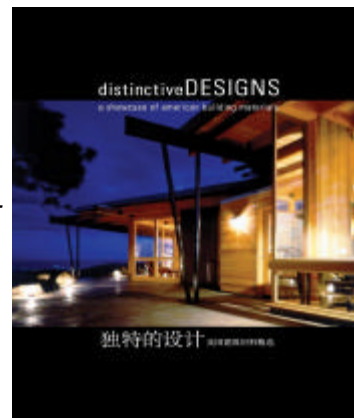
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Upcoming Events in China

March 7-10	ChinaWood Beijing 2004, Beijing
March 9	Shanghai Technical Seminar, AF&PA
March 1-15	Taiwan Green Expo, Taipei & Taiwan
March 26	Treated Wood & Outdoor Construction Technical Series, Beijing
May 21-24	International Building & Construction Trade Fair, Shanghai (US Pavilion)
May 24-28	US China Build Sales Mission, Shanghai
Aug 26-28	Shanghai International Landscape Facilities Exhibition

Distinctive Architectural Designs Highlighted in New Book For China

This April, the US-China Build Program will release a book in China of residential and commercial project designs using US building materials. "Distinctive Designs: A Showcase of American Wood Building Materials" will feature over 50 projects that include descriptions of unique features, products and considerations in their designs. The full-color publication, intended to provide designers and developers with ideas about how to integrate wood and other building materials into projects in China, highlights the design flexibility of wood used in residential and commercial construction, public projects and interior design. Structures included in the design book illustrate creative examples of wood-frame and hybrid construction in China, Taiwan, the US, Japan, and Europe.



The bi-lingual publication will be distributed in China through the US-China Build Program's Shanghai office and at seminars and trade events. It can also be used in the US and China by US companies as a sales tool to illustrate the variety of ways US building materials can be used. For more information about "Distinctive Designs", contact Rose Braden, rbraden@uschinabuild.org.

USCB Organizes US Pavilion at Shanghai International Building & Construction Trade Fair May 21-24, 2004

The US-China Build Program (USCB) is organizing a US Pavilion as part of the Shanghai International Building & Construction Trade Fair to be held May 21-24. The show is expected to attract over 40,000 buyers. The 1,350 square foot US Pavilion will include 14 companies and associations exhibiting products such as windows, doors, home packages, water filtration systems, plumbing fixtures, paint, and wood building materials.

US companies that participated in the US Pavilion at the Shanghai International Building Construction Trade Fair in August 2003 reported over \$200,000 in sales immediately following the show. The USCB booth received almost 600 inquiries.

Engineered Wood Mission Last December

Representatives of US wood product manufacturing architectural, and structural engineering firms traveled to China for seminars about the use of wood in public buildings and landscaping in December 2003. The group also met with the International Olympic Planning Committee and firms involved in the design and construction of public buildings and landscaping. The group was led by APA-The Engineered Wood Association and the American Forest & Paper Association (AF&PA).

Representatives of Chinese architectural design and engineering institutes focusing on non-residential construction projects attended one-day seminars held by APA in Shanghai and Beijing. Presenters provided an overview of the development process for non-residential wood-frame projects. The presentations included explanations of the review process for architectural design decisions, engineering calculations, material specifications, manufacture and transport of building products to an international site, on-site component fabrication, and building construction. The group also used case studies of gymnasiums, sports domes and arenas, schools, timber bridges, and retail stores built in the United States, Canada, Japan, and Europe to illustrate the capabilities of glulam building materials and softwood lumber components.

Meetings with key groups yielded requests for detailed design, engineering, and cost estimates for several projects in Shanghai and Beijing, including a wood-frame sports venue. Follow-up meetings continued in February 2004.

These seminars are part of a number of ongoing seminars about residential and commercial wood-frame construction and building materials held throughout China by the US.



The APA mission encouraged the use of treated wood in China, such as at the Shanghai Sheshan Golf Course, shown here.



China's First Foreign-Owned Savings Bank Opens

Reprinted from the China Business Times

On February 15, 2004, Sino-German Housing Savings Bank, the first Chinese-foreign owned savings bank, opened in Tianjin, marking the first housing savings bank in China based on international standards.

The bank was jointly established by the China Construction Bank (CCB) and the German Bausparkasse Schwaebische Hall. Registered with US\$18 million in capital, ownership of the bank is split between CCB (75 percent) and the Bausparkasse Schwaebische Hall (25 percent).

A clear advantage to consumers is the bank's home loan rate. The savings bank extends home loans with an annual rate of 3.3 percent, far below the loan rate available from state-owned banks, which currently stands at 5.04 percent with repayment terms of more than 5 years. The availability of foreign partnership banks such as this is expected to provide more options for mortgage lending, and more opportunities for home ownership.

US-China Build Fall Sales Mission September 13-17, 2004

US-China Build will hold its third annual sales mission and seminar series in China this fall. Sales seminars about US building materials and wood-frame construction will be held in Shanghai, Beijing and Ningbo. Each event will be accompanied by mini-trade shows featuring US building products and services. Last year's mission generated \$3 million in expected sales for participating companies.

Cost:

EBPA/AF&PA Members: \$700

Non-member: \$800

For more information contact the US-China Build Office.

Beijing Olympics News

The 2008 Beijing Olympic Games will utilize 37 sports venues. Thirty two of these venues will be located in Beijing and five will be located in surrounding cities including Tianjin, Shanghai, Shenyang, Qingdao, and Qihuangdao. Of the 32 venues in Beijing, 19 will be new facilities and the remainder will be renovated buildings.

Useful sites:

www.buyusa.gov/china

www.beijing-olympics.org.cn

US-China Build Upcoming Activities

<p>US Pavilion: Shanghai International Building & Construction Trade Fair</p> <p>Dates: May 21-24, 2004</p>	<p>Display your products in the US Pavilion at one of China's largest building materials trade shows. A pavilion of booths featuring US building materials will include prominent signage. Catalog space is also available. Companies may staff their catalog displays, or USCB staff will collect trade leads on participants' behalf if they cannot attend.</p>	<p>Booth Space Sold Out</p> <p>Catalog Space Sold Out</p>
<p>2004 US-China Build China Business Development Mission</p> <p>Date: May 24-28, 2004</p> <p>Location: Shanghai</p> <p>Deadline: April 1, 2004</p>	<p>Make a first-hand assessment of China market opportunities by meeting with distribution companies, product representatives and purchasing agents from some of China's largest home centers during this one-week business development mission. Mission participants will tour the Shanghai International Building & Construction Fair, wholesale and retail markets, and home sites. More information about the mission is available on page one of the newsletter.</p>	<p>EBPA Members: \$650</p> <p>Non-Members: \$750</p> <p>Price does not include airfare, hotels, meals, or domestic transportation. Packages including airfare & hotel are available.</p>
<p>Chinese-language US Housing & Building Materials Directory</p> <p>Deadline: May 1, 2004</p>	<p>Promote your company in the 2004 Chinese Language Directory of US Housing & Building Materials Companies, a publication listing suppliers of building materials and related professional services. 7,000 copies of the directory will be distributed. In addition to the printed listing, companies will also be included in the bilingual online directory, available at http://www.uschinabuild.org/USCompanyDirectory/EnglishDirectoryindex.asp</p>	<p>EBPA Members: \$100</p> <p>Non-Members: \$125</p> <p>Price includes translation</p>

More information about these activities is available online at:
[www.uschinabuild.org/ Events/ events.htm](http://www.uschinabuild.org/Events/events.htm)

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turer of vinyl windows. This provided an opportunity to ask product specific questions and become more familiar with a variety of US building materials.

Visitors in February also toured wood-frame homes under construction. Karri Anderson, President, Interra USA, led the group on a tour of two homes his company is building. Mr. Anderson explained the materials used in the homes and the flexible design possibilities of wood-frame construction. For example, the home builder easily added extra windows after the walls of the home had already been installed. Mr. Anderson also explained the process of working as a builder in a large master-planned community.

The Summer Gateway program will be held August 30-31, 2004. Delegations from Japan, Korea, China and Taiwan are expected to participate. For more information, contact Larry Kvidera, EBPA Program Manager, at 253-396-0131.

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Registration Deadline

May 1, 2004

PRICING:

- **EBPA Members: \$100**
- **Non-EBPA Members: \$125**

A registration form is available online at www.uschinabuild.org/Events/events.htm or by calling or emailing Rose Braden at 206-543-0700 or rbraden@uschinabuild.org.



Evergreen Building Products Association News

Mexico Trade Mission Opens Doors for Building Products Exports

EBPA members and Washington state-based building materials manufacturers and exporters are invited to participate in a building materials trade mission to Mexico planned for June 21—25. The five day mission will visit the Mexico City and Guadalajara as part of a larger Washington State Governor's Mission celebrating the opening of a new Washington State Trade Office in Guadalajara, Mexico in June. All EBPA Members can participate.

The building materials sales mission, targeting Mexican builders, architects, building materials importers and distributors, will feature technical and product presentations from participating US companies. A mini-trade show and reception for business card exchange and networking with Mexican companies. US companies will meet with US-Foreign Commercial Service staff, US and Mexican industry associations and visit residential and commercial construction sites to learn more about the Mexico market and see opportunities for US building products.

Washington State Governor Gary Locke is expected to open the seminar program and meet with guests and dignitaries at the reception to held in each city.

The cost to participate in the program is \$600 for EBPA Members, and non-members \$750. For more information, contact Larry Kvidera, EBPA at (253) 396-0131 or Mark Calhoun, Washington State Community, Trade and Economic Development at (206) 256-6137.

EBPA Calendar of Events

March—June, 2004

- **Home Dealers & Developers Expo (HOMDEX)**
Catalog Display, March 24 – 28, Seoul, Korea
- **“Japan Market Trends and Opportunities”**
Seminar, Mar. 30, Seattle, WA
- **Building Materials Sales Mission to Japan**
Sales Mission, April 19 - 23
Nagano, Hachioji, Shizuoka, Gifu, Wakayama
- **“Remodeling in the US” Seminars**
Mini-Trade Show & Reception, May 17 – 20
Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka, Japan
- **Branded Program**
- **Gov't Funding for Wood Product Exports**
Seminar, May 11, Seattle, WA
- **Dry Wall Seminar – Japan Delegation**
Networking Reception, June 8 – 9, Seattle, WA
- **Building Materials Sales Mission to Mexico**
June 21—25, Mexico City—Guadalajara, Mexico

Japan Remodeling Seminars Promote WFC & US Products

EBPA, in cooperation with the Softwood Export Council and industry cooperators, will hold a series of seminars introducing American remodeling and design techniques from May 17—20. The seminars will provide Japanese audiences in Tokyo, Nagoya, Osaka, Hiroshima and Fukuoka with information about trends, remodeling construction and design, and business models for a remodeling contracting business, while creating opportunities for US companies and Japanese construction and design professionals to meet and explore new business relationships.

US companies are invited to display product catalogs and samples and network with Japanese attendees at mini-trade shows and receptions held in conjunction with the event. Registration for the 4-day program is \$250, EBPA/SEC/AF&PA members, \$350 for non-members. The participation fee includes a table-top display, reception, and company listing in pre-event promotional materials.

Remodeling represents an important emerging market niche in a residential housing market that has been in decline in recent years. The Japan remodeling sector, assessing both nonmaterial and material costs, was estimated at US\$49.6 billion in 2001. The total value of building products used for remodeling projects was estimated at US\$12.4 billion. The Japanese remodeling market has been growing steadily and is expected to continue at a rate of approximately 5% over the next five to ten years.

Contact Larry Kvidera, EBPA, at (253) 396-0131 or e-mail evgreen@ep.org for more information or to reserve space.

Evergreen Building Products Association helps US companies Export

Evergreen Building Products Association (EBPA), Tacoma, Washington, is a nationally recognized private, non-profit trade association of building materials manufacturers, exporters, wholesalers and distributors.



With foreign office representation in Japan and China, and access to a worldwide network of industry trade representatives through its membership in the Softwood Export Council, EBPA helps US companies export products and services worldwide, with a focus on Asia markets.

EBPA organizes sales missions, trade show pavilions, foreign language newspapers and directories, US-based Gateway programs for buyers from overseas, market research, and other programs and services in Japan and other markets.

For more information contact Larry Kvidera, EBPA Program Manager, at (253) 396-0131 or evgreen@ep.org.



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USCB Organizers:

- **Evergreen Building Products Association**
- **American Forest & Paper Association**

USCB Partner Organizations:

- **Center for International Trade in Forest Products, University of Washington**
- **USDA Foreign Agricultural Service**
- **Softwood Export Council**
- **US Department of Commerce (Market Development Cooperator Program)**
- **Washington State Department of Community, Trade and Economic Development**

www.uschinabuild.org

The bilingual website is regularly updated to bring you the latest information about China's residential construction market including:

View New Content:

- Searchable Directory of US Exporters to China
- Schedule of Chinese Trade Shows
- USCB Chinese-language Housing Newspaper
- Links to other China-related websites

