



FOCAL POINT: INTERNATIONAL NEWS

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FALL CHINA MISSION ATTRACTS RECORD NUMBER ATTENDEES

US companies estimated making contacts that will lead to \$27 million in sales over the next year during the October sales mission and seminar series to China.



Record numbers of Chinese construction professionals attended EBPA/AFPA's US building materials seminars in Xiamen, Nanjing, and Tianjin.

Over 400 Chinese construction professionals and distributors attended seminars in Xiamen, Nanjing, and Tianjin.

Over 400 Chinese developers, architects, traders and other professionals attended the sustainable and energy efficient building materials-themed seminars. During the seminars, the keynote speaker, Michael Cheung, a Taiwanese architect, discussed how wood, concrete, and steel building materials can be used together to produce

(China Sales Mission continued on page 3)

US-CHINA BUILD PROGRAM

The US-China Build Program (USCB) is a non-profit business assistance program managed by Evergreen Building Products Association. US-China Build receives support from the American Forest & Paper Association and USDA Foreign Agricultural Service. The program promotes exports 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 construction market, contact Rose Braden at (503) 248-0407 or rbraden@uschinabuild.org.



JAPAN FALL SALES MISSION EXPLORES NEW MARKETS: SPRING MISSION SET FOR MAY

In October, EBPA and the State of Washington Community Trade & Economic Development office organized a sales mission to five cities in Japan. The seminars were held in Mito and Chiba, two medium-sized markets in the Greater Kanto region, and two smaller, rural locations in Yamana-shi and Nagano Prefectures (Shizuoka, Kofu, Matsumoto).

Nine EBPA members participated in the seminar series, giving presentations and conducting product demonstrations about various building materials and technologies. A wide range of products were displayed by manufacturers



Over 400 Chinese construction professionals and distributors attended seminars in Xiamen, Nanjing, and Tianjin.

and wholesaler/consolidators offered, including moulding, flooring, windows and patio doors. Over 115 Japanese builders, architects, building materials importers and residential construction related trades attended the seminars.

US company representatives said the addition of smaller, rural cities helped them reach new customers who do not

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PRESIDENT'S NOTES: CHANGES IN CHINA DURING THE US-CHINA BUILD PROGRAM

EBPA's US-China Build Program (USCB) began in 2002 when it was awarded a grant from the Department of Commerce Market Development Cooperator Program. With additional support from the USDA Foreign Agricultural Service, EBPA and the USCB program provided a number programs to introduce and promote US building materials including trade show pavilions, sales missions, newspapers, design books, and company directories.

Since 2002, the USCB has seen a lot of changes in China. China's GDP has increased at 9.5% on average each year from 2001-2005 and its major cities have experienced a metamorphosis. Old low-rise buildings are quickly being razed and replaced by modern high-rises, new roads have been built, and infrastructure has improved. The construction industry is a vital to China's economy, accounting for 6.6% of national GDP. Over the past five years, the construction industry has been China's fourth largest industrial sector.

Not only are a reported 19.6 million new housing starts completed each year, but consumers and developers are expecting more from their homes - more amenities, improved comfort, a wider a variety of choices in materials, and greater energy efficiency.

Over the past several years, as more US and international companies have begun selling to China, Chinese developers and architects have become more familiar with a range of materials. A number of companies have also moved manufacturing to China. One would think that this would eliminate the market for US-made building materials.

Although there is intense price competition in the majority of the market and Chinese-made products dominate lower and middle-income segments of the market, Chinese consumers are keenly aware of quality control issues in China. When quality and innovation is important, Chinese buyers know that they can find high quality products from US suppliers.

One indication of Chinese consumers' interest in US products is attendance at our seminars. USCB has moved its seminars from major markets such as Shanghai and Beijing to second tier cities with great response. Construction professionals in China's smaller cities, (which still have populations of 6-10 million people) are often overlooked by exporters focused on China's big three. USCB has found these "second-tier" cities to be progressive, fast growing, and very receptive to our companies.

Our seminars in second tier cities are attracting larger audiences and ever before and these attendees have specific interests (see page 1). Building materials that can offer improvements to existing materials in the marketplace are well received. Government officials and private companies are very interested in energy efficient building materials – from insulation to US-made windows.

US lumber suppliers are also finding niche markets. As China's economy improves the government is building more public leisure areas and developers are building more golf courses with wooden landscaping features, walkways, and footbridges. US Southern Yellow Pine has been recognized for its superior preservative treating, and demand and interest in the species has increased dramatically. Exports of SYP lumber from the US to China have increased from only \$686,000 in 2001 to \$6.9 million 2005.

EBPA's USCB grant expired this year, but US-China build is now self-sufficient – the goal of the MDCP program. From 2002-2006, USCB resulted in over \$20.5 million in verified sales by program participants. Over 2,675 Chinese developers, architects, government officials, and other construction professionals attended seven seminars with US company presentations, and over 425 US companies participated in annual seminars, trade missions, educational missions, trade shows, newspapers, and directories.

The program itself has also evolved. The USCB program now offers two sales missions a year and we are exploring new "green" and energy efficient trade shows (pg. 3). We look forward to a new phase of the USCB program and new opportunities for US companies.

Leading US Wood Products Exports to China

Thousands, US dollars	JANUARY - NOVEMBER		% CHNG
	2006	2007	
HARDWOOD LUMBER	249,831	205,614	-17.7
HARDWOOD LOGS	128,150	177,994	38.9
SOFTWOOD LOGS	21,469	38,655	80.05
SOFTWOOD LUMBER	20,493	28,114	37.19
HARDWOOD VENEERS	20,843	27,651	32.66
OTHER WOOD PRODUCTS	16,431	22,583	37.44
SOFTWOOD VENEERS	8,241	5,008	-39.23
PULPWOOD	8,946	38	-99.58
HARDWOOD FLOORING	7,368	3,796	-48.48
OTHER PANEL PRODUCTS	4,374	1,240	-71.65
BUILDERS CARPENTRY	3,034	1,797	-40.77
Total Wood Products Exports	497,304	533,891	7.36

(China Sales Mission continued from page 1)

energy efficient, sustainable, and attractive residential, commercial, and landscaping projects.

The seminars included a range of building materials from insulation, windows, and tile and stone adhesives to decorative wooden panels and softwood lumber. The mission included several US Southern Yellow Pine lumber who are encouraged by the boom in government-funded and private landscaping projects and wooden outdoor features that are being built across China.



Demand for the seminars and the sales missions from Chinese construction professionals and US suppliers has been so great that EBPA/AFPA now holds two seminars per year. The next seminar series and sales mission will be held May 11-16, 2008 in Chongqing, Changsha and Shenzhen.

Franklin International representatives show seminar attendees examples of their adhesives.

(Japan Sales Mission continued from page 1)

have ready access to information about new products and building technologies. Companies reported \$5,000 in immediate sales during the mission and anticipated sales of \$332,000 over the next 12 months as a direct result of their participation.

Spring Sales Mission Dates and Cities Announced
The next sales mission/seminar series is scheduled May 19-23, 2008 and will visit Niigata, Toyama, Kanazawa, Fukui and Kyoto/Nagoya.

Seminars will include a feature presentation, a how-to demonstration, and up to eight company presentations (10-15 minutes each). Seminars also include two mini-trade show sessions for US companies to display products and meet with attendees at table-top displays for business card exchange.

Presentation Slots: *Members: \$750*
Mini-Trade Show Only: \$650

Companies must be a member of EBPA or its cooperators. For more information, please contact Rose Braden.

SPRING 2008 CHINA SALES MISSION MAY 11-16, 2008 Chongqing, Changsha, Shenzhen

Join EBPA and the US-China Build Program for its eighth sales mission and seminar series to Kunming, Wuhan, and Shenzhen, three of China's fast growing cities and manufacturing centers.

Seminars will include ten, ten-minute speaking slots for US companies, two table top display sessions, and ample time for networking with seminar attendees. The focus of the seminars is green and energy efficient building materials, a fast growing topic of interest among China's developers, government officials, and consumers.

EBPA's fall 2007 seminars were the most highly attended in the history of the program. Building materials of all types are represented, ranging from structural lumber, decorative panels, windows, insulation, and tile products.

Hotel and seminar arrangements are made for mission participants. Airfare and hotel costs are not included in the participation fee.

Member dues participation fee: \$750 per speaking slot
\$650 per non-speaking slot

EBPA members and members of cooperator associations are welcome to join the mission. Contact Rose Braden for more information about membership in EBPA.

Deadline: March 15, 2008 to be included in promotional mailer. After March 15, until speaking slots are filled.

CHINA'S WOODEN DOOR EXPORTS EXPAND AT A LOWER RATE IN 2007

According to *China Wood Monthly*, while China's exports of wooden doors have increased 30% annually in volume and value since 2003, exports have slowed in 2007. grown rapidly at the speed of over 30%. According to customs statistics, 248.4 thousand tons or US\$465 million in wooden doors were exported from China in 2007. This is an increase of 9.6% and 15.4% from 2006, respectively.

Despite the decline in export volume and value, overall Chinese exports still greatly surpassed imports. This is largely due to competitive pricing by Chinese door manufacturers. The average unit value of exported wooden doors was considerably less than doors imported by China. Chinese doors were on average, US\$700 less per ton than imported doors.

INNOVATION AND MARKETING SAVVY KEY FOR PACIFIC NORTHWEST EXPORTERS

Reprinted from *Pacific Gateway Magazine*

The Pacific Northwest region of the United States – home to major Puget Sound container ports in Tacoma and Seattle – is countering a national trend; it is expanding its worldwide exports.

According to the Washington Council on International Trade (WCIT), one-third of the Washington state's economic activity, one-third of its agricultural product and one in three jobs depends on international trade. And on a per capita basis, Washington is now the most trade-dependent state in the United States.



"When you take our total two-way trade volume – more than \$110 billion annually – and divide by our population of roughly 6.3 million Washingtonians, you get an annual two-way trade volume of more than \$17,000 per person," WCIT President Bill Center said in a recent speech to the National Lieutenant Governors' Association. States with a larger aggregate total such as California, Texas and New York, Center noted, have a per-capita volume of approximately \$8,000.

In 2006 alone, Washington state exported \$53 billion worth of goods to global customers, according to the World Institute for Strategic Economic Research, an international trade statistics database. Pacific Rim trade represented nearly half of our state's total exports at 24.5 percent. At the Port of Tacoma, the average annual export growth over the past five years is 14 percent.

"These growing markets, especially in Asia and India, have more expendable income, are highly educated, and many have traveled or been educated in the United States," said Tong Zhu, the Port of Tacoma's Director of Commercial Strategy. "They want U.S. products." But Zhu says success in the international marketplace is not as simple as offering up more of what's popular in the United States and expecting brisk sales. "It's very important for us to keep innovation going and localize our products in terms of features, packaging to fit the needs of customers, and the suitability to the specific market," she explained. "For example, among the Japanese, Chinese and the Korean markets, there are great differences. So manufacturers can't consider the whole Asian market as one entity."

Selling Services

Exporting more of the Washington state economy's service know-how offers the next wave of opportunity, said the Port of Tacoma's Zhu. "Our trading partners have the hardware, but they need the software. We have been exporting our products, now there's a great opportunity in terms of exporting our services," she said.

Zhu sees a specific opportunity in China at airports, ports and throughout the logistics industry. Logistics is another area

"The Port's surplus of shipping capacity on the westbound trip creates an excellent opportunity for exporters to get their products overseas at a highly competitive price."

Jack Woods
West Coast Sales Manager, Port of Tacoma

that helps export business stay competitive. The Port of Tacoma's competitive freight costs and transit times to an expanding number of ports in Southeast Asia, China and India help Washington state businesses serve their customers quickly – while still remaining profitable. "The Port's surplus shipping capacity on the westbound trip creates an excellent opportunity for (American) exporters to get their products overseas at a highly competitive price," said Jack Woods, West Coast Sales Manager for the Port of Tacoma.

Woods agrees that soft skills of understanding diverse cultures and developing international marketing intelligence separate those who succeed in exporting versus those who do not. "They want our products, but American exporters must understand the nuances to market, package, introduce and distribute them in a way that meets the consumers' needs."

In Washington state, the Puget Sound business community offers ample networking opportunities for exporters to hone their market intelligence. World Trade Center Tacoma, the Washington Council on International Trade, Washington-China Relations Council, World Affairs Council, Washington Department of Community Trade and Economic Development, and other organizations offer vast resources to help exporters stay on top of trends, changing regulations and marketing opportunities.

The region also offers educational options that help those interested in international trade develop their skills, such as the University of Washington's graduate certificate program in Global Trade, Transportation and Logistics. And the World Trade Center Tacoma sponsors frequent training opportunities.

But customer service is a skill that translates well in any culture. "International retailers are not just looking for product supply," explained Charles Witzleben, Super-Valu International President. "They're looking for infor-

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VIETNAM GROWING MARKET FOR US EXPORTERS

Vietnam's rising position as a consumer and producer was the focus of discussion at EBPA's November 28 Annual Meeting.

Christopher Runckel, Principal of Runckel & Associates and Chairman of the US-Vietnam Chamber of Commerce, spoke to the audience of exporters about Vietnam's business environment, economy, manufacturing, and growing demand for building materials.

With a steady stream of manufacturing lured from China to Vietnam by the country's lower labor costs and less complicated business environment, Vietnam's government is providing loans to stimulate several key industries. According to Construction International, Vietnam's government plans to invest \$80 billion on power generation and an electrical network over the next 10-15 years, and build 117 industrial zones by 2015.

This economic stimulus is expected to stimulate private sector spending on construction and infrastructure development. Spending on residential construction is projected to increase 4.2% annually, from \$398 million in 2005 to \$603 million in 2015. Growth in the non-residential sector is expected to be 6.5% annually, increasing from \$407 million in 2005 to \$766 million in 2015. According to Mr. Runckel, demand for high quality building materials in the hotel industry is expected to increase as new 5-star hotels are built to accommodate an influx of business and leisure travelers.

Vietnam's demographics indicate promising growth opportunities. With over 85 million people, Vietnam is the 13th most populous country in the world, recording 7% growth annually for the past five years. Other building materials in demand include energy efficient products, bathroom fixtures, and moisture resistant building materials.

Demand for Wood Products Surges

Vietnam's low wages relative to neighboring countries, and the US's anti-dumping case against imports of bedroom furniture from China has helped spur increase in foreign investment in Vietnam's furniture manufacturing sector. From 2004 to 2005 alone, Vietnam's furniture exports increased 41% to \$1.55 billion. With this increase in exports, Vietnam's demand for timber has boomed. In 2005, Vietnam imported \$625 million in wood products. Approximately 80% of these imports included logs, lumber, and veneer.

While Malaysia is Vietnam's leading wood products supplier, the US is rapidly improving its market position. Since US suppliers first began exporting wood products to Vietnam in 1999, the US has increased its share of Vietnam's wood products market from 1.3% in 2000 to 7.5% or \$46.5 million. While the US market share is moderate,

over the past five years, imports of US wood products have increased 77% per year.

Despite higher costs of U.S. products compared to those from Asia and Australia, Vietnam's market growth the Vietnamese people's interest in premium quality products and innovative technologies from the US, industry analysts, including representatives from the Department of Commerce believe that there are significant opportunities for US suppliers.

US PAVILION AT CHINA GREEN BUILDING SHOW

EBPA, with support from the State of Washington, is organizing a US pavilion at the March 26,-28, 2008 China Building 2008 Show and Beijing International Green Building Materials Exhibition.

Now in its 13th year, with over 57,000 visitors annually, China Building is one of China's leading trade shows for the building materials industry. It is also one of China's only shows focusing on energy saving and environmentally friendly building materials and technologies. The show is held concurrently with five other building materials exhibitions.

Booth packages for the event include a 97ft²/9m² (3m x3m) of fully decorated space. Signage in English and Chinese signifying the US pavilion is included.

Table top displays can be staffed by company representatives. EBPA staff are also available to staff displays.

Booths : EBPA Mbrs: \$2,220 Non-Mbrs: \$2,320
Table Top Displays: \$550/members, \$550/non-mbrs

Deadline: Until filled. Table top displays fill quickly, so please register early. More information is available at www.ep.org under Programs.

(Innovation continued from page 4)

mation, guidance and direction," he said. "As with any customer, they want excellent service."

About the Port of Tacoma

The Port of Tacoma is an economic engine for South Puget Sound, with more than 43,000 family-wage jobs in Pierce County and 113,000 jobs across Washington state connected to Port activities. A major gateway to Asia and Alaska, the Port of Tacoma is among the largest container ports in North America, handling an estimated more than \$36 billion in annual trade and about 1.93 million TEUs (20-foot equivalent container units). The Port is also a major center for bulk, breakbulk and project/heavy-lift cargoes, as well as automobiles and trucks. To learn more about the Port of Tacoma, visit www.portoftacoma.com.

EBPA WELCOMES NEW MEMBERS

EBPA is pleased to welcome three new members:

Huber Engineered Woods, LLC

Huber Engineered Woods, LLC, a manufacturer of OSB, including AdvanTech® flooring, is the best selling OSB subfloor product in the US housing market. The company employs over 6,000 employees and operates in more than 20 countries.

Contact: Dr. Nian Ou, Director, nian.ou@huber.com
Website: www.huberwood.com

Pioneer Trading Company

Pioneer Trading Co. supplies building materials to construction companies in the US and Japanese wholesalers and distributors for a number of years. Pioneer provides quality materials and expertise to Japanese customers about products ranging from structural plywood and lumber to mouldings, doors, windows, and kitchen cabinets. Pioneer has worked a variety of residential, military, institutional, and commercial projects in the US and Japan.

Contact: KG Fukumoto, President, kg@pioneertrading.com

Central Valley Builders Supply

Central Valley Builders Supply (CVBS) is a 53-year old, building materials supplier and manufacturer. CVBS supplies all building materials necessary to complete a home project, ranging from structural and decorative wood products, roofing, windows, and accessories to drywall materials.

Contact: Alan MacDougall, International Sales Mgr.,
alan@napavalleyinternational.com
Website: www.napavalleyinternational.com

JAPANESE MINISTRY OF CONSTRUCTION RELEASES NEW WINDOW STANDARDS

On December 28, the Ministry of Economy, Trade and Industry (METI) in Japan has announced the development of a voluntary window labeling standard to help consumers select high performance, energy efficient windows and glass. The new labeling system will be effective April 1, 2008.

The new labeling program, or the "Rating Label for Energy Conserving Building Materials", helps window importers indicate the energy efficiency rating of the glass and sash separately, and the window as a unit. Windows, glass and sashes manufactured, assembled, or imported before April 1, 2008 are exempt from the labeling system.

AMERICAN SOFTWOODS USED IN AWARD WINNING JAPANESE SPA

American Softwoods, a cooperator with the Evergreen Building Products Association, announced the recent completion of the award-winning Shiobara Foot Spa project located in Nasu Shiobara City of Tochigi Prefecture in Japan. The hot springs spa used approximately \$36,000 worth of US-sourced Douglas fir lamstock lumber.



The structural material was manufactured by Warm Springs Forest Products Industries of Warm Springs, Oregon. The mill is owned by the Confederated Tribes of the Warm Springs Indian Reservation and is certified by the Forest Stewardship Council and the Western Woods Products Association. The Douglas fir lamstock was supplied to Japanese fabricator Chuto for manufacture into glued laminated beams. A Portland, Oregon-based company - Walsh Industries, consolidated and exported the US lumber product to Japan.

This activity was the result of several Foreign Agricultural Service-sponsored activities including seminars, related trade missions to the United States and Japanese press coverage of similar nonresidential projects utilizing US engineered wood.

Mr. Hirofumi Sugimoto, the architect and Dr. Katsuo Nakata have acted as speakers in past American Softwood seminars and are themselves past American Wood Design Award winners. They specified Douglas fir wood products for this design because of the products superior strength and appearance. This contract and related non residential construction projects represent a major step in ongoing US industry efforts to gain a share of the commercial construction sector in Japan.

Japan Structural Lumber Report Released

The Center for International Trade in Forest Products recently completed the report "Market for Softwood Lumber in Japan: Opportunities for Douglas-fir Structural Lumber for Hirakaku".

The study, based on interviews with focus groups of Japanese home builders and personal interviews, evaluates the use and specifications for structural lumber in the Japanese post and beam construction market, particularly Douglas-fir lumber beam applications. The study also reports on the feasibility of developing and introducing branded Douglas-fir hirakaku lumber in Japan. For more information about the study, contact CINTRAFOR at 206-543-8684 or www.cintrafor.org



Evergreen Building Products Association
"Promoting US Building Products to the World"

EBPA 2008 ACTIVITIES

US Pavilion: China Building 2008 Trade Fair	Join EBPA and the State of Washington in the US Pavilion at the 13th annual China Building 2008 Show and Beijing International Green Building Materials Exhibition. More information available on page 5.	Booth Space Members: \$2220 Non-Members: \$2320
Architecture & Construction Materials Show (ACMS) Location: Tokyo, Japan Deadline: Feb 15, 2008	ACMS is a must for companies interested in exploring new opportunities in the commercial market or promoting product to suppliers or specifiers of building materials for commercial and residential construction projects.	Catalog Space Available Only <i>EBPA members: \$450</i> <i>Non-members: \$550</i>
China Spring Sales Mission Chongqing, Changsha, Shenzhen Dates: May 11-16, 2008 Registration Deadline: March 15, 2008	Reach hundreds of interested buyers through this eighth annual sales mission and seminar series to China. Seminars include company presentations to audiences of developers, distributors, and other construction professionals. Ample time is be included for attendees to network with US suppliers at their table top dis-	Speaking Slot EBPA member: \$750 Display Only: \$650
Japan Spring Sales Mission Niigata, Toyama, Kanazawa, Fukui, Kyoto Dates: May 19-23, 2008 Registration Deadline: March 15, 2008	EBPA/WA State Sales Missions have been an effective marketing tool for US housing and building material manufacturers and exporters to Japan for over 10 years, generating over \$40 million in sales and reaching over 5,000 Japanese architects, builders, importers and distributors in over 50 cities throughout Japan.	Speaking Slots EBPA member: \$750 Display Only: \$650
Chinese-Language US Supplier Directory	This listing suppliers of wood and non-wood construction materials and related professional services is a cost effective means of promoting your company to a range of Chinese construction professionals. 7,000 copies of the directory are printed and mailed to our database and distributed at trade shows and other events.	Registration information and pricing to come
Fall Japanese-language US Housing & Building Materials Newspaper Registration Deadline: August 3, 2008	Whether introducing your company for the first time, establishing your brand, or creating awareness of new products you re bringing to the market, advertising in the newspaper is an affordable and effective means of reaching potential customers.	Ads rates available at www.ep.org under Programs
Japan Home & Building Show Dates: Nov. 12-14, 2008	The 2006 Japan Home Show featured 688 exhibitors in 1,167 booths and attracted 91,667 visitors.	Booth and Catalog Space prices to come
Fall China Sales Mission Tentative Dates: October 19-23, 2008	Cities for the 9th sales mission and seminar series will be determined after the spring mission.	
Fall Japan Sales Mission Tentative Dates: September 2008	Cities for the sales mission and seminar series will be determined after the spring mission.	

For more information about EBPA's activities, visit our website at www.ep.org
For more information about EBPA membership, contact Rose Braden at 253-396-0132

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

- Searchable Directory of US Exporters to China
- USCB Chinese-language Housing Newspaper
- Past editions of the Focal Point newsletter
- Links to other



www.uschinabuild.org

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