



FOCAL POINT: INTERNATIONAL NEWS

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EBPA RECEIVES AWARD TO PROMOTE US PRODUCTS IN COMMERCIAL CONSTRUCTION

The Evergreen Building Products Association (EBPA) was awarded a \$1480,000 grant from the Department of Commerce (DOC) Market Development Cooperator Program (MDCP) to promote US building materials in China's commercial construction market.

The competitive grant competition is held each year by the DOC to help promote US goods in overseas markets. This is the second grant that EBPA received through MDCP. The first grant, which ran from 2002-2007 and is now self sustaining, focused on promoting US building materials in China's residential construction market. This grant resulted in EBPA's ongoing US-China Build Program (USCB).

"The Market Development Cooperator Program helps small and medium-sized U.S. businesses compete and win in the global marketplace, especially in some of the world's fastest-growing markets," said Commerce Manufacturing and Services Assistant Secretary William G. Sutton. "This public-private partnership with various non-profits and their members promotes American companies'

(Dept. of Commerce Grant 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 USDA Foreign Agricultural Service, the US Department of Commerce, and its cooperators. 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.



EBPA ORGANIZES PAVILION AT KOREA HOME SHOW

In response to an increase in US building materials exports from the US to Korea, EBPA and the State of Washington are organizing a US pavilion at the February 22-27, 2009 Kyung Hyang (KH) Housing Fair in Korea.

The KH Fair, which began in 1986, is Korea's longest running and most well known construction and building materials trade fair. In 2007, the show hosted 750 exhibitors and 150,000 visitors.



Booth packages include carpet, walls, company name plate, desk and one chair, outlet, and electricity. Table top display space in the EBPA/State of Washington booth is also available. Companies are encouraged to staff their table top displays. If they are unavailable, State of Washington staff will distribute company literature and collect trade leads for the exhibitors.

BOOTH PACKAGES

Booth packages include: standard 3mx3m (10'x10') booth space with side and back panels, nameplate, carpet, desk, 1 chair, visitor log machine, 5 spotlights, outlet and electricity up to 1 KW. Companies using equipment that requires 110 volt electricity will need to purchase or bring a 220 volt transformer and outlet adaptor.

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US PAVILION: JAPAN ARCH. & CONSTRUCTION MATERIALS SHOW

EBPAA and the State of Washington are organizing a US pavilion for US exporters at the March 3-6, 2009 Architecture & Construction Materials 2009 Show (ACMS) in Tokyo.

ACMS targets decision makers in planning, development, design and construction of medium to large scale commercial, public, and residential projects, including: hotels, hospitals, light and heavy commercial buildings, condos, and single family homes. The event is a major draw for architects, contractors, real estate developers, trading companies, builders, and engineering firms. The 2008 show featured 311 companies in 698 booths. Show organizers expect over 270,000 visitors in 2009.

Table Top Displays

Catalog companies receive a table top space in the booth to exhibit product catalogs. Literature and small samples. Companies are encouraged to have representatives at the booth to hand out literature and answer questions. EBPA and WA State representatives will distribute catalogs and collect business cards if a company representative is unable to attend.

Date: March 3 - 6, 2009

Price: Table Top Displays Available Only:
EBPA member - \$450 Non-member - \$550

Registration Deadline: Catalog space is available until filled. More information and a flyer are available at www.ep.org on the "Programs" page.

Green Building Materials, Opportunities & Direction EBPA Annual Luncheon & Seminar 11:00-1:30 Wednesday, Dec. 3, 2008 Sea-Tac Marriott, Sea-Tac, WA

Join EBPA to learn about how to position your products in the growing green building materials market.

Speakers will present information about how green building materials and projects have avoided the overall market downturn, and who is using green materials and construction approaches, and the future of the green industry.

Speakers:

- **Patty Southard**, Program. Mgr., King County Green Tools Program & Built Green Program
- **Craig Curtis**, Partner, Miller Hull Architects

Fee: EBPA Members: \$28, Non-members: \$31

Registration Deadline: Nov 26, 2008

For more information, see the flyer at www.ep.org under Programs or call 253-296-0131.

CHINA SEMINARS & SALES MISSION DRAWS HUNDREDS

Over 340 Chinese architects, developers, and distributors attended the October 13-17 sales mission and seminar series organized by EBPA's US-China Build Program and the American Forest & Paper Association.

The seminars, held in Beijing, Shenyang, and Wuhan, featured presentations by eight US building materials suppliers about products ranging from structural and decorative wood products, construction adhesives, insulation, tiles and tile adhesives, windows, and treated lumber. Companies also displayed product samples and networked with attendees during two table top trade shows.



Mr. Xu Fang, American Forest & Paper Association China Director, gave the keynote presentation about the benefits of using US building materials for interior and exterior design and structural applications.

EBPA holds two sales missions to China each year. The next sales mission will be held **May 11-16, 2009 and will visit Fuzhou, Kunming, and Chengdu**. For more information about participating, contact Rose Braden at 503-248-0407 or rbraden@ep.org or see the mission flyer at www.ep.org on the Programs page.

Participation Fee: EBPA Members: \$750, Non-Members: \$875 (does not include hotel or airfare).

Deadline: Feb 20, 2009 to be included in the promotional mailer. After that, until space is filled. Space fills quickly,

EBPA WELCOMES NEW MEMBER

EBPA is pleased to welcome new member, Q. S. Control Corp.

Q.S. Control Corp., produces equipment for manufacturers to produce composite countertops similar to Corian. Established in 1967, Q.S. Control's "Looks Like Stone but Cuts Like Wood" countertop product is used throughout the international construction industry. The company also supplies resins, fillers, granite particulates, adhesive glue, and patching kits.

For more information about Q.S. Control Corp, contact Mr. Satoshi Iwata at qsccjapan@aol.com or visit their member page on www.ep.org

(Dept. of Commerce Grant continued from page 1)

growth through exporting, job creation in the United States and contributes to America's economic health."

From January 2002 to October 2008, the USCB program helped US building products exporters and manufacturers generate \$27.5 million in verified sales to China. The sales resulted from nine USCB-organized sales mission/seminar series, US pavilions at Chinese trade shows, five business development missions, and educational and promotional newspapers about US building materials. The nine USCB seminars attracted over 2,260 Chinese construction professionals.

Second Phase: Promote Energy Efficient, Earthquake Resistant Materials in Commercial Sector

The second phase of the USCB program project will continue its successful model of technical and design seminars and trade show pavilions. The USCB program, in cooperation with the American Forest & Paper Association China office and its other cooperators, will expand its focus to China's commercial construction market and China's interest in energy efficient and earthquake resistant building materials. Seminars in second-tier cities and US pavilions at Chinese trade shows will be used to introduce these types of building materials to architects, builders, and developers.



Franklin International representatives show seminar attendees examples of their adhesives.

Given China's 2008 catastrophic Sichuan province earthquake, interest in earthquake resistant building materials has increased and USCB and its partners feel that it is an opportune time to highlight the earthquake resistant benefits of wood frame construction. According to the US Foreign Commercial Service (FCS) Office in Chengdu, Sichuan province construction departments are encouraging developers to use foreign construction technologies and building materials. The Chengdu government is also reportedly encouraged construction department officials to attend the National Association of Home Builder's show to identify new, safer building materials. According to the FCS Building Products specialist, interest in two local residential developments designed by US and Canadian designers has also increased since the May 2008 earthquake.

Energy efficiency has also become central to Chinese consumers' consciousness. With millions of new housing starts built each year and the completion of 20 billion square feet

(1.9 billion square meters) of residential and commercial floor space in 2007, China's use of energy for heating, cooling and lighting buildings has skyrocketed. In 2004, urban consumers spent \$41 billion on housing and utilities, making it the fifth leading spending category. By 2025 spending on housing is expected to reach \$424 billion (Farrell et al. 2006).

The USCB program, with support from its cooperators, will hold two sales missions per year to provide US building materials suppliers with opportunities to meet Chinese architects, developers, distributors, and traders in the residential and commercial construction markets. Seminars will focus on the theme of energy efficient and earthquake resistant construction materials and technologies. Each seminar will include keynote presentations by noted experts about provide technical and design issues related to creating safe and attractive project. Company specific presentations are included in each seminar and enable US company representatives to explain how their products can help Chinese construction professionals improve construction performance.

The USCB program will also offer pavilions at trade shows focused on energy efficient and green building materials.

Please see the calendar on page 7 for upcoming events or contact Rose Braden at rbraden@uschinabuild.org or 503-248-0407 for more information.

US-China Build Program Cooperators

- USDA Foreign Agricultural Service
- US Department of Commerce
- American Forest & Paper Association
- The Center for Intl. Trade in Forest Products
- The State of Washington Community, Trade, & Economic Development
- The Softwood Export Council
- The Southern Forest Products Association
- APA-The Engineered Wood Association



CHINA EARTHQUAKE SHAPES NEW CODES, MATERIALS

The 7.9 magnitude Wenchuan earthquake that hit Sichuan province in Western China on May 12, 2008 destroyed hundreds of buildings, left 4.8 million people homeless and killed 69,197 people. An additional 18,222 people were never found. Some of the most hard hit buildings were schools and public buildings.

The government of China has begun rebuilding, and the earthquake is affecting the types of building materials that government officials and consumers are selecting. It is also shaping the direction of new policies for earthquake resistant building codes and standards.

Although the city of Chengdu (pop:11 million), located 50 miles from the earthquake's epicenter, emerged without the extensive damage that the surrounding rural towns experienced, the area's damage caused city leaders to give more thought to incorporating earthquake resistant building materials and design into local construction projects.

Interest in Foreign Building Materials, Technologies Increases Following Earthquake

According to Sunny Cui, Building Products Specialist with the US Foreign Commercial Service in Chengdu, the Chengdu city government and Sichuan province construction department has begun to focus on adopting measures to upgrade the quality of local construction projects. In addition, the local government is encouraging officials in the Sichuan province construction department to attend the National Association of Home Builders' International Builders' Show to identify new, higher quality building materials and suppliers. Mr. Cui also said that the local government construction department is encouraging developers to consider earthquake resistant technologies and building materials from international suppliers.

Consumer behavior appears to be mirroring this interest in higher quality construction. According to Mr. Cui, the popularity of two foreign designed residential projects in Chengdu, Luxury Hills and Chengdu Garden (US and Canadian projects, respectively) has increased since the May earthquake.

Occupancy rates in A-grade office buildings, which are built of higher quality building materials, are also increasing in the wake of the Wenchuan earthquake. The vacancy rate in A-grade office space declined from 25% to 22% from first quarter 2008 to second quarter as businesses move from older buildings to higher quality spaces.

Canada Government Provides Wooden Structures, Teaches Construction Techniques in Quake Area

On July 16, the Governments of Canada and British Columbia announced a two-phase, \$8-million project to provide temporary and permanent wood-frame buildings to help survivors of the Wenchuan earthquake and to teach local builders how to build with wood.

When announcing the relief effort, British Columbia Premier Gordon Campbell said "This collaborative project will provide support to address both the immediate and long-term housing needs of the Chinese people, while demonstrating the quality of B.C. wood products."

Phase one of the project involves constructing temporary wood-frame housing units to help address the immediate housing needs in the areas affected by the earthquake. Phase two of the project involves constructing permanent wood-frame housing and other facilities, including a school and community centre. Delivery of permanent housing and related buildings is expected to begin in the spring of 2009.

In addition to the financial and construction assistance, a long-term Canada–China research partnerships will be established under the current Canada–China bilateral Science and Technology Agreement. The partnerships will focus on developing and applying earthquake-resistant construction technology to meet the needs of China's affected areas.

US Promotion & Education Efforts

In spring 2009, EBPA's US-China Build program and the American Forest & Paper Association will introduce US earthquake resistant construction materials and construction technologies to Chengdu construction professionals through its twice annual sales mission and seminar series. The seminar will include an educational presentation about earthquake resistant features and design elements of wood frame construction. It will also include product specific presentations by ten US companies, and a table top display show.

EBPA was recently awarded a grant by the Department of Commerce to promote earthquake resistant and energy efficient building materials in commercial and residential construction. The grant will help fund seminars and US trade show pavilions throughout China. More information about the award is available on page 1. USCB's activities are also supported by the Foreign Agricultural Service.

The American Forest & Paper Association China office continues to provide testing and design information, and participate in China Ministry of Construction building code committees. They will continue to actively promote earthquake resistant benefits of wood frame construction to advance the use of wood frame construction in China.

SOUTH KOREA ECONOMY TO GROW DESPITE WORLD ECONOMIC DECLINE

In light of recent economic slowdowns in many of the world's largest economies, South Korea is a bright spot in the international construction market. While the International Monetary Fund and the South Korean government predict that South Korea's economic growth rate will slow from 5% in 2007 to 3% in 2009, these numbers still far surpass the predicted 2009 GDP growth of 0.1%, 0.5% and 0.6% for the US, Japan and Europe, respectively.

The size of Korea's housing market has grown substantially and the quality of its construction has improved dramatically in the past several decades. In 2000, more than 23% of homes in South Korea failed to meet minimum housing standards, including adequate living space and access to basic facilities such as running water and sewers. In response, from 1995 and 2008, the government built over 9.4 million housing units. The Korea National Housing Corporation completed an additional 1.65 million units by 2005.

The number of privately owned developments also surged. As shown in Figure 1, the number of new housing starts increased steadily during the past few years as developers rush to beat new, more restrictive building regulations. Home ownership has declined as housing prices have steadily risen. To encourage home ownership, the South Korean government has begun issuing mortgage-backed securities. In 2004, the Korean market for construction and engineering was estimated to be \$65 billion, increasing 17% in 2005 and 26% in 2006. In 2007, the value of the construction industry was estimated to be over \$100 billion.

Although the apartment construction market remains sluggish due to an oversupply of unsold new apartments, the wood frame housing market increased dramatically in 2007 and 2008. Based on first quarter construction statistics, analysts estimate that 10,000 single family wood frame homes will be completed by the end of 2008. This growing wood frame construction and high-end single family home market is one of the most promising end-markets for US building materials.

(Korea Trade Fair continued from page 1)

TABLE TOP DISPLAYS

Catalog companies will have dedicated space in the EBPA/WA State Booth for literature displays. Companies are welcome and encouraged to have representatives at the booth to hand out literature and answer questions about their products. Small samples may also be accommodated. Representatives will be on hand to distribute catalogs and collect inquiries if a company representative is not available.

OTHER BENEFITS

- ◆ *Listing in Show Guidebook*
- ◆ *Company Introduction on Fair Website*
- ◆ *Electronic Visitor's registration*
- ◆ *Matchmaking Services for Washington State companies*

Prices

Booth space:

EBPA member - \$1,875; Non-member - \$1,975

Catalog space:

EBPA member - \$450; Non-member - \$550

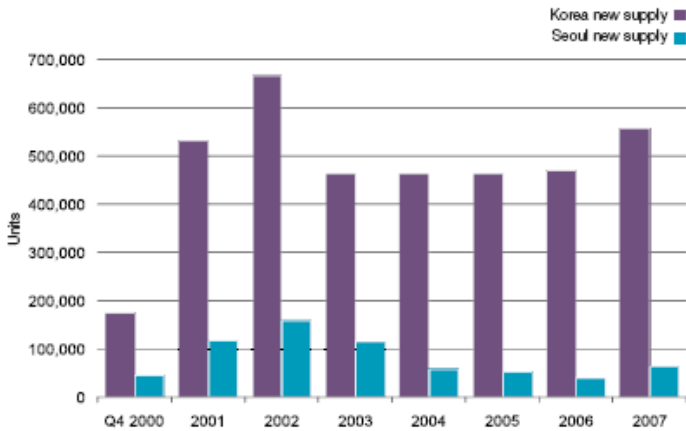
Deadline: November 21, 2008

For more information about the show, contact Rose Braden at rbraden@ep.org, 503-248-0407 or Troy DeFrank at 206-256-6145, troyd@cted.wa.gov.

US Wood Product Exports to Korea, 2006-2008

Year To Date: January - August				
HS Code	Description	United States Dollars		
		2006	2007	2008
44	Total Wood Products	\$91,401,537	\$119,294,326	\$158,785,236
4403	Cants	\$62,843,803	\$89,865,035	\$115,775,029
4407	Lumber	\$13,261,233	\$9,505,693	\$15,476,587
4401	Fuel Wood, Chips, etc.	\$5,567,736	\$8,065,473	\$6,930,755
4410	OSB & Particle Board	\$178,448	\$276,257	\$5,921,298
4415	Pallets & Wood Packaging	\$1,516,281	\$1,953,800	\$3,533,098
4418	Builders' Joinery	\$2,207,914	\$2,653,568	\$2,244,207
4408	Veneer	\$2,674,230	\$1,100,528	\$2,066,776
4417	Tool & Broom Bodies etc.	\$278,100	\$1,502,084	\$1,855,145
4411	Fiberboard	\$299,861	\$1,062,670	\$1,339,570
4409	Moulding	\$508,118	\$783,243	\$902,654

South Korea's government is also backing new residential developments in the suburbs of Seoul to reduce the city's population density. Seoul is now home to 38% of Korea's population. These urban cities or "u-cities" are futuristic de-



Source: Korea Ministry of Construction & Transportation

Figure 1. New Residential housing supply

velopments that aim to provide a high quality of life for residents in terms of security, welfare and technology. This, officials say, will be achieved by integrating IT infrastructure and wireless information services into urban space.

According to the Foreign Agricultural Service, another growing trend in Korea is consumer concern about sick house syndrome. In response, the government developed a voluntary eco-label for environmentally friendly products. The eco-label is expected to encourage consumers to purchase solid wood products as opposed to wood substitutes.

Golf Courses Present Opportunities for US Suppliers

Another growing trend in Korea, supported by the government and private developers, is golf course construction. Golf's popularity has boomed as Korean citizens have more leisure time and disposable income. In 2007, an estimated 100 golf courses were under construction or in their planning stages. South Korea now has 284 public and private courses, which received 22 million visitors in 2007, or triple the number of visitors in 1999. 2006 revenue at these courses was estimated to be \$3.5 million, a 55% increase over 2001.

As competition for golfers becomes more intense, the need for differentiation has gained weight in the golf industry. Therefore, Korean golf course managers are looking for strategies to provide more value to their visitors by providing better facilities, attractive landscaping, spas, and swimming pools. According to a media source, the amount of investment spent on golf course club houses increased from an average of \$6 million in 2001 to \$10 million in 2008. Golf courses are also historically attractive locations for high-end single family and townhouse developments, treated soft-wood lumber for landscaping, and clubhouses.

JAPAN SALES MISSION YIELDS EXPECTED \$120,000 IN SALES

On October 20-24, eight EBPA members met with 146 Japanese construction professionals during EBPA/The State of Washington's fall sales mission to Hiroshima, Kitakyushu, Fukuoka, Kumamoto, and Kagoshima.

Audiences, made up largely of builders and architects, listened to presentations by US company representatives about specific products and applications that improve construction performance, energy efficiency, and design. US companies also displayed their products during the several table top display networking sessions.



US companies said they expect approximately \$120,000 in sales to result from their participation in the mission.

The seminars also featured Mr. Totani Hideyo, the president of the Housing Institute of Complete Project Management (HICPM), an educational organization in Tokyo focusing on American construction techniques and materials. Mr. Hideyo presented an overview of US-style homes and the construction process. Attendees were very pleased with the keynote talk and the company presentations, with 99% of audience members rating the seminars either "useful" or "very useful".

Interest in the products displayed was strong, with US company participants reporting that they expect approximately \$120,000 in 12 month sales as a result of their participation.



146 Japanese builders, architects and traders attended the fall sales mission seminars.

The next sales mission to Japan will take place in May 2009. Exact dates and cities will be announced soon. For more information, contact EBPA.



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

UPCOMING ACTIVITIES

Japan Home Show EBPA/State of Washington Pavilion Date: November 11-14, 2008	EBPA and the State of Washington CTED will staff a pavilion with seminar and demonstration space at the show which will feature ten EBPA members.	Space sold out Annual Event
Architecture & Construction Materials Show (ACMS) Date: March 3-6, 2009 Location: Tokyo, Japan Deadline: Until space is filled	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.	Table Top Space Available Only <i>EBPA members: \$450</i> <i>Non-members: \$550</i>
Kyung Hyang (KH) Housing Fair Date: March 22-27, 2009 Location: Seoul, Korea Deadline: Nov. 21, 2008	Exhibit in the EBPA pavilion at the KH Fair, Korea's longest running and most well known construction and building materials trade fair. In 2007, the show hosted 750 exhibitors and 150,000 visitors. Booth and table top display space is available. More information available on page 1.	Booth space: EBPA members: \$1,875; Non-members: \$1,975 Table Top Space: EBPA members: \$450; Non-members: \$550
2009 China Spring Sales Mission: Fuzhou, Kunming, Chengdu Dates: May 11-16, 2009 Registration Deadline: Feb 20, 2009	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 included for attendees to network with US suppliers at their table top displays. See page 1 for more information.	Speaking Slots EBPA member: \$750, Non-members: \$875 Display Only: EBPA Members: \$650; Non-Members: \$775
2009 Japan Spring Sales Mission Dates & Cities: TBA	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 Members Only Event
Shanghai International Construction & Building Materials Trade Show with Kitchen & Bath Show Date: May 25-28, 2009 Deadline: Feb 27, 2009	Exhibit at one of China's largest trade shows. The 2008 show featured 2,762 exhibitors and hosted 87,848 attendees. Products exhibited range from kitchen and bathware, tiles, structural building materials, insulation, lighting, wood products, paints and coatings, flooring, tools and more.	Booth prices to come
2009 China Fall Sales Mission October 2009	Join EBPA/AFPA's fall sales mission to three fast growing cities in China. Cities and exact date to be announced	
2009 Japan Fall Sales Mission October 2009	Participate in this five city sales mission to Japan. Reach builders, distributors, and construction professionals with company specific sales presentations and table top displays.	

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 bilingual website is regularly updated to bring you the latest information about the international construction market including:

- Searchable Directory of US Exporters to China & Japan
- Past & current issues of the Focal Point newsletter
- Detailed information about upcoming events



www.uschinabuild.org

- Searchable Directory of US Exporters to China
- Market information
- Upcoming Events
- Links to other China-related websites

