

# Northwest Secondary Wood Product Exports Grow 180% in Five Years

*While domestic orders support the majority of industry sales, the Pacific Northwest value-added or secondary wood products industries have established a presence in export markets, indicating that foreign customers are already purchasing more than just raw timber.*

Secondary wood products exported from the Pacific Northwest have broken the \$200 million mark, increasing for the fifth year in a row. U.S. Dept. of Commerce data show that secondary products exported through the Seattle and Columbia-Snake River Customs Districts, which include all ports in Washington and Oregon, reached a record high of \$203 million in 1993 and increased by 181% over 1989 levels. This represents about 15% of the nation's \$1.36 billion in exports of these products. Despite the rapid growth in secondary product exports, however, primary wood products still dominate the nation's export product mix, generating nearly \$3 billion in revenue for the Pacific Northwest in 1993 and \$6 billion for the nation as a whole, according to government figures.

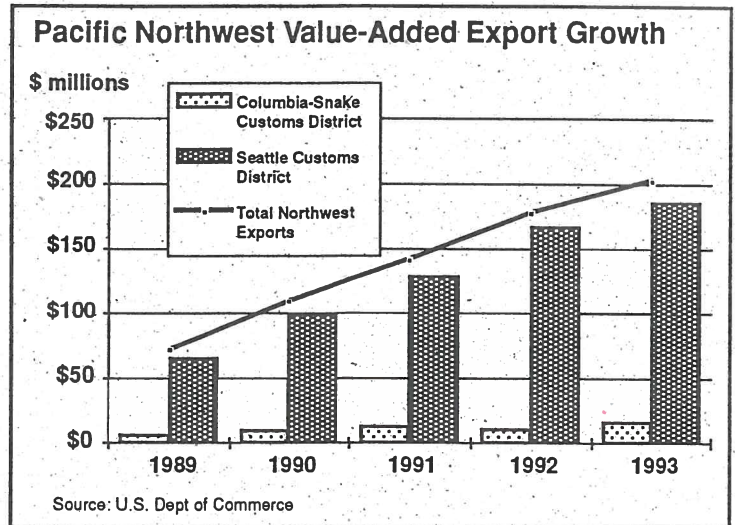
## Furniture Leads Export Categories

Wood furniture and furniture parts are the leading value-added products exported through the Pacific Northwest, totaling \$65.8 million in 1993. But according one estimate, only about \$37 million of the furniture exported through Washington and Oregon was originally loaded for shipment here. The remaining furniture exported was presumably manufactured elsewhere in the U.S. and transhipped through a Northwest port.

The second leading value-added export from the region is softwood moulding, which increased 604% in value since 1989 to \$52.1 million in 1993; U.S. exports of softwood mouldings totaled \$94 million in 1993. In contrast to furniture, most of the softwood mouldings exported from the region are manufactured locally. Canada imported 95% of the softwood moulding exported from the U.S., Mexico imported 3%, and Japan imported 1%.

## Canada Leads Export Markets

The growth in value-added trade is due in large part to increased exports to Canada. Canada imported \$142 million in value-added wood products from the Pacific Northwest in 1993, dominating other export destinations with a market share of 70%. In 1989, exports of these same products totaled just \$36 million. Softwood mouldings, furniture, structural wood members, and doors currently top the list of exports to Canada from the Northwest.



	\$ millions			% Change	% Share US (1993)
	1989	1993	Change		
Softwood Moulding	7.4	52.1	44.7	604%	55%
Windows and Frames	4.3	7.1	2.8	65%	19%
Doors and Frames	6.2	18.5	12.3	198%	20%
Furniture and Parts	23.8	65.8	42.0	176%	8%
Kitchen Cabinets	2.8	3.6	.8	47%	15%
Structural Wood Members	4.3	18.4	14.1	328%	53%
Prefabricated Buildings	14.2	16.5	2.3	16%	36%
Total (incl. products not listed above)	72.3	202.9	130.6	181%	15%



**Top Destinations of U.S. and Pacific Northwest Secondary Wood Products Exports**

U.S. Exports		via Seattle and Columbia-Snake River Customs Districts	
Canada	\$649,524,511	Canada	\$142,267,502
Mexico	\$164,007,678	Japan	\$42,745,633
Japan	\$89,980,371	Korea	\$5,145,619
Germany	\$81,443,795	Thailand	\$3,111,468
United Kingdom	\$42,123,979	Australia	\$2,735,391
Korea	\$22,445,781	Taiwan	\$1,987,103
The Netherlands	\$13,814,528	Hong Kong	\$1,867,828
Taiwan	\$10,698,647	China	\$748,438
Hong Kong	\$7,501,442	Singapore	\$652,976

Canada was also the largest importer from the U.S. as a whole in 1993, importing \$650 million in secondary wood products.

**Top U.S. Secondary Wood Product Exports to Canada, 1993**

Wood furniture & parts	\$401,472,439
Softwood moulding	\$89,945,332
Wood doors, frames	\$31,138,434
Hardwood flooring	\$28,788,944
Windows, frames	\$25,361,934
Structural wood members	\$21,731,634
Kitchen cabinets	\$17,819,274
Other products	\$33,266,520

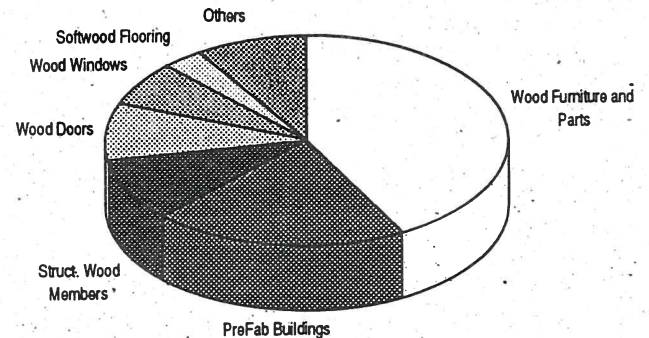
Mexico was the number two market for the U.S., importing \$164 million in value-added wood products last year. Mexico does not appear in the U.S. Commerce data as a significant market for wood products shipped through the Northwest customs districts, as goods shipped by truck or rail from the Northwest to Mexico are classified as exports from the Southwestern U.S. Leading secondary products to Mexico last year include wood furniture and parts, doors and frames, pallets, packing cases, windows, and cabinets. Exports to the Mexican market decreased last year from a peak of \$198 million in 1992.

Overseas marketing efforts in Japan have paid off in value-added exports. Japan was the number three export destination nationally, and the number two market for the goods shipped via the Northwest customs districts. Japan's market grew by about 50% over the past five years, from \$28 million in 1989 to \$43 million in 1993. Goods flowing through the two Northwest customs districts represent almost half of U.S. value-added exports to Japan, which totaled \$90 million in 1993.

**A Long Road to Export Diversity**

With over three times the export performance of five years ago, Pacific Northwest secondary wood products producers and suppliers have made considerable international marketing progress. Even though exports have increased dramatically, there is still a long way to go before the Northwest's solid wood products export base is truly diversified. The region's reputation as a high quality primary wood products supplier and more recently a supplier of quality value-added wood products can be built upon by the network of companies and organizations committed to export success. Dynamic global wood supplies and markets will undoubtedly create new export opportunities, and it will likely be some combination of quality manufacturing and international marketing expertise, currency exchange rates, and the continued availability of wood raw materials to the region's secondary producers that will determine whether the sector can sustain triple-digit export growth over the next five years.

**U.S. Secondary Wood Product Exports to Japan, 1993**



Source: U.S. Dept. of Commerce

Total 1993 U.S. Exports: \$90 million

For more information, contact CINTRAFOR.