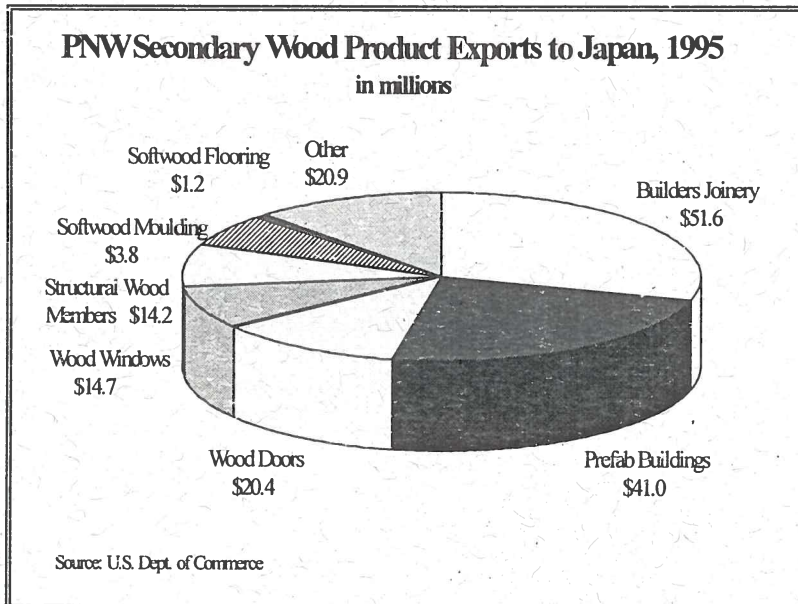


Northwest Secondary Wood Products Exports Grow 184% in Five Years

Pacific Northwest (PNW) value added industries have emerged as a major player in the forest products export market. As foreign countries become increasingly familiar with PNW products, and as trade relationships are strengthened, revenue from secondary products should continue to increase.

Increasing for the seventh year in a row, forest products exported from Pacific Northwest (PNW) ports have exceeded \$310 million in annual revenues. Department of Commerce data indicate that secondary wood products, shipped through the Seattle and Columbia-Snake River Customs Districts, which includes all ports in Washington and Oregon, increased 184 percent between 1989 and 1995. This represents approximately 19 percent



of the nation's \$1.64 billion in secondary forest product exports.

Building Materials Lead Export Market

Builder's joinery produced the greatest revenue in secondary products exported through or originating in the PNW. Of the \$61 million dollars of joinery materials that were exported during 1995, \$52 million were shipped to Japan. Since 1989, export values of this product increased 135 percent. Another

product to experience a boom in the PNW building products export market were prefabricated homes. Following a close second to builders joinery, \$41 million in prefabricated homes were shipped to Japan through PNW ports during 1995.

Pacific Northwest Leads Nation in Exports to Japan

As a result of Canadian/United States timber trade tariffs and unfavorable exchange rates, value-added wood products exported from the PNW to Canada have decreased significantly.

	Total U.S.	Total Exports via Seattle and Columbia-Snake River Customs	
Canada	\$568,482,749	Japan	\$175,247,599
Japan	\$292,036,843	Canada	\$95,723,400
Mexico	\$108,703,672	Korea	\$14,808,486
Germany	\$43,499,152	Hong Kong	\$4,322,191
United Kingdom	\$47,824,139	Taiwan	\$2,388,600
South Korea	\$43,499,152	Australia	\$2,161,793
Italy	\$16,668,384	Italy	\$2,025,045
France	\$15,901,410	Malaysia	\$1,557,415
Australia	\$14,734,193	China	\$848,575

Source: U.S. Dept. of Commerce

In 1993, Canada imported a record \$153 million in value-added wood products from the U.S. By 1995, this number fell to \$96 million. Despite this recent decline, the market has more than doubled from the 1989 level of \$43 million, and Canada remains the top wood product export market for the U.S.

Leading Secondary Wood Products Exports from the Pacific Northwest	\$ millions		% Change	% Share US (1995)
	1989	1995		
	Other Builders Joinery	25.8	60.7	135
Prefabricated Buildings	14.2	46.5	227	64
Furniture and Parts	16.0	45.9	186	7
Wood Doors & Frames	6.2	33.9	447	44
Softwood Moulding	8.6	25.2	193	39
Total	70.8	212.2	--	--

Source: U.S. Dept. of Commerce

Growth in the Japanese import market has helped off-set reductions in Canada. Secondary wood products exported to Japan have grown by \$112 million since 1993. In 1995, \$175 million worth of secondary wood products were shipped from the PNW to Japan, with the top five categories consisting of building products. Secondary wood exports from the U.S. to Japan more than tripled during the 1989-1995 time period, from \$55 million in 1989 to \$175 million in 1995. There are several reasons for the rise in exports to Japan. Increased acceptance in Japan for Western style 2x4 housing, regulatory change in the Japanese system, and increased marketing efforts by American home builder associations in

cooperation with the Japanese government have had a significant impact. In 1995, Japan was the leading export destination for the PNW, and number two nationally. Products from the PNW represent 59 percent of the \$292 million that the U.S. exported to Japan in 1995.

Mexico was the number three market for the U.S., importing \$108 million in secondary wood products last year. Mexico continues to be significant market for wood products shipped through the PNW customs districts, as goods shipped by truck or rail from the Northwest to Mexico are classified as exports from the Southwestern U.S. Leading

Top U.S. Secondary Wood Product Exports to Japan, 1995		
Product	1995 Revenues	% growth since 1989
Builders Joinery	\$51,626,809	57
Wooden Prefab Buildings	\$41,062,771	66
Wood Doors and Frames	\$20,417,445	92
Wood Windows and Frames	\$14,766,398	74
Fabricated Structural Wood Members	\$14,241,222	90
Wood Household Furniture	\$10,693,772	76
Miscellaneous	\$4,901,882	57
Softwood Moulding	\$3,893,411	84
Other Products	\$17,537,300	59

Source: U.S. Dept. of Commerce

secondary products to Mexico last year included wood furniture and parts, pallets, and packing cases. Exports to Mexico have been declining from a peak of \$222 million in 1992.

Expanding the Secondary Product Market

The U.S. and PNW export twice as much primary wood products to their leading markets than secondary wood, indicating that there is still much room for growth in the value-added market. Marketing efforts for prefabricated housing in Japan appear to have had a positive impact on import rates. In order for the PNW to enhance their competitiveness in the export market, it

appears that international marketing efforts to establish the region as a source for quality value-added products is necessary. A balance between primary and secondary product export may be the key to longevity in a market heavily impacted by political uncertainty and economic fluctuations.

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