

Wood Moulding Imports – One year later..... (June 2007)

Mike Jahraus, Vice President – International WOOD MARKETS Group (IWMG)

Last year at about this time we reported on the status of U.S. imports of hardwood and softwood mouldings in this newsletter. In 2006, we have witnessed some new developments, but let's quickly review some of the key findings reported for 2005.

Hardwood moulding:

- China achieved a 305% increase, surpassing Canada to become the leading supplier of hardwood mouldings to the U.S. market by value in 2005!
- It took China just 6 years to move from a 3% market share to an over 30% market share.

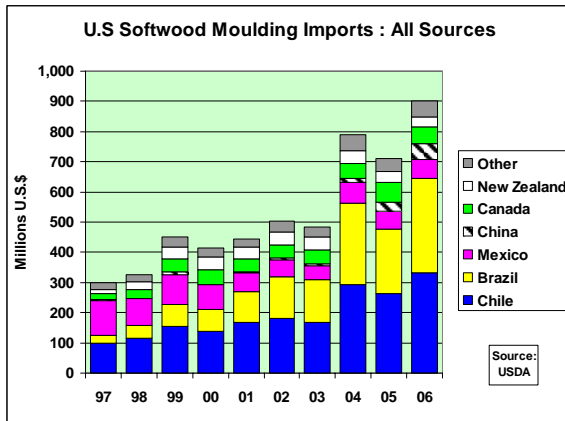
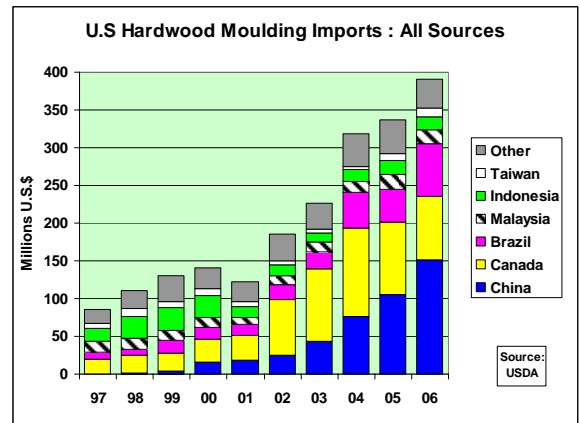
Softwood moulding:

- Although South American suppliers have dominated U.S. softwood moulding imports over the last decade (Chile, Brazil and Argentina supplied 70% in 2005), a new player – China, emerged, with exports up 188% - this happened as the value of overall softwood moulding imports dropped by 10% in 2005!
- By utilizing a new raw material supply (plantation species) and introducing new technology in finger jointing and finishing, China has both lowered its cost structure and improved its quality to now be able to compete on a delivered basis to the U.S. market.
- China captured over 4% of the total U.S. import market for softwood mouldings by value in 2005!

So what happened in 2006?

Hardwood mouldings:

- Imports increased by 16% in 2006 to reach US \$391 million.
- China further strengthened its 1st place position, increasing exports by 44% to capture an amazing 39% of total import market share.
- Canada, Malaysia and Indonesia suffered the greatest declines in shipments to the US market.



Softwood mouldings:

- Imports increased by 27% in 2006 to reach US \$901 million.
- China was again the fastest growing source for imported softwood mouldings, up a whopping 80%, edging out Canada to capture 4th place!
- Canada and New Zealand suffered the greatest declines in shipments to the U.S. market.

happen in 2008 and beyond?

What is happening in 2007 and what will

Come and join leading overseas manufacturers, importers, exporters and Chinese wood product manufacturers in Qingdao, China (one of the most beautiful cities in China, just north of Shanghai and home to the yachting events of the 2008 Beijing Olympics) to find out what the opportunities are and what is happening today at the **China International Wood Products Summit 2007, Sept 22-24**.

In addition to this high quality import/export conference, there will be ample networking sessions, Chinese and International table top displays and top notch millwork factory tours.

Jeff Johnson president of Western Pacific Building Materials, had this to say:

*“The Shanghai China International Wood Products Summit (2006) conference was very enlightening for me; the speakers were very good, the tempo was fast-paced and it provided lots of up-to-date facts and real insights into the Chinese wood industry. The table top displays at the conference were a **highlight** and allowed me to really explore opportunities with many good quality Chinese companies that were very keen and able to export to the U.S. Finally, the factory tours showed me the different management techniques used in China and how they are becoming such a force (in the global marketplace).”*

In addition, a six day tour of Chinese plantations and export-oriented manufacturers (plywood, door, moulding, engineered wood products) will directly follow this year’s conference (Sept 24-30).

As a U.S. hardwood and/or softwood moulding manufacturer or distributor and after considering some of the above market trends, can you really afford to ignore China?



This conference is aimed at industry players who are interested in buying wood products from or selling raw material to China and who want to better understand how China will impact their business in the years ahead. The conference is ideal for both first-time and regular visitors to China.

To obtain further details and a full color brochure on the **China International Wood Products Summit 2007** and the China plantation tour, please visit our website at www.woodmarkets.com, contact us at info@woodmarkets.com, or give us a call us at

604 801-5996. Please remember, special ‘**early bird**’ pricing is available on the conference and tour.

International WOOD MARKETS Group has covered the moulding and millwork sector in numerous articles and publications since 1990 (e.g., the 3rd Edition of the Clearwood (Pine) Lumber, Moulding and Millwork Sector: Outlook to 2008). Our consultants have been directly engaged over the years in assisting U.S. and offshore moulding and millwork companies on a variety of market topics, issues, investment options and strategies.

