

The Import/Export Wood Purchasing News  
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IMPORT/EXPORT

# WOOD PURCHASING NEWS

Vol. 35 No. 6

Serving Forest Products Buyers Worldwide

June/July 2009

## Optimistic Caution Is Focus At IWPA

By Wayne Miller

**Indian Wells, California**—Although attendance was down approximately 35 percent at the 53rd annual World of Wood Convention hosted by the International Wood Products Association (IWPA), according to Brent McClendon, IWPA executive vice president, the mood was positive and realistic as members and guests listened to expert speakers throughout the multi-day event.

Christian Mengel, 2008-09 IWPA president, welcomed attendees to the convention and noted, "we are facing one of the most difficult economic situations

Additional photos on pages 10, 12 & 14

Continued on page 16



Robert, Elise, Kenny, Brittany, Sherri and Don MacMaster, Argo Fine Imports Inc., Metairie, La.

## In Bangkok, The Show Must Go On

Reported by Sharon Shek, AHEC

**Bangkok, Thailand**—Riding the mounting awareness of the impact of violent protests and state of emergency imposed in Bangkok, Architect '09 was grandly opened by Her Royal Highness Princess Maha Chakri Sirindhorn recently. The exposition attracted over 360,000 visitors over the seven-day show period and there is no single cancellation from local and overseas exhibitors. The recent political riot has little impact on local's life, and overseas exhibitors are still holding strong confidence to Thailand.

Additional photo on page 17

Continued on page 17



The prototype of American Hardwood Design Camp was displayed in the AHEC booth at Bangkok, Architect '09 to illustrate the creative use of U.S. hardwoods.

## Interzum Guangzhou Sells Out Space Despite Economy

By Tom Inman

**Guangzhou, China**—The sixth Interzum Guangzhou was held recently at the China Import and Export Fair Pazhou Complex with more than 760 exhibitors, including 10 American companies and associations.

The fair is considered to be Asia's most comprehensive woodworking machinery and furniture production trade shows and is held in eight halls and more than 80,000 square meters. Exhibitors included furniture suppliers, manufacturers and marketing companies.

The Appalachian Regional Commission (ARC) Pavilion from the U.S. was new

Additional photos on page 14

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Parker Boles, Lily Mao and Adam Moran, Hermitage Hardwood Lumber Sales Inc., Cookeville, Tenn.

## Dubai Wood Show A Success

By Sawyer Fitzpatrick

**Dubai, United Arab Emirates**—When most people think of Dubai, perhaps what comes to mind is sand, and lots of it. Since it's a part of the United Arab Emirates (UAE), most people would think only of unending stretches of desert. They would be wrong, and on more than one count. First, Dubai is the most populous city of the UAE, and its cosmopolitan skyline can enthrall the most jaded traveler, especially when seen at night. Second, Dubai's population consists of roughly 85% expatriates, thus making it undoubtedly the most diverse

Additional photo on page 19

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Buyers from all over the Middle East and North African regions, as well as from India and Pakistan and beyond, expressed genuine interest in U.S. hardwood products displayed at the recent Dubai Wood Show.

## Who's Who in Import/Exports



JAMES C. FRITZ



PHILIP HOUSEKNECHT



EDWIN MEDERO



DELBERT THOMPSON

**James C. "J.C." Fritz** handles sales and purchasing of kiln-dried/green lumber for **Fitzpatrick & Weller Inc.** in Ellicottville, N.Y. Fitzpatrick & Weller manufactures hardwood flooring, stair parts, dimension and lumber (4/4 through 8/4, rough or surfaced, rip to size, custom drying). The company specializes in

Continued on page 19

**Philip Houseknecht** is export coordinator for **Wagner Hardwoods LLC** in Cayuta, New York. Houseknecht has been in the forest products industry since 1999. His first job was stacking lumber at Wagner during the summer. He has been in his current position for two years. A manufacturer

Continued on page 19

**Edwin Medero** is an export trader for **Gulf Coast Shelter's** export division in Daphne, Ala. In his position, Medero buys and sells building materials. Gulf Coast Shelter carries flooring, furniture, doors, windows, moulding and door jambs in Southern Yellow Pine, as well as imported Chinese and Brazilian ply-

Continued on page 19

**Delbert Thompson** is the sales/production manager for **Wieland and Sons Lumber Co.** in Winthrop, Iowa. Wieland and Sons Lumber Co. manufactures hardwood lumber and flooring (unfinished and prefinished), sorted or ripped to width and dimension products. The company specializes in Walnut lumber

Continued on page 19

## Busy Month In Surprisingly Robust Southeast Asia Furniture Market

For more information on AHEC and the export promotion programs, call (202)463-2720, fax (202)463-2787, or visit the website, [www.ahec.org](http://www.ahec.org).

By Michael Snow  
Executive Director  
**American Hardwood Export Council**  
Washington, D.C.



Against the backdrop of the global economic crisis, AHEC found reason recently for cautious optimism in what is becoming a very active market for U.S. hardwoods in Southeast Asia's increasingly globalized furniture industry. In March, AHEC exhibited at four different furniture shows in Southeast Asia, sent representatives to three others, hosted a Red Oak furniture design competition in Singapore, and sponsored a "Hardwood Design Camp" for young professionals in Thailand. A brief review of each of the shows reveals some very interesting trends:

The 15th Malaysian International Furniture Fair 2009 (MIFF 2009) was the first to be held, but not without problems. A flash flood from the adjacent river inundated many exhibitors with several feet of water in two lower halls of Putra World Trade Center, temporarily wiping out over a quarter of the show space until some exhibitors were re-located. AHEC exhibited at its usual prime location and, this year held a continuous "on stand" grading seminar by NHLA International Grading Consultant Bob Sabistina with a bundle of Red Oak which drew much attention.

Billed as "a one-stop platform for industry players to showcase the best of furniture not only from Malaysia but from all over the world" MIFF 2009 boasted 500 exhibitors from 12 countries showcasing their products and more than 70 exhibitors participating for the first time. Buyers and visitors, down only 5 percent in number, seemed to have come from some unexpected corners of the world, such as Mauritius and Bali, as well as many from South Africa, the Middle East and Russia.

AHEC's second show of the month, The International Furniture Fair Singapore (IFFS) was in a class of its

own and up there with any global fair in terms of furniture quality, presentation and excitement – quite an achievement in 2009.) With over 470 exhibitors from 33 countries in six halls, including 30 percent first timers, buyers from all over the world and many from Europe were around; although it remains to be seen how much new business was actually written. The show bristled with new launches and furniture marketed for its environmental credentials – either from sustainable materials or processes, or its origin in recycled materials.

Singapore has an industry that is hard to define, as so many companies manufacture offshore in the region, but its driving force is the Singapore Furniture Industries Council (SFIC) with huge government encouragement and a dedication to the development of design skills unsurpassed in the region. The show featured the "FLIP Challenge" entered by students from design schools in Singapore and overseas, in which an American Red Oak chair was converted creatively while retaining the function of seating. Also displayed were the Furniture Design Awards and PLATFORM, a launch pad for entrepreneurial designers – both of which featured American hardwoods.

The Thai International Furniture Fair (TIFF) in Bangkok was smaller than others, with about 200 exhibitors but, according to the organizers, had set out its stall to the same level of international buyers as Singapore –

Continued on page 20

## THE WASHINGTON SCENE



### U.S. To Receive 10% Duty On Canadian Imports

Eastern Canadian softwood lumber producers may be enticed by offshore markets according to a recent issue of Random Lengths International. A new 10 percent duty has been placed on lumber imports to the U.S. from Quebec, Ontario, Manitoba and Saskatchewan and will remain until the U.S. collects \$54.8 million, U.S. trade representative Ron Kirk announced. "The United States is taking this action to enforce our rights under the Softwood Lumber Agreement (SLA)," Kirk said. "We regret that Canada has chosen not to meet its commitments and has made this action necessary."

This action comes after an international tribunal ruling that Canada failed to properly calculate the quotas for the four eastern provinces during the first six months of 2007. The ruling stated that Canada was to "cure its breach" of the SLA and an appropriate adjustment would be to collect the 10 percent tax on top of the 5 percent the provinces already pay. The tax was to remain in place until \$US54.8 million (\$C68.26 million) had been paid.

Canada declined the 10 percent tax stating the result of such a tax would end in additional mill closures and job losses. Canada refused the tax and offered to pay the U.S. government \$C46.7 million, which it said was "equal to the amount of revenue the U.S. claimed their industry lost due to the breach."

"The U.S. decided to take the law into their own hands by taking this extremely punitive action against their largest trading partner," Jamie Lim of Ontario Forest Industries Association (OFIA) said. "This is a solid example of protectionism on the part of the U.S."

However, the Coalition of Fair Lumber Imports supported the imposition of duties. "This critical step by the Obama administration provides comfort to the U.S. industry and workers that trade agreements will be enforced, and thus allowed to function as intended," chairman Steve Swanson said.

### LEED 2009

Leadership in Energy and Environmental Design 2009, a plan that affects new commercial construction, is set to forge ahead amid concerns in the forest products industry about its impact.

Continued on page 8

## Endorsement Of Malaysian Scheme Gives Buyers Confidence About Tropical Wood

The Fordaq Network reports that the Malaysian Timber Certification Scheme (MTCS) has become the first tropical timber certification scheme in the Asia Pacific region, and the second in the world after the Gabonese Forest Certification Scheme, to be endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC).

"The endorsement of MTCS is a significant achievement for the sustainable forest management community as a whole. While the certification movement has its origins in efforts to protect tropical forests, over 90% of the world's certification today takes place in the temperate forests of Europe and North America," explained Ben Gunneberg, PEFC Secretary General. "Yet tropical forests in the Southern hemisphere

offer the most benefits to tackling some of society's biggest challenges, including climate change, combating deforestation and forest degradation, and maintaining the world's precious biodiversity."

Dato' Dr. Freezailah Che Yeom, Chairman of the Malaysian Timber Certification Council (MTCC), which operates the MTCS, said, "MTCC is indeed pleased and proud to have obtained the PEFC endorsement, which shows that the various aspects of the MTCS, such as the institutional arrangement and certification standards used, have met the stringent requirements of the PEFC. It gives further assurance that forests certified under the MTCS are implementing the best management practices and con-

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## Twitter, Tweets And Twits – Facebook And Friends

By Brent J. McClelland, CAE  
Executive Vice President  
International Wood Products Association



her presentation "Just gave a speech to the International Wood Products Association. It was great to speak with a bunch of concerned small businesses."

Is posting Facebook updates and sending Tweets a legitimate way for businesses to communicate? If so, how does this affect your business? How can you benefit and which technologies are most applicable to our industry?

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more and more people are responding to technology (e.g. think about all

Continued on page 20

**THE REVOLUTIONARY SOURCE**



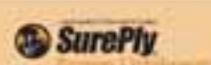
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## BENJA Crafts U.S. Hardwoods Into Stylish Furniture

By Lucas Ngu



At Benja, located in Bangkok, the focus of this firm is on the production of solid wood furniture, like this chair made of Ash from the U.S.

**Bangkok, Thailand**-The word "benja" means five in the Thai language and has been chosen as the company's name to represent the five major elements that are used to make furniture items – wood, metal, fabric, glass and natural materials. Established six years ago, Benja Collection Co. Ltd. is a company that



The Benja Collection is showcased at the company's showroom in Bangkok.

is associated with the development of prestigious projects in Thailand. These include renowned hotels like the Mercure Patong Phuket, Grand Hyatt Erawan Bangkok and Twin Peaks, while the company is also involved in the development of the Dusit La-Trattoria Restaurant, Tomyumkung Restaurant, Le Cordon

Bleu, Bangkok, as well as upscale residential projects that include the Portofino Condominium Pattaya and The Grand Private Home.

Located in Bangplee Industrial Estate, which is an hour's drive from Bangkok, Benja Collection churns out a wide range of indoor furniture items that come with contemporary and ori-

ental styles. These are targeted mainly at the middle to high end segment of the market.

General Manager Sopa Leevutinun said, "We started out as an interior design cum construction company and operated under the name of Furnia LCL Co. Ltd. We have been involved in the development of hotels for many years. Then came a time when our design team thought we should be producing our own furniture for our projects."

When the company took part in Thailand International Furniture Fair for the first time and exhibited its products under the banner of Furnia LCL Co. Ltd., the company owners were convinced that it was time to set up a furniture mill of their own, judging from the good response received.

According to Leevutinun, the factory uses mainly wood for the production of furniture, including the species of Ash and Oak which are imported from the U.S. Each month the mill churns out 20 containers of furniture items, 50 percent of which are exported to Japan, the Middle East, U.S., India and Europe.

"As far as American timber is concerned, most of them arrive at the mill in sawn lumber form because our emphasis is on the production of solid wood furniture which can fetch a higher price than those made from panels," she said.

The factory has been using American wood for furniture ever since the mill was set up six years ago. "Our designers like the appearance and grain of the wood. For the local market, we know that imported wood like Ash and Oak make good high end furniture products because we have been

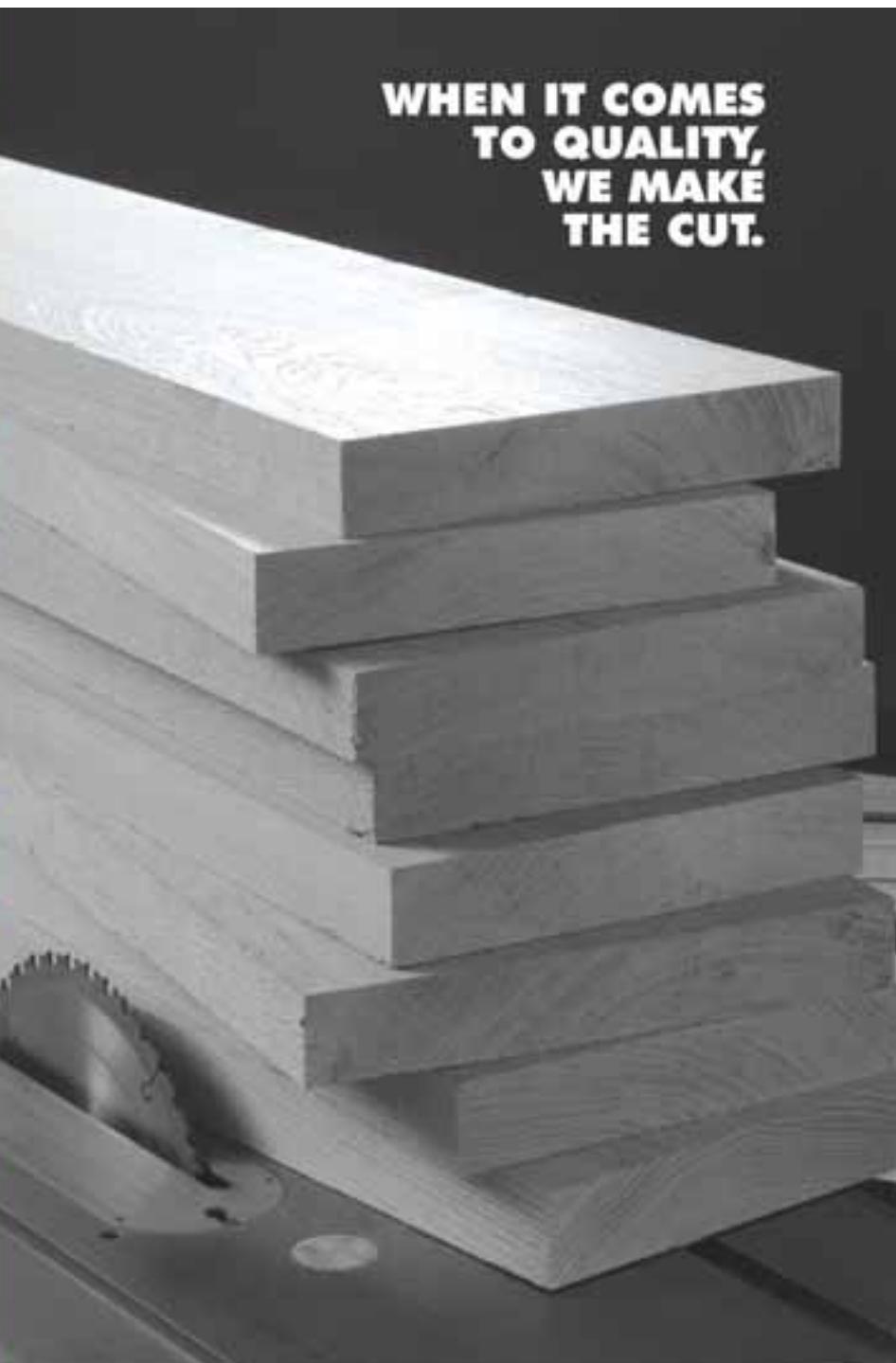
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The company's strength lies in furniture design and product quality.



One of several dining sets made of Walnut at Benja's manufacturing plant.

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## Expertise In Foreign Markets Help NHG Overcome Today's Challenges

*By Michelle Keller*



Guy Goodwin standing next to a group of Afrormosia logs in West Africa.



With 16 employees, the staff at NHG Timber Ltd. are dedicated to serving the needs of both buyers and suppliers.



Guy Goodwin atop bundled lumber prepared for shipment

**Surrey, UK-** Established by Nick Goodwin, a 40-year veteran of the industry, NHG Timber offers an extensive range of diversified wood products and currently trades in over 67 countries. In 2008 alone the company sold 30,000M3 of timber products sourced from West Africa in 22 different species.

Servicing buyers and suppliers alike, NHG Timber has solid relationships in five wood producing continents.

Sourced from Europe, North America, Africa, South America and the Far East, hardwood and softwood lumber, plywood, decking, semi-finished products, flooring and logs are among the numerous products offered by NHG Timber.

At the core of the company's global timber trading is Africa. With 34 years of experience trading in this region, Nick Goodwin has built solid relationships and expertise in what has traditionally been known as a challenging continent. By building alliances throughout the years, NHG Timber has the experience and the knowledge to handle the many diverse challenges this market offers.

After spending several years in West Africa, Goodwin began NHG Timber Ltd. in 1981. "Originally the business started because I'd been in Africa for seven years. Thirty four years later, we are still trading in Africa and it is the heart of our business," Goodwin said. "Obviously we've diversified over the years but that's how we started and it's still an integral part of the business."

Routine visits to West Africa strengthen relationships and keep the people of NHG current with production capabilities as well as the changing market requirements. Species available from this region include Sapele, African Mahogany, Afrormosia, Bubinga, Wenge, Sipo, Iroko, Kosipo, Ayous, Okoume, and Dabema.

Whereas Africa is at the company's heart, NHG has close connections with North America. The company sources hardwood lumber in species such as White Oak, White Ash, Red Oak, Cherry, Walnut and Hard and Soft Maple. Dealing only with quality mills the firm trades with all five regions: southern, Appalachian, northern, central and the western regions.

Clear grade softwood lumber sourced from North America is marketed to Europe and the Middle East. Species include Western Red Cedar, Douglas Fir, Hemlock and Southern Yellow Pine.

While Brazil is conventionally the main manufacturer of hardwood products in South America, NHG Timber also sources consistent quality species such as Cumaru, Marupa, Massaranduba, Ipe and Jatoba from Chile, Bolivia and Peru.

Both buying and selling in Asia, the firm has developed a two-way partnership specifically in but not limited to China. Species such as Dark Red Meranti, Yellow Balau, Keruing, Nyatoh, Jelutong, and highly sought Teak are obtainable from this region through NHG Timber.

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## KITCHENS BROS. Promotes Themselves Worldwide As Producers Of Quality Products And Customer Service

*By Paul Miller Jr.*



Greg Kitchens is president of Kitchens Bros. Manufacturing Co., located in Utica, Miss.



Alan Kitchens serves as secretary of the company and is responsible for the acquisition of new equipment and daily activities at the firm's mill, located in Hazlehurst, Miss.



Kevin Kitchens is the vice president of Kitchens Bros. and oversees daily operations at the company's Monroe, La., facility.



John Clark is the company's sales manager.



A load of lumber stands ready to ship at Kitchens Bros.



The main species used at Kitchens Bros. are Red and White Oak, as well as Yellow Poplar, Sap Gum, Hickory, Pecan and Ash, among others. The firm also maintains an inventory of 12 million board feet.



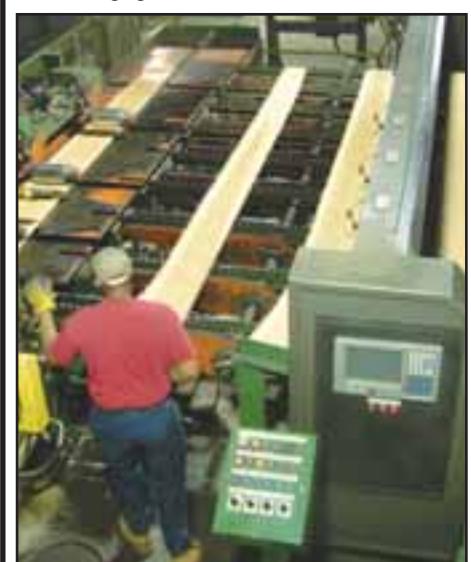
**Utica, Miss.**—Kitchens Brothers Manufacturing Co., headquartered here, is a family-owned company. Currently operating three sawmills and a dimension and flooring mill, the company is one of the leading exporters of American hardwoods.

Kitchens Brothers promotes themselves worldwide as producers of quality products and customer service. Among others, the firm has exported to the Pacific Rim, Europe, Southeast Asia, Mexico, the Mediterranean and the Middle East. Founded by M.D. Kitchens and Lenon Kitchens in 1945, the early beginnings of Kitchens Bros. began with one small sawmill in Utica. When Lenon Kitchens passed away in 1967, M.D. Kitchens became sole owner of the flourishing company.

By 1987, ownership was divided equally to M.D. Kitchens' three sons, Greg, Alan and Kevin. President, Greg Kitchens said, "It's a family-owned business, and we just find that doing what we have always done—providing quality service and products for our customers is what we want to do. The market times may change the product we make, but not the way we make our product. We have reduced our production due to this chaotic market, we have even changed some production from lumber to timber and industrial products but we still must main-

Continued on page 24

At Kitchens Bros., a High-Tech Optimizing Scanner is used for edging.



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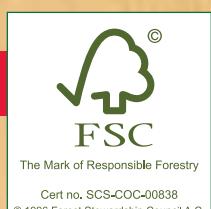
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## How U.S. Wood Measures Up To PEFC Standards

By Kathy Brooks

**Washington, D.C.**—The Geneva-based Programme for the Endorsement of Forest Certification schemes (PEFC) is the world's largest certification plan, having endorsed 25 national systems that account for more than 200 million hectares\* of certified forests.

The independent, nonprofit organization was formed in 1999 by 11 mainly European national systems as a way to mutually recognize each other's certifications. It is seen as the main competitor to the Forest Stewardship Council; neither organization recognizes the other's standards. PEFC, however, recognizes the Sustainable Forestry Initiative® and American Tree Farm System standards in the United States.

Like the FSC and SFI, the PEFC provides branded labels for its certified products; a minimum 70% certified content is required to use the PEFC label. And, too, its certification is good

for five years and verified by annual audits.

"PEFC is primarily a European certification scheme, so it doesn't impact our products," said Michael Snow, executive director of the American Hardwood Export Council. Many AHEC members are "chain-of-custody" certified,

he said. However, sawmills, concentration and distribution yards don't own the land on which their products are grown.

"Certification is in the hands of 4 1/2 million small landowners" who are generally a hard sell, Snow said. "Many of them harvest only once or

twice in a generation and they're not interested in paying someone to come in and tell them what they already know."

Lack of certification does make a difference when U.S. exporters would like their hardwood products to be used in "green building" and government-mandated

projects overseas, Snow said. "PEFC and SFI have mutual recognition, so that gets you into green building across Europe."

Yet lack of certification should not imply lack of sustainability. In fact, an AHEC-commissioned study by Seneca Creek Associates recently

**"PEFC is the world's largest certification plan, having endorsed 25 national systems that account for more than 200 million hectares\* of certified forests."**

found that the risk of illegal wood entering the supply chain for U.S. hardwood products was less than one-half of one percent, Snow said. Those findings have been submitted to Japan and the European Union, whose commission in October proposed a law requiring importers to show due diligence in keeping illegally harvested wood out of the European marketplace.

What about the PEFC versus FSC rivalry? "I think FSC has done a much better job of marketing it and bringing green groups behind it," Snow said. "But I see very little difference on the ground, and I believe that PEFC's more open approach to 'mutual recognition' with other regional or national certification schemes is on the right track."

\*One hectare is equal to 2.471 acres

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### Omnibus Lands Bill Signed

The House of Representatives recently approved the public lands, water and natural resources omnibus bill by a vote of 285-140 and President Obama signed the bill into law. This will: add more than two million acres of public lands as wilderness, established three new national park units, a new national monument, three new national conservation areas, more than 1,000 miles of national wild and scenic rivers and four new national trails.

### House Passes FLAME Act

The House of Representatives recently passed the Federal Land Assistance, Management and

Continued on page 34

## Credit Crunch Answers In Uncertain Times

**Editor's Note:** Arnold is the director of Credit Insurance. Contact him at M&T Insurance Agency, Inc., 285 Delaware Avenue, Ste. 4000, Buffalo, N.Y., 14202. Tel: 716-651-4202; email [earnold@mandtbank.com](mailto:earnold@mandtbank.com).

**Buffalo, New York**—Business failures, lack of adequate information and tough financial times are causing credit insurance companies globally to cancel more policies than ever before. There are solutions, according to Dr. Edward J. Arnold, director of credit insurance at M & T Insurance, located here.

Arnold said credit insurance should be part of any business management plan and receivables often are the only uninsured item on a company's balance sheet while they are critical to a company's survival.

Credit insurance is insurance against non-payment or receivables insurance. Arnold said the reasons to buy are:

- 1) Protection against non-payment
- 2) Companies can expand sales by offering better payment terms to customers
- 3) Companies can obtain short-term financing because uninsured receivables are often excluded as collateral
- 4) Better information about current and future customers.

Credit insurance can cover domestic and foreign receivables including single and multiple buyers. Arnold explained that insurance is available from the U.S. government through the EX-IM bank and a handful of private insurance companies.

The EX-IM model requires that the product be U.S. made and it offers excellent multi-buyer coverage, 100% political risk; 90-95% commercial risk, and often more risk acceptable than private sector insurers.

Arnold said private sector insurance providers can offer discretionary credit limits for smaller sales and can underwrite other buyers. The private sector also provides short term export credit insurance that is based on a percentage of sales. There are specific terms by country risk and credit limits.

"The cost of credit insurance is going up and the average seems to be about 10-15 percent," he said. "That's important to know that this is happening across the board whether you have filed claims or not. If your claims have exceeded your premiums, it may be higher."

Arnold said that cancellations are on the rise and causing problems for sales to new and existing customers.

"It is important to understand why a policy is cancelled," he said. "It's not always that the company is in trouble, it could be bad information on your customer, a lack of information on a company, or something else you can help with, so you should find out and talk with your broker or provider."

Arnold said that as little as 14 months ago companies could find credit insurance for receivables with little trouble.

The tightening of credit markets, business failures and fraud have dramatically changed availability.

"Now I will have a customer come to me with 20 companies they do business with and seeking insurance and I will send that out to five insurers and maybe two will reply," Arnold said. "I might get 14 or 15 of the 20 customers covered and the premium will be higher."

"It used to be that insurers would do anything for new business but they are just not in the new business mode right now," he said.

There are solutions to today's credit insurance crunch. Hardwood companies must provide more information on their customers like their payment history and credit report, consider dif-

ferent policy structures, utilize letters of credit and consider the government insuring through EX-IM bank.

Insurance brokers can provide key services to the lumber industry by working as a resource to answer policy questions; shopping your business to the various credit insurance companies, fitting you with a policy that suits your needs for the best price; providing you and the bank the comfort, knowledge, and understanding of your policy to maximize its value; and acting as your advocate in the case of a claim.



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**NEWMAN**

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Brent McClelland, International Wood Products Assoc., Alexandria, Va.; and Don Thompson, Thompson Mahogany Co., Philadelphia, Pa.



Hugh Reitz, PRS Guitars Ltd., Stevensville, Md.; and Graziano Pasqualetto, Romea Legnami S.P.A., Venice, Italy



Geoff Dodd, Africa!, Memphis, Tenn.; Tom Wilson, International Specialties, Inc., Collierville, Tenn.; and Don Thompson, Thompson Mahogany Co., Philadelphia, Pa.



Guy Goodwin, NHG Timber Ltd., Sanderstead, Surrey, England; Luc Auguin, Rougier International S.A., Paris, France; Paul Gates, Tradelink Wood Products Inc., Greensboro, N.C.; and Tom Herga, Inter-Continental Hardwoods Inc., Currie, N.C.



Hugh Reitz, PRS Guitars Ltd., Stevensville, Md.; and Jesper Bach, Balliee Lumber Co., Hamburg, N.Y.



Rod Blalock, Firestone Natural Rubber Co., Calhoun, Ga.; and Alan McIlvain, McIlvain Lumber Co., Marcus Hook, Pa.



Ernest Montano, Del Valle Common & Co., La Mirada, Calif.; Jim Cullison, Drayage Express Corp., Rancho Dominguez, Calif.; and Jim Kaiser, Sol Building Materials Corp., El Paso, Texas



Y.S. Jung, Hyundai America Shipping Agency Inc., Long Beach, Calif.; Kurniawan and Patricia Antono, International Wood Products Assoc., Apex, N.C.



George Swaner, Swaner Hardwood Co., Burbank, Calif.; Pat Bennett, American Pacific Plywood Inc., Solvang, Calif.; and Gary Swaner, Swaner Hardwood Co.



Michael Wan, Planet China LLC, St. Louis, Mo.; Stuart Clarke, Clarke Veneers and Plywood, Jackson, Miss.; and John Hedin, Columbia Forest Products, Greensboro, N.C.



Doug Rogers, Canusa Wood Products Ltd., Vancouver, B.C.; and Gilberto Schille, Brazwood Ltd., Acre, Brazil



Jason Loveland, Rukert Terminals Corp., Baltimore, Md.; Georgiy Krapivin, Woodbridge International Ltd., Moscow, Russia; and Sergei Kotov, SGK Nordic SIA, Riga, Latvia



Keister Evans, Tropical Forest Foundation, Alexandria, Va.; Jens Bursche, DLH Nordisk Inc., Greensboro, N.C.; Brian Stordeur, Stordco International, Long Beach, N.Y.; Hugh Reitz, PRS Guitars Ltd., Stevensville, Md.; Matteo Dassi, Technowood Ltd., Tortola, British Virgin Islands; and Pat Bennett, American Pacific Plywood Inc., Solvang, Calif.



Cindy Bergin, Newman Lumber Co., Gulfport, Miss.; Buzz Neilsen, Sealaska Wood Products Solutions, Yugo City, Calif.; Will Whitehouse, Coastal Cargo, Houston, Texas; and Yee Heng Ki, Shengyang Plywood Distribution Co., Malaysia

*Additional photos on page 12*

## Lumber Certification Debate Gains Momentum

**By Kathy Brooks**

**Memphis, Tennessee**—Green marketing has gained popularity since the 1990s, with environmental certification of timber and wood products exploding in the last two years.

But some of North America's smaller hardwood and softwood growers, middlemen and dealers have been slow to jump on the bandwagon, wondering which of two major forest-management certifications are preferable and whether the costs of voluntary certification will pay off in increased sales.

"We feel it is a market decision that each company has to make individually," said Mark Barford, executive director of the National Hardwood Lumber Association.

**The Forest Stewardship Council's (FSC) certification system and the Sustainable Forestry Initiative (SFI) are two of the most widely used auditing programs in North America. Both programs aim to assure consumers that certain landowners have shown their commitment to maintaining healthy, sustainable forests while providing the landowners an independent assessment of their management practices and advice on how to make them more environmentally friendly.**

The FSC and SFI also provide "chain-of-custody" certification, which traces timber products through each phase of the supply chain to ensure that environmentally sound practices produced the final result. Each organization offers branded labels that may be attached to the certified products.

"The most important 'pro' of certification is the guarantee to your customers that your lands are being managed responsibly," said Corey Brinkema, President of FSC-US. "But it's also a way to maintain or increase marketshare in an otherwise-down marketplace."

Both organizations use independent third-party auditors who conduct the evaluations according to FSC or SFI criteria. Landowners interested in attaining certification contact an auditor directly, then sign contracts for the work to be performed. "The general public is notified about certification assessments before they take place so that the certifiers, helping assure the integrity of the process, can hear a full range of voices," the FSC website says.

Certification is good for five years, at which time the landowner may apply for recertification if desired. Annual audits are performed to insure that contract terms are being followed.

Chain-of-custody certification costs between \$3,000 and \$5,000, Barford estimated. Brinkema said the cost of certifying forest acreage varies, depending on the land's size and complexity.

"The cost is very difficult to lock down," said Jason Metnick, SFI's Director of Market Access and Product Labeling. "It could be 25 cents an acre or it could be three dollars an acre."

"Certification is generally not within reach of a single, small landowner," Brinkema said. "You won't net out relative to the cost of certification."

However, group certificates are an economically viable way for those landowners to become certified, Brinkema said. He noted that 31,000 family forest owners representing 2.15 million acres recently became certified through a tax-incentive program in Wisconsin. "Cost per acre was pennies or even less, so it's an extraordinarily efficient program," Brinkema said.

"Group certificates aren't usually of that scale," he added, noting that 10 or 20 landowners were more the norm in the Pacific Northwest and Maine. Increasing the number of group certifications is a prime objective for the

FSC in 2009, Brinkema said. "Small companies provide the majority of wood fiber, so if we don't make FSC certification viable for the small landowner then it's not going to have the impact that it should have."

The SFI program was designed for larger landowners, but its partnership with the

American Tree Farm System also provides for group certification of smaller landowners, Metnick said. Significantly more forestland has been certified in Canada than in the United States, he said, attributing that to Canada's pattern of larger landowners. The SFI has certified 96 million

acres in Canada and 54 million acres in the U.S., while the FSC has certified 60 million acres in Canada and 29 million in the U.S.

Timber certification has made great strides since the early 1990s, when a World Wildlife Fund coalition founded the nonprofit FSC because of concerns about illegal, unsustainable logging practices in tropical forests. The American Forest & Paper Association followed in 1994, beginning the SFI program that is now maintained by a separate 501(c)(3) nonprofit organization, the Sustainable Forestry Board.

"It was really the 'Big Box' stores that drove the market toward certified products in the mid to late 1990s," Metnick said. "Then in 2001 and 2002, stores like Office Depot, Office Max and Staples instituted similar procurement policies.

"We've absolutely seen the market demand surge for certification in the last two years, whether it's a large government like the United Kingdom

Continued on page 25



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Christian Mengel, DLH Nordisk Inc., Greensboro, N.C.; Tom Walther, National Hardwood Lumber Assoc., Memphis, Tenn.; and Brian Attridge, General Woods & Veneers Ltd., Mississauga, Ont.



Pat Bennett, American Pacific Plywood Inc., Solvang, Calif.; and Paul Gosnell, Patriot Timber Products International Inc., Greensboro, N.C.



Alan McIlvain, Alan McIlvain Co., Marcus Hook, Pa.; and Matthew Olivo, Brown Brothers Harriman & Co., New York, N.Y.



John Chaffin, Import Security Consultants, San Marcos, Calif.; and Danny Foster and Roy Blackshear, Ihlo Sales & Import Co., Center, Texas



Tom Wilson, International Specialties Inc., Collierville, Tenn.; and Scott Beggs, American Pacific Inc., Holly Springs, Miss.



Wayne Miller, Import/Export Wood Purchasing News, Memphis, Tenn.; Elizabeth Baldwin, Metropolitan Hardwood Flooring USA, Kent, Wash.; and Scott Beggs, American Pacific Inc., Holly Springs, Miss.



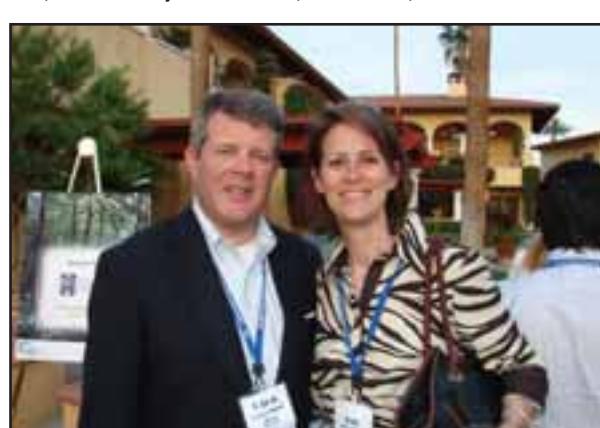
Robert Gillebaard, Holland Southwest International, Houston, Texas; Cindy Bergin, Newman Lumber Co., Gulfport, Miss.; JoAnn Gillebaard Keller, Holland Southwest International, Houston, Texas; and Dwight Hall, Southwest Plyboard of Texas, San Antonio, Texas



Donald Thompson, Thompson Mahogany Co., Philadelphia, Pa.; and Maureen and Warren Spitz, UCS Global, Mississauga, Ont.



Brent McClendon, International Wood Products Assoc., Alexandria, Va.; Cassia and Sergio Korn, Exportbras, Beverly Hills, Calif.



Lee and Aimee Robinson, Overseas Hardwoods Co., Mobile, Ala.



Thuy and Norm Murray, U-C Coatings Corp., Buffalo, N.Y.



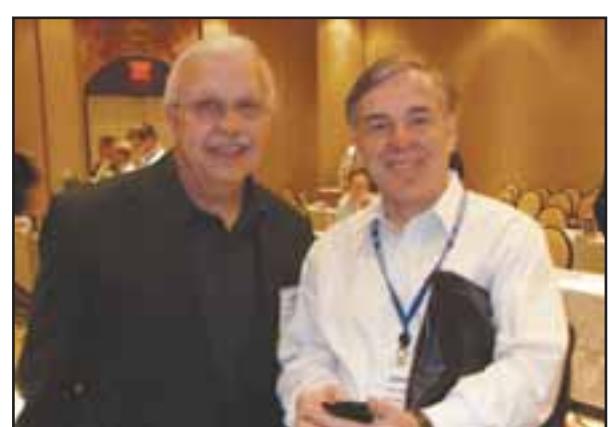
Aetius Rossa, Manifest Journals, Washington, D.C.; Daniel de la Puente and Roberto Melgar, Peruvian Amazon Line, Lima, Peru



John Aufderhaar, Bedford Falls Communications, Watertown, Wis.; Annette Ferri, International Wood Products Assoc., Alexandria, Va.; and Ray Markley, Shorepoint Insurance Services, Costa Mesa, Calif.



Nicholas Andrew Lisse, Sarawak Timber Industry Development Corp., Kuching, Malaysia; Christian Mengel, DLH Nordisk Inc., Greensboro, N.C.; and Mohidin Zailani Kram, Sarawak Timber Industry Development Corp., Kuching, Malaysia



John Mallough, Barthco International Incorporated, Philadelphia, Pa.; and John Andl, TradeLeaf LLC, New York, N.Y.

*Additional photos on page 14*

## Making The Most Of The Lacey Act

**By Elizabeth Baldwin**



Elizabeth Baldwin

**Editor's Note:** Elizabeth Baldwin, is author of "Complying with the Lacey Act: A Real-World Guide," available at [www.LaceyActResources.com](http://www.LaceyActResources.com). The Guide provides practical instructions to help you organize and manage your documentation; to assist you in preparing for the necessary import declarations; in learning how to document the legality of your product; and in educating yourself, your staff, suppliers and customers regarding the potential impact of the Lacey Act. Also included with the printed guide is a CD ROM containing assorted templates, sample databases, possible Purchase Order text in multiple languages common to many key supplying regions, and more.

The Lacey Act and its potential impact on the international wood trade has been heavily discussed over the last few months. For those few still unfamiliar with it, the Lacey Act is America's oldest national wildlife protection statute. Named after Congressman John Lacey, it was signed into law in 1900.

Originally written to protect game animals and birds, it has been amended nearly a dozen times over the years with the 2008 amendment extending protection to plants and trees. The new amendment is designed to eliminate American import and trade in illegally harvested wood.

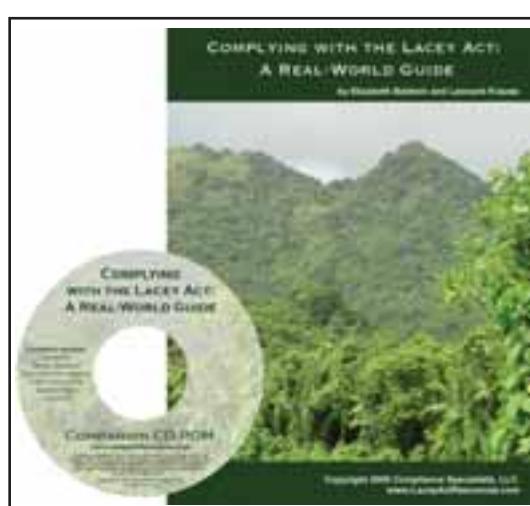
The Act is unusual in that the action that defines the product as illegal (or "tainted") does not have to have occurred within the U.S. Included in the long list of ways to "taint" a product are actions such as harvesting it illegally, trading it without proper duties or other fees being paid, or smuggling/stealing it. The Act also mandates an extensive new reporting requirement for nearly all imported materials.

The Lacey Act provides for some very steep penalties if the government is able to prove that an individual or a corporation has knowingly traded in illegal material or has misreported an imported product. Because the Act also includes penalties to be applied against innocent owners (people or companies who did not know the wood was "tainted" when they purchased it), many people are "running scared" from all tropical or imported timber.

It is important to note that the government bears the burden of proof to show both that the product was tainted and that the individual or company either knowingly purchased it or if they innocently purchased it, that they really should have known better when doing so.

As a result of the Lacey Act, importing companies are expected to have increased burdens of due diligence in documenting the source of their material.

Many American Hardwood companies are anticipating an increase in their domestic marketshare as both downstream producers and retail customers shift from imported species to the "safer" domestic



hardwoods. Certainly there should be a change in that area, but U.S. companies should not neglect their opportunity to utilize the Lacey Act to increase their export opportunities as well.

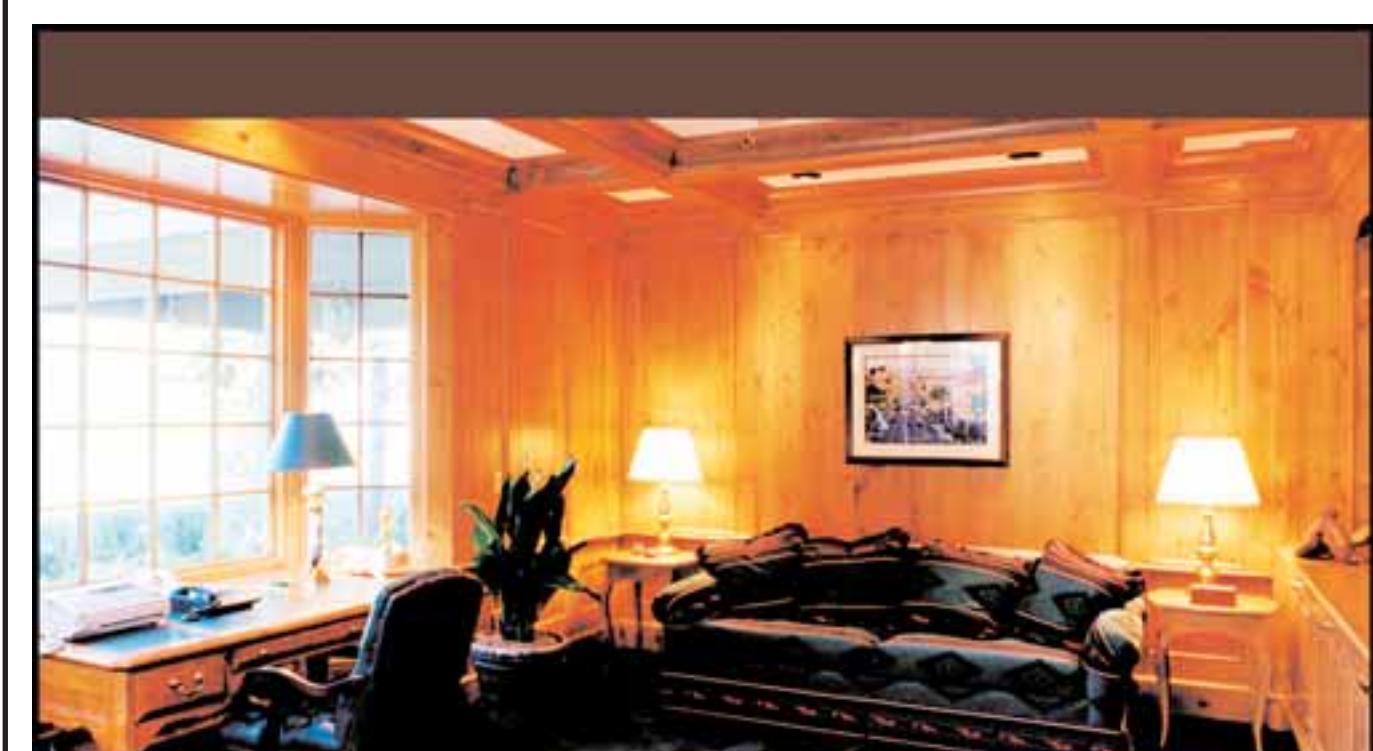
U.S. companies should be offering their overseas customers who intend to export a finished product back to the United States documentation to show that their production has an extremely low risk of being considered "tainted." Such documentation can include the FSC's own assessment of American hardwoods as "low risk," or copies of reports by AHEC or the AHMI and other local



Arnie Hogue

industry organizations. Local universities often have studies (Purdue has an excellent one on Indiana timber) that can be quoted. Companies with good documentation packages should become preferred suppliers to nervous overseas buyers.

Continued on page 25



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Chris Parss and Carl Gade, Penrod Co., Virginia Beach, Va.; and Ashok Kela, MP Veneers Pvt. Inc., Bhopal, India

**INTERZUM Photos -** Continued from page 1

Bill Secrest, Graf Brothers Lumber Co., South Shore, Ky.



Claire Chen and Chen Chong Bin, Gilco Lumber Inc., Shanghai, China



Kevin Ketchum, National Hardwood Lumber Assoc., Memphis, Tenn.; Dorothy Tong, AHEC, Hong Kong; and Tom Inman, Appalachian Hardwood Manufacturers Inc., High Point, N.C.



Tito Gori, Azienda Legnami Affini, Arezzo, Italy; Steve Staryak, Lawrence Lumber Co., Raleigh, N.C.; and Joe Gori, Azienda Legnami Affini



Todd Webb and Xiaowei Wang, Jim C. Hamer Co., Kenova, W.Va.



Matt Harris, Edwards Wood Products Co., Marshville, N.C.; Jonathon Lee, Turman Hardwoods Co., Shanghai, China; and Tom Inman, AHMI, High Point, N.C.



Bill Graban and Michael Guo, Prime Lumber Co., Lexington, N.C.



Cathleen Xu and David Mayfield, Mayfield Lumber Co., McMinnville, Tenn.



Richard Zao, Baillie Lumber Co., Dongguan, China; Matt Bubar, Baillie Lumber Co., Hamburg, N.Y.; and Echo Lou, Baillie Lumber Co., Tianjin, China



Tracy Chang and Michael Wong, American Lumber Co., Dongguan, China; Gary Song, Northwest Hardwoods, Guangzhou, China; and Mabel Jiang, American Lumber Co.



Robert Moss and John Zemanick, Gutchess Lumber Co., Cortland, N.Y.; and Helena Chan, Gutchess Lumber Co., Hong Kong



Jason Green, Sophia Chang, Ivy Sun, and Sam Sun, Industrial Timber & Lumber Corp., Beachwood, Ohio



William Chu, North Carolina Department of Commerce, Hong Kong; Patrick Althan, AHC Exports, Atlanta, Ga.; and Helen Ng, North Carolina Department of Commerce

## Interest In U.S. Wood Flooring Surges In China Market

**Washington, D.C.**—The American Hardwood Export Council, located here, recently released an overview of the market status in China. Excerpts of that report follow:

China's growth continued to be strong in 2008, though it dropped sharply in the fourth quarter and is still weak. However, unlike many other markets, China's economy is expanding, not shrinking. Several factors, including high savings rates, the fact that government policy was responsible for some of the slowdown and has since been reversed, and spending stimulators like the Shanghai World Expo, make the country well situated to recover quickly.

Overall China's GDP grew 9% in 2008, compared with 6.8% in the fourth quarter and 13% in 2007. However when the fourth quarter's growth is seasonally adjusted, it appears stagnant. In 2008 overall, the total value of imports and exports rose from US\$2173.8 billion in 2007 to US\$2561.6 billion, a 17.8% increase. First of the year (2009) exports were valued at US\$90.45 billion and it is predicted that China's 2009 growth will range from 6.8 to 8 percent. A jump in China's industrial output last month, along with a record rise in new lending, lent credence to the idea that the bottom may not be far away and lifted the Chinese Yuan and stocks in Shanghai.

There were several factors beyond the global economic crisis contributing to China's slowdown, and the major contributor was policy enacted by China's government earlier in 2008 to help curb inflation caused by high growth rates of the last decade. One sector they tried to rein in was housing, which peaked in October 2007, but given the housing element of the economic crisis, the slowdown in the domestic housing market has been blamed for approximately half of China's slower growth in 2008. More recently, the government has enacted a series of policies to encourage growth in the housing and infrastructure sectors. While a slowdown in growth was clearly needed for China given its almost decade of very high growth, this slowdown was more drastic than the slowdown for which officials were aiming.

China's forest resources are low. Despite establishing forest management schemes, the country's demand for raw materials will not be satisfied by its level of national produced supply. China is still in the implementation phase of a domestic initiative to supply in-country its pulp, paper and wood-based panel industries.

The China National Forest Product Industry Association reports that approximately 86.1 million acres of fast growing high yield wood products was created in 2007. In addition, since most of China's plantations are of fast growing, small diameter species best utilized in the pulpwood industry, it is clear that demand for imported hardwoods, particularly for the solid wood processing industries, will remain strong for the foreseeable future. While increasing its domestic sources the slightest amount, China still will not be able to produce enough wood products for its own consumption.

Chinese exports of all wood products have slightly decreased by 5% to

roughly US\$9.3 billion, still good enough for 9.3% of the marketshare, second largest behind Germany at 9.5% and ahead of the U.S. with 7%. Wood furniture and panel products make up more than 70% of total wood product exports, and to date Chinese exports of sawn hardwood lumber have been relatively minor having 6% of the world's marketshare while U.S.

is still the largest at 43%. There is a clear growth trend, with a 14% increase in Chinese lumber exports in 2008. While Japan remains the largest single market for this lumber, its marketshare is declining as the U.S., Korea, Russia and Germany increase its imports of sawn timber from China.

In 2008, China's total furniture production was US\$88.2 billion, a 15% increase over 2007. 31.26% of productions were for exports indicating the growing domestic consumption. According to the report of "2009 World Furniture Outlook" made by

Italian company CSIL, the demand of furniture will decrease in 15 countries that are mostly European countries and U.S. Countries such as China, Egypt, Russia, India and Kuwait are predicted to leave increased demand in production.

The Chinese flooring and furniture producers have deep concern about the U.S. Lacey Act's impact on the flooring industry. But they do believe the Act would certainly convince more producers to use U.S. hardwoods. There has been an increased demand for flooring seminars. Wood doors were down 1.5% of roughly US\$450 million.

And lastly, some of the large furniture and flooring factories have relocated to Vietnam and Indonesia, causing China to lose many export orders. Over 2,000 furniture factories closed in 2008.



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**IWPA -**  
 Continued from page 1

any of us have ever seen. To quote Winston Churchill: 'When you are going through hell, keep going!' That is what we must do."

His sentiments were echoed by McClendon, who said, "It feels like we're in the middle of a desert (in regard to the economy) now. IWPA, though, is an oasis in this desert. We're going to end this year in the black and we have plans to stay in the black next year too as we provide you information you need to know about our industry."

After the convention, McClendon said, "We received tremendously positive feed back from this program. Our members wanted an immediate return-on-investment and I am thrilled how our speakers came through for them. From economics and market projections, to helpful insights from a member of Congress, our people left with solid planning insight that they can immediately put to use. Our total attendance was down a bit as expected, but the enthusiasm and business connections certainly weren't."

Scott Beggs, incoming IWPA presi-

dent, also spoke to the attendees and stated that in today's economy, "it's survival of the most adaptable, not the fittest or strongest or fastest."

The convention was packed with speakers, among them was Lynn Michaelis, vice president and chief economist with Weyerhaeuser Hardwoods & Industrial Products. He reported that "the primary driver of consumer confidence is about your belief that you may, or may not, have a job indefinitely. That overall confidence is falling. In 2007, consumers felt good, but today, 401(k)s, pension funds and home equity is disappearing so factors like auto and retail sales have dropped dramatically. Household furniture sales are down 29 percent."

Despite the sombering news, Michaelis said, "I do not believe we are headed for a depression. Although for the first time since 1947, the global economy is declining. We need global participation on policies for things to improve. Consumers are in a saving rate mode. Now we need government to spend money to make up for consumers not spending."

Housing will remain depressed, he noted. "Next year, we'll see 500,000 to 600,000 housing starts – maybe," he

said. "Right now California home prices are down 61 percent from their peak. The only good news is that in California, people are buying houses at new, lower priced, levels."

He continued that exports "are falling about as fast as imports and the U.S. dollar will be under downward pressure for the next few years. We have one source that can stop that downward spiral: it's the Federal government. In the meantime, the U.S. economy will contract 3 to 4 percent this year, and we may get some growth in 2010. I expect we will push to 10 percent unemployment however."

Despite all negative indicators, Michaelis said he remains, "optimistic. The good news is the drop in oil prices. The main thing we all need to do is watch our cash flow carefully. I counsel you to expect another 12 months of slow wood business."

He summed up by stating, "We are in extremely risky and uncertain times – a very unique event in our lifetime. It could take two to three years of no growth in the U.S. before we see significant improvement. This is unlike anything since the Depression."

His sentiment was supported by speaker John Young, of Young Homes, who noted, "Our business is

off 90 percent of first-time homeowners and move-up homes. We have a huge credit crunch in our country, so lots of my friends who used to build homes have gone out of business. Last year, building permits were the worst in volume since World War II. That means flooring and cabinets needed for homes have dropped in sales dramatically."

Young also accentuated the positive, stating that inventories of completed homes for sale have dropped in recent weeks, which is an improvement in the market. He outlined other positive signs as follows:

- Slight rise in commodities prices;
- Cost of ocean freight has improved since last year;
- Slight increase in consumer spending;
- Construction levels rose in January and February of this year.

Young added that, "now we are building smaller homes. That's the trend. They average 2,000 to 2,200 square feet instead of 3,500, and a few builders are getting orders for homes up to 1,600 square feet. We're also seeing a growing demand for green construction, concentrating on energy efficiency and water conservation. Green is not going away. We, as builders, are going green in California because you can make a house so tight this way. These houses are very economical energy-wise."

Among the many presenters at the World of Wood were Ray Markley, Shorepoint Insurance Services; Craig Fedchock, USDA; Daniel Wackerman, John A. Steer Co.; and Jeffrey Grimson, attorney, Troutman Sanders.

Approximately 250 business executives from 25 countries attended the convention, which also welcomed guests and attendees to enjoy various receptions, dinners and a convention-closing banquet, as well as an annual golf classic.

The World of Wood 2010, IWPA's 54th annual Convention, will be held March 24-26 at the Eden Roc in Miami Beach, Fla.

The IWPA's offices are located in Alexandria, Va., which can be contacted by phoning 703-820-6696, or see their website at [iwpawood.org/](http://iwpawood.org/)

**INTERZUM -**  
 Continued from page 1

for 2009 and included company representatives from all of West Virginia and parts of eight other states: Kentucky, Mississippi, New York, North Carolina, Pennsylvania, Tennessee, and West Virginia. Participants were Appalachian Hardwood Manufacturers, Inc., Graf Brothers Lumber and Flooring, Hermitage Hardwood Lumber, Industrial Timber & Lumber, Jim C. Hamer Co., Lawrence Lumber Co., Mayfield Lumber Co., and Prime Lumber Co.

Other U.S. companies displaying at the fair were American Lumber, Ballie Lumber, and Gilco Lumber.

Most reported decent traffic at their spaces from representatives of the furniture industry throughout China. A few orders were written and dozens of new leads were generated.

Guangzhou is well-known in China as well as in the furniture production industry with the Guangdong province as one of the most important markets in the world.

The show attracted more than 50,000 trade visitors and buyers from the DIY (Do-it-yourself) and BIY (Build-it-yourself); furniture manufacturing; furniture wholesale and retail; interior design; institutions; wood and plastic

Continued on page 17

## "...I AM VERY HAPPY AND QUITE SURPRISED WITH THE FAXES AND PHONE CALLS..."

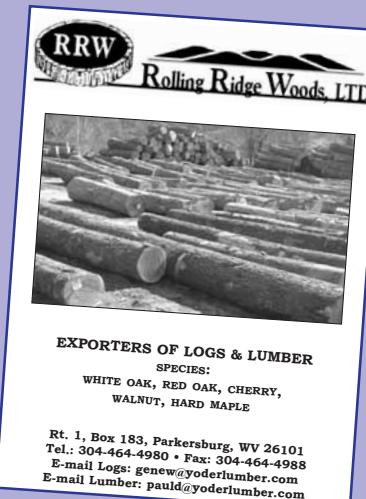
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## INTERZUM -

Continued from page 16

processing; and the wood and plastic trading sectors. The number of pre-registered visitors, a week before the trade fair, was nearly double that of 2008, a positive sign for the final visitor attendance.

"Despite the economic slowdown, Interzum Guangzhou has once again broken records with an all-time high in participation. We appreciate the continued support from our partners and customers, who acknowledge that Interzum Guangzhou is a must attend event for Asia's furniture production industry," said Michael Dreyer, Vice President Asia Pacific, Koelnmesse.

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## BANGKOK -

Continued from page 1



U.S. hardwoods were well-represented at the Bangkok, Architect '09 trade show. U.S. hardwoods exported to Thailand increased nine percent in the first month of 2009 compared to 2008.

Architect '09 jointly organized by the Association of Siamese Architects, under Royal Patronage (ASA), and TTF International Co., Ltd., displayed architectural progress, educated visitors about different architectural aspects and also provide business opportunities for the building industry. The exposition had 750 exhibitors from 31 countries participating to display more than 10,000 new products. Smith Obayawat, president of the fair organizing committee, says green is not just an advertising campaign or image program. The issue concerns all people who want to see sustainable use of natural resources.

The fair, under the theme Re-Vision, is the largest construction and architecture fair in Southeast Asia, providing opportunities for the public to learn about new developments in the field. It included international conferences at which eminent Thai and foreign architects shared their experiences and opinions.

Obayawat said the "Re-Vision" theme was meant to draw attention among the public as well as Thai architects to slow down and rethink their roles and contribution to the society.

American Hardwood Export Council (AHEC) returned to the fair for the fifth time to introduce the sustainable American hardwood resources to the manufacturers and specifiers with the encouraging export of U.S. hardwood lumber to Thailand, which increased 9% to U.S.\$1.5 million for the first month of 2009 compared to the same period of 2008. The prototype of American Hardwood Design Camp was also displayed in AHEC stand to illustrate the creative use of U.S. hardwoods and attracted strong interests from visitors.

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## DUBAI -

Continued from page 1

city in the world—and also the most tolerant environment anywhere. Third, their port (the Jebel Ali port) is said to be the largest man-made port in the world, making it friendly to international business.

This city of 497 square miles and more than 2.2 million people recently welcomed into its environs the American Hardwood Export Council (AHEC) for their Wood Show. There were 16 companies from the United States exhibiting in the pavilion, along with the National Hardwood Lumber Association (NHLA) and companies from the states of Virginia and Indiana. AHEC conducted the wood show in cooperation with the Hardwood States Export Group (HSEG), a consortium of State Departments of Agriculture from the primary hardwood-producing states.

According to the participants in the American Hardwood Pavilion, this year's Dubai Wood Show was a great success. Participants said that quali-

ty was the key and claimed to see genuine interest in their products expressed by potential buyers from all over the Middle East and North Africa regions, as well as from India and Pakistan and beyond.

This year's wood show experienced the largest hardwood delegation from the United States that has ever exhibited in the Middle East. According to staff at AHEC in Washington, D.C., this underlines how important the region has become to hardwood producers in recent years.

A statement from the AHEC office reads, "More than ever before, American hardwoods are becoming increasingly well-established in the Middle East's hardwood market and the timing was right for the American Hardwood Export Council (AHEC), which organized and ran the American Hardwood Pavilion, to show its commitment to the region's market and to strengthen ties between US exporters and the importers, manufacturers and specifiers in the Middle East-North Africa (MENA) region."

The 2008 Statistics from the United States Foreign Agricultural Service

support this: they indicate total direct exports of American hardwood value-added products (lumber, veneer, flooring and mouldings) to the MENA region grew by 19.6% in value, reaching \$55.5 million. The principal value-added US hardwood product exported to the region – hardwood lumber – saw an increase in volume of 3.7% and an increase in value of 3.8% to \$35.5 million.

At the same time, shipments of both hardwood veneer and logs also grew significantly, increasing by 59.7% to \$18.6 million and by 58.6% to \$25.5 million respectively.

During the Wood Show, AHEC hosted an evening seminar and reception on April 21st at the Park Hyatt Hotel in Dubai. Rupert Oliver, consultant to AHEC, gave a presentation giving MENA region importers and end users of hardwoods insight into the environmental credentials of American hardwoods and what the U.S. hardwood industry is doing to address ecologically-sound ("green") procurement and sustainable building material standards around the world. This was of particular relevance in the UAE,

Continued on page 19

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**DUBAI -**

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where Estidama, the Emirates Green Building Council and Masdar City are all pushing for "green" building codes to be introduced.

Bob Sabistina, AHEC's Grading Consultant, sponsored a "grading cor-



This year's Dubai Wood Show experienced the largest hardwood delegation from the United States that has ever exhibited in the Middle East.

ner" where he performed grading seminars and answered questions about lumber grading. Sabistina also introduced the National Hardwood Lumber Association (NHLA) rules for grading American hardwood lumber. This complex but key system forms the basis of every transaction between U.S. hardwood exporters and importers around the world and is fundamental to a successful and long term business partnership. Participants received the new AHEC-produced Arabic language editions of both the *Illustrated Guide to American Hardwood Lumber Grading* and *American Hardwood Species*. A net-

working reception, held for the U.S. exporters and traders from across the Middle East, followed.

Although the crowd may have been smaller than in previous years, the interest was great and optimism high. AHEC Chairman Orn Gudmundsson Jr. participated in the pre-show press conference and shared information with the local and regional media on the sustainability and environmental credentials of American hardwoods.

From the view of the Persian Gulf, the outlook of the future of American hardwoods looks brighter than ever, and much optimism has been sparked by the Dubai Wood Show.

**WHO'S WHO - Fritz**

Continued from page 2

Ash, Beech, Birch, Cherry, Hard and Soft Maple, Hickory, Poplar, Red and White Oak and Walnut.

Fitzpatrick & Weller purchases approximately 10 million board feet of lumber annually. The firm is a member of the Forest Stewardship Council.

Fritz has been involved in the forest products industry for 10 years. He began his career as an office assistant, and has also worked as an order coordinator, distribution sales and purchasing.

Fritz received a bachelor's degree in business administration from Gannon University in Erie, Pa. He graduated from Elk County Catholic High School

in St. Marys, Pa.

Fritz and his wife of eight years, Jessica, have two children. He enjoys spending time with his family, fishing, basketball and football.

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**WHO'S WHO - Houseknecht**

Continued from page 2

of northern lumber products in thicknesses from 4/4 to 16/4, the Wagner Companies operate three sawmills in New York State. All products are either sold green to domestic markets or kiln-dried for mixed truckload or container shipments. The company currently has 1.6 million board feet dry kiln capacity. Primary species handled are Red and White Oak, Hard and Soft Maple, Ash, and Cherry.

Wagner offers export prep/tally, surfacing and proprietary sorting in all grades and thicknesses. The company's sawmills utilize state-of-the-art technologies to produce lumber that is uniform in thickness and dried to high standards.

Wagner Hardwoods LLC is a member of National Hardwood Lumber Assoc. (NHLA), American Hardwood Export Council (AHEC), Appalachian Hardwood Manufacturers, Inc. (AHMI), Penn-York Lumbermen's Club and New England Lumberman's Assoc.

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**WHO'S WHO - Medero**

Continued from page 2

wood. The company purchases 3.5 million board feet of lumber annually.

Medero has been involved in the import/export industry for 10 years. He began his career with Aljoma Lumber in 1998 as an assistant export manager.

Medero graduated from Caribbean University and Miguel Melendez Muñoz High School, both in Puerto Rico. He and his wife of 10 years, Elba Vega, have six children.

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**WHO'S WHO - Thompson**

Continued from page 2

(4/4 through 10/4), and purchases approximately 4 million board feet of all species annually.

Wieland and Sons offers straight line ripping, gang ripping and custom flooring. The firm is a member of the National Hardwood Lumber Assoc.

Thompson has been in his present position for 24 years. He began his career in the forest products industry in 1984 stacking lumber. Thompson's other responsibilities have included container loading and truck dispatch. Thompson is a graduate of East Buchanan High School in Winthrop, Iowa. He and his wife of 31 years, Kenda, have two children and one grandchild. Thompson enjoys motocross, hunting and fishing.

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**Lawson Maury**  
Export Manager  
(one stubborn guy)

**AHEC -**

Continued from page 2

expecting at least 2,000. "Imagine Green Living" was the theme of the show, although the extensive use of synthetic weave in outdoor furniture did not make much contribution to that sentiment. There were many green products, although none observed as certified by FSC, but a great deal of plantation Rubberwood, Acacia and local Thai species including Mango.

AHEC and American Hardwoods achieved high profile at the show, recognized in the Guest of Honor's (Minister of Commerce) opening speech and with a very well produced Design Camp exhibition - featuring furniture all in U.S. Hardwoods - and a well attended media reception, graced by the Minister. Prominent in this event was the Thai Furniture Industries Association with which AHEC works closely.

The Handicraft & Wood Industry Association of Ho Chi Minh City (HAWA) held its Vietnam International Furniture & Home Accessories Fair – VIFA 2009 in the brand new Saigon Convention & Exhibition Center, a much-needed and improved facility which now meets the needs of international visitors. However several major manufacturers were absent and it was not clear whether this was due to space constraints or their lack of enthusiasm to spend money this year. AHEC exhibited with a very well located and smartly designed stand featuring a bundle of Red Oak and samples of all main species, together

with a continuous video that drew visitor attention. Also well displayed, separately, were the shortlisted entries of the Hoa Mai furniture design competition – all in American Hardwoods.

While there is no doubt that the global economy took its toll on attendance at several of the regional shows, some of the trends identified by AHEC in the region show a promising future for U.S. hardwoods. Among these trends are:

- Oak remains by far the most important temperate hardwood in furniture production in southeast Asia
- European Beech is rare in furniture in Southeast Asia, although European Oak is well represented
- The trend to dark stained furniture provides opportunities for Tulipwood, Soft Maple, Cottonwood, Willow, Gum, etc., which indicate the need for AHEC to further increase promotion of such U.S. species in the region;
- The demand for environmentally acceptable (legal and sustainable) Hardwoods is increasing as Asian manufacturers become more aware of the demands by many of their buyers, requiring AHEC to continue to upgrade its promotion and advertising of the environmental credentials of U.S. hardwoods.

The American Hardwood Export Council (AHEC) is the leading international trade association for the U.S. hardwood industry, representing the committed exporters among U.S. hardwood companies and all major U.S. hardwood product trade associations. AHEC's member companies service the growing global demand for

U.S. hardwood and represent the full range of hardwood products. AHEC maintains offices in Japan, Europe, Southeast Asia, China, Korea and Mexico, in addition to its Washington, D.C. headquarters, to serve the needs of the global community. For additional information or a copy of the complete AHEC report on this year's Southeast Asian furniture shows, please contact AHEC by phone at 202-463-2720, by fax at 202-463-2787 or consult our web site at [www.ahec.org](http://www.ahec.org).

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**IWPA - McClendon**

Continued from page 3

the "crackberries", iPhone addicts, etc... that check their messages every other second) and you have an enormous opportunity to drive your message to your customers on your terms and timing.

Downside? It is time consuming. Web pages, Facebook, blogs, and twittering all need constant attention to keep them "fresh." The people receiving these messages are also deluded with information and face burnout so you want to be careful not to run them off.

Despite the time commitment and learning curve, more and more companies in our industry are joining the retailers, real estate brokers and home builders that have jumped online with these tools to market their products and services.

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Continued on page 21

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