



November 17

MARKET REPORT

Southeast Asia & Greater China

US Hardwood Exports to SEA & GRCH Market Reaches Record High in Q3

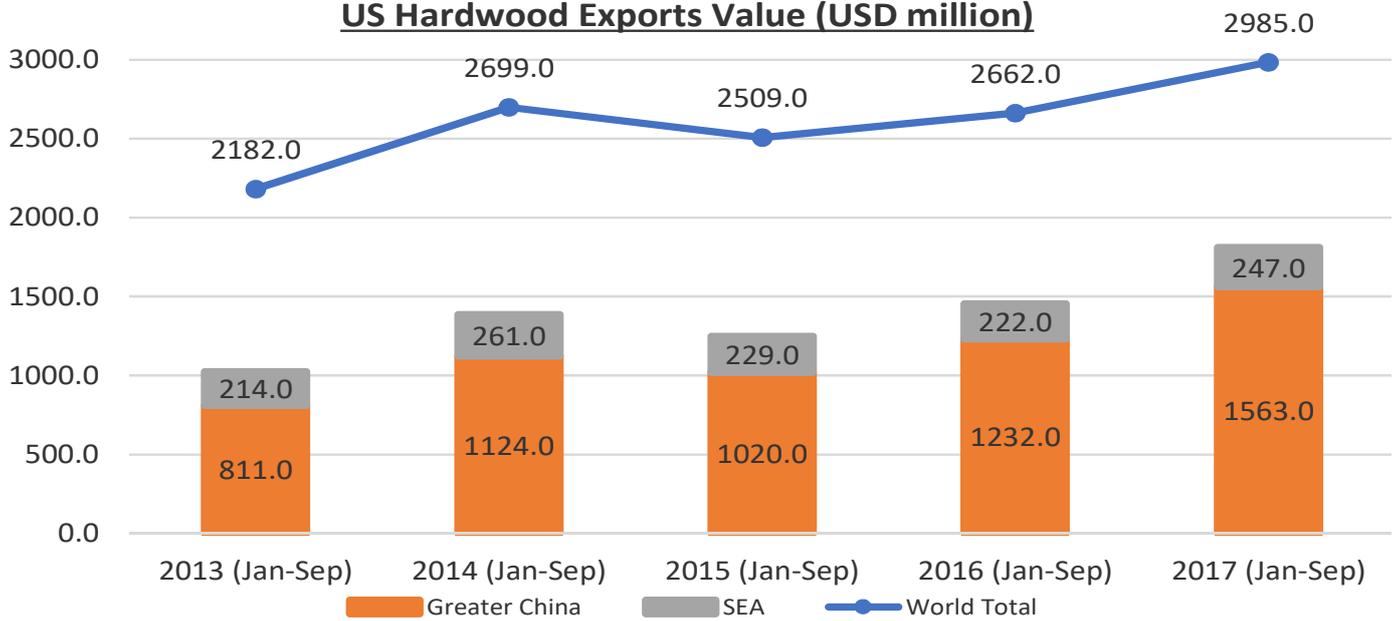
Thanks to the two main growth engines: Mainland China and Vietnam, the global export value of US hardwood to SEA & GRCH reached a record high in Q3 2017, also an increase for 9th consecutive month compared to the same period of time in 2016. Two main growth engines took the lead and drove up the whole SEA & GRCH market 24.5% (YoY) and reached \$1.81 billion for the past 3 quarters. The SEA & GRCH market accounted for 60.7% of all global exports value. The global exports value of American hardwood reached \$2.98 billion, up 12.2% (YoY).

Exports to Greater China grew 26.9% (YoY) to \$1.56 billion in which Mainland China market was up 27.4% to \$1.53 billion. Exports to SEA rose 11.4% (YoY) to \$247 million in which Vietnam market grew at 16.7% to \$177 million.

Contents

- US Hardwood Exports to SEA & GRCH Market Reaches Record High in Q3..... 1-4
- Event Review..... 5
- Upcoming Events... 5

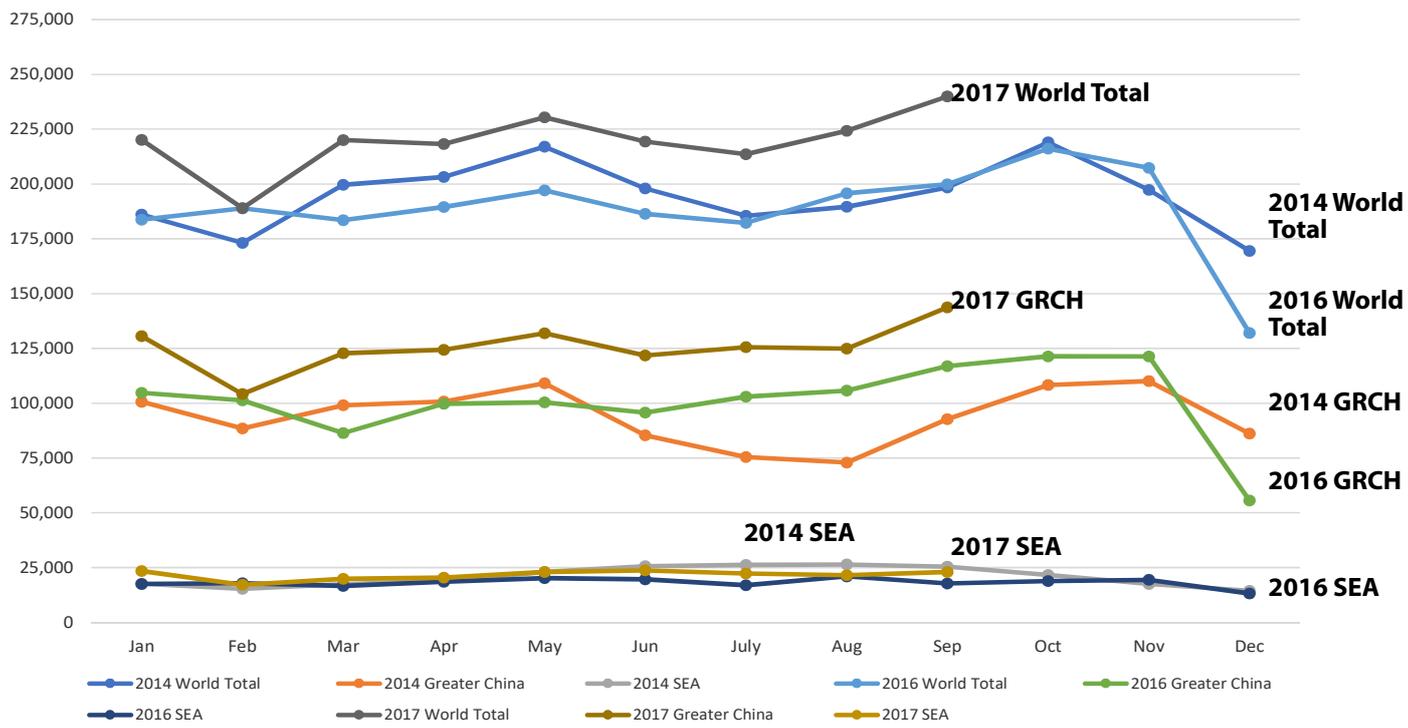
US Hardwood Exports Value (USD million)



	Hardwood Lumber	% change	Hardwood Log	% change	Hardwood Veneer	% change
Greater China	\$1.1 billion	23.6%	\$422 million	37.9%	\$7.2 million	-16.6%
Vietnam	\$142 million	19%	\$30.7 million	8%	\$4.1 million	8%
Indonesia	\$17.3 million	9%	\$2 million	-45%	\$6.1 million	-8%
Malaysia	\$17.7 million	33%	\$1.3 million	-39%	\$4.5 million	-16%
Thailand	\$15.3 million	-3%	\$1.59 million	-2%	\$0.116 million	-10%
Singapore	\$0.48 million	-17%	\$0 million	N/A	\$0.26 million	-64%
Philippines	\$1.23 million	37%	\$0.09 million	-30%	\$0.14 million	171%

Year-on-Year changes in U.S. exports of hardwood lumber, logs and veneer to Greater China and SEA, 2017 (Source: USDA)

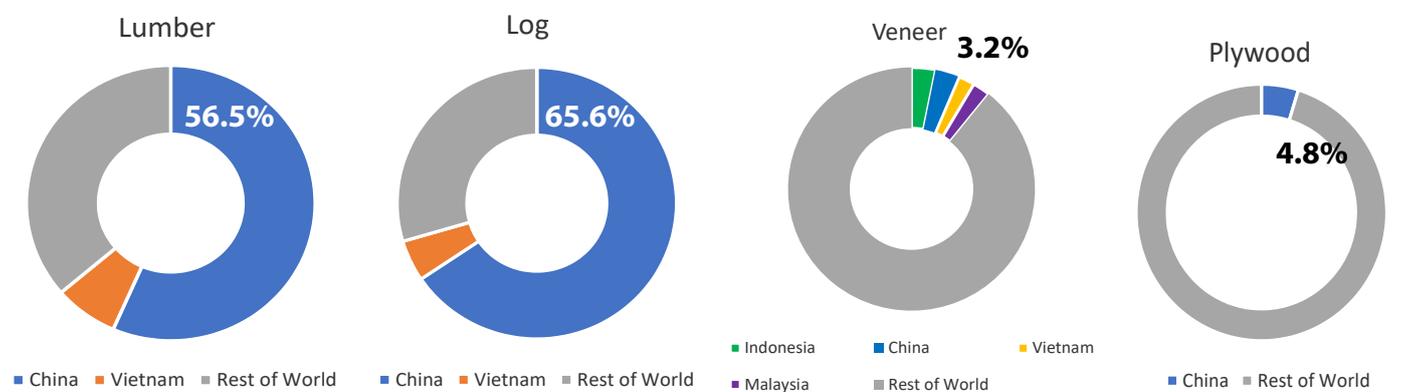
Lumber Value - World Total vs GRCH & SEA (USD'000)



Greater China market up 26.9%

The growth of exports to GRCH was led by Mainland China's strong performance, with hardwood exports reaching \$1.56 billion, an increase of 26.9% (YoY). The total exports value to Mainland China exceeded \$1.53 billion, up 27.4% (YoY). Two main drivers to push up the growth of Greater China were the hardwood lumber and hardwood logs exports. Exports value of hardwood lumber and hardwood logs to Greater China (China, Hong Kong and Taiwan) boosted at 23.6% to \$1.12 billion (YoY) and 37.9% to \$422 million (YoY) respectively. Hardwood veneer to Greater China, however, declined 16.6% to \$7.29 million while comparing to the same period of time. Taiwan market improved continuously and recorded a growth at 19.7% (YoY), three main hardwood products exports recorded a significantly growth at 23%, 14% and 46% for hardwood lumber, hardwood logs and hardwood veneers respectively.

The exports value of hardwood lumber, logs and veneer to Mainland China totaled \$1.1 billion (up 24% YoY), \$411 million (up 39% YoY) and \$6.3 million (declined 17% YoY) respectively. The exports value of hardwood plywood was \$3.4 million, the growth pace was cooled down a bit to 50%. China accounted for 56.5% of US global exports of lumber, 65.6% of US global exports of logs, 4.8% of US global exports of plywood, 3.2% of US global exports of veneer.



Nearly 89% of the total hardwood lumber exports value to China came from six species; red oak, ash, white oak, cherry, yellow poplar and walnut. They generated over \$990 million. Only ash and red alder showed declined at 3% and 2% respectively, the other lumber species continued to grow, see below table for details. Some of the species were mainly consumed by China market, such as red oak (78%), ash (71.2%), cherry (83.2%) and red alder (75.4%).

Lumber Species

Red Oak
 Ash
 White Oak
 Cherry
 Yellow Poplar
 Walnut
 Alder
 Maple
 Hickory

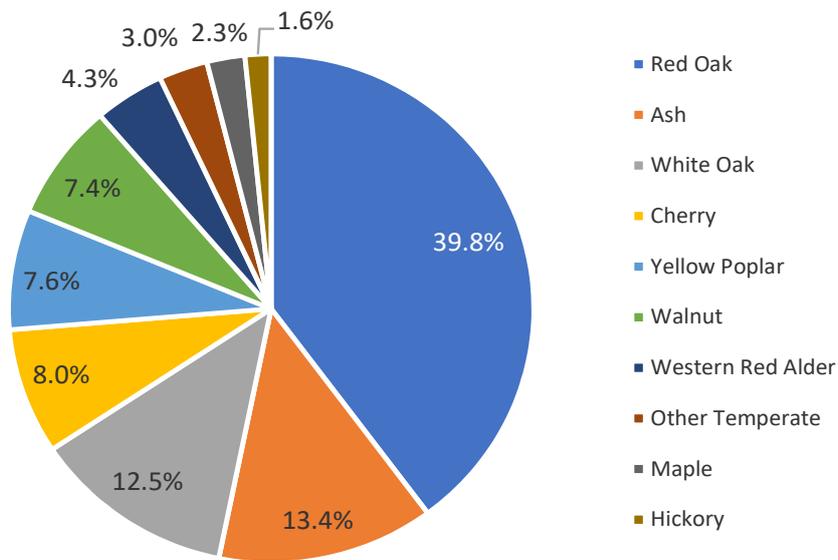
Export Value (US\$ in million)

\$444 million
 \$149 million
 \$139 million
 \$89 million
 \$84.7 million
 \$82.9 million
 \$48.4 million
 \$26 million
 \$17.8 million

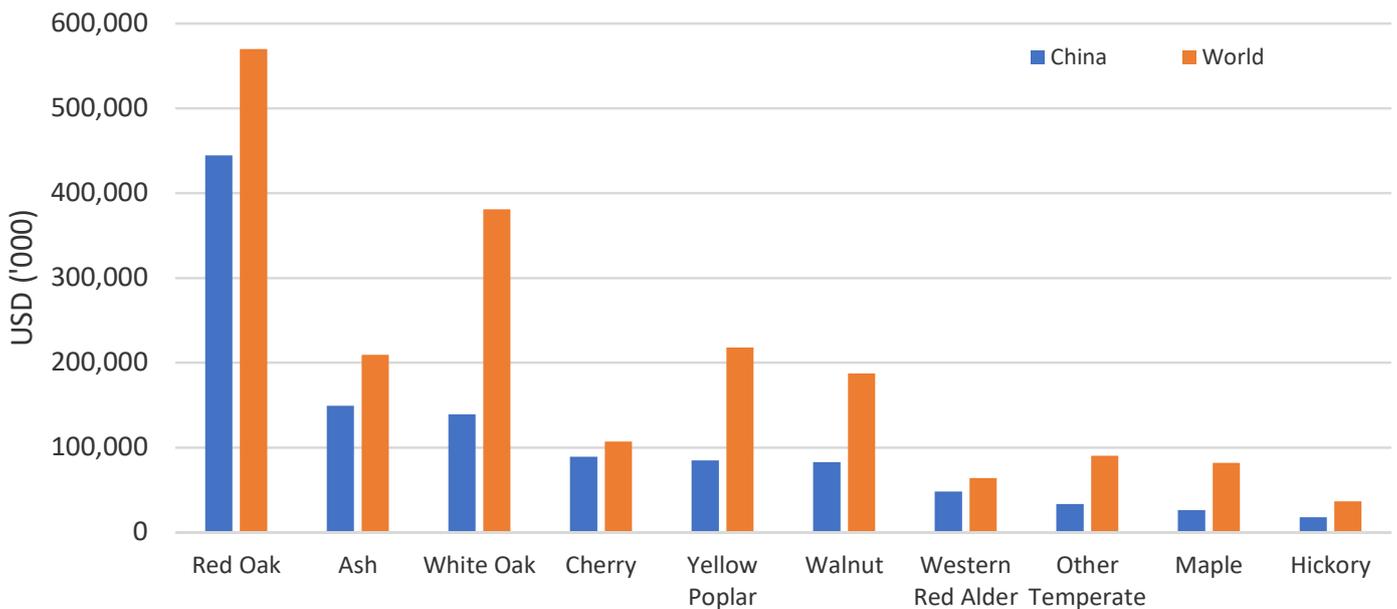
YoY % change

25%
 -3%
 65%
 33%
 22%
 43%
 -2%
 58%
 82%

Lumber species to China (Jan-Sep 2017)

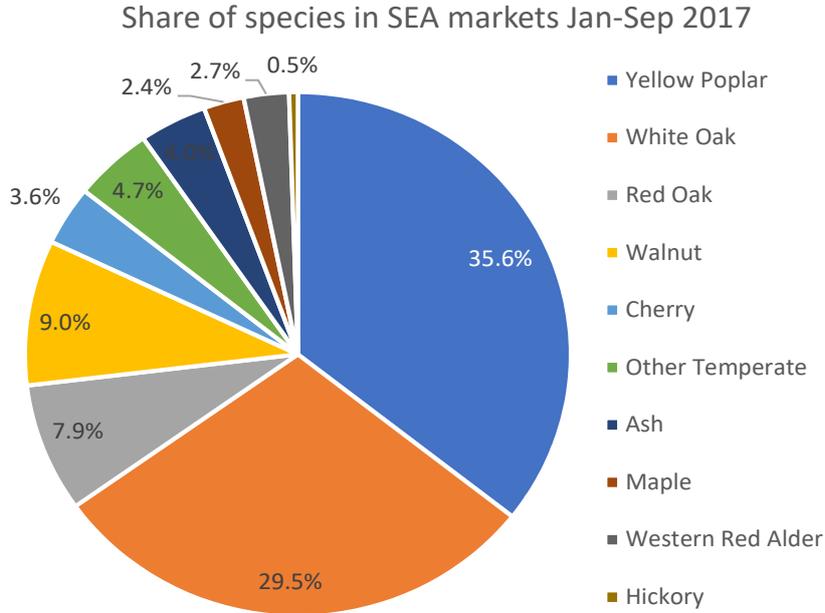


Top Species to Mainland China vs World Total (Jan-Sep 2017)



SEA market gains 11.4%

The overall performance of Southeast Asia markets stayed on upward trend and showed a rise at 11.4% to \$247 million (YoY), it was lifted by Vietnam and Malaysia markets which export valued up 16.7% (YoY) to \$177 million and 13.2% (YoY) to \$23.6 million respectively. Three major category of hardwood products: lumber, logs and veneer exports to Vietnam increased 19% (YoY), 8% (YoY) and 18% (YoY) respectively. Although the hardwood lumber exports value to Indonesia increased 9% (YoY) to \$17 million and Philippines grew at 37% (YoY) to \$1.2 million, it could not lift up the overall performance of Indonesia and Philippines market. Exports to Indonesia and Philippines resulted a decline at 3.6% and 3.3% (YoY) respectively. The remaining markets in SEA, Thailand and Singapore dropped 2.7% and 42.9% respectively.



SEA Markets	Top 3 Lumber Species	US\$ in million, YoY % change
Vietnam	Yellow Poplar White Oak Red Oak	\$61.6 million, 31% \$32.6 million, 0% \$12.5 million, 30%
Malaysia	White Oak Walnut Yellow Poplar	\$8.9 million, 39% \$3.1 million, 26% \$2.5 million, 55%
Indonesia	White Oak Walnut Red Oak	\$9.7 million, 18% \$2.9 million, 21% \$1.1 million, 4%
Thailand	White Oak Yellow Poplar Ash	\$5.6 million, 2% \$3.6 million, 12% \$2 million, 20%
Philippines	Yellow Poplar White Oak Walnut	\$0.36 million, 252% \$0.23 million, 22% \$0.1 million, 46%
Singapore	White Oak Red Oak Ash	\$0.18 million, 21% \$0.067 million, 13% \$0.051 million, 70%

Event Review VietnamWood 2017

VietnamWood is one of the largest woodworking exhibitions in Vietnam and is organized every 2 years, this fair gathered more than ten thousand visitors and 320 exhibitors from 25 countries and regions, the show area expanded to over 20,000 sqm (including outdoor exhibition halls). It is indeed the most effective platform for companies in the woodworking industry to connect and discover new business opportunities. The American Hardwood Export Council (AHEC) hosted an American hardwood pavilion with 31 members individually exhibiting, and another seven U.S. exporters scattered around. Most of visitors coming to AHEC booth were quality furniture manufacturers or timber traders and they stopped by to get brochure and for exchange information. Reactions at the end of the show were generally positive. The show provided further evidence that the woodworking industry is in good shape and poised for further expansion, driven by its investments and innovations, export market penetration, increasing domestic demand and government support.



Seminar: American hardwoods-Setting the Trend for Sustainable Design

AHEC partnered with HAWA the local furniture association and the Ho Chi Minh City Association of Architects (HAA) in a seminar at the GEM Center in Saigon entitled 'American Hardwoods – setting the trend for sustainable design', attended by 145 delegates. Speakers were David Venables, AHEC's European director on innovation in hardwoods and Dana Spessert, Chief Inspector NHLA, on hardwood lumber grading. The event, attended by Gerald H Smith, Senior Agricultural Attaché at the U.S. Consul General in Saigon, ended with a networking session for the delegates, AHEC members and the trade media.



Upcoming Events

14-17 December
Taipei Building Show 2017
Taipei, Taiwan



CONTACT DETAILS

American Hardwood Export Council Southeast Asia & Greater China

Suite 1305, Bank of America Tower,
12 Harcourt Road, Hong Kong

Tel : (852) 2724 0228

Fax : (852) 2366 8931

Email : info@ahec-china.org

Website : www.ahec-china.org / www.americanhardwood.org