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Solid Wood Products

Annual

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Report Highlights: Despite the strong dollar, the growth rate of Korean exports for the first quarter 2001 was negative. GDP growth rate in 2001 is forecast between 3.5 - 4 percent, sharply below the 8.8 percent level of 2000. Korean self-sufficiency rate of wood products is expected to remain unchanged at 5 percent from the previous year. Limited local resources of wood products make Korea rely on heavily imported wood products. The U.S. industry continues to face strong competition with major exporting countries in this price-centered-market. Echoes from the economic slump have prolonged the recession in the housing construction, furniture and interior sectors. The economic slowdown has encouraged the substitution of the panel products laminated by veneer for lumber. The wood frame housing market is also affected by the economic slump but the outlook for two-by-four construction is encouraging as deregulation initiatives and building code revisions are favorable for single family and low rise multi-family unit facilities.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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SECTION I. SITUATION AND OUTLOOK

GDP growth rate in 2001 is forecast between 3.5 - 4 percent, sharply below the 8.8 percent level of 2000. In the first quarter of 2001, the delayed restructuring of financial and business sectors has weakened the Korean economy. Despite the strong dollar, the growth rate of Korean exports for the first quarter 2001 was negative. Korean imports also registered a steep decline as the import demand of raw materials for processing and capital goods dropped.

Forestry Administration estimates the CY 2001 total consumption of wood products at 25 million CUM on the basis of roundwood, composed of the imported wood products of 24 million CUM and 1.4 million CUM of local wood products.

Limited local resources of wood products make Korea heavily rely on imported wood products. The U. S. market share, based on value, in 2000 dropped to 11 percent mostly because of competition in temperate hardwood lumber from China. The U.S. industry continues to face strong competition, particularly from New Zealand, Chile, Russia and Australia in roundwood, and Malaysia, Indonesia, China, Canada and Chile in lumber, as Korea still buys products based on price, not quality and durability.

The lumber processing industry is experiencing a lack of demand because of slow growth in construction and furniture. However, the panel products industries continue expanding their capacities to meet a greater demand of particle board and MDF from interior and furniture industries, who prefer to substitute the processed products laminated by veneer for lumber to save costs.

In the first four months of CY2001, wood products imports declined by 13 percent to US$448 million compared to the same period in CY2000. The United States exports slightly declined by 2 percent for the period as Korea’s decreased imports of logs, lumber, particle board, door/windows and plywood has been partly offset by the increased imports of wood chips and fiberboard. The imports of prepackaged homes increased 6 percent on a year-over-year basis, with increases in orders reported from Finland and Canada while the U. S. declined 38 percent for the period.

In CY 2000, total wood products imports increased 12 percent due to a greater demand of veneer and panel products such as particle board and MDF from interior and furniture industries. The economic slowdown has encouraged the substitution of the panel products laminated by veneer for lumber.
U.S. export value of softwood lumber increased 17 percent while quantity remained unchanged from the previous year. The sluggish housing and furniture sectors has discouraged the import of temperate hardwood lumber. U.S. exports of temperate hardwood lumber declined 20 percent from the previous year and continue to decline 19 percent for the first four months of CY2001 because of high inventory in the stockyard. U. S. veneer exports to Korea rose 19 percent and temperate hardwood log regarded as veneer peeling rose 30 percent from the previous year’s. The prolonged slump in the housing construction and interior sectors has led veneer laminated wood products to replace for solid wood products.

The Ministry of Construction and Transportation (MOCT) has set the CY 2001 goal for new housing starts at 500,000 units. New housing starts in CY2000 totaled 433,488 units, up 7 percent from 1999. However, echoes from the economic slump have prolonged the recession in the housing and construction sector. For the first quarter 2001, the recession in the housing and construction sector has worsened due to restructuring of large construction companies which has in turn seriously affected other firms. Building starts for the first four months in 2001 dropped 22.2 percent to 90,674 units from last year's 116,516 units.

The wood frame housing market is also affected by the slump. Building permits of wood frame housing for January - February of 2001 increased 38 percent to 25,876 square meters but actual starts are estimated to be substantially decreased due to the weakened demand. Wholesalers of wood house building materials estimate that the sales volume plummeted in the first quarter but showed a gradual rebound in April, 2001. This trend should provide a greater potential for the wood frame housing market in the future. Imports of prepackaged wood frame houses for the first quarter increased 15.1 percent over the same period. Though U.S. share dropped to 34 percent of total imports, far below from the 55 percent of last year's, the outlook for two-by-four construction is encouraging as deregulation initiatives and building code revisions are favorable for single family and low rise multi-family unit facilities. Revision of the building code, a priority in the wood construction industry, is expected to be enacted by early 2002.

The furniture and interior sectors have traditionally been the largest users of U.S. hardwoods. However, the economic slowdown in construction has made furniture sales slow while the demand for renovation materials has increased. Korea's furniture industry has suffered in line with the slump in the housing and construction sectors since the second half of 2000. Furniture manufacturers still in operation have substituted wood veneer with artificial veneer due to cost savings. The interior industry shows better prospects for near by growth than furniture. Korea Construction Association estimates the potential of the renovation market is growing year-by-year as more old buildings are being renovated. Flooring, wall and ceiling panels, built-in furniture and doors and windows are areas in the greater opportunities. Veneer has the greatest potential in this market because composite products laminated by veneer have substituted lumber to save the cost of interior and furniture.

The total pallet market hovered around 50 million units. Market share of wood pallets is at 70 percent, plastic pallets at 25 percent and other pallets such as iron and paper at 5 percent, respectively. Since 1998, pallet production grew at an annual 14 percent rate, according to the tri-annual Korea Pallet Association's (KPA) survey. In CY 2001, the KPA expects the growth rate of pallet production to be lower than previous years due to a decrease in Korean exports since the second half of last year. Local pallet producers continue to increase the production of plastic pallets which have longer durability than wood and minimizes damage caused by nails in wood pallets. Spurring on demand for plastic pallets are requests from Australian and French importers for Korean exporters use plastic pallets to eliminate potential quarantine problems. KPA anticipates the market share of plastic pallet to grow to 30 percent in 5 years.

Over the next 3-5 years, trade volume is expected to rebound step by step in tandem with the expanding economy boosted by the construction sector. Significant expansion in this market is not foreseen over the intermediate period unless tariffs are reduced.

SECTION II. NARRATIVE ON SUPPLY AND DEMAND, POLICY & MARKETING

Production

Forest Situation/Outlook

Total forested area, about 6.43 million hectares (HA), accounts for 65 percent of the total land area. Korea's forests are located predominantly in the cool-temperate zone with a small section in the warm-temperate zone along the southern coast.

Most of the domestic growing stock is under 30 years old with the greatest production made up of coniferous trees between 11-30 years old. Small diameter logs (below 30 centimeters) represent 97 percent of total log production. Because timber quality is low and the majority of trees are of small diameter, domestic roundwood is primarily processed into pitprop, lumber for crates, fiberboard, and wood chips for pulping.

The CY 2001 roundwood harvest is projected at 1.5 million CUM. Softwoods comprise 60 percent of the harvest followed by temperate hardwoods at 40 percent. For CY 2002, the outlook for domestic roundwood production is 1.6 million CUM, with softwoods (60 percent) and temperate hardwoods (40 percent) maintaining the dominant species harvested. With proper management, Korea projects that sustainable domestic production could satisfy more than 50 percent of total demand by the 2030s.

Forestry Administration estimates the CY 2001 total consumption of wood products at 25 million CUM on the basis of roundwood, composed of the imported wood products of 24 million CUM and 1.4 million CUM of local wood products. Total imports of round wood equivalent are classified into 7 million CUM for logs and 16 million CUM roundwood equivalent for lumbers and processed wood products. Korean self-sufficiency rate of wood products is expected to remain unchanged at 5 percent from the previous.

Solid Wood Products Situation/Outlook

The Korean economy remained sluggish for the first quarter of CY2001, the lumber processing industry is experiencing a lack of demand because of slow growth in construction and furniture. However, the panel products industries continue expanding their capacities to meet a greater demand of particle board and MDF from interior and furniture industries, who prefer to substitute the processed products laminated by veneer for lumber to save costs. Based on the first three months of 2001, the panel industry is operating at more than 80 percent of capacity. They expect the strong dollar to make their processed wood products more competitive than imports. For CY 2002, the outlook for the panel processing industry is expected to grow in accordance with economic growth boosted by deregulation of the construction sector in CY2001.

Trade

Overview/Outlook

During the first four months of CY2001, wood products imports declined by 13 percent to US$448 million compared to the same period in CY2000. The United States exports slightly declined by 2 percent for the period as Korea’s decreased imports of logs, lumber, particle board, door/windows and plywood has been partly offset by the increased imports of wood chips and fiberboard.

During this same period, the imports of prepackaged homes under H. S. code of 9406 increased 6 percent on a year-over-year basis, with increases in orders reported from Finland and Canada while the U. S. declined 38 percent for the period. U. S. dimension lumber is not widely used in the wood frame housing market because Korean market is centered on price. Canadian SPF, a mixed species of Spruce, Pine and Fir is much more competitive than US dimension lumber, particularly given the exchange rate over the past year. Finland continues increasing her export of log homes and chemical treated lumber for the purpose of decking.

In CY 2000, total wood products imports increased 12 percent due to a greater demand of veneer and panel products such as particle board and MDF from interior and furniture industries. The economic slowdown has encouraged the substitution of the panel products laminated by veneer for lumber.
However, U.S. exports to Korea decreased 3 percent because of more competitive prices of logs and panel products from Southeast Asia, New Zealand, Chile and Russia.

In CY2000, U.S. export value of softwood lumber increased 17 percent while quantity remained unchanged from the previous year. Spruce lumber has been the major species used for piano soundboard and douglas fir and hemlock have been used for doors/windows and furniture. Korean importers continue to take notice of the export quotas listed in the U.S./ Canada softwood lumber agreement which will be reportedly abolished in 2001. When the export quota is removed, U.S. softwood lumber is expected to become more competitive and gain more share in the Korean market.

The sluggish housing and furniture sectors has discouraged the import of temperate hardwood lumber. In CY2000, U.S. exports of temperate hardwood lumber declined 20 percent from the previous year and continue to decline 19 percent for the first four months of CY2001. High inventory in the stockyard caused by the continued economic downturn has prevented importers from making new buying contracts since the second half of CY2000.

In CY2000, U. S. veneer exports to Korea rose 19 percent and temperate hardwood log regarded as veneer peeling rose 30 percent from the previous year’s. The prolonged slump in the housing construction and interior sectors has led veneer laminated wood products to replace for solid wood products. Combined with the growing demand of flooring, veneer imports are expected to increase in CY2001. Consumers’ preferences for veneer are cherry, hard maple and beech.

Korea’s position of the early voluntary sectorial liberalization (EVSL) remains unchanged from the previous stance aligned with Japanese position in the Asian-Pacific Economic Council (APEC). It is expected for them to submit the unchanged agenda to the fourth Cabinet meeting of WTO early November 2001. Local processors remain vocal against Korea’s early liberalization of this sector.

Over the next 3-5 years, trade volume is expected to rebound step by step in tandem with the expanding economy boosted by the construction sector. Significant expansion in this market is not foreseen over the intermediate period unless tariffs are reduced.

Competition

Limited local resources of wood products make Korea heavily rely on imported wood products. The U. S. market share, based on value, in 2000 dropped to 11 percent mostly because of competition in temperate hardwood lumber from China. The U.S. industry continues to face strong competition, particularly from New

Zealand, Chile, Russia and Australia in roundwood, and Malaysia, Indonesia, China, Canada and Chile in lumber, as Korea still buys products based on price, not quality and durability.

The primary competition for U.S. softwood logs are the radiata pine from New Zealand and Chile. Russian softwood is also entering the market, mainly through barter deals with Korean trading companies. The Russian government has decided to encourage the export of lumber and value added wood products while reducing the export of logs. We understand that their national target is to export the 30 percent of finished lumber products out of total wood exports in 2001 and 50 percent in 2002. Russia is reportedly unlikely to permit the export of logs from 2003 on.

Finland and Canada are aggressively challenging the United States in this market. The Canadian industry had a strong presence with a big pavilion composed of 12 companies in the Seoul Home Developers Exposition(HOMDEX) for March 2001. Korea International Building Exposition (KIBEX), held in December 2000, had 135 companies from 13 foreign countries, such as Sweden, Austria, Australia, Italy, Canada and Spain. The Canadian Housing Mortgage Corporation (CHMC) has an agreement with the Korea Housing Institute (KHI) to transfer technology and to develop 2X4 housing, new golf courses, and on green-belt areas.

Wood product exporting countries - New Zealand, Canada, Australia and the Scandinavian countries - actively participated in the Kyoung Hyang Housing Fair and Seoul living Design Fair as annual events in Korea. Their exhibition extends to wood samples and technical publications.

Market Development Strategies

The overall size of the domestic market is expected to expand along with the economic recovery of the construction sector boosted by government support programs. Government deregulation on housing construction should encourage local wood related industries to meet higher demand of structural material, furniture and interior.

The government claims that because of a May 2001 tax break the number of unsold housing units fell from 65,000 to 13,000 by early June 2001 over the year earlier. The housing construction industries are planning to increase the housing supply for the second half of 2001.

Remodeling and reconstruction for old buildings have led to greater demand for hardwood veneer laminated products by developers who are increasingly using veneer based wood products to save construction costs. Their use of veneer based products is generating demand for particle board and MDF interior accessories, such as kitchen cabinets, doors, window and interior trimmings.

Zoning restrictions were removed allowing construction on land previously zoned for golf courses and for green-belt preservation. Green belts are undeveloped land along river systems - similar to urban flood zones in the U.S. A new town project located at Pan-Gyo near Seoul is expected to be a good opportunity for wood frame house construction during 2005 - 2008. The housing site has at 3 million square meters, composed of 40 percent for single family houses, 18 percent for multi family houses and 42 percent for high rise apartments.

The success of burn test on major structural systems of light weight wood frame houses is expected for the Korean building code to allow multi family food frame housing. Wood frame housing circles expect the building code to be revised year in order.

The steel home industry has been successful in obtaining government recognition for light frame steel home building technology. They expect to build 1,200 units for 2001. The development of steel house construction is closely related with the greater demand of wood products for interior.

MARKET SEGMENT ANALYSIS

Construction Sector

Overview

GDP growth rate in 2001 is forecast between 3.5 - 4 percent, sharply below the 8.8 percent level of 2000. In the first quarter of 2001, the delayed restructuring of financial and business sectors has weakened the Korean economy. Despite the strong dollar, the growth rate of Korean exports for the first quarter 2001 was negative. Korean imports also registered a steep decline as the import demand of raw materials for processing and capital goods dropped.

The Ministry of Construction and Transportation (MOCT) has set the CY 2001 goal for new housing starts at 500,000 units. New housing starts in CY2000 totaled 433,488 units, up 7 percent from 1999. However, echoes from the economic slump have prolonged the recession in the housing and construction sector. For the first quarter 2001, the recession in the housing and construction sector has worsened due to restructuring of large construction companies which has in turn seriously affected other firms. Building starts for the first four months in 2001 dropped 22.2 percent to 90,674 units from last year's 116,516 units.

Building permits in CY 2000 rose 12 percent over the 1999. The increase of commercial construction permits offset the decrease of dwelling permits. So far in 2001, building permits remain unchanged from the level of previous year.

While demand for new homes weakened, the renovation market targeting old apartments and office buildings has emerged as a new business for large developers since 2000. Older apartments are now rebuilding or renovating. The Ministry of Construction and Transportation has provided a support plan to stimulate the renovation market. Though official data is not available, the Korea Construction Association (KCA) estimated the remodeling market at US$ 5 billion in 2000 and is expected to grow in the years to come.

Remodeling increases greater market opportunities for such wood products as flooring, wall panel, built-in furniture, door/window and trimming of ceiling parts. However, solid wood is not likely to be a major raw material in this market because of its higher price than composite products laminated by veneer. Veneer has great potential in this market because of the greater demand of composite products such as plywood, particle board and MDF is essential to use veneer as lamination.

The wood frame housing market is also affected by the slump. Building permits of wood frame housing for January - February of 2001 increased 38 percent to 25,876 square meters but actual starts are estimated to be substantially decreased due to the weakened demand. Wholesalers of wood house building materials estimate that the sales volume plummeted in the first quarter but showed a gradual rebound in April.

This trend should provide a greater potential for the wood frame housing market in the future. Imports of prepackaged wood frame houses for the first quarter increased 15.1 percent over the same period of 2000. However, the U.S. share dropped to 34 percent of total imports, far below from the 55 percent of last year's annual market share. The outlook for two-by-four construction is encouraging as deregulation initiatives and building code revisions are favorable for single family and low rise multi-family unit facilities.

Korea is a market with sizable potential for wood products considering current development projects for wood frame housing units, the application of wood products in hybrid buildings and low-rise commercial buildings, the construction for World Cup stadiums across the nation, and other construction using structural lumber and panel products, including glulam such as church buildings, training centers, restaurants, resort development and sports center.

Marketing

The MOCT recently announced a comprehensive plan to establish a new town at Pan-Gyo near Seoul during 2005-2008. The new town is planning to build total 20,000 units aimed at low density of population balanced between development and the environment. There will be 6,000 single family and low rise multi-family units.

AF&PA Seoul office has actively participated in housing exhibitions to promote wood frame housing construction: Kyung-Hyang Housing Fair in Seoul (February), in Pusan (September) and in Chonju (October); Country Home Developers and Builders Trade Fair (September); Korea International Building Expo (early December); to be participated in Remodeling Show (May). Since 1996, the AF&PA has organized an annual two-week training program for Korean carpenters in an attempt to improve Korean carpenters' skill and knowledge on wood house construction.

AF&PA's technical assistance encouraged the Habitat for Humanity Korea to change its policy to use 2x4 wood system from steel structure for Jimmy Carter Work Project 2001 of Korea (JCWP2001). The program calls for 120 units in six locations with two story multi-family home style in 2001. The plan for 2002 is to build 300 units. JCWP delivered 24 containers of dimension lumber purchased from the United States in May. This year project will be a very important to promote multi family wood frame construction in Korea in terms of building code restriction.

A Street of Dream Project launched in December 2000 plans to build 34 units of single detached wood frame house as a pilot project in Yangpyong, Kyunggi province. If the project is successful, the developer will build 100 units per annum from 2002 on.

The Korean steel home industry led by the Pohang Steel Company was successful in obtaining the government recognition for light frame steel home building technology. The MOCT recently designated steel house construction as a new technology. This should increase consumer's confidence for wood frame house as alternative construction technologies are becoming more widely accepted.

It is now estimated that there are twenty colleges and universities across the nation that teach the technology of wood frame construction. This is thanks to U. S. efforts to transfer the technology of wood frame housing construction. The curriculum of wood frame construction was taught by only one university five years ago. It has extended to most professors and instructors of universities who had participated in the AF&PA technical training programs. Moreover, there are about ten wood frame training academies operated by private industry or vocational schools.

The Fabricated Structural Members Market

A government agency responsible for preserving cultural properties has decided to build a cultural museum by the application of glulam structure. The decision was apparently affected from AF&PA's technology transfer programs. The size of the building is 9,250 square feet with 3 stories. AF&PA technical assistance provided the concerned staff with design information and helped to identify glulam exporters from the United States. Once this project is successful, several more museums will be of constructed glulam, the government official said. So far glulam is seen as a structural member mainly for church buildings. This will be the first glulam building if the museum is built.

The use of engineered wood products such as composite lumber, I-joists and laminated veneer lumber(LVL) are growing along with the expansion of wood frame construction and interior sectors.
The U.S. market share of dimension lumber and OSB is low due to higher price. Non-existence of building codes to regulate inspection and standards for materials are major reasons for low market share of the U.S. products.

Policy

The Korean building code restricts building height and total allowable floor area. Revision of the building code, a priority in the wood construction industry, is expected to be enacted by early 2002. The proposed revision would allow wood frame constructed multi-unit buildings of up to three stories.

AF&PA has contracted with the Fire Insurers Laboratory of Korea (FILK) to conduct a burn test on major structural systems of light weight wood frame houses. The test on walls and floor systems took place in May 2001. The test result is supposed to refer to the change of the Korean building code to allow multi family food frame housing. Wood frame housing circles expect to the revised building code effective next year in order.

In CY 2001, the Korean government plans to invest 14.63 trillion Korean won (equivalent to US$ 12 billion) into infrastructure projects, up 4 percent from the previous year. Major projects include: completion of the International Airport in Inchon; a Seoul-Pusan high-speed railway line; a new container terminal near the port city of Pusan; and two new harbor expansion works aimed at making Korea an international shipping hub.

To boost the construction sector, the Korean government has deregulated the height restriction of housing construction in green-belt area to four stories from the current two stories. The revised regulation is expected to offer greater opportunity for multi-story-and-multi-family wood frame houses. Korea has kept about 16,500 square kilometers designated as green-belt to protect the environment and prevent urban sprawl.

Trade

The housing slump discouraged imports of temperate hardwood lumber. U.S. exports of temperate hardwood lumber declined 20 percent in 2000 from the previous year and has declined 19 percent further in the first four months 2001. High inventory in the stockyard has prevented importers from buying new contracts.

In 2000, U. S. veneer exports to Korea rose 19 percent over 1999 and veneer log 30 percent, respectively. The prolonged slump in the housing construction and interior sector has led veneer laminated wood products to replace solid wood products. Combined with the growing demand of flooring, veneer imports are expected to continue increasing in 2001. The preferred species for veneer are cherry, hard maple and beech.

Furniture & Interiors Sector

Overview

The furniture and interior sectors have traditionally been the largest users of U.S. hardwoods. However, the economic slowdown in construction has made furniture sales slow while the demand for renovation materials has increased. After recovering slightly from the economic crisis of 1998, Korea's furniture industry has suffered in line with the slump in the housing and construction sectors since the second half of 2000. Reduced demand, relatively high prices, strong competition from Southeast Asia and China led to the almost dismantling of Korea's furniture manufacturing industry. Furniture manufacturers still in operation have substituted wood veneer with artificial veneer due to cost savings.

The interior industry shows better prospects for near by growth than furniture. Opportunities for U.S. hardwood products abound in the interiors/renovations sector. Korea Construction Association estimates the potential of the renovation market is growing year-by-year as more old buildings are being renovated. Flooring, wall and ceiling panels, built-in furniture and doors and windows are areas in the greater opportunities. Veneer has the greatest potential in this market because composite products laminated by veneer have substituted lumber to save the cost of interior and furniture.

The Korea Federation of Furniture Industry Cooperatives (KFFIC) put the growth rate of CY2001 furniture production at zero, in response to the current slow economy in the construction sector.

The Interior Contractors Committee (ICC) forecasts the CY 2001 Korean interior market will only slightly increase from the previous year because of slow growth in the construction sector. The 2001 projection is based on the interior industry's expanding in remodeling and reconstruction from commercial building to residential apartments.

Marketing

Prospects for the furniture market are closely linked to the economy which most sources expect to grow only slowly over the next 12 months. Consumer's furniture preference shows younger couples focusing on modern fashion with simplicity and the middle aged going for classic style natural wood furniture like stand-alone style furniture. However, local manufacturers have substituted artificial coated paper for wood veneer to compete with lower priced furniture imported from the Southeast Asian countries.

For the promotion of hardwood, AF&PA Seoul continues holding the Biennial Furniture Design Competition to improve familiarity among local design students. During the fair of Seoul Living Design, AF&PA Seoul held a round table meeting with hardwood importers and local trade journalists to hear about buyers' concern, constraints and complaints on U. S. wood products. Their general concern was the high cost upon importing U.S. hardwood products.

Leading kitchen cabinet manufacturers influenced by the Living Design Fair initiated by the AHEC held their own design contest events. They call for applications in three categories to include design for multi family homes, interior design and furniture design.

Policy

The consumption tax on furniture was reduced early in 2001 to boost high end furniture consumption. Under the revised law, the value of furniture subject to the special consumption tax has been raised from 3 million Won to 5 million Won per piece and from 5 million Won to 8 million Won per set.

Trade

While the slump in the furniture sector continued for the first quarter, the renovation market expanded but not enough to spur demand of solid wood products due to price factor. As an effort to get out of the slump, Korean industries started to use cheaper priced non-wood products for furniture and interior decoration. American hardwood lumber was hit hard by such a substitution of non-wood materials for renovation and interior sectors.

For the first four months of 2001, as a result, overall imports of wood products decreased 15 percent from the same period of 2000 along with the 2 percent decrease from the U.S. Import value of hardwood lumber dropped 20 percent for this period. Major species are cherry, maple and white oak followed by aspen and ash.

In 2001, the furniture industry estimates the furniture production to remain unchanged from the previous year due to the slow growth of housing construction. Furniture trade is expected to stay around at the similar level of 2000 in line with the development of housing construction economy.

Material Handling Industry

Since 1998, pallet production grew at an annual 14 percent rate, according to the tri-annual Korea Pallet Association's (KPA) survey. The 2000 pallet production reached at the range of 10 - 11 million units worth 250-300 billion Korean won (equivalent to US$210-250 million). In CY 2001, the KPA expects the growth rate of pallet production to be lower than previous years due to a decrease in Korean exports since the second half of last year. In the long run, the KPA predicts annual pallet production to reach to the level of 20 million units in 5 years.

The total pallet market hovered around 50 million units. Market share of wood pallets is at 70 percent, plastic pallets at 25 percent and other pallets such as iron and paper at 5 percent, respectively. Local pallet producers continue to increase the production of plastic pallets which have longer durability than wood and minimizes damage caused by nails in wood pallets. Spurring on demand for plastic pallets are requests from Australian and French importers for Korean exporters use plastic pallets to eliminate potential quarantine problems. KPA anticipates the market share of plastic pallet to grow to 30 percent in 5 years.

SECTION III. STATISTICAL TABLES

Strategic Indicator Tables

STRATEGIC INDICATOR TABLE: FOREST AREA

STRATEGIC INDICATOR TABLE: FOREST AREA (million hectares/million cum)			
Country: Korea, Republic of	Previous	Current	Following
Report Year: 2001	Calendar Year	Calendar Year	Calendar Year
Total Land Area	9.94	9.94	9.94
Total Forest Area	6.43	6.425	6.42
--of which, Commercial	4.994	5.003	5.008
----of commercial, tropical hardwood	0	0	0
----of commercial, temperate hardwood	1.303	1.3	1.3
----of commercial, softwood	2.117	2.1	2.1
--of forest area, non-commercial	1.436	1.405	1.38
Forest Type			
--Of which, virgin	3.63	3.625	3.62
--Of which, plantation	2.3	2.3	2.3
--Of which, other commercial (regrowth)	0.5	0.5	0.5
Forest Ownership			
--Nationally owned and no commercial access	0.32	0.32	0.32
--Nationally owned, commercial logging permitted	1.106	1.11	1.11
--Other publicly owned land, no commercial access	0.111	0.116	0.116
--Other publicly owned, logging permitted	0.376	0.37	0.37
--privately owned commercial forest	3.512	3.512	3.512
Total Volume of Standing Timber	387.8	412	436
--Of which, Commercial Timber	301.1	321	340
Annual Timber Removal	1.6	1.5	1.5
Annual Timber Growth Rate	6	6	6
Annual Allowable Cut	1.6	1.5	1.5

Source: Korea Forestry Administration

STRATEGIC INDICATOR TABLE: CONSTRUCTION MARKET

STRATEGIC INDICATOR TABLE: CONSTRUCTION MARKET			
Country:Korea, Republic of	Previous	Current	Following
Report Year:2001	Calendar Year	Calendar Year	Calendar Year
Total Housing Starts (number of units)	433,488	400,000	450,000
--Of which, wood frame	1,309	1,500	2,000
--Of which, steel, masonry, other materials	432,179	398,500	448,000
--Of total starts, residential	433,488	400,000	450,000
----Of residential, single family	34,777	32,000	38,000
----Of residential, multi-family	398,777	368,000	412,000
--Of total starts, commercial	433,488	400,000	450,000
Total Value of Commercial Construction Market ($US million)	24,133	24,000	25,000
Total Value of Repair and Remodeling Market ($US million)	na	na	na
Are tariffs on softwood from the United States higher, equal or lower than softwood imported from other countries? 1/	equal	equal	equal
Are tariffs on plywood from the United States higher, equal or lower than plywood imported from other countries? 1/	equal	equal	equal
Are non-tariff barriers on softwood from the United States higher, equal or lower than softwood imported from other countries? 1/	equal	equal	equal
Are non-tariff barriers on plywood from the United States higher, equal or lower than plywood imported from other countries? 1/	equal	equal	equal
Are there market development programs for construction, softwood or plywood imports funded by foreign governments?	no	no	no
If yes, identify the following:			
--Country(ies)			
--Form(s) of competition: Export subsidy, trade show, trade servicing, permanent market representative (number), permanent office (location), or other. 2/	na	na	na
--Estimated annual market expansion outlay ($US million) by country	na	na	na

Is the acceptability of U.S. style timber frame construction (i.e., per building codes, mortgage availabity, etc.) high, medium or low? 3/	low	low	low
Are consumer preferences for solid wood materials vis-a-vis non-wood materials in construction high, medium or low? 3/	high	high	high
From Post's experience, is the willingness of U.S. suppliers to deliver product per importers' specifications low, medium or high? 3/	medium	medium	medium
If price quotes for construction and structural wood products are available, identify the leading source(s)	Traders, Forestry Administration		
1/ If other than equal, explain in report text.			
2/ If "other", then explain in report text.			
3/ If low or medium, explain in report text.			

Source: Post's Estimate, Ministry of Construction and Transportation (MOCT)

STRATEGIC INDICATORS TABLE: FURNITURE & INTERIORS MARKET

STRATEGIC INDICATORS TABLE: FURNITURE & INTERIORS MARKET			
Country: Korea, Republic of	Previous	Current	Following
Report Year:2001	Calendar Year	Calendar Year	Calendar Year
Total Housing Starts (number of units)	433,488	400,000	450,000
Total Number of Households)	14,318	14,478	14,638
Furniture Production ($US million)	3,100	2,800	3,000
Interiors Market Size ($US million)	2,600	2,700	2,800
Total Furniture Imports ($US million)	318	300	320
Total Furniture Exports ($US million)	275	280	285
Are tariffs on hardwood from the United States higher, equal or lower than hardwood imported from other countries? 1/	equal	equal	equal
Are non-tariff barriers on hardwood from the United States higher, equal or lower than hardwood imported from other countries? 1/	equal	equal	equal
Are there market development programs for furniture or interiors market expansion funded by foreign governments?	none	none	none
If yes, identify the following:	na	na	na
--Country(ies) 2/	na	na	na
--Form(s) of competition: Export subsidy, trade show, trade servicing, permanent market representative (number), permanent office (location), or other. 3/	na	na	na
--Estimated annual market expansion outlay ($US million) by country	na	na	na
From Post's experience, is the willingness of U.S. suppliers to deliver product per importers' specifications low, medium or high? 4/	high	high	high
If price quotes for furniture and interiors products are available, identify the leading source(s)	na	na	na
1/ If other than equal, explain in text.			
2/ If more than one country, report each country individually.			
3/ If "other", explain form of subsidy in text.			

4/ If low or medium, explain in test.			

Source: Agricultural Affairs

STRATEGIC INDICATOR TABLE: MATERIAL HANDLING MARKET

STRATEGIC INDICATOR TABLE: MATERIAL HANDLING MARKET			
Country: Korea, Republic of	Previous	Current	Following
Report Year:2001	Calendar Year	Calendar Year	Calendar Year
Total Value of Industrial Output ($US million)	550	600	650
New Pallet Production (million units)	10	11	12
Are consumer preferences for solid wood pallets and packaging materials vis-a-vis non-wood materials high, medium or low? 1/	high	high	high
Are industry/trade preferences for repaired/recycled pallets over new pallets low, medium or high? 1/	high	high	high
From Post's experience, is the willingness of U.S. suppliers to deliver product per importers' specifications low, medium or high? 1/	na	na	na
Identify leading source(s) of price quotes:	producers	producers	producers
Are there market development programs for the materials handling market expansion funded by foreign governments?	no	no	no
If yes, identify the following:	na	na	na
--Which Countries?	na	na	na
--Form(s) of competition: Export subsidy, trade show, trade servicing, permanent market representative (number), permanent office (location), or other. 2/	na	na	na
--Estimated annual market expansion outlay ($US million) by country	na	na	na
1/ If low or medium, explain in text of report.			
2/ If "other", explain in text of report.			

Source: Agricultural Affairs

STRATEGIC INDICATOR TABLE: WOOD PRODUCTS SUBSIDIES

STRATEGIC INDICATOR TABLE: WOOD PRODUCTS SUBSIDIES			
Country: Korea, Republic of	Previous	Current	Following
Year of Report: 2001	Calendar Year	Calendar Year	Calendar Year
Total Solid Wood Export Subsidy Outlay ($US million)	none	none	none
Is there a ban on the export of logs, lumber, or veneer? If yes, which?	none	none	none
Are there export taxes (yes/no)? 1/	no	no	no
If yes, for which products? (Identify export tax level in tariff table)	na	na	na
Source(s) of Export Subsidy Information	na	na	na
Total Wood Production Subsidy Outlay ($US million)	na	na	na
Are there any programs favoring the development of commercial forestry? 1/	yes	yes	yes
If yes, Post best estimate of scope (thousands of hectares)	20	20	20
If yes, Post's best estimate of financial outlay ($US million)	100	100	100
Source(s) of Production Subsidy Information	na	na	na
Does the country support export expansion activities similar to the Cooperator Program?	no	no	no
--Which country markets are targeted?	na	na	na
--Which products are targeted?	na	na	na
Are there significant wood products export expansion activities at the provincial or regional level?	no	no	no
--If yes, identify key players	na	na	na
--If yes, identify key market segments	na	na	na
--If yes, identify key country markets	na	na	na
--If yes, identify key products	na	na	na
--Post's estimate for combined outlay ($US million)	na	na	na
Source(s) of Provincial/Regional Support Information	na	na	na
Are there other wood products export expansion activities? If yes, describe in report.	no	no	no

Source: Agricultural Affairs

STRATEGIC INDICATOR TABLE: FOREST PRODUCT TARIFFS AND TAXES

STRATEGIC INDICATOR TABLE: FOREST PRODUCT TARIFFS AND TAXES(PERCENT)						
		Tariff	Tariff	Other		
Country:Korea, Rep of	Product	Current	Following	Import	Total Cost	Export
Report Year:2001	Description	Year	Year	Taxes/ Fees	of Import	Tax
4401	Wood Chips, fuel wood 1/	2	2	12		na
4403	Tropical Roundwood 2/	1	1	12		na
4403	Other Roundwood 2/	2	2	12		na
4404	Sticks etc	5	5	12		na
4405	Wood wool	5	5	12		na
4406	Railway ties	5	5	12		na
4407	Lumber	5	5	12		na
4408	Veneer	5	5	12		na
4409	Fihished Lumber	8	8	12		na
4410	Particle board	8	8	12		na
4411	Fiberboard	8	8	12		na
4412	Plywood 3/	8	8	12		na
4413	Densified wood	8	8	12		na
4414	Wooden frames	8	8	12		na
4415	Packing cases	8	8	12		na
4416	Casks	8	8	12		na
4417	Tools	8	8	12		na
4418	Builders' joinery	8	8	12		na
4419	Tableware/Kitchenware	8	8	12		na
4420	Wood marquetry	8	8	12		na
4421	Other articles of wood	8	8	12		na
4422	na	na	na	12		na
4423	na	na	na	12		na
4424	na	na	na	12		na
4425	na	na	na	12		na
9406	Pre-fabricated Houses	8	8	12		na

1/ Quota tariff reduced to one percent for temperate hardwood chips (for pulp).
2/ Quota tariff reduced to zero percent for all imported logs.
3/ Quota tariff reduced to 2.5 percent for all imported veneer thicker than 0.5 mm.
4/ Adjusted tariff increased to 14 percent for thicker than 6 mm.
Source: Korea Customs Service (KCS), Agricultural Affairs.

PS&D Tables and Trade Matrices

Temperate Hardwood Logs PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Temperate Hardwood Logs			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	450	733	450	680	0	700
Imports	250	249	280	260	0	280
TOTAL SUPPLY	700	982	730	940	0	980
Exports	0	0	0	0	0	0
Domestic Consumption	700	982	730	940	0	980
TOTAL DISTRIBUTION	700	982	730	940	0	980

Import Trade Matrix- Temperate Hardwood Logs

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Temperate Hardwood Logs		
Time period	JAN/DEC	Units:	1,000 CUM
Imports for:	1999		2000
U.S.	24	U.S.	31
Others		Others	
Russia	17	Russia	17
Malaysia	41	Malaysia	8
PNG	118	PNG	141
China	8	China	12
		Solomon	21
Total for Others	184		199
Others not Listed	23		19
Grand Total	231		249

Source:Korea Customs Service(KCS)

Tropical Hardwood Logs PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Tropical Hardwood Logs			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2001
Production	0	0	0	0	0	0
Imports	1000	682	1200	600	0	600
TOTAL SUPPLY	1000	682	1200	600	0	600
Exports	0	0	0	0	0	0
Domestic Consumption	1000	682	1200	600	0	600
TOTAL DISTRIBUTION	1000	682	1200	600	0	600

Import Trade Matrix- Tropical Hardwood Logs

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Tropical Hardwood Logs		
Time period	JAN/DEC	Units:	1000CUM
Imports for:	1999		2000
U.S.	7	U.S.	0
Others		Others	
Malaysia	310	Malaysia	311
PNG	262	PNG	175
Solomon Is.	90	Solomon Is.	112
New Zealand	140	New Zealand	10
Russia	34	Russia	11
Total for Others	836		619
Others not Listed	35		63
Grand Total	878		682

Source:Korea Customs Service(KCS))

Softwood Logs PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Softwood Logs			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	1100	859	1100	800	0	900
Imports	6000	5940	6500	6000	0	6500
TOTAL SUPPLY	7100	6799	7600	6800	0	7400
Exports	0	0	0	0	0	0
Domestic Consumption	7100	6799	7600	6800	0	7400
TOTAL DISTRIBUTION	7100	6799	7600	6800	0	7400

Import Trade Matrix- Softwood Logs

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Softwood Logs		
Time period	JAN/DEC	Units:	1,000 CUM
Imports for:	1999		2000
U.S.	326	U.S.	361
Others		Others	
New Zealand	3216	New Zealand	3364
Russia	1144	Russia	1511
Australia	381	Australia	550
Chile	356	Chile	92
Total for Others	5097		5517
Others not Listed	38		62
Grand Total	5461		5940

Source:Korea Customs Service(KCS)

Value of Logs Imports per Country

Korea: Value of Logs Imports per Country Unit: 1,000US$			
Country	1998	1999	2000
United States	49,433	70,768	77,208
New Zealand	133,883	200,932	211,352
Russia	44,737	72,988	98,253
Malaysia	33,271	51,812	51,479
PNG	28,124	45,647	38,033
Chile	25,350	24,051	6,473
Australia	16,029	22,871	36,337
Solomon Is.	10,496	13,075	18,045
Others	8,332	18,511	23,213
Total	349,655	520,655	560,393

Source: Forest Administration

Temperate Hardwood Lumber PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Temperate Hardwood Lumber			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	73	73	82	76	0	82
Imports	260	223	290	200	0	250
TOTAL SUPPLY	333	296	372	276	0	332
Exports	1	5	1	5	0	5
Domestic Consumption	332	291	371	271	0	327
TOTAL DISTRIBUTION	333	296	372	276	0	332

Import Trade Matrix- Temperate Hardwood Lumber

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Temperate Hardwood Lumber		
Time period	JAN/DEC	Units:	1000 CUM
Imports for:	1999		2000
U.S.	65	U.S.	48
Others		Others	
China	79	China	95
Canada	8	Canada	12
Malaysia	23	Malaysia	16
EU	5	EU	4
Indonesia	36	Indonesia	40
Total for Others	151		167
Others not Listed	15		8
Grand Total	231		223

Source: Korea Customs Service(KCS)

Hardwood Lumber Imports From U.S.

Korea: Hardwood Lumber Imports From U.S. (CUM and US$ Thousand)						
Species	1998		1999		2000	
	Volume	Value	Volume	Value	Volume	Value
Oak	14,212	8,716	24,545	14,610	16,345	10,447
Maple	12,943	8,517	21,000	14,992	13,547	10,484
Poplar	991	504	2,301	1,031	1,889	1,002
Basswood	697	512	1,794	1,057	1,543	975
Ash	916	630	3,727	2,033	3,815	2,306
Other	6,152	3,643	11,912	8,728	11,071	8,641
Total	35,911	22,522	65,279	42,451	48,210	33,855

Source: Korea Customs Service (KCS)

Korea: Hardwood Lumber Imports From U.S. (CUM and US$ Thousand)				
Species	2000(1-3)		2001(1-3)	
	Volume	Value	Volume	Value
Oak	5,186	3,376	3,153	2,076
Maple	3,996	2,793	2,823	2,063
Poplar	439	221	340	173
Basswood	596	337	163	138
Ash	826	496	757	498
Other	2,980	2,301	2,637	2,771
Total	14,023	9,524	9,873	7,719

Source: Korea Customs Service (KCS)

Tropical Hardwood Lumber PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Tropical Hardwood Lumber			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2001
Production	219	142	292	146	0	140
Imports	370	299	400	300	0	300
TOTAL SUPPLY	589	441	692	446	0	440
Exports	0	3	0	3	0	3
Domestic Consumption	589	438	692	443	0	437
TOTAL DISTRIBUTION	589	441	692	446	0	440

Import Trade Matrix- Tropical Hardwood Lumber

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Tropical Hardwood Lumber		
Time period	JAN/DEC	Units:	1000CUM
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Malaysia	149	Malaysia	147
Indonesia	158	Indonesia	139
Total for Others	307		286
Others not Listed	14		13
Grand Total	321		299

Source: Korea Customs Service(KCS)

Softwood Lumber PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Softwood Lumber			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2001
Production	4030	4044	4322	4070	0	4200
Imports	280	216	320	200	0	250
TOTAL SUPPLY	4310	4260	4642	4270	0	4450
Exports	10	13	15	15	0	15
Domestic Consumption	4300	4247	4627	4255	0	4435
TOTAL DISTRIBUTION	4310	4260	4642	4270	0	4450

Import Trade Matrix- Softwood Lumber

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Softwood Lumber		
Time period	JAN/DEC	Units:	1,000 CUM
Imports for:	1999		2000
U.S.	13	U.S.	13
Others		Others	
Canada	62	Canada	43
New Zealand	52	New Zealand	39
Chile	59	Chile	42
Indonesia	10	Indonesia	2
Brazil	16	Brazil	28
China	10	China	13
South Africa	7	South Africa	5
Russia	10	Russia	24
Total for Others	226		196
Others not Listed	6		7
Grand Total	245		216

Source: Korea Customs Service(KCS)

Softwood Lumber Imports From U.S.

Korea: Softwood Lumber Imports From U.S. (CUM and US$ Thousand)						
Species	1998		1999		2000	
	Volume	Value	Volume	Value	Volume	Value
Cedar	82	39	232	92	300	131
Douglas Fir	27	10	1,453	361	401	155
Whitewood or Fir	1,066	547	996	460	2000	791
Spruce	3,721	4,682	9,409	5,696	9,559	7,143
Other	1,424	2,777	1,424	2,777	885	1,022
Total	6,320	8,055	13,216	7,975	13,145	9,242

Source: Korea Customs Service (KCS)

Korea: Softwood Lumber Imports From U.S. (CUM and US$ Thousand)				
Species	2000(1-3)		2001(1-3)	
	Volume	Value	Volume	Value
Cedar	9	20	69	32
Douglas Fir	122	43	0	0
Whitewood or Fir	658	279	359	107
Spruce	2,609	1,361	1,311	1,401
Other	199	159	258	499
Total	3,597	1,862	1,997	2,039

Source: Korea Customs Service (KCS)

Value of Lumber Imports per Country

Korea: Value of Lumber Imports per Country (Unit: 1,000US$)			
Country	1998	1999	2000
United States	30,630	51,099	43,695
Malaysia	39,896	47,328	42,298
Indonesia	31,149	60,715	56,026
Chile	17,668	21,765	13,731
China	17,068	26,130	31,179
New Zealand	7,806	10,381	5,586
Canada	6,927	14,849	21,001
Brazil	5,117	14,906	17,823
Others	9,362	13,780	13,859
Total	165,523	260,953	245,198

Source: Forest Administration

Veneer PSD

PSD Table						
Country	Korea, Republic of					
Commodity	Hardwood Veneer			1000 CUBIC METERS		
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	0	0	0	0	0	0
Imports	220	190	325	185	0	200
TOTAL SUPPLY	220	190	325	185	0	200
Exports	0	0	0	0	0	0
Domestic Consumption	220	190	325	185	0	200
TOTAL DISTRIBUTION	220	190	325	185	0	200

Note: Included softwood veneer in import data.

Import Trade Matrix- Veneer

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Hardwood Veneer		
Time period	JAN/DEC	Units:	1000 CUM
Imports for:	1999		2000
U.S.	5	U.S.	5
Others		Others	
Malaysia	87	Malaysia	148
Brazil	10	Brazil	18
Chile	9	Chile	7
China	4	China	4
Indonesia	1	Indonesia	0
Total for Others	111		177
Others not Listed	5		8
Grand Total	121		190

Note: Included softwood veneer.
Source: Korea Customs Service(KCS)

Value of Veneer Imports per Country

Korea: Value of Veneer Imports per Country Unit: 1,000US$			
Country	1998	1999	2000
United States	8,217	11,065	13,084
Malaysia	10,604	17,688	30,376
Chile	5,671	2,235	1,927
Brazil	5,525	2,861	5,943
China	5,172	5,416	6,559
EU	4,214	6,062	9,474
Others	3,222	6,714	8,594
Total	42,625	52,041	75,957

Source: Forest Administration

Other Tables

Supply of Domestic Roundwood

Korea: Supply of Domestic Roundwood (1,000 CUM)				
Year	Pit props	Pulp	Lumber/Board	Total
1995	139	405	512	1,055
1996	109	392	694	1,195
1997	104	367	591	1,062
1998	110	406	912	1,428
1999	117	410	1,167	1,694
2000	112	552	928	1,592
2001 1/	110	500	890	1,500

1/ Projection
Source: Korea Forestry Administration

Wood Products Production

Korea: Wood Products Production (1,000 CUM)			
Items	1998	1999	2000
Softwood Lumber	2,680	3,857	4,044
Tropical Hardwood Lumber	177	244	142
Temperate Hardwood Lumber	49	67	73
Sub Total, Lumber	2,906	4,168	4,259
Plywood	641	734	747
Fiberboard	583	844	943
Particle board	507	672	722
Grand Total	4,637	6,418	6,671

Source: Agricultural Affairs,
Korea Plywood Industry Association (KPIA)

Government Investment for Infrastructure

KOREA: Government Investment for Infrastructure (Billion Korean Won)		
Item	2000	2001
Roads	7,341	7,637
Railways	2,189	2,462
Subway	1,175	919
Airports	741	341
Water Resources	1,087	1,277
Harbors	964	1,012
Others	580	984
Total	14,077	14,632

Source: Ministry of Construction and Transportation(MOCT)

Value of Domestic Construction Orders Comparison for 1999 and 2000

Korea: Value of Domestic Construction Orders Comparison for 1999 and 2000 (Billion Korean Won, By the Type of Construction)			
Sector	1999	2000	Changes(%)
Building, subtotal	22,455	27,285	22
-Dwelling	17,402	20,031	15
-Office & Stores	1,648	3,461	110
-Factory & Storage	716	1,031	44
-Public Office 1/	1,253	1,299	4
-Others	1,436	1,463	2
Civil Engineering, subtotal	13,650	14,354	5
-Forestry Conservancy & Water Control	78	301	286
-Agriculture & Fisheries	268	324	21
-Roads & Bridge	5,058	6,793	34
-Harbors& Airports	1,182	827	-30
-Railways & Track	2,002	1,097	-45
-Water Supply & Sewage	1,462	1,116	-24
-Generation of Electricity 2/	631	744	18
-Land Development 3/	737	1,427	94
-Dams	57	2	-96
-Installation of Machinery	1,951	1,465	-25
-Others	224	258	15
Other Construction, subtotal	192	139	-28
Grand Total	36,297	41,778	15

1/ Including schools and hospitals
2/ Including transmission, transformation and distribution
3/ Including gardens and grounds
Source: National Statistical Office (NSA)

Building Construction Permits by Structure

Korea: Building Construction Permits by Structure (Floor area, Thousand Square meters)					
Year	Total	Ferro-Concrete	Brick & Stone	Wooden	Others
1995	117,327	103,134	9,086	89	5,022
1996	113,820	101,940	7,193	131	4,557
1997	113,374	104,214	5,105	173	3,881
1998	50,965	46,701	1,889	113	2,263
1999	72,534	66,192	2,340	142	3,858
2000	81,059	75,292	2,056	178	3,532

Source: Ministry of Construction and Transportation (MOCT)

Building Construction Permits by Use

Korea: Building Construction Permits by Use (Floor area, Thousand Square meters)						
Year	Total	Dwelling	Commercial	Factory	Educational &Social	Other
1995	117,327	62,614	28,549	13,727	6,281	6,157
1996	113,820	61,062	26,862	11,921	6,289	7,682
1997	113,374	62,677	27,918	8,796	6,603	7,379
1998	50,965	31,156	8,753	2,796	3,983	4,279
1999	72,534	44,606	11,746	7,824	4,478	3,882
2000	81,059	41,283	18,882	11,646	5,126	4,121
2001 1/	80,991	40,045	17,466	13,510	5,536	4,434

1/ Estimated by Agricultural Affairs.
Source: Ministry of Construction and Transportation (MOCT)

Housing Starts per Type

Korea: Housing Starts per Type ('000 units)					
Year	Total	Apartment	Single Family	Tenement	Rowhouse
1996	592,132	462,548	61,263	18,210	5,011
1997	596,435	484,949	52,948	19,219	39,319
1998	306,031	262,879	23,773	7,363	12,016
1999	404,715	345,345	33,772	7,640	17,958
2000	433,488	331,579	34,777	10,242	56,890
2001 1/	500,000	NA	NA	NA	NA

1/ Projection
Source: Ministry of Construction and Transportation

Import of Wood Frame Housing Per Country

Korea: Import of Wood Frame Housing Per Country (Unit: 1,000 US$ on a CIF basis)					
Country	1998	1999	2000	2000 (1-4)	2001 (1-4)
United States	2,754	3,501	4,462	1,401	870
Canada	2,357	934	1,872	342	620
Finland	878	651	1,030	217	442
Sweden	19	0	72	0	0
New Zealand	0	302	0	0	24
Australia	176	0	115	0	0
Russia	17	61	107	65	0
EU	37	101	114	27	191
Others	14	60	289	74	103
Total	6,252	5,610	8,061	2,126	2,250

Source: Korea Customs Service

Production of Wood-Based Products

Korea: Production of Wood-Based Products (1,000 pieces)					
Year	Vehicle 1/	Furniture 2/	Sinkboard	Musical Instrument	
				Pianos	Guitars 3/
1995	624	1,303	3,013	212	1,500
1996	625	1,213	2,808	166	1,400
1997	563	1,162	2,718	134	1,300
1998	438	NA	2,327	92	1,150
1999	731	NA	2,741	95	1,800
2000	911	NA	2,492	96	1,430

1/ Bus, truck, and shipping container
2/ Freestanding wood-based furniture
3/ KMIIA's estimated data because official statistics do not include the number of guitar products made by small-medium sized companies.
Source: National Statistical Office
Korea Musical Instrument Industry Association (KMIIA)

Value of Total Forest Product Imports

Korea:Value of Total Forest Product Imports (US$ Million on a CIF)						
Description (H.S. No.)	From the World			From the United States		
	1999	2000	%	1999	2000	%
Chips (4401)	91	84	-8.6	24	23	-2.8
Logs (4403)	521	560	7.6	71	77	9.1
Lumber (4407)	261	245	-6.0	51	44	-14.5
Veneer (4408)	52	76	46	11	13	18.2
Finished Lumber (4409)	28	33	17.3	2	1	-20.5
Particle Board (4410)	55	71	29.4	2	1	-43.2
Fiberboard (4411)	42	81	95.0	4	3	-27.8
Plywood (4412)	260	307	17.9	2	2	38.8
Door and Windows (4418)	32	29	-10.6	8	3	-59.3
Other Articles of Wood	62	82	32.5	2	2	12.5
Total	1,404	1,568	11.7	177	171	-3.2

Source: Korea Customs Service(KCS)

Value Comparison of Forest Product Import for January-April

Korea: Value Comparison of Forest Product Import for January-April (US$ Million on a CIF)						
Description (H.S. No.)	From the World			From the United States		
	2000	2001	%	2000	2001	%
Chips (4401)	27	33	22	6	10	67
Logs (4403)	190	164	-14	24	23	-4
Lumber (4407)	88	64	-27	15	12	-20
Veneer (4408)	23	24	4	4	4	0
Finished Lumber (4409)	10	10	0	0.4	0	na
Particle Board (4410)	24	19	-21	0.3	0.1	-67
Fiberboard (4411)	28	18	-36	0.5	0.8	60
Plywood (4412)	96	83	-14	0.9	0.6	-33
Door and Windows (4418)	7	7	0	0.8	0.6	-25
Other Articles of Wood	26	26	0	1.1	0.9	-18
Total	529	448	-15	53	52	-1.9

Source: Korea Customs Service(KCS)

Volume of Forest Product Imports

Korea: Volume of Forest Product Imports (1,000CUM)						
Description (H.S. No.)	From the World			From the United States		
	1998	1999	2000	1998	1999	2000
Chips (4401) 1/	573	1,180	1,025	108	312	285
Logs (4403)	4,563	6,570	6,871	308	356	392
Lumber (4407)	535	827	738	42	79	62
Veneer (4408)	101	121	191	5	5	5
Finished Lumber (4409) 1/	36	29	33	0.6	0.7	0.5
Particle Board (4410)	149	377	485	8	10	5
Fiberboard (4411)	36	217	380	6	17	10
Plywood (4412)	494	791	980	2	3	2
Door and Windows (4418) 1/	29	26	21	5	5	1

1/ Metric Tons
Source: Korea Customs Service (KCS)
Agricultural Affairs readjusted the number of logs and lumber based on the KCS' statistics.