

by CHEN DANHONG

14th AHEC Southeast Asia and Greater China Convention

# Promoting “green” and “sustainable” characteristics of American hardwood

On 11 June, 2009, the American Hardwood Export Council (AHEC) held their 14th Southeast Asia and Greater China Convention in Shenyang, a northern city in China. Ever since the establishment of this regional office in China in 1992, an annual convention has been organised almost every year.

So what makes this year's event different from previous years? Why was Shenyang chosen as the host city? What kind of inspirations may we acquire from this convention?

Just one day before the convention, AHEC organised a special full-day event for over 40 members of the media at home and abroad. Michael Snow, Executive Director of AHEC, Orn Gudmundsson, Chairman of AHEC, John Chan, Regional Director of AHEC Southeast Asia and Greater China, Kevin Ketchum, Director of Public Affairs of the National Hardwood Lumber Association, Alberto Goetzl, President of the Seneca Creek Associates, and representatives of American hardwood industry attended this media event.

The convention was officially opened on 11 June, 2009. Around 300 representatives from the sectors of furniture, flooring, and door and window in Northeast China, mainly in Shenyang, attended the ceremony. In addition, more than 30 representatives from member companies of AHEC, as well as designers, professionals, scholars in the field of construction, furniture, interior decoration and media reporters were also present. All in all, over 400 attendants from 14 countries and regions attended the event in Sheraton Shenyang Lido Hotel.



## Logging ≠ Environmentally unfriendly

This year, Mr. Snow's keynote speech was themed “Wood Credentials and US Hardwood-Sustainable Resource for Manufacturing and Design”, which is also the theme of this year's convention. Mr. John Chan explained that for many years, AHEC had been promoting American hardwood under different themes. From the very beginning, it introduced rich varieties and beautiful textures of American hardwood.

Later, it shifted to the grading system of American hardwood in order to completely utilise the wood and reduce wastage. Today, the focus is on legal logging of timber and environmental issues. The change of themes not only shows the advancement and development of AHEC in its vision and conception, but also reflects the “green” trend of many designers, architects and consumers in the industry.

Mr. Snow notes that many people have misconceptions about the industry when the topic of environmental protection comes up. They simply regard logging as an environmentally unfriendly behavior. Mr. Snow shared that even his 11-year-old daughter said to him one day, “Dad, you should quit your job because cutting trees is against the environment.”

Mr. Snow thinks that there is a lot of work to do to correct this misunderstanding of wood. Due to its limited resources, AHEC cannot immediately change the mindset of numerous consumers alone. Therefore, it hopes to have the strong support from influential industrial leaders, including designers, architects and the media, in order to spread the right information and knowledge to the

*Michael Snow, Executive Director of AHEC*



public, and to create a positive atmosphere. It aims to promote the conception of “American Hardwood – an Environmentally Friendly Choice” to end consumers.

In a nation without a proper forest management system, it may be reasonable to consider wood felling as an environmentally unfriendly act. However, in a country like the US, with its abundant regenerated natural forest resources and with a sound sustainable forest management system, it is really wrong to say “Logging = Environmentally Unfriendly”. Mr. Snow proved with facts and figures that in the past five decades, the growth volume of American hardwood went far beyond the logging volume while the inventory of hardwood keeps soaring. In short, there are more new trees than felled trees in the US.

This can be ascribed to two important characteristics of the American forest industry – selective logging and natural regeneration. American forests are developed mainly through natural regeneration, which leads to diversification of forest species. In the US, most forest land is privately owned, and is passed down from generation to generation. As a result, it naturally falls into the trend of sustainable development.

Seneca Creek Associates, an independent third-party market research institute commissioned by AHEC conducted “An Assessment of Lawful Harvesting & Sustainability of US Hardwood Exports”. A research group made up of international experts conducted in-depth investigations. The resulting report showed that illegal logging accounts for less than 1 percent of American hardwood timber. This means there is a very small proportion of American hardwood timber that comes from illegal logging, genetically modified species, high-value species and species for non-timber purposes.

### China is in the focus of AHEC

AHEC is promoting American hardwood to the whole world. In Asia, it started its promotion campaign first in Japan and Korea 15 years ago. Today, it has expanded to China, Vietnam and Indonesia. In Europe, it first set its footprints in Britain and Germany, and has now moved to Italy, Spain and Portugal.

One may ask, “Which are the potential new markets favoured by AHEC in the future?” Mr. Snow thinks that India has great potential due to its large population and rapid economic development. Most of the countries in the Middle East also have good prospects as they produce little timber. Brazil may be another potential market since it has a big area, a large population and has witnessed rapid development of its furniture industry in recent years.

Then where is China on the strategic map of AHEC today? Mr. Snow states affirmatively that China has been the biggest importer of American hardwood for six years in a row (accounting for 16.6 percent of American hardwood exports last year). In terms of regional offices that AHEC sets up in countries all over the world, China is the only country with two AHEC offices, which proves the great importance that AHEC attaches to China. Nowadays, AHEC is not only developing in China’s coastal cities, but also promoting itself further to inland cities.

Mr. John Chan points out that the choice of Shenyang as the host city for this year’s AHEC regional convention demonstrates the strategic decision of AHEC to explore further into second and third-level cities of China. Shenyang, as a second-level city, is the political, economic and cultural centre of Liaoning Province. It is a trade hub in North China and neighbouring areas, connected with Ji-

lin Province and Hei Longjiang Province, and adjacent to Japan and Korea.

In 2007, there were more than 1200 furniture companies registered in Liaoning, with employment figures of more than 120,000, a total production value of RMB 13 billion and export sales of 460 million USD. Furniture products from Liaoning are mainly supplied to the domestic market. As the Chinese economy is oriented to domestic demand, AHEC can help build a bridge between Liaoning furniture industry and the domestic market of China.



*Qi Ming, Vice Mayor of Shenyang, Zu Shuwu, President of Liaoning Province Furniture Association, Om Gudmundsson, Chairman of AHEC, Michael Snow, and John Chan reviewing samples of American hardwood*



*John Chan, Head of AHEC  
Southeast Asia and Greater China  
answering media questions*

### **Lacey Act is not a trade barrier**

During the keynote speech as well as the breakout sessions in the afternoon, all participants have a lot of opportunities to exchange thoughts and ideas.

Several in the Chinese audience raised questions about the Amendment to the Lacey Act by the US last year. As China is now the biggest furniture importer of the US, some in the Chinese furniture industry suspect that the Act is designed as a trade barrier and used as a tool of protectionism, even directly targeting China.

Mr. Snow disagrees with this idea. He explains that Lacey Act was first set up a hundred years ago. At that time, it was mainly targeted at animal trade, and later expanded to plant trade, including forest products. It is applicable to not only the import and export fields but also domestic market such as trade among states. The goal of this amendment is not to set trade barriers, but to protect species.

Media and audience members also posed some other questions, such as the impact of the economic recession over American hardwood exports, application of American hardwood in design, whether AHEC intends to organise a design competition in China, American hardwood's grading, fireproofing, painting and pricing, to name but a few.

At the end of day, many attendees, such as myself, had our questions answered. We walked away not only having learnt something, but also filled with inspiration. **PFA**