

FY 2000 Export Forecast for Solid Wood Products

Revised Forecast for FY 2000: Unchanged at \$6.1 Billion

Revised FY 2000 Forecast (since Nov)

Key Upside Developments

- 1st Qtr 2000 exports up by 4% overall
- Hardwood lumber, panels, and other value-added wood products are up by 7%
- FY 2000 exports to North America still on track to reach record \$2.1 billion
- U.S. exports to Asia other than Japan up 18% to \$600 million for all wood commodities

Key Downside Developments

- Weak Japanese housing market (1.1 to 1.2 million starts for 2000) will pull U.S. log exports down by \$100 million and thus total U.S. exports will not exceed \$1.5 billion
- Due to Japan's slow economy & strong price competition from Russia, Oceania and Europe, export prospects for other wood products to Japan to remain flat

Wild Cards

- Rising interest rates may slow record U.S. housing demand and translate into lower commodity prices for U.S. exporters
- EU's November storms may lead to record high inventories and slow EU imports

U.S. Solid Wood Exports (\$Bil)

