

Saudi Arabia's Growing Penchant for U.S. Hardwood

By *Derek S. Lieberman*

Saudi Arabia's construction boom of the 1980s resulted in a huge demand for softwood imports. While construction of offices and residences continues, demand for softwood lumber has steadily declined since 1991.

However, the hardwood story is another matter. During the same period, hardwood imports have remained steady due to an expansion in local manufacturing of furniture, cabinets, doors and windows.

In 2000, Saudi Arabia imported about 100,000 cubic meters of hardwood lumber, with up to 5,000 cubic meters destined for re-export to the neighboring markets of Bahrain, Qatar and Yemen.

Of this, over 28,000 cubic meters was imported from the United States, an in-

crease of more than 27 percent from 1999. Other major suppliers include Cameroon, Canada, Malaysia, Burma and Romania.

While overall demand for hardwoods has changed little, U.S. hardwoods have begun to displace the more traditional imported species. With a growing population, a continuing need for housing and an increase in local manufacturing of furniture and cabinets, wood imports are expected to increase over the next few years.



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Saudis Soften to Hardwoods

Many Saudis are willing to invest considerably in construction and furnishing of their homes. As a result, some of the most significant applications for hardwood (as well as some softwood) include joinery and interior moldings, furniture and cabinetry.

Industry analysts note that color is important in the Saudi market, where customers traditionally prefer red or dark colors, despite a growing trend toward light hardwoods for residential and office interiors. In applications where Malaysian red meranti and Swedish redwood were used, red oak from the United States has become the preferred species—especially in upscale residences and offices.

Twenty years ago, Western-style kitchens were virtually unknown in Saudi Arabia, but now wooden “American-style” kitchen cabinets are found in many newly built upscale villas—and demand is increasing.

Plywood is used for interior partitions, paneling and a host of other items.

Veneers—either imported or produced locally from imported logs—are used in offices and residential decor. At least two Saudi companies, United Wood, Inc., and Abdellatif & Mohamed Al Fozan Company, import high-quality logs for veneer from North America and Africa. ■

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Logistics, Logs and Lumber

Depending on the species, lumber is shipped to Saudi Arabia from both the East and West Coasts of the United States:

- Shipments from the East Coast take 20 to 25 days, arriving via the Suez Canal to Jeddah port on the Red Sea.
- Lumber exports from the West Coast take 45 days, arriving at Dammam port on the Arabian Gulf.

Raw lumber and logs are transported as general cargo. The Saudi government does not allow lumber to be shipped in containers.

Generally, importers of hardwoods prefer to deal directly with exporters. In many instances, wood importers have offices in supplying countries like the United States or Canada, where representatives purchase, consolidate and ship to the kingdom. In other cases, local procurement agents act on behalf of Saudi lumber merchants or specific

suppliers to arrange consolidated orders from foreign suppliers.

Major importers maintain their own distribution network, supplying wood directly to their own factories, other manufacturers, joiners, retailers and clients in the construction sector. Others sell to local lumber merchants.

A flat tariff rate of 12 percent *ad valorem* is applied to imports of sawn lumber and logs. However, since most wood is transformed into value-added products, about 90 percent of wood imports are exempted from the customs duty.

Saudi Arabia also requires a phytosanitary certificate from the country of origin. USDA's Animal and Plant Health Inspection Service issues these certificates at the request of the shipper, certifying that the wood products conform to Saudi quarantine and import requirements.

