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Date: 12/31/2014

GAIN Report Number:

Peru

Post: Lima

FAS Lima Partners with Softwood Lumber Delegation Leading to Almost \$3 Million in New Sales Orders

Report Categories:

Agriculture in the News

Export Accomplishments - Other

Wood Products

Approved By:

Casey E. Bean

Prepared By:

Miluska Camacho and Mariano J. Beillard

Report Highlights:

During September 29-October 4, 2014, FAS Lima coordinated for the American Softwood and the Engineered Wood Associations and accompanying members a series of site visits and meetings with Peruvian lumber importers. Local importers expressed strong interest in southern yellow pine (SYP) and oriented strand board (OSB). The delegation expects to generate about \$2.8 million in new softwood lumber orders in 2014 from this visit alone. U.S. forest product exports to Peru in CY 2014 (January through October) are at \$14 million, an increase of 19 percent compared to 2013.

General Information:

FAS Lima coordinated for the American Softwood and the Engineered Wood Associations and accompanying members of the U.S. wood products industry a series of site visits and meetings with Peruvian lumber importers. During September 29-October 4, 2014, the delegation met with potential importers and attended the 2014 International Construction Trade Show (EXCON). The trade show's 300 plus stands normally draws some 45,000 visitors.

Local importers expressed strong interest in southern yellow pine (SYP) and oriented strand board (OSB); the delegation expects to generate about \$2.8 million in new softwood lumber orders in 2014 from this visit alone. U.S. forest product exports to Peru in calendar year (CY) 2014 (January-October) are at \$14 million, up 19 percent compared to 2013.

Despite economic growth slowing to 2.8 percent during the first eight months of 2014 (compared to average annual growth of 6.6 percent in 2010-13), Peru's construction and mining sectors continue to offer U.S. exporters of lumber and forest products good possibilities. The best opportunities reside in supplying the Peruvian market with utility poles and wood for housing projects (i.e., U.S. structural panel and softwood products).

Table 1: U.S. Forest Products Exports to Peru (\$Millions)

	2008	2009	2010	2011	2012	2013	2014 (e)
Value	5.1	10.3	17.3	15.3	18*	17	22.1

Note: (*) Denote highest export level since at least CY 1970.

Source: Global Trade Atlas, FAS Lima office research.

Table 2: U.S. Softwood Lumber Exports to Peru (\$Millions)

	2008	2009	2010	2011	2012	2013	2014 (e)
Value	.865	5.7	2.6	1.2	1.6	2.1	2.8
SYP	.028	.260	.074	.128	.854	1.8	2.2
Douglas Fir	.691	.400	.227	.418	.701	.226	.500
Other Pine	.146	5.1	2.3	.692	0	.012	.080

Note: (*) estimate. SYP = Southern Yellow Pine.

Source: Global Trade Atlas, FAS Lima office research.

Demand for U.S.-origin lumber is also increasing, taking market share away from Chile's *Pino radiata*, which is still about 92 percent. U.S.-origin softwood lumber is considered a viable alternative to Chilean product. According to industry sources, the local construction and mining sector is beginning to recognize the U.S. product's attractive uses and properties.

The American Softwoods Association represents the Southern Forest Products Association (Metairie, Louisiana), Portland-based Softwood Export Council (Oregon), and Tacoma-based Engineered Wood Association (Washington).

Table 3: Peru, Top Three Softwood Lumber Imports by HS Code

HS Code	Description
4407.10	Coniferous wood swan, sliced, etc., over 6 mm thick
4407.10.0147/6	Softwood Lumber, Southern Yellow Pine

4407.10.0154/5/6/7	Softwood Lumber, Douglas Fir
4407.10.0152	Softwood Lumber, Other Pine

Source Global Agricultural Trade System (GATS), FAS Lima office research.

Table 4: Peru, Global Imports of Softwood Lumber

Commodity: 440710, Coniferous Wood Sawn Or Chipped Lengthwise, Sliced Or Peeled, Whether Or Not Planed, Etc., Over 6 Mm (.236 In.) Thick							
Calendar Year: 2011 - 2013							
Partner Country	\$ Millions			% Share			% Change 2013/2012
	2011	2012	2013	2011	2012	2013	
World	26.8	28.6	34.1	100.00	100.00	100.00	18.9
Chile	23.9	24.7	31.3	89.23	86.19	91.93	26.90
United States	1.4	1.8	1.9	5.29	6.28	5.59	5.9
Uruguay	0.2	0.8	0.6	0.59	2.95	1.70	- 31.4
Canada	1.0	1.2	0.1	3.89	4.17	0.43	- 87.8

Source: Peruvian Customs (SUNAT).