

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Wood Production - Argentina 2013

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Wood Products

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Report Highlights:

Forestry development in Argentina is significant, since this country produces 10 million tons of wood every year. Due to lack of infrastructure and lack of investments in the sector, production exceeds the industry capacity. Therefore, much of the wood is finally used as charcoal instead of being modified into value-added products. There are opportunities for U.S. wood products in specific areas, such as construction and furniture.

Executive Summary:

A vast amount of land, ideal weather, rich soil, and species diversity, make Argentina a very competitive country in the forestry sector. According to information provided by the Forestry Division from the Ministry of Agriculture, Argentina has 1.2 million hectares of cultivated forests, of which 80 percent are located in the Mesopotamia Region, which include Misiones, Corrientes, and Entre Ríos Provinces. The most important species cultivated in the country are pines and eucalyptus. Moreover, 32 million hectares correspond to native forest, with 90 different species.

Forestry development is significant, since Argentina produces 10 million tons of wood every year. Due to lack of infrastructure and lack of investments in the sector, production exceeds the industry capacity. Much of the wood is used as charcoal instead of used as value-added products.

The Argentine government encourages forestry production with programs, subsidies, and grants, but the absence of national policies and long-term plans has a negative impact on the development of the forestry sector in Argentina. Furthermore, current import barriers make access to new technology and, therefore production improvement, very difficult. Given this scenario, the outlook for the forestry sector is not positive in the short-term – as mentioned before, produced wood is used as charcoal and not to create any added-value products.

Nevertheless, there are opportunities for U.S. wood products in specific areas. Products such as American oak wood for the Argentine wine industry is being highly demanded, also lightweight coated (LWC) paper for magazines, white oak and maple wood, wood for flooring, wood I-beams, and laminated veneer lumber (LVL) for wood constructions could potentially have a market in Argentina.

General Information:

Production:

Forest situation & Outlook

According to information provided by the Forestry division from the Ministry of Agriculture, Argentina has 1.2 million hectares of cultivated forests of which 80 percent are located in the Mesopotamia Region (Provinces of Misiones, Corrientes, and Entre Ríos) as well as other areas such as Entre Ríos Delta, Buenos Aires, Neuquén, and Río Negro. Cultivated forests generate more than five hundred thousand jobs (directly and indirectly), turning forestry into an important industry for the country.

Argentina's forestry sector has recently implemented a new productive system, called silvopastoral. This system produces food and raw materials combining livestock with annual and perennial cropping, making both systems interact on the same land. The main goals are to provide light shade, boost soil enrichment by retention of nutrients, increase land productivity, reduce soil erosion, increase biodiversity, and protect the land from further degradation, maintaining its sustainability.

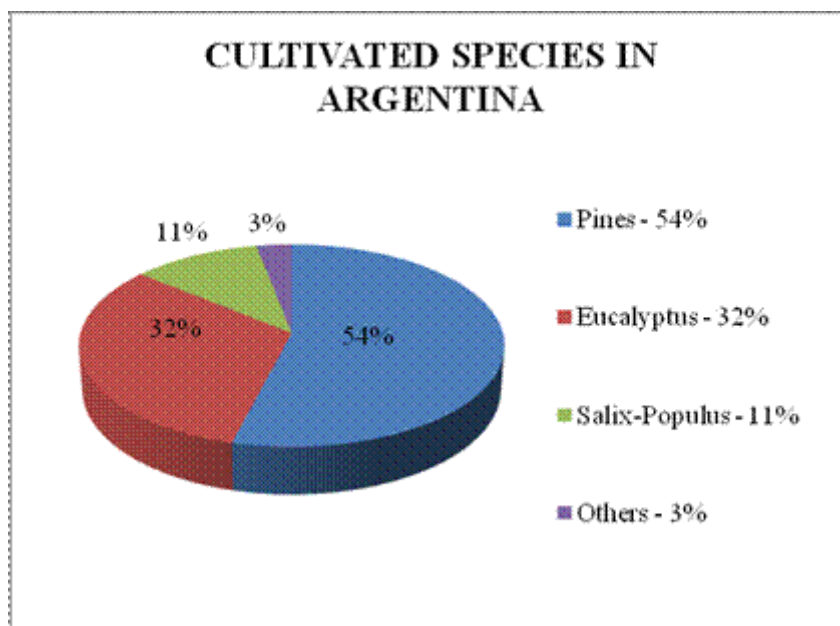
There are ten million tons of wood per year produced in the country. Cultivated species are:

-Pines: 54% - *Pinus elliottii*, and *Pinus taeda*. There are others such as *Araucaria angustifolia*, *Pinus ponderosa* and *Pseudotsuga menziesii*.

-Eucalyptus: 32% - *Eucalyptus grandis* and *Eucalyptus saligna* are the most cultivated species. *Eucalyptus camandulensis*, *Eucalyptus tereticornis*, *Eucalyptus viminalis* and *Eucalyptus globules* can also be found.

-Salix - populus: 11% - *Populus deltoides* and *Populus x euroamericana* are the most cultivated species among Populus. *Salix babilónica var. sacramenta*, *Salix nigra*, *Salix babilónica x Salix alba* and *Salix matsudana x Salix alba* are the Salix species most cultivated.

-Others: 3% - *Grevillea sp.*, *Paulownia sp.*, *Melia sp.*, *Robinia sp.*, *Prosopis sp* and *Toona sp.*



Source: SAGyP.

CULTIVATED SPECIES BY REGION/PROVINCES (HECTARES):

Region/ Province	Pines	Eucalyptus	Salix	Others	TOTAL
Misiones	337.100	27.700	0	55.900	420.700
Corrientes	263.500	101.800	0	1.500	366.800
Entre Ríos	12.300	92.300	16.100	13.400	134.100
Buenos Aires	7.300	39.100	47.900	8.100	102.400
Patagonia	56.200	0	19.000	700	75.900
Argentina North-east	6.600	16.400	100	1.000	24.100
Others	34.700	14.900	29.400	1.300	80.300
TOTAL	717.700	292.200	112.500	81.900	1.204.300

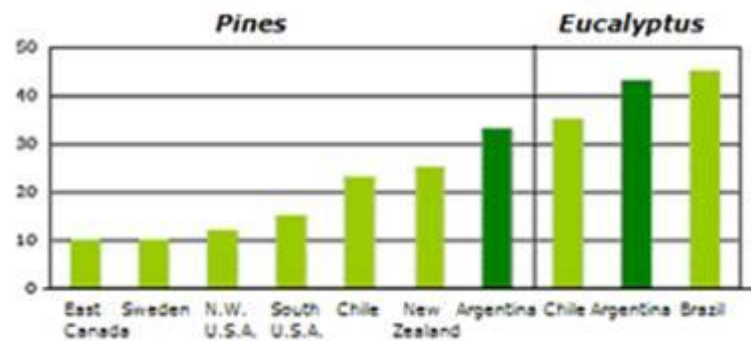
Source: SAGyP.

The annual timber growth rate is:

- Pines: 33m³/ha (twice of other countries average)
- Eucalyptus: 43 m³/ha

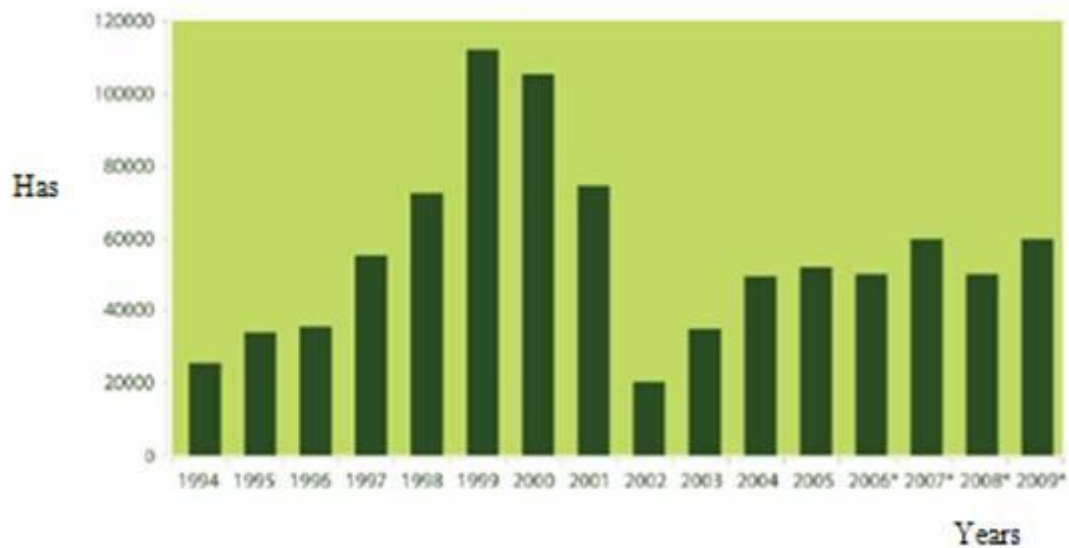
Annual allowable cuts vary significantly between producing regions and wood final destination.

Annual Growth Rates (Cubic Meters/Hectares)



Source: Simpson Timber Co., Aracruz Cellulose, Jaaka Poyry Investment

EVOLUTION - ANNUAL PLANTING 1994/2009 (Source: Forestry Association of Argentina):



Harvest Periods in Years

	Pine	Eucalyptus	Populus
Corrientes/Entre Ríos	20-22	7-12	-
Delta del Paraná (Buenos Aires)	18-20	10-14	10-15
Misiones/N.W. Corrientes	18-20	9-13	-
Patagonia	30-35	-	12-15
SE Buenos Aires Province	22-28	9-13	-

Source: Forestry Association of Argentina

In addition to cultivated forests, 32 million hectares correspond to native forests. Native forests provide numerous advantages such as:

-Environment Sustainability: thanks to native forests' biodiversity, the system has more ability to respond to disturbances. Crop pests are managed through biological control, avoiding the use of big quantities of chemical products. Native forests also improve water infiltration and retention, with a better distribution and response to erosion, they also absorb carbon dioxide, related to global warming, helping with contamination. Moreover, they enhance the soil fertility by providing it with nutrients.

-Development of herding areas for cattle, thanks to trees acting as shelters, protecting cattle from wind and storms, and provide a good growing environment for pastures.

-Tourism activities: forests landscapes offer excellent opportunities for touristic activities.

INDICATOR	NATIVE FOREST	CULTIVATED FOREST
<i>Total surface (ha)</i>	32.000.000	1.200.000
<i>Production (tons)</i>	4.000.000	7.500.000
<i>Final products</i>	Wood and coal	Sawn timber, pulp and paper
<i>Principal market</i>	Internal	External and internal
<i>Certified surface (FSC – ha)</i>	132.000	140.000
<i>Certified companies</i>	3	13

Source: Forestry Association of Argentina

LOCATION - FORESTS IN ARGENTINA:



Source: FAO Argentina

FOREST REGIONS IN ARGENTINA:



	<i>WOOD</i>	<i>FURNITURE</i>	<i>CELLULOSE</i>	<i>PAPER</i>
Production increase (% between 2003 and 2010)	132	115	110	110
Job increase (% between 2003 and 2010)	42	84	29	29
Number of companies	3451	3467	8	70
Commercial balance 2010 (Millions of dollars)	84	-27	89	-571

Source: SAGyP, 2010

Argentina has the potential to expand its cultivated area by 3 million hectares, without competing with agriculture or risking native forest's sustainability. Nevertheless, in order to support expansion, the sector needs investments in infrastructure, since wood production exceeds processing capacity.

The Forestry Department in the National Ministry of Agriculture has expanded, and offers many resources to producers. This includes the use of satellite images, territorial management, and non-refundable sums (subsidies). Different areas have been created within the Forestry Department, such as Economic and Statistics, Promotion, Seeds, Sanitary, International, and Environmental area. All these areas aim to help producers and technicians increase their efficiency, providing different tools from training to subsidies.

Argentina carried out a National Initiative in forest certification from 2002 to 2006, supported by the Forestry Stewardship Council (FSC). The FSC is an international organization whose aim is to promote the environmentally responsible, socially beneficial and economically viable management of the world's forests. FSC directly or indirectly addresses issues such as illegal logging, deforestation and global warming and has positive effects on economic development, environmental conservation, among others. To accomplish their goal, FSC has developed international and national standards and a certification system for identifying and labeling products from well managed forests. This system has been developed with the participation of numerous stakeholders such as forest owners, managers, forest products producers, local communities, and NGOs. There are 16 companies that have certified their forest management, and more than 30 have certified traceability of product, the FSC label can be found on a wide range of products, from paper to furniture. One third of Argentina's forestry land is certified under this system, which opens really good possibilities for investors, ensuring well managed forestry hectares.

Challenges

When it comes to challenges, lack of infrastructure is one of the main difficulties this sector has to face. Imports are restricted, discouraging the use of new innovative technologies and techniques by producers. The expansion of agricultural activity is another threat, since soybean production is expanding towards areas that were used for forestry.

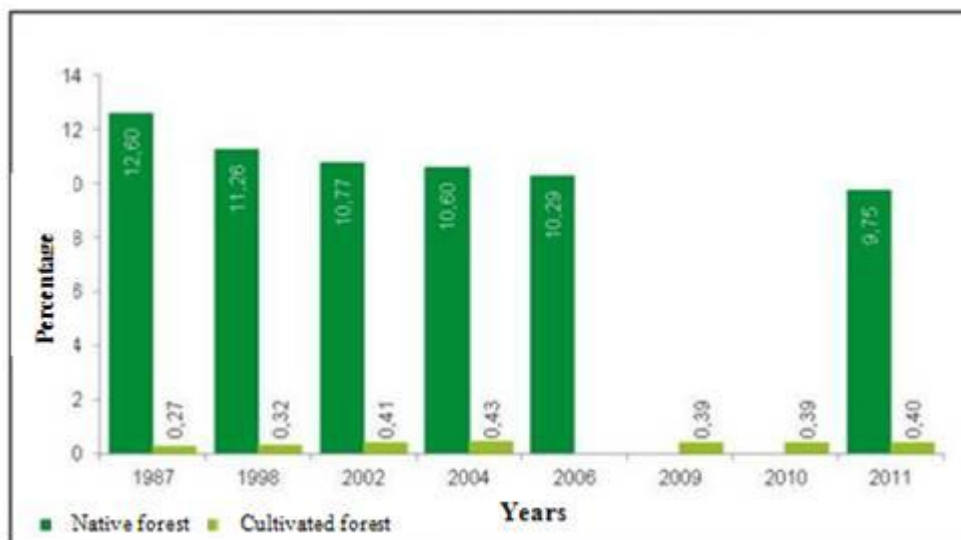
Furthermore, Given Argentina's current policies, the official exchange rate does not benefit producers for a competitive trade: Argentina's currency is known as the peso, which since 2011 trades against the US Dollar and other currencies at a rate that is monitored and controlled closely by the Argentine government, so as to keep as much of the country's dollar reserves as possible. Since the amount of dollars anyone can obtain is limited by the government, an informal and parallel market exists where people may exchange pesos for dollars. People are willing to pay more for each dollar in the informal market than is required in the formal market. This informal exchange rate is known as the blue rate, or the "dólar blue". The blue rate represents a more reasonable value of the Argentine peso compared to other currencies than the official rate quoted by the government. The blue dollar rate is only valid in Argentina, creating a mismatch between costs generated at blue dollar rate, and earnings at official dollar rate. Costs of production are higher, and therefore producers are forced to increase their prices in the market, reducing competitiveness among producers of other countries.

Deforestation

According to the Secretariat of Environment and Sustainable Development, over the past two years Argentina's northern area has lost more than one million hectares of native forest, in spite of the numerous valid laws that protect them. Since the implementation of law number 26.331 (described below under "*Policy- Forestry Laws*"), deforestation rate has been reduced only fifty percent. This means there is still a high percentage of illegal logging taking place in the country, damaging the native forest and reducing its surface.

The most affected provinces are Chaco, Misiones, and Tucuman.

REMAINING FOREST SURFACE OVER THE YEARS (PERCENTAGE OF ARGENTINA'S SURFACE - %):



Source: Ministry of Agriculture. (No data available for Native forests in 2009-2010)

Policy – Forestry Laws

Currently, Argentina does not have an explicit forestry policy expressed in a national forestry plan. The Secretariat for the Environment and Sustainable Development is the institution responsible for directing activities at the national level through practical measures such as laws and decrees. It has national responsibility for the conservation, rehabilitation and protection of native forest. The Secretariat for Agriculture, through the Forestry Division, is responsible for cultivated forests, while the Secretariat for Tourism and Sport is responsible for National Parks Administration.

Each province can develop its own rules or follow the national laws, since there is no national planning body, and coordination between the sectors is usually carried out through the Ministry of Finance or the National Cabinet Office.

Several laws apply in Argentina to enhance and preserve sustainability of the forestry production. One of the most recent laws approved is Law number 26.331, denominated in Spanish “Ley de Bosques” (Forests’ law), which provides a vast description on how to prevent land deforestation, as well as subsidies and grants to producers in order to keep sustainability.

Law number 26.331

This law establishes the minimum standards for environmental protection, restoration, conservation, development and sustainable management of native forests, as well as regime criteria for promotion and distribution of funds for environmental services provided by the native forests.

The main goals are to promote conservation, regulate expansion of the agricultural frontier, and encourage restoration and management improvement activities.

According to the National Secretary of Climate and Sustainable Development, deforested land between 1998 and 2006 increased by 2,295,567 hectares, which means 250,000 hectares per year. Given this situation, a project was presented to the Senate in 2006 with the support of Greenpeace and other organizations. Nearly 1.5 million signatures were gathered from all over the country in support of this project, and finally in November 2007 the law was approved. It was implemented in 2009, after a natural disaster that occurred in Tartagal, Salta Province, mainly caused due to high deforestation of this area, which was the trigger needed to boost this law. On February 9, 2009, before the law was finally implemented, there was an extraordinary overflow of Tartagal River, which flows through the city of the same name. The natural phenomenon dragged a large, unusual amount of sediment and amount of tree trunks and branches. The collapse of a railway bridge caused a blockage of the riverbed and a large flooding of the town resulting in great damage to the population, three casualties and hundreds of evacuated people. The serious environmental disaster was a combination of a strong saturation of soils by preceding rains and a final high-intensity rainfall that turned numerous landslides into riverbeds, dragging large amount of solid material and trunks transported in downstream direction by the flood.

The approval of Law 26.331 it's a non-precedent environmental progress, and an example of public awareness of the relevance of preserving native forests in Argentina.

The most significant statements of Law 26.331 are:

- Moratorium on deforestation until every province has a territorial mandatory Native Forests policy.
- Mandatory environmental studies and public audience before authorizing deforestation.
- Respect indigenous and peasant rights.
- Open-sky burning of residues in forests is banned.

Moreover, this law offers subsidies for protection of native forests, as well as activities carried out in order to maintain their sustainability.

Law Number 25.080

This law was implemented in January 1999 and is intended to increase land development by the Argentine forestry industry to 3 million hectares of cultivated forest in 10 years. It has been extended for another 10 years in 2009. It establishes an inventory process for planted forests and it has provided for the establishment of agreements with international organizations that focus on development and technology transfer for this industry. This law also provides tax benefits and economic support for Argentine and foreign investors.

- Tax benefits (25.080):
 - Tax stability for 30 to 50 years for companies with forestry investment projects
 - Accelerated amortization of income taxes
 - Accelerated return of value-added tax (21 percent)

- Tax breaks on assets, real estate, sales, and gross income from state and municipal governments
- Accelerated depreciation of capital goods
- Economic Support (25.080):
 - The Argentine government will finance up to 80 percent of total cost of cultivation projects of 500 hectares or less. Projects of more than 500 hectares will not be assisted with this benefit.
 - Support for projects focused in plantation of traditional species and enrichment of native forests

Argentina does not have restrictions limiting the cultivation of forests in private properties. Only native forests are regulated by the government contingent upon the approval of the cultivation project by local government.

Law Number 26.737

This law aims to determine ownership and land possession, regulating and controlling foreign land ownership.

Main goals and statements of Law number 26.737:

- Limits land availability to be sold to foreign investors by 15 percent.
- Sets a maximum area of 1,000 hectares in Pampa Region, or the equivalent in other areas of the country, as available to be sold to foreigners.

A National Rural Land Record, ruled by both the Ministry of Justice and Agriculture, was created to monitor this law's implementation.

Law Number 13.273

This law aims to preserve forests, prohibit deforestation, and the irrational use of forestry products. It also specifies that any investment project carried out in natural forests needs to be approved by the Argentine government.

Law Number 24.857

This law oversees activities such as implementation of projects, restoration, maintenance, protection, and sustainable management of native forests. It also establishes rules for the commercialization of forestry products and non-forestry products from native forests.

Law Number 26.815

This law establishes minimum budgets for environmental protection regarding forestry and rural fires within the national territory.

Solid Wood Products Situation & Outlook

According to the Argentine Forestry Association (AFOA), the current planting rate is estimated to be about 65,000 hectares per year.

Sawmills and related industries, including furniture manufacturers, are generally small-scale. Other forest products are fuel wood, posts, railway sleepers and charcoal. Tannin is also an important industry. Production data:

- Wood products prices (AR\$) – Updated May 2011

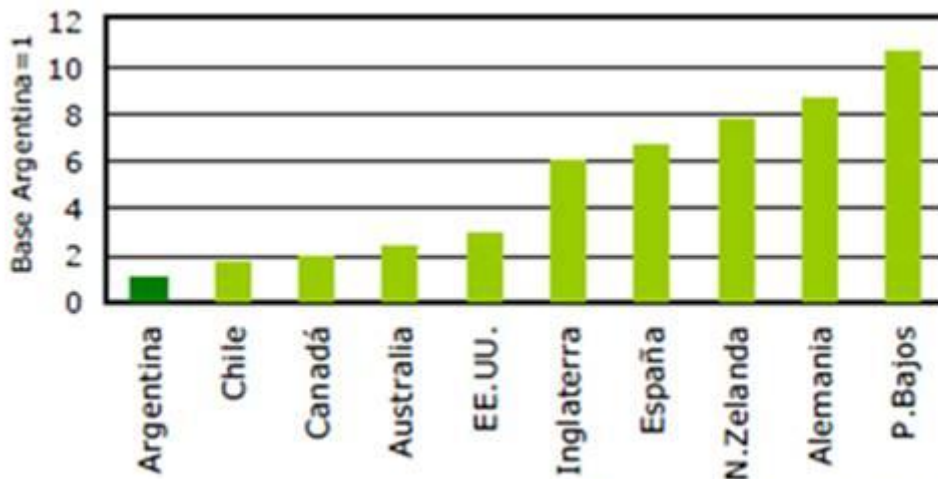
Exchange rate: 1 US\$ = AR\$ 5.25

http://64.76.123.202/new/0-0/forestacion/_archivos/_econo/precios%20mayo%202011.pdf

- Forestry industry – Production by commodities 2010

http://64.76.123.202/new/0-0/forestacion/_archivos/industrias2010.pdf

CULTIVATED LAND – PRICES:



Source: Agra Europe (London) LTD.

Land prices for agricultural use in Argentina are lower than in other countries. A high percentage of land corresponds to unexploited rich soil, providing lower input costs and avoiding excessive use of chemical products.

<i>PROVINCE/REGION</i>	<i>AVERAGE PRICE (US\$ PER HECTARE) - 2011</i>
Buenos Aires	6,500
Corrientes	2,250
Delta Entrerriano & bonaerense	1,600
Entre Ríos	3,500
Mendoza	5,500
Misiones	2,000

Source: SAGyP

REGION	PLANTED (Thousand ha.)	POTENTIAL (Thousand ha.)	DIFFERENCE
Pampeana	137	6.000	2%
Mesopotamia	500	3.500	14%
Patagonia	55	3.400	2%
NOA	31	2.200	1%
Cuyo y Alto Valle	37	2.000	2%
Centro	42	600	7%
Delta	66	577	11%
Otras	132	1.723	8%
TOTAL	1.000	20.000	5%

Source: SAGyP

Wood factories and sawmills are located close to forestry production areas, such as Mesopotamia Region and Buenos Aires Province. This gives a big advantage when it comes to lower costs on transportation. On the other side, value added products such as furniture are installed closer to final consumer areas, like Buenos Aires, Santa Fe, and Cordoba Provinces.

Benefits of Investing in Forestry production in Argentina:

- High growing rates and less time between cuttings - as the growing speed is higher than in other competitor countries, the cutting shifts are smaller.
- Investments supported by Law 25.080, which also provides fiscal stability for investments made in the sector for 30 years.
- Land availability suitable for production at low cost in comparison to other countries.
- Wide diversity on weather, soil, and species. Rich lands available for production.
- Development on genetics research, as well as certified forestry seed registration.
- Low production costs and lower input prices.
- Development of paper and wood industries, providing opportunities to export added value products.
- Certified hectares by Forest Stewardship Council, ensuring solid forestry management.

TRADE

Globally, forestry production is worth US\$ 140 billion, surpassing both oilseeds and grains, or beef and dairy production. According to FAO, forestry production accounts for 3 percent of the world's gross product.

The main global exporters are the United States, Canada, Indonesia, Russia, and main importers are Mexico, the United States, Colombia, Peru, Japan, Canada, Germany, and Russia.

World trade statistics – FORESTRY PRODUCTS (Thousands of dollars):

Reporting Country	United States Dollars			% Change 2012/2011
	2010	2011	2012	
Reporting Total	214,035	244,033		
1- China	22,265	28,768	29,505	2.56
2- United States	19,577	20,331	22,474	10.54
3- Germany	16,127	18,510	16,682	-9.87
4- Canada	12,203	12,953	14,080	8.7
5- Japan	10,672	12,779	12,309	-3.68
6- Austria	7,848	9,021	8,162	-9.53
7- Russia	7,417	8,854	7,994	-9.71
8- France	7,936	8,534	7,675	-10.07

Source: Global Trade Atlas

BALANCE IMPORT/EXPORT – WOOD PRODUCTS, ARGENTINA (THOUSAND OF

DOLLARS):

Year	Exports	Imports	Balance
1990	310.000	140.800	169.200
1991	181.100	334.400	-153.300
1992	162.500	544.400	-381.900
1993	240.002	774.813	-534.811
1994	324.568	943.789	-619.221
1995	589.413	1.118.532	-529.119
1996	584.440	1.183.389	-598.949
1997	615.949	1.441.262	-825.313
1998	595.357	1.620.495	-1.025.138
1999	523.293	1.438.621	-915.328
2000	609.377	1.428.520	-819.143
2001	518.896	1.183.364	-664.468
2002	546.510	457.943	88.567
2003	664.655	660.363	4.292
2004	848.277	910.455	-62.178
2005	863.581	1.092.959	-229.378
2006	1.007.302	1.221.395	-214.093
2007	1.046.848	1.475.840	-428.992
2008	1.066.144	1.703.238	-637.094
2009	923.905	1.278.348	-354.443

Source: SAGyP, INDEC.

Foreign investments in Argentina:

Foreign investments account for 800,000 forestry hectares, and grow by 120,000 hectares every year. Argentina is one of the main destinations for Chilean investments who wish to expand their production. 46 percent of foreign investments correspond to this bordering country.

Exports

Forestry products export in Argentina is valued in more than US\$ 200 million dollars, according to Global Trade Atlas.

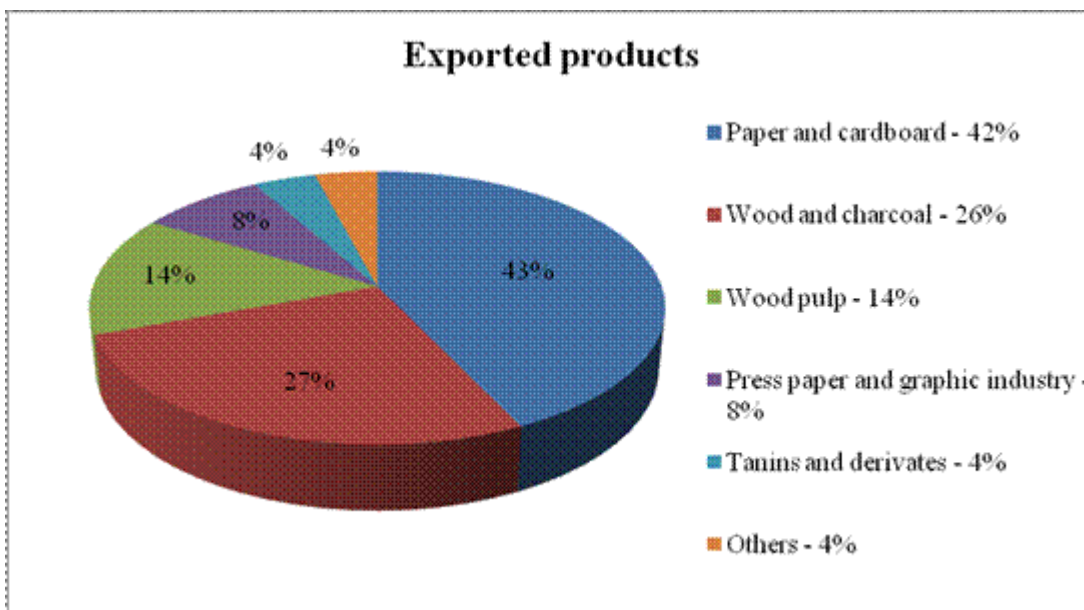
Paper and cardboard, as well as wood and charcoal, are the most exported products. Main destinations are Brazil and United States, followed by China, Uruguay, and Chile.

ARGENTINA'S FORESTRY PRODUCTS EXPORT – MILLION DOLLARS:

Partner Country	United States Dollars (millions)			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	294	270	201	100.00	100.00	100.00	- 25.40
1- Brazil	51	59	31	17.61	21.85	15.75	- 46.25
2- United States	48	40	28	16.60	14.95	14.03	- 30.01
3- China	18	18	18	6.42	6.93	9.09	- 2.10
4- Uruguay	13	18	17	4.55	6.68	8.89	- 0.75
5- Chile	20	23	12	6.86	8.51	6.39	- 44.02
6- Canada	13	9	11	4.52	3.59	5.66	17.56
7- Italy	9	12	10	3.23	4.53	5.18	- 14.60

Source: Global Trade Atlas

The United States is second only to Brazil, by 1.7 percent share difference in 2012. Both countries lead Argentina's forestry products exports.



Source: INDEC, 2009.

Imports

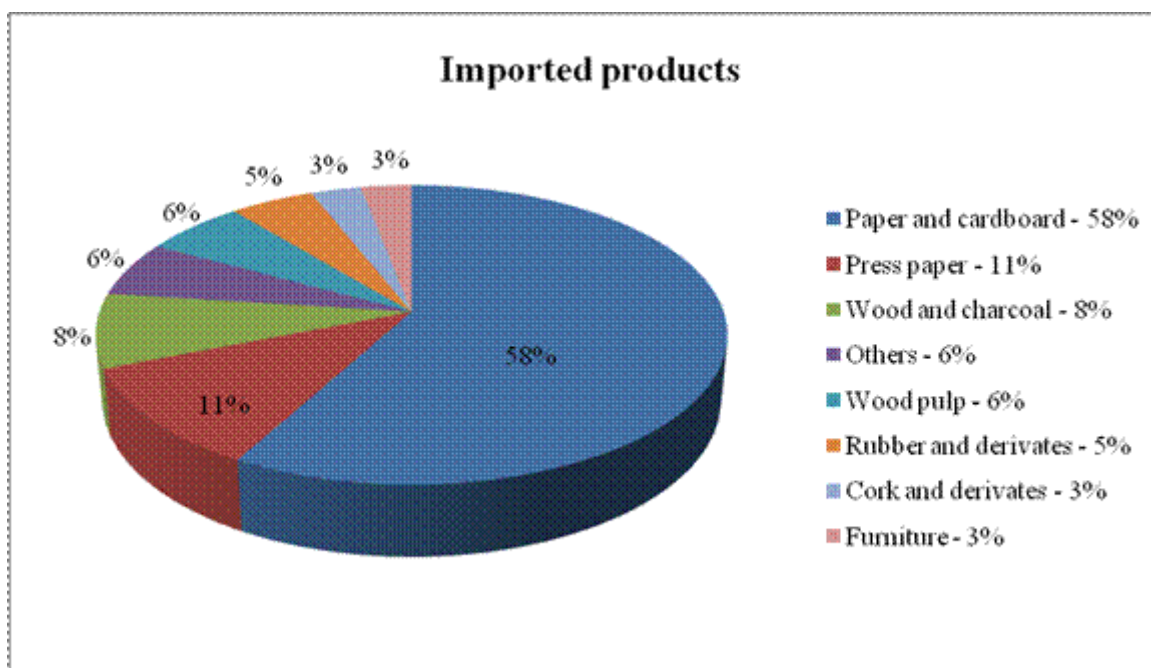
Argentina imported more than US\$ 186 millions of wood and wood products, presenting a decrease of 7.86 percent from the previous year, according to USDA/FAS Global Trade Atlas.

The most imported goods in 2012 are paper and cardboard (58 percent), followed by lightweight coated paper for magazines (11 percent). Brazil is the leading importer, followed by China, France, Chile, Spain, and United States.

FORESTRY PRODUCTS IMPORTS – MILLION DOLLARS:

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	165	202	186	100.00	100.00	100.00	- 7.86
1- Brazil	42	53	55	25.46	26.34	29.62	3.59
2- China	29	43	37	18.08	21.59	20.28	- 13.43
3- France	16	14	14	9.69	7.27	7.65	- 3.05
4- Chile	31	20	14	18.87	10.27	7.55	- 32.26
5- Spain	2	8	10	1.48	4.17	5.40	19.30
6- United States	5	9	9	3.47	4.60	5.29	6.04
7- Paraguay	8	10	8	5.38	5.25	4.74	- 16.78
8- Germany	5	8	6	3.59	4.38	3.38	- 28.89
9- Bolivia	6	7	5	3.67	3.62	2.80	- 28.76
10- Uruguay	6	7	4	3.85	3.74	2.40	- 40.71

Source: Global Trade Atlas



Source: INDEC, 2009

ARGENTINA & UNITED STATES - IMPORTS:

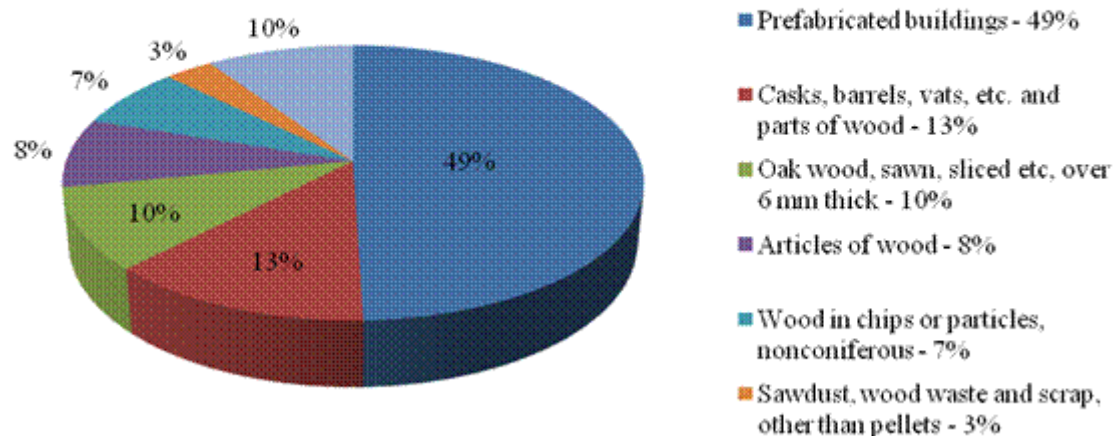
When it comes to imported products from the United States, prefabricated buildings are largest imported to Argentina, followed by casks, barrels, and vats. United States is ranked 6th of Argentina's importing countries, increasing its share since 2011, in spite of importing restrictions.

Imported products from United States to Argentina:

Commodity	Description	United States Dollars			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
Forest Products exc Pulp/Paper		5,729,263	9,308,739	9,870,533	100	100	100	6.04
940600	Prefabricated buildings	1,739,849	4,063,891	4,888,158	30.37	43.66	49.52	20.28
441600	Casks, barrels, vats, etc. and parts, of wood	1,109,047	1,520,268	1,266,412	19.36	16.33	12.83	-16.7
440791	Oak wood, sawn, sliced etc, over 6 mm thick	698,132	812,624	948,495	12.19	8.73	9.61	16.72
442190	Articles of wood, nesoi	977,456	860,514	801,771	17.06	9.24	8.12	-6.83
440122	Wood in chips or particles, nonconiferous	412,743	449,820	712,975	7.2	4.83	7.22	58.5
440139	Sawdust, wood waste and scrap, other than pellets	0	0	310,290	0	0	3.14	n/a
440929	Noncon wd exc bamboo cont shpd along edges ends etc	32,765	130,845	184,484	0.57	1.41	1.87	40.99
440890	Veneer sheet etc, not ov 6mm, nonconiferous nesoi	80,335	159,797	183,527	1.4	1.72	1.86	14.85
441012	Oriented strand board (osb), of wood	73,451	286,001	145,781	1.28	3.07	1.48	-49.03
441400	Wooden frames paintings, photographs, mirrors, etc	4,192	660	100,132	0.07	0.01	1.01	∞
440710	Coniferous wood sawn, sliced etc, over 6 mm thick	0	134,239	87,471	0	1.44	0.89	-34.84
441299	Plywood, veneer panels & similar lam wood, nesoi	22,067	19,378	64,173	0.39	0.21	0.65	231.16

Source: Global Trade Atlas

Most imported products from United States (In value - US\$)



Source: Global Trade Atlas

ARGENTINA'S IMPORTS BY COMMODITIES (Millions of dollars):

Wood sawn or chipped lengthwise, sliced or peeled, more than 6 mm (.236 in.) thick:

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	15	18	19	100.00	100.00	100.00	2.23
1- Brazil	5	4	5	33.14	26.56	27.81	7.03
2- Bolivia	4	5.6	5	29.43	30.37	25.93	- 12.72
3- Paraguay	2	2.9	3	17.53	15.65	15.92	4.03
4- Gabon	0.35	0.57	1.6	2.21	3.05	8.49	184.18
5- Chile	1	1.6	1	7.93	8.48	5.85	- 29.46
6- United States	0.72	1	1	4.50	5.89	5.63	- 2.27
7- Peru	0	0.1	0.4	0.00	0.56	1.96	259.98

Source: Global Trade Atlas

Packing cases, crates, drums and similar packing of wood; cable-drums of wood; pallets and other load boards of wood; pallet collars of wood:

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	4.7	7	5	100.00	100.00	100.00	- 25.98
1- Chile	3	4	3	62.12	65.04	56.19	- 36.05
2- Brazil	1.3	2	1.6	28.08	28.71	31.80	- 18.01

Source: Global Trade Atlas

Veneer sheets and sheets for plywood and other wood sawn lengthwise, sliced or peeled, not more than 6 mm (.236 in.) thick:

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	8.6	10	9	100.00	100.00	100.00	- 8.47
1- Brazil	6.6	7.6	7.8	76.15	75.03	84.00	2.47
2- China	1.3	1	0.7	14.89	12.11	8.30	- 37.28
3- Spain	0.2	0.4	0.3	2.56	4.42	3.02	- 37.49
4- United States	0.08	0.2	0.2	0.93	1.58	1.98	14.85

Source: Global Trade Atlas

CONSTRUCTION SECTOR

Wood is not commonly used in construction as it is in the United States. The most commonly used materials are bricks, concrete, or stones. However, there are some private companies which are importing products involved in construction, especially wood flooring, like oak wood, sawn or chipped.

Nevertheless, despite current trade barriers, wood companies in Argentina were able to import products from the United States. In 2011, as well as in the second half of 2012, seven containers of white oak and maple wood valued at US\$ 200,000 dollars were imported. In addition, for 2013, 3 containers of the same type of wood have already been purchased for a value of \$80,000. (Source: FAS - USDA)

Imported construction products from the United States to Argentina

Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes (millions of dollars):

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	6	10	6	100.00	100.00	100.00	- 44.22
1- Brazil	2	3	2	32.37	30.35	33.10	- 39.16
2- China	0.8	1.3	1	13.70	12.74	17.94	- 21.46
3- Paraguay	1.4	1.7	0.8	24.75	16.68	14.91	- 50.15
4- Germany	0.6	2	0.6	9.90	22.94	11.26	- 72.62
14- United States	0.05	0.06	0.013	0.80	0.58	0.22	- 78.35

Source: Global Trade Atlas

FURNITURE & INTERIORS SECTOR

In Argentina, furniture production is a small scale industry. The main products demanded are seats, dormitory furniture, and office furniture. Preferred species are pine, eucalyptus, and native guatambu, and the current trend is to use wengue color. The sector is very informal when it comes to manufacturing processes and data availability.

International Argentine Furniture Show (FIMAR - Feria Internacional del Mueble Argentino, in Spanish) is a trade show organized by the furniture sector, which provides an opportunity to show Argentina's production, setting an environment of potential business among companies. It's organized by the Wood Chamber of Argentina, once a year. This time FIMAR took place in Cordoba Province, during April 2013.

Commercial impediments are current import barriers, which discourage the access of new technologies, products and introduction of new species to the country. Due to adverse exchange rate in Argentina, imported wood has become expensive for local manufacturers. Native woods, such as carob tree or lenga, as well as cultivated species like pines and eucalyptus, are the current alternatives for imported wood.

Imported furniture & interiors products from the United States to Argentina

Wood marquetry and inlaid wood; cases etc. for jewelry or cutlery and similar articles, statuettes and other ornaments of wood; wood furniture (millions of dollars):

Partner Country	United States Dollars			% Share			% Change
	2010	2011	2012	2010	2011	2012	2012/2011
World	3	4	3	100.00	100.00	100.00	- 25.91
1- China	1.7	2	2	53.86	61.31	63.19	- 23.64
2- Indonesia	0.5	0.6	0.5	16.70	15.01	16.48	- 18.63
3- Vietnam	0.2	0.2	0.2	7.40	6.24	8.06	- 4.35
4- India	0.2	0.2	0.1	5.35	6.03	3.32	- 59.20
5- Brazil	0.2	0.1	0.09	5.92	2.87	2.96	- 23.47
9- United States	0.02	0.02	0.01	0.73	0.51	0.42	- 39.51

Source: Global Trade Atlas

OTHER WOOD INDUSTRIAL/NICHE MARKETS

Products such as American oak wood for the Argentine wine industry are being demanded, and there are a number of Argentine companies importing U.S. wood products. Some of the most active companies are wineries such as Peñaflores S.A. and Diageo Argentina, which have imported around US\$ 804,000 and US\$ 981,000 respectively of American oak barrels and staves since 2002. Lastly, a company established in Mendoza Province called Quimicuy S.A., has increasingly imported oak sawdust and wood waste for the wine industry. Since 2002, they have imported close to US\$ 900,000. (Source: FAS/USDA Forestry Report-2008)

Moreover, forestry machinery and new technologies are being highly demanded, since there is not enough capacity to process the current production with the machinery available in the country. This is a very good opportunity for US investors and companies.

FOR MORE INFORMATION - RELEVANT LINKS

- Ministry of Agriculture – Forestry Production Service
(Ministerio de Agricultura, Ganadería, y Pesca – Dirección de Producción Forestal)
<http://64.76.123.202/new/0-0/forestacion/index.php>

- National Institute of Agricultural Techniques
(INTA – Instituto Nacional de Tecnologías Agropecuarias)
<http://inta.gob.ar/forestales>

- Secretariat of Environment and Sustainable Development
(Secretaría de ambiente y Desarrollo Sustentable)
<http://www.ambiente.gob.ar/>

- Argentina Forestry Association
(AFOA - Asociación Forestal Argentina)
<http://www.foa.org.ar/index.php>

- Forestry Guide
(Guía Forestal Argentina)
http://www.guiaforestal.net.ar/index.php?option=com_content&view=article&id=1&Itemid=3

- Corrientes province – Forestry Direction
(Dirección Forestales – Provincia de Corrientes)
<http://www.corrientes.gov.ar/portal/node/2256>

- Wood Chamber
(Cámara de la Madera)
http://www.cadamba.org.ar/portal/index.php?option=com_frontpage&Itemid=1

- Argentine Federation of Wood Industry & Derivates
(Federación Argentina Industria de la Madera y Afines)
<http://www.faima.org.ar/>

- Wood Entrepreneurs Chamber
(Cámara de Empresarios Madereros y Afines)
<http://www.cema.com.ar/>

