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Spain

Solid Wood Products

Annual

2003

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Report Highlights:
The property boom continues with an expected new dwelling starts record of 700,000 units this year. While renovation activity continues firm, the furniture industry is stagnant, and builders' joinery and carpentry products continues strong but trade has notably deteriorated with increased imports and decreased exports. Cooperage activity has dramatically declined because wineries have reduced barrel purchases. Forest products imports remained stagnant last year at $1.51 billion. U.S. forest product imports have continued to decline through 2003, but the appreciation of the euro should fuel a rebound in 2004.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1]
[SP]

Executive Summary

Low interest rates, lower unemployment, immigrants and foreign investors are helping fuel a housing boom. New dwelling starts are expected to attain a record 700,000 units in 2003. While renovation activity continues firm, the furniture industry is stagnant. Certain builders' joinery and carpentry industries such as doors and flooring continue strong but trade has notably deteriorated with increased imports and decreased exports. Cooperage activity has dramatically declined due to weak barrel demand induced by depressed wine prices.

White oak continues to be the species of choice for flooring, doors, kitchen cabinets and molding. Cherry and oak are the main species utilized for furniture, although walnut, red alder, tulipwood and wengue are also utilized. Redwood pine and iroko are the main species used for windows. U.S. southern pine lumber faces strong competition from other pine species and tropical iroko wood.

Spain's forest products imports from all sources in 2002 remained practically stagnant at $1.51 billion. The U.S. continues to be the leading wood supplying country, value basis, although U.S. imports last year ($224 million) were 8 percent off from 2001 and 20 percent off from the record $282 million reached in 2000.

During 2003, the January-August period shows significant increases in imports into Spain of oak lumber (except U.S. oak), softwood lumber (except U.S. which remains flat), and other temperate hardwoods from the comparable period a year earlier. Total veneer imports declined slightly and tropical hardwood lumber declined 10 percent. Imports of U.S. veneer logs are increasing but imports of U.S veneer remains stagnant. Reduced U.S. tree cuts due to weather problems have contributed to the decline in U.S. timber imports this year.
For 2004, a rebound is expected, especially if the current strength of the euro against the dollar continues. Importers will eventually have to replenish their current low inventory levels of temperate hardwoods. Moreover, Eastern Europe's capacity for further increasing hardwood exports is seen as limited. These factors, coupled with political problems in major tropical supplying countries, should help to boost shipments of U.S. forest products into Spain in 2004.

Exchange rates: during the following time periods, 1 euro would buy:

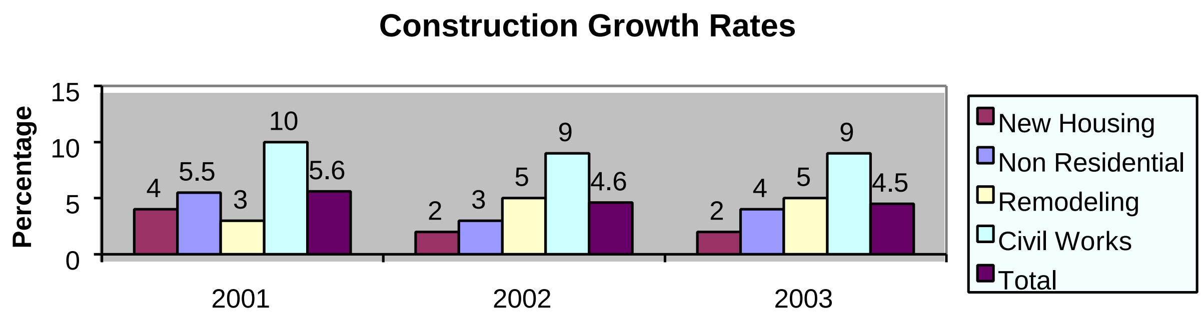
2001: US$0.89
2002: US$0.95
average expected for 2003: US$1.08
current rate: US$1.24

MARKET SEGMENT ANALYSIS

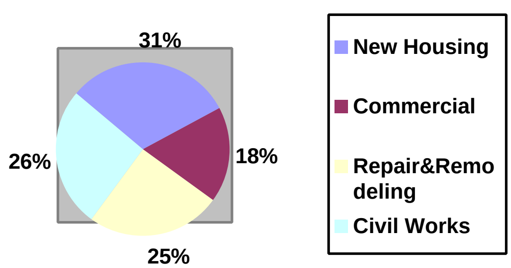
Construction Sector

Overview

The Spanish construction industry is the fifth largest in Europe, with sales of $116 billion in 2001, about $4 million more than in 2000. The Spanish construction industry is going through a growth cycle that began in 1997, peaked in 1999 and is currently slowing down.

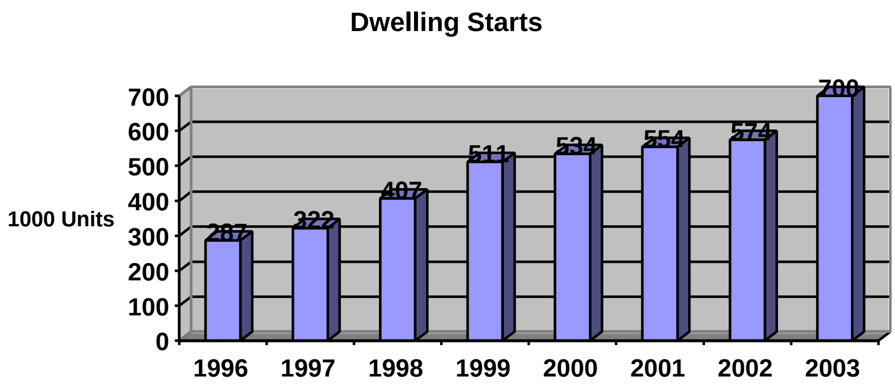


A breakout by sector in 2002 is shown below. Compared to 2001, the shares of new housing and repair & remodeling lost 6 and 4 percentage points, respectively, to the other two sectors.



Despite uncertainty about the sector's performance, dwelling starts are expected to attain a record in 2003. In fact, Spain will account for 40 percent of all dwelling starts in Europe this year.

Historically low interest rates and falling unemployment have increased consumer purchasing power. Strong demand by immigrants as well as by Spanish and foreign investors in coastal and tourist areas are also factors behind the boom. But housing prices have rocketed -- some 60 percent in the last four years. Although some experts have warned about a bubble, the Government and other entities have denied such a possibility. Moreover, industry experts predict that potential property demand will average a half million units annually through 2008.



In housing, wood products are mainly used for doors, windows and flooring. Timber frame construction is still underdeveloped and utilization of structural wood products is limited.

Doors

Wooden door production is estimated at over 11 million units in 2002, accounting for 80 percent of door output. The great majority of doors produced in Spain are state-of-the-art products, which are very competitive in domestic as well as export markets. Interior flush doors are generally of two types: those made with a veneer- faced, 35- millimeter particleboard core; and those made with a lacquered MDF core with solid wood stiles and rails. The higher-priced door line – for individual homes, hotels, offices and public buildings – utilizes wood; white oak and tropical sapelli are the main species used, although the latter has recently been losing market share to oak. Some U.S. southern pine is also used. The lower-priced door line – for institutional and low-income housing – uses alternative non-wood products.

For exterior doors, solid wood door production is currently growing, in response to larger single-family home construction; white oak is the predominant species utilized. Other types of doors with growing demand include armored doors, fire proof-doors and acoustic doors.

Windows

Wooden window production is about 9 million units annually, accounting for 20 percent of the window market. Although most windows are mostly made of aluminum and PVC, there is a trend toward production of mixed aluminum-wood windows as well as quality windows. In addition, consumers' desire for "natural" products, as well as improved varnishing techniques, have led to a slight recovery in the demand for wooden windows. Tropical iroko wood and redwood pine lumber (I-IV Baltic grades) are mostly used in wooden windows. Some clear grades of Southern yellow pine and Douglas fir are also used.

Flooring

Wood flooring domestic production is growing dramatically due to enlarged manufacturing capacity. Production last year amounted to 7 million square meters, a 32 percent increase from 2001. Both solid wood and multi-layer flooring production increased notably last year.

Domestic consumption of wood flooring is increasing sharply – up 10.6 percent last year -- due to larger housing construction and to its use as a replacement for old non-wood flooring.

Solid flooring is principally utilized in Northern Spain in single-family homes in particular. About 30 percent of hardwood consumption, including temperate and tropical species, are utilized in strip flooring. White oak is the species of choice, followed by sapelli.

Floating/multi-layer flooring, which is mainly used in home renovations, is made of two layers, one of hardwood and the other of plywood. A new 3-layer product (with a spruce layer inserted) has recently been introduced into the market.

Lamparquet production remained stagnant last year as it continues to face competition from lower-priced imports from East and Southeast Asia. Mosaic flooring, basically an imported item, is used only for repair of old mosaic flooring.

Both imports and exports of wood flooring declined significantly last year. Increased domestic production capacity and weak export demand explain the decline in trade.

Flooring Market, 2002
(Million square meters)

	Production	Imports	Exports	Consumption
Solid	1,800	830	614	2,016
Lamparquet	1,500	3,458	786	4,172
Multilayer	3,600	2,515	175	5,940
Mosaic	100	1,443	104	1,439
Total	7,000	8,246	1,679	13,567

Timber frame housing

Timber frame housing is still limited in Spain (see strategic tables). However, there is a growing public interest in this type of home construction. Larger construction of single-family homes creates more opportunities for wooden homebuilders.

Timber frame builders have been able to remove a legal obstacle that made insurance a burden. This may give a modest boost to this type of construction in Spain, but consumers still have a strong preference for traditional concrete and brick residential buildings and for brick or ceramic systems used for sheathing, wall paneling, partitions and roofing. For concrete forms, metallic systems as well as sawn wood and plywood are all used in Spain.

Marketing

Timber frame builders are generally using European structural sawn wood and panels which are cheaper than competing U.S. products.

Few opportunities exist in for U.S. timber in frame construction: the market is small and is dominated by Nordic or German woods. In addition, many of the existing builders are distributors of foreign-made home kits, primarily from France, the Netherlands, Finland, Canada and the United States.

U.S. construction materials such as softwood plywood and oriented strand board (OSB) face strong competition in applications such as roofing, sheathing and siding face. European production is growing and is favored by use of the metric system.

Domestic production of wooden doors, windows and flooring is providing excellent market opportunities for U.S. hardwood and softwood lumber and veneers.

The next Barcelona International Construction Fair is scheduled for April 18-23, 2005. This fair includes sections for structures, partitions and roofs, prefabrication and industrialized construction, and wood carpentry. Further information can be obtained from the Fair's website at: www.construmat.com.

The main commercial impediment for U.S. wood materials is their price differential with woods sourced in other countries. Nordic softwoods are providing increased competition for U.S. softwoods. For example, utilization of Nordic whitewood (spruce) is notably growing for painted wood, door frames and windows. Although U.S. southern pine is clearer -- a quality generally preferred by Spanish consumers – it tends to check in outdoor applications such as doors (especially in the dry interior regions of Spain) when not given appropriate treatment. Checks also develop after planning if kiln-drying is done too quickly. Moreover, southern pine is generally varnished to let this wood shows its superior beauty. Once traditional varnishes disappear, however, moisture may get into the wood causing blue stains. (The solution could be the utilization of improved varnishing and pressure treatment). These problems are factors explaining southern pine's recent loss of market share to other species.

Regarding concrete forms, U.S. companies must tailor sizes of timbers and finishing panels – which many other suppliers do – in order to compete. Consumers' lack of awareness on the utilization of treated softwoods for outdoor decking is also a major impediment to their use as alternatives to tropical hardwoods.

Furniture & Interior Sector

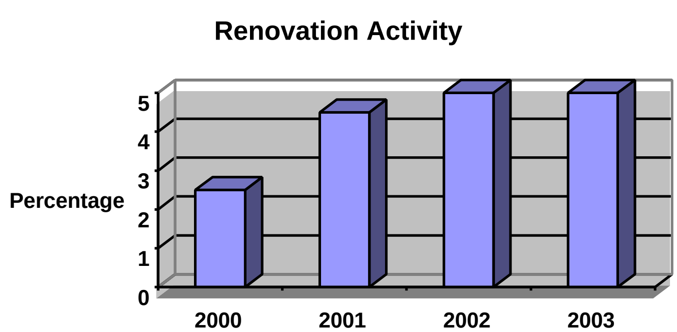
Overview

Spain is the fourth largest European furniture manufacturing country, following Italy, Germany and the U.K. About 20 percent of Spanish furniture production is exported, primarily to other EU markets (France, Portugal and Germany in particular) and the United States. Design and a fairly good price/quality ratio are behind the industry's competitiveness. However, the industry expects growing competition from China (currently the 4th furniture supplier to Spain) and Eastern Europe.

During 2002, domestic furniture sales did not decline to the extent expected but export sales declined nearly 6.7 percent and furniture imports increased. During 2003, the furniture industry continued to be depressed.

Modern furniture is the preferred style by Spanish consumers accounting for 49 percent of sales, followed by the classic line (23 percent), rustic furniture (11 percent) and designer furniture (9 percent).

Renovation activity is still firm. More than 3.5 million dwellings are in need of some kind of significant repair.



Marketing

The Spanish interior design/furniture sector has been the traditional end user of U.S. forest products. U.S. softwood and hardwood lumber, veneer logs and veneers are used for the manufacture of joinery, molding, flooring, doors, windows and furniture. The market has been traditionally concentrated on two single U.S. lumber species, oak and southern yellow pine. Oak lumber, FAS and Better, is utilized for furniture, kitchen doors and moldings. White oak is the main species used for kitchen cabinets and exterior doors. No. 2 Common oak lumber is widely used for flooring.

Southern yellow pinewood (SYP) is mainly utilized for molding, doors, turnings, windows, stair cases, balustrades, and picture frames. The main SYP grades used are Saps, Prime & Better; Flitches (for door stiles); Number 1 Timbers (for untreated porches); Squares; and some Merchantable (for bars). Other softwoods utilized include Douglas fir lumber, clears N. 2 and 4, Eastern White Pine, Lodgepole, Ponderosa Pine, and Hemlock (See chart on page 20). However, U.S. southern pine lumber has been replaced by other pine species and tropical iroko wood lumber.

Spain's current high production level of doors has created a strong demand for temperate hardwood solidwood pieces, molding and veneers. In addition, strong single-housing construction has boosted the utilization of solidwood doors and stair cases for which several temperate hardwood species are utilized, as well as U.S. southern yellow pine. Parquet and strip flooring are only utilized in the medium and high-quality home segment.

The Spanish market continues to offer good opportunities for U.S. veneer products. This is due to (1) current strong manufacturing of doors; (2) increases in output of MDF veneer wrapped profiles for molding and picture frames; and (3) furniture manufacturers moving away from solidwood pieces to veneers. Opportunities exist for hardwood veneer and veneer logs (such as white oak, cherry, walnut, maple, ash) and some softwood veneer (southern yellow pine and Douglas fir). Competition comes from European temperate hardwood and tropical species such as sapelli, makore, mahogany, palissandre, teak, and jatoba.

Oak and cherry are the main hardwood species used for furniture. Cherry and walnut are the species of choice in the classical line where burls and rarities are commonly used. The rustic line, which used to be made with pinewood are now also being made with hardwood solidwood and veneer. The vanguard line, the preferred style of young consumers, is made of panel faced with wengue veneer, although oak, cherry and beech veneers are also used.

Door manufactures utilize a great amount of veneers. Oak and sapelli are the veneers most used to face doors. U.S. Douglas fir and southern yellow pine veneers are also used.

Spain’s marketing channels for wood products are composed of a network of wholesalers/ importers based throughout the country, but principally in Valencia, Barcelona, Madrid, Andalucia and Galicia. Agents assist them in importing wood products from foreign countries. These outlets supply wood manufacturing industries as well as smaller warehouses, which in turn supply local joiners and other end-users. Only large wood manufacturing industries have their own import units, but they also frequently buy from wholesalers/importers.

For exporters who may have an interest in the Spanish wood products market, a list of Spanish forest products importers and agents can be obtained from the Office of the Agricultural Counselor in Madrid. For further information, please contact the Counselor for Agricultural Affairs in Madrid, PSC 61, Box 20, APO-AE 09642; Fax: 011-34-91-564-9644; E-mail: AgMadrid@fas.usda.gov. Information can also be obtained from the Spanish National Wood Importers Association at the following address: Asociacion Espanola de Importadores de Maderas (AEIM), Flora 3-2; 28013 Madrid. Fax: 011-34-91-547-3980; E-mail: aeim@aeim.org.

The next exhibition of the International Wood and Furniture Industry Suppliers in Valencia (FIMA-MADERALIA) is scheduled for November, 2005. This fair includes sections for lumber, veneer, panels, flooring, wall paneling, kitchen cabinet components, do-it-yourself and marquetry. American Hardwood Export Council (AHEC) and American Softwoods are two traditional exhibitors at this fair and several U.S. lumber companies usually also participate. Further information can be obtained at the following website:

www.feriavalencia.com./fimma-maderalia

The main commercial impediment for the utilization of U.S. woods in interiors and furniture is the price competition from alternative sources including European hardwood as well as tropical hardwoods. Consumers currently prefer "natural" (non-stained) woods. This is a major impediment for the use of soft maple that can look like cherry or the easily-stained tulipwood. Imports of U.S. tulipwood have notably increased, however, due to AHEC promotion activities.

Material Handling Industry

Overview

New pallet production is declining due to increased utilization of reusable pallets. Pinewood is the main material used for pallets in Spain. There are abundant domestic supplies at competitive prices in the Iberian Peninsula (Spain and Portugal) for the production of wooden pallets. Other sources are Poland and Brazil (Elliotis Pine).

Marketing

Post believes that there is limited potential in this market due to abundant local supplies at competitive prices.

The same market impediments in the construction sector are applicable in the material handling market, as follows: Availability of many product alternatives is the main constraint as well as lack of product distribution near the major industrial areas.

Cooperage products

Overview

Spain is the third largest wine producing country in the world after France and Italy. Until recently, this industry boomed with increased prices and export demand. Many wineries upgraded and modernized their facilities for the production of quality, aged wines. In the leading quality wine producing area, La Rioja, the oak barrel inventory doubled during the nineties to over one million units. Barrels were being replaced earlier than before. Currently, however, barrel purchases and replacements have been cut dramatically, reflecting reduced wine prices and weak consumption.

The boom of the local cooperage industry lasted until 1999, when coopers could not satisfy all wineries' needs. This led to the establishment of many new coopers, both Spanish and foreign companies, French, Portuguese and Chilean in particular. The resulting increased offer of barrels coincided with a weakened wineries' demand for barrels.

There are about 20 independent coopers (only a handful wineries have their own cooperage facility) in Spain that make barrels for local wineries and for export. Coopers generally import the wood themselves. The limited domestic oak timber production is banned for utilization in wine barrels. There are also a couple of sawmills that import oak logs for the production of staves.

Spanish coopers have traditionally used the more flavored U.S. white oak, especially from Pennsylvania and Missouri, but also from Virginia, Ohio, Kentucky and Tennessee. Some of the more tannic and expensive French oak is also used. An American oak barrel currently costs about €282, while one made of French oak costs twice as much (€565). In addition, their usage (3-4 years) is much shorter than American oak barrels, making them comparatively much more expensive. Lately, coopers are using oak from East Europe, particularly Bosnia, Slovenia, Romania and Hungary (Ukrainian oak has not been used since the Chernobyl accident). Like French oaks, these oaks must be split in orde to maintain the integrity of the wood's seal. American oak does not have this limitation and may be sawn. The price of a barrel made out of Eastern Europe oak has been increasing dramatically and is now just 10 percent under a French oak barrel.

Marketing

Good opportunities exist for U.S. mills that are willing to produce oak planks according to the specifications (of sizes, drying procedures and moisture content) that Spanish coopers require. Some coopers, however, import green (or semi-dried) oak stave planks to be air-dried locally. This is not the case of French staves that are only available dry.

A list of Spanish coopers can be obtained from the Agricultural Counselor's Office at the address specified in the preceding page.

Weak demand coupled with large stave inventories have caused cooperage activity to decline dramatically. Annual imports of American oak for barrel making are currently estimated at about 500 containers, a half of the amount reached during the boom (1998 and 1999). These 500 containers are sufficient to make 125,000 barrels. Each container carries about 20 cubic meters or 7,500 staves. Prices of wood for oak staves are currently ranging between ∈1,100 and 1,200 per cubic meters. Finished staves currently sell for about $3.80 each.

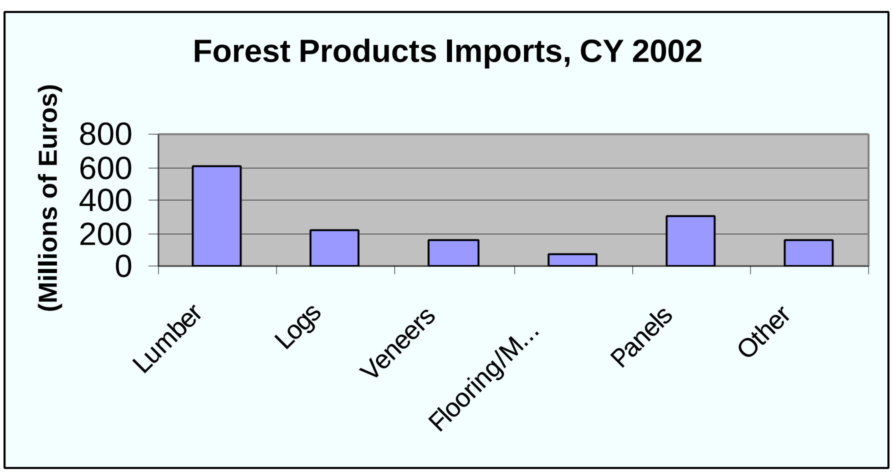
The last exhibition of the International Fair for Wine Cellar Machinery and Equipment was held in Zaragoza (Spain), in late January 2002. Exhibitors included many coopers from Spain as well as from other countries. The next round is scheduled for February 17-20, 2004. Further information can be obtained from the following website:

www.enomaq.com

Some Spanish coopers are making inroads for American oak in wineries in France, which has traditionally regarded American oak as inferior. The leading Spanish cooper says that 25 percent of his sales are now made in France.

TRADE

Spain's forest products imports from all sources in 2002 remained practically stagnant at $1.51 billion. A breakdown of imports by product type is shown in the chart below.



In 2002, the main suppliers of softwood lumber to Spain were (in million U.S. dollars) Sweden (86), Finland (46), the United States (43), France (39) and Portugal (30); for temperate hardwood lumber, the United States (105), France (23), Canada (15) and Germany (14); for hardwood veneer, the United States (49), Germany (14), Italy and Romania (6 each); for softwood plywood, France (4), Germany and Portugal (3 each), Finland (1).

During 2003, the January-August period shows significant increases in Spain's imports of oak lumber (except U.S. oak), softwood lumber (except U.S. which remains flat), and other temperate hardwoods from the comparable period a year earlier. Veneer imports declined slightly and tropical hardwood lumber declined 10 percent.

For 2004, importers are not optimistic about market conditions, but they will eventually have to replenish their current low inventory levels. Moreover, the strong appreciation of the euro against the dollar and the political problems occurring in major tropical supplying countries (such as Ivory Coast and Cameroon) will help to sustain imports of U.S. forest products into Spain.

Spain's imports of U.S. forest products in 2002 fell to $224 million, a 8 percent decline from 2001, and a 20 percent decline from the attained in 2000. The year's total included $43 million worth of softwood lumber, $107 million of hardwood lumber, $55 million worth of veneer (primarily hardwood veneer), $11 million worth of hardwood logs, $8 million of cooperage products*. In 2001, Spain was the United States' second largest market for hardwood lumber (after Canada), the third largest for hardwood veneer (after Canada and Germany) and the fourth largest market for softwood lumber (after Japan, Canada and Mexico).

*Trade statistics greatly underestimate sales of cooperage products. Statistics for hardwood lumber include oak planks for staves

As the market is concentrated on two U.S. individual species, southern pine and white oak, Spain continues to be the number one market for U.S. white oak lumber and number two for southern pine.

White oak continues to be the predominant U.S. hardwood lumber species imported into Spain, although it slipped from 83 to 77 percent of the total last year. Among minor U.S. species imported are cherry, tulipwood, western red alder and maples (see chart on page 23). However, U.S. oak logs continue to increase in the U.S. veneer log import mix.

Trade of builders' joinery and carpentry products notably deteriorated last year when imports grew 14 percent, while exports declined 9 percent. As a result, Spain had a trade deficit of €85 million in these products, compared to a trade surplus of €36 in the preceding year. This trend has continued into 2003. While parquet panels are the main imported products, doors are the main exported items (€94 million). Windows are primarily imported (€33 million), mainly from Denmark. Lamparquet imports come mainly from China, Poland, Hungary, Germany, Thailand and Croatia. Floating flooring comes mainly from Sweden, Belgium, Southeast Asia and China. Strip flooring imports are principally sourced from China, France and Eastern Europe.

Imports of home kits, which increased to €12 million last year, came mainly from France, Poland and Canada.

Spain's phytosanitary requirements and import duties are fully harmonized with the rest of the EU. Duty-free imports include unprocessed products such as logs and lumber but also many wooden products such as treated softwood poles, oak staves, wine barrels, frame molding, frames, parquet strips and panels, windows, doors, concrete forming panels, tool handles, table and kitchenware, clothes hangers, and glue-lam timber. Products such as veneer, panels, crates, pallets, windows, kitchen furniture and prefabricated houses continue to be subject to import duties (see table on page 16). In addition, Spanish importers may benefit from the EU duty-free softwood plywood quota of 650,000 cubic meters, which was bound in the GATT in 1996. Spanish imports of U.S. softwood plywood are, however, very limited.

Although forest products imports come into Spain through 25 ports, Valencia is the most important. It handles a volume of nearly 600,000 tons of wood per year, accounting for almost 30 percent of all imports entering by sea into Spain. The four ports of Galicia in the Northwest of Spain – Vigo, Ferrol, Villagarcia and Marin-Pontevedra – are also important in the trade, together handling 500,000 tons. Other important ports for entry of wood are Bilbao, Barcelona, Santander and Pasajes. In addition, Spain's two archipelagos, the Canaries and the Balearic Islands, are also important, especially if cabotage in addition to direct imports is included.

PRODUCTION

Forest Situation

Commercial forests in Spain are mainly located along the northern coast in the Cantabrian Range, and in the northwestern, central and southern mountain regions.

Because of very low average tree densities in Spanish forests (about 40 percent), the average forest yield in Spain is estimated at 1.05 cubic meters per hectare, well below the 2.5 cubic meters/hectare average for other EU countries. However, average yields can vary dramatically from region to region, depending on rainfall. The rainy northern Cantabrian range, which accounts for about one third of all Spanish timberland, yields an average of about 7 cubic meters per hectare.

The Government has recently approved a new forest plan with the ambitious goals of reforesting 3.8 million hectares, upgrading 1.4 million of the existing forests and increasing resources to fight fires. The plan, which will be funded with ∈2.2 billion during the next seven years, is designed to protect the land from erosion and the degradation of soil and water by restoring the protective cover of vegetation. Although the plan has been welcomed by the wood industry, there is skepticism that the plan's very ambitious goals can be met.

Current reforestation programs provide for about 125,000 hectares annually. However, forest fires cause significant losses of commercial timberlands in Spain, destroying an average of 80,000 hectares annually during the last decade.

TABLES AND CHARTS

Strategic Indicator Tables

STRATEGIC INDICATOR TABLES FOR (SPAIN)			
(Please do not add/delete rows or columns -- note and other info must be added below row 110			
CONSTRUCTION MARKET			
Country: Spain	**Previous**	**Current**	**Following**
Report Year: 2003	**Calendar Year**	**Calendar Year**	**Calendar Year**
Total Housing Starts (thousand units)	574	700	650
--of which, wood frame (thousand units)	4	5	6
--of which, steel, masonry, other materials (thousand units)	570	695	644
--of total starts, residential (thousand units)	571	697	642
----of residential, single family (thousand units)	187	228	211
----of residential, multi-family (thousand units)	384	469	431
--of total starts, commercial (thousand units)	3	3	3
Total Value of Commercial Construction Market ($US mil)	12,700	14,300	14,600
Total Value of Repair and Remodeling Market ($US million)	28,500	34,000	34,700
FURNITURE & INTERIORS MARKET			
Country: Spain	**Previous**	**Current**	**Following**
Report Year: 2003	**Calendar Year**	**Calendar Year**	**Calendar Year**
Total Housing Starts (number of units)	574,000	700,000	650,000
Total Number of Households)	21,500,000	22,000,000	22,400,000
Furniture Production ($US million)	8,000	8,000	8,200
Total Furniture Imports ($US million)	1200	1600	1700
Total Furniture Exports ($US million)	1,500	1,500	1,600
Interiors Market Size ($US million)	n/a	n/a	n/a
MATERIAL HANDLING MARKET			
Country: Spain	**Previous**	**Current**	**Following**
Report Year: 2003	**Calendar Year**	**Calendar Year**	**Calendar Year**
Total Value of Industrial Output ($US million)	162,400	162,000	162,300
New Pallet Production (million units)	14	14	14

FOREST AREA			
Country: Spain	**Previous**	**Current**	**Following**
Report Year: 2003	**Calendar Year**	**Calendar Year**	**Calendar Year**
Total Land Area (million hectares)	47	47	47
Total Forest Area (million hectares)	15	15	15
--of which, Commercial ('000 hectares)	7,550	7,550	7,550
----of commercial, tropical hardwood ('000 hectares)	0	0	0
----of commercial, temperate hardwood ('000 hectares)	2,050	2,050	2,050
----of commercial, softwood ('000 hectares)	5,500	5,500	5,500
Forest Type			
--of which, virgin ('000 hectares)	n/a	n/a	n/a
--of which, plantation ('000 hectares)	n/a	n/a	n/a
--of which, other commercial (regrowth) ('000 hectares)	n/a	n/a	n/a
Total Volume of Standing Timber (thousand cubic meters)	n/a	n/a	n/a
--of which, Commercial Timber ('000 cum)	321,000	322,000	322,000
Annual Timber Removal ('000 cum) 1/	15,000	15,000	15,000
Annual Timber Growth Rate ('000 cum)	16,000	16,000	16,000
Annual Allowable Cut ('000 cum)	15,100	15,100	15,100
1/ If Removals exceeds growth rate, analyze impact in text.			
WOOD PRODUCTS SUBSIDIES			
Country: Spain	**Previous**	**Current**	**Following**
Year of Report: 2003	**Calendar Year**	**Calendar Year**	**Calendar Year**
Total Solid Wood Export Subsidy Outlay ($US million)	0	0	0
Is there a ban on the export of logs, lumber, or veneer? 1/	no	no	no
Are there export taxes (yes/no)? 2/	no	no	no
Total Wood Production Subsidy ($US million)	0	0	0
Scope (thousands of hectares)	n/a	n/a	n/a
Are there other wood products export expansion activities? 1/	n/a	n/a	n/a
1/ If yes, describe in report.			
2/ If yes, identify in Tariff and Tax Strategic Indicator Table.			

FOREST PRODUCT TARIFFS AND TAXES (percent)						
		Tariff	Tariff	Other		
Country: Spain	Product	Current	Following	Import	Total Cost	Export
Report Year: 2003	Description 1/	Year	Year	Taxes/Fees	of Import 2/	Tax
4401.21&22	Wood chips	Free	Free	Free	Free	Free
4403.10.10	Tr. softw. pole	Free	Free	Free	Free	Free
4403	LOGS	Free	Free	Free	Free	Free
4404	Hoopwood	Free	Free	Free	Free	Free
4405	Wood wool	Free	Free	Free	Free	Free
4406	R. sleepers	Free	Free	Free	Free	Free
4407	LUMBER	Free	Free	Free	Free	Free
4408	VENEER	4	4	Free	$4	Free
4409.10.11&20.11	Frame moulding	Free	Free	Free	Free	Free
4409.20.91	Parquet strips	Free	Free	Free	Free	Free
4410	Particleboard	7	7	Free	$7	Free
4411	Fiberboard	7	7	Free	$7	Free
4412	Plywood*	7	7	Free	$7	Free
4413	Densified wood	Free	Free	Free	Free	Free
4414	Frames	Free	Free	Free	Free	Free
4415	Crates & Pallets	4	4	Free	$4	Free
4416.00.10	Oak staves	Free	Free	Free	Free	Free
4416.00.90	Wine barrels	Free	Free	Free	Free	Free
4417.00.20	Tool handles	Free	Free	Free	Free	Free
4418.10	Windows	3	3	Free	$3	Free
4418.20	Doors	Free	Free	Free	Free	Free
4418.30	Parquet panels	Free	Free	Free	Free	Free
4418.40	Concrete forming p.	Free	Free	Free	Free	Free
4418.90.10	Glue-lam	Free	Free	Free	Free	Free
4419	Table & kitchenware	Free	Free	Free	Free	Free
4420	Marquetry	4	4	Free	$4	Free
4421.10	Clothes hangers	Free	Free	Free	Free	Free
9403.3	Furniture	Free	Free	Free	Free	Free
9403.4	Kitchen furniture	2.7	2.7	Free	$2.7	Free
9406.00.1	Prefabricated houses	2.7	2.7	Free	$2.7	Free

2/ Calculate as tariff plus other import taxes/fees assuming a commodity value of $100.

*except for a duty-free EU quota of 650,000 Cubic Meters of softwood plywood

PSD Tables

PSD Table

Country Spain

Commodity Softwood Logs

1000 CUBIC METERS

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2001		01/2002		01/2003	MM/YYYY
Production	7400	6700	7400	6700	0	6700	1000 CUBIC METERS
Imports	1750	1510	1600	1800	0	2000	1000 CUBIC METERS
TOTAL SUPPLY	9150	8210	9000	8500	0	8700	1000 CUBIC METERS
Exports	150	120	200	110	0	120	1000 CUBIC METERS
Domestic Consumption	9000	8090	8800	8390	0	8580	1000 CUBIC METERS
TOTAL DISTRIBUTION	9150	8210	9000	8500	0	8700	1000 CUBIC METERS

Import Trade Matrix

Country Spain

Commodi Softwood Logs

Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	0	U.S.	0
Others		Others	
France	2020	France	1293
Portugal	125	Portugal	158
Sweden	42	Sweden	31
Denmark	12	Russia	14
Estonia	7	Finland	7
Finland	5	Germany	6
Germany	3	Andorra	1
Russia	2		
Total for Others	2216		1510
Others not Liste	3		0
Grand Total	2219		1510

PSD Table

Country	**Spain**						
Commodity	**Temperate Hardwood Logs**			1000 CUBIC METERS			
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Production	5100	5000	5100	5000	0	5000	1000 CUBIC METERS
Imports	2000	2012	2200	2500	0	2500	1000 CUBIC METERS
TOTAL SUPPLY	7100	7012	7300	7500	0	7500	1000 CUBIC METERS
Exports	170	72	175	100	0	100	1000 CUBIC METERS
Domestic Consumption	6930	6940	7125	7400	0	7400	1000 CUBIC METERS
TOTAL DISTRIBUTION	7100	7012	7300	7500	0	7500	1000 CUBIC METERS

Import Trade Matrix

Country	Spain		
Commodit	Temperate Hardwood Logs		
Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	24	U.S.	18
Others		Others	
Portugal	994	Portugal	611
Uruguay	745	Uruguay	507
France	327	France	494
Chile	243	Chile	114
Argentina	46	Ukraine	71
Germany	36	Argentina	32
Ukraine	19	Germany	26
Belgium	10	Canada	26
Poland	5	Italy	10
Romania	4	Belgium	8
Total for Others	2429		1899
Others not Liste	41		95
Grand Total	2494		2012

PSD Table

Country **Spain**

Commodity **Softwood Lumber** 1000 CUBIC METERS

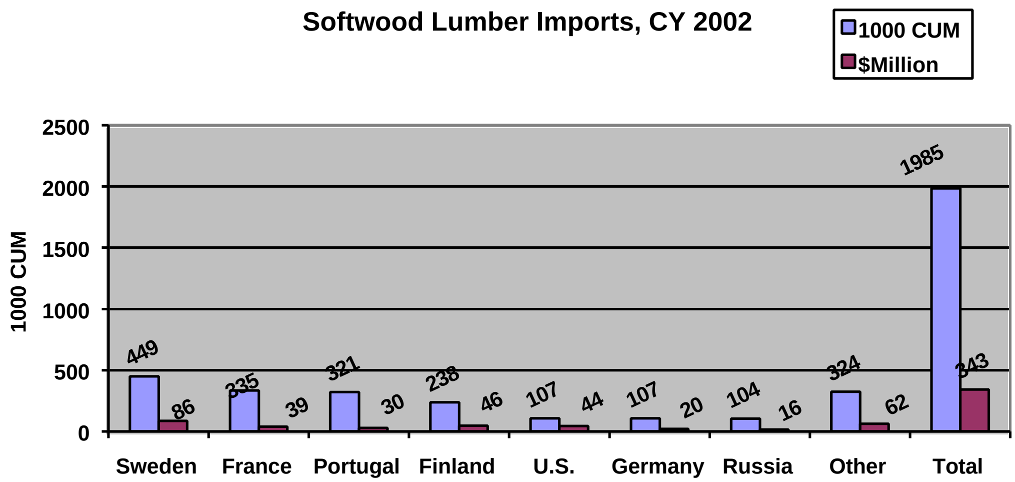
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Production	2200	2300	2200	2300	0	2300	1000 CUBIC METERS
Imports	2000	1985	2000	2050	0	2100	1000 CUBIC METERS
TOTAL SUPPLY	4200	4285	4200	4350	0	4400	1000 CUBIC METERS
Exports	100	90	100	75	0	75	1000 CUBIC METERS
Domestic Consumption	4100	4195	4100	4275	0	4325	1000 CUBIC METERS
TOTAL DISTRIBUTION	4200	4285	4200	4350	0	4400	1000 CUBIC METERS

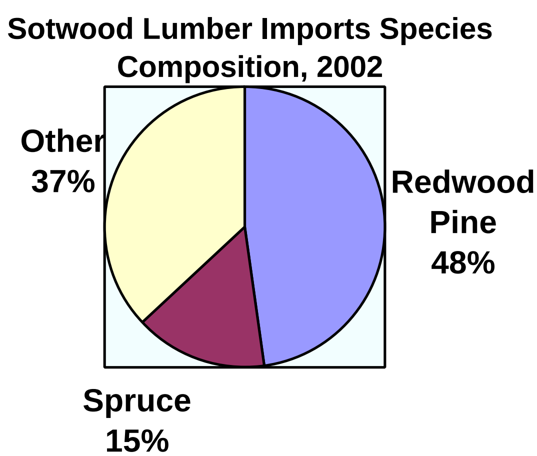
Import Trade Matrix

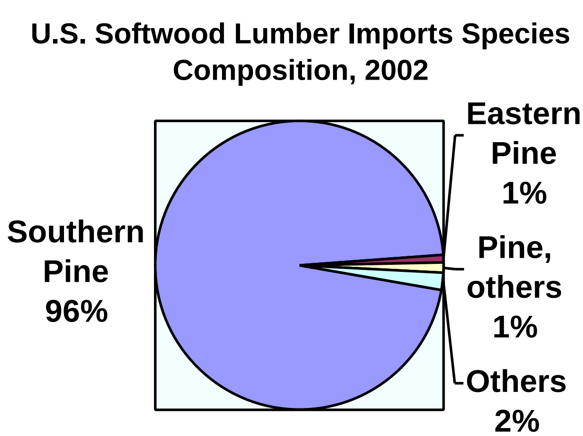
Country Spain

Commodity Softwood Lumber

Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	131	U.S.	107
Others		Others	
Sweden	437	Sweden	449
France	390	France	335
Portugal	350	Portugal	321
Finland	188	Finland	238
Russia	158	Germany	107
Germany	73	Russia	104
Brazil	73	Brazil	70
Poland	46	Chile	67
Chile	39	Poland	49
Romania	25	Romania	22
Total for Others	1779		1762
Others not Listed	102		116
Grand Total	2012		1985


Softwood Lumber Imports, CY 2002
1000 CUM
$Million
1000 CUM
2500
2000
1500
1000
500
0
449
86
335
39
321
30
238
46
107
44
107
20
104
16
324
62
1985
343
Sweden
France
Portugal
Finland
U.S.
Germany
Russia
Other
Total


Sotwood Lumber Imports Species Composition, 2002
Other 37%
Redwood Pine 48%
Spruce 15%


U.S. Softwood Lumber Imports Species Composition, 2002
Eastern Pine 1%
Southern Pine 96%
Pine, others 1%
Others 2%

PSD Table

Country **Spain**

Commodity **Temperate Hardwood Lumbe** 1000 CUBIC METERS

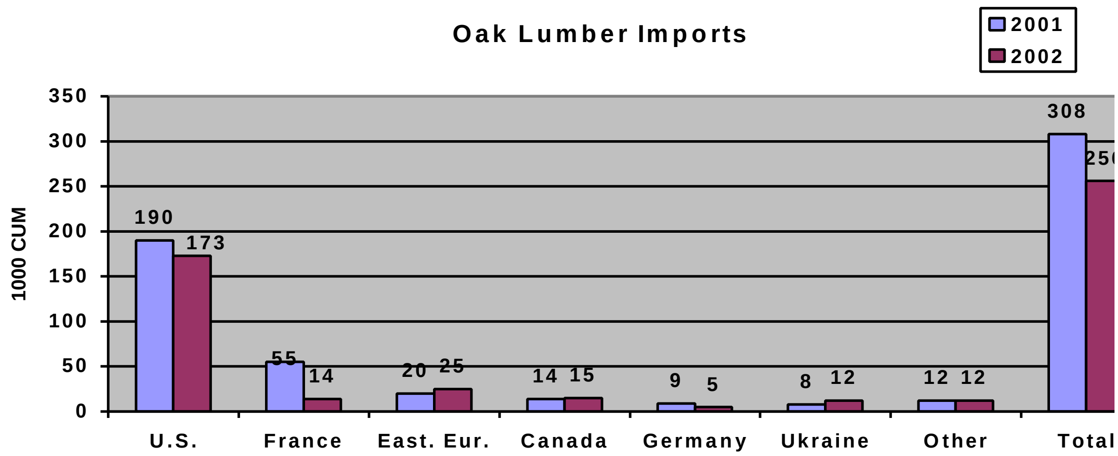
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Production	700	500	700	500	0	500	1000 CUBIC METERS
Imports	550	515	560	475	0	520	1000 CUBIC METERS
TOTAL SUPPLY	1250	1015	1260	975	0	1020	1000 CUBIC METERS
Exports	28	24	30	30	0	30	1000 CUBIC METERS
Domestic Consumption	1222	991	1230	945	0	990	1000 CUBIC METERS
TOTAL DISTRIBUTION	1250	1015	1260	975	0	1020	1000 CUBIC METERS

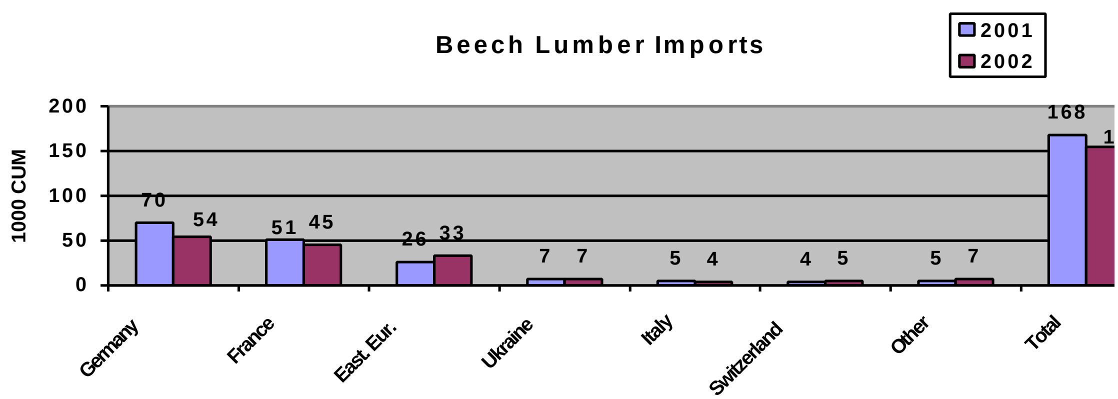
Import Trade Matrix

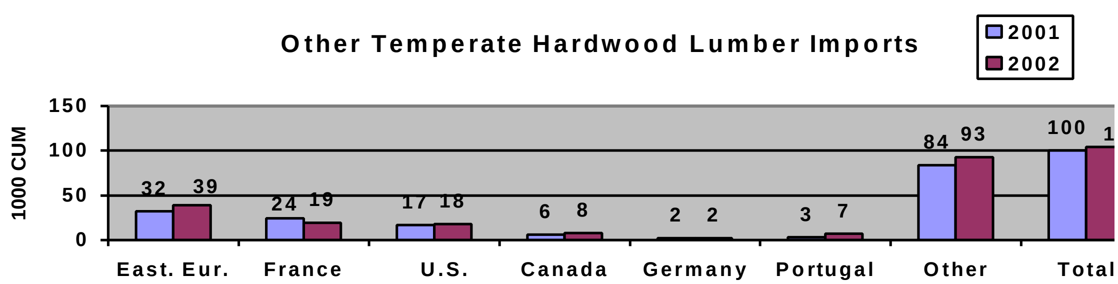
Country Spain

Commodit Temperate Hardwood Lumber

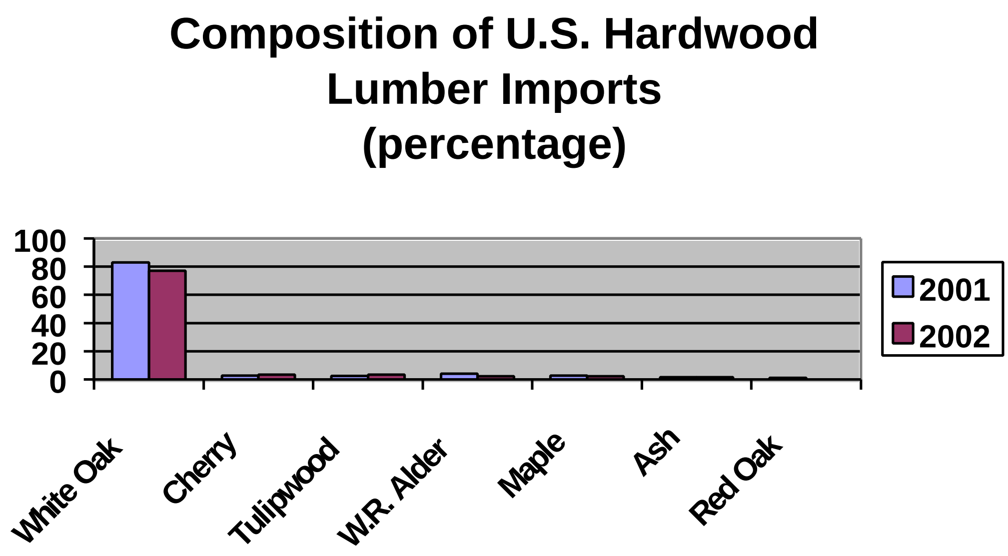
Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	207	U.S.	191
Others		Others	
France	130	France	78
Germany	81	Germany	61
Latvia	28	Latvia	28
Canada	20	Canada	23
Ukraine	15	Ukraine	19
Romania	13	Poland	15
Belgium	8	Romania	15
Switzerland	6	Croatia	10
Poland	6	Italy	9
Hungary	6	Portugal	9
Total for Others	313		313
Others not Liste	57		11
Grand Total	577		515







Eastern Europe includes the 12 countries joining the EU –Poland, Czech Rep., Slovakia, Hungary, Slovenia, Estonia, Latvia, Lithuania, Bulgary, Romania and Cyprus– plus other former Yugoslavia's countries.


Composition of U.S. Hardwood
Lumber Imports
(percentage)
100
80
60
40
20
0
2001
2002
White Oak
Cherry
Tulipwood
W.R. Alder
Maple
Ash
Red Oak

PSD Table

Country **Spain**

Commodity **Hardwood Veneer** 1000 CUBIC METERS

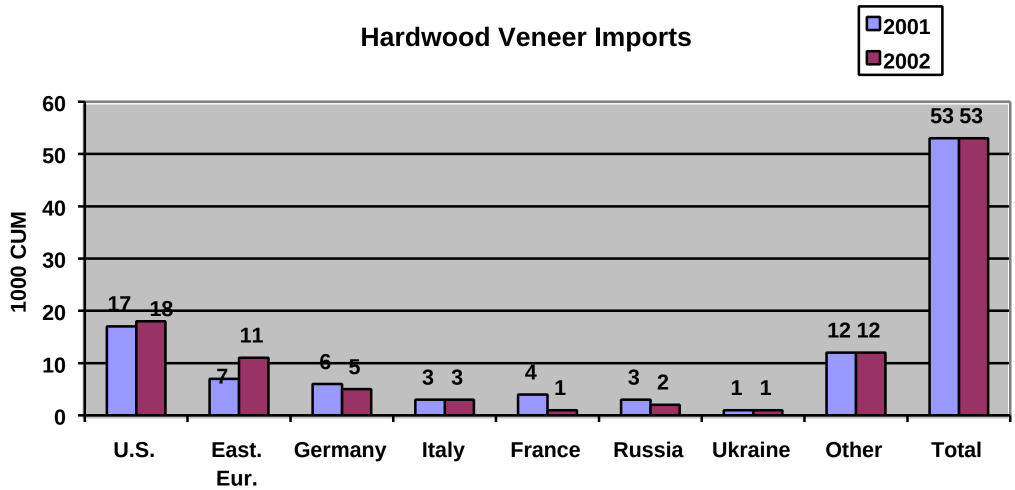
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Production	40	57	40	60	0	61	1000 CUBIC METERS
Imports	49	53	50	56	0	57	1000 CUBIC METERS
TOTAL SUPPLY	89	110	90	116	0	118	1000 CUBIC METERS
Exports	30	22	30	20	0	20	1000 CUBIC METERS
Domestic Consumption	59	88	60	96	0	98	1000 CUBIC METERS
TOTAL DISTRIBUTION	89	110	90	116	0	118	1000 CUBIC METERS

Import Trade Matrix

Country Spain

Commodit Hardwood Veneer

Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	17	U.S.	18
Others		Others	
Germany	6	Germany	5
Croatia	4	Romania	4
Italy	4	Ghana	4
France	4	Croatia	3
Ghana	3	Italy	3
Portugal	2	Poland	3
Russia	2	Russia	2
Brazil	2	France	1
Belgica	1	Portugal	1
Poland	1	Ukraine	1
Total for Others	29		27
Others not Liste	7		8
Grand Total	53		53


Hardwood Veneer Imports
2001
2002
1000 CUM
60
50
40
30
20
10
0
17 18
7 11
6 5
3 3
4 1
3 2
1 1
12 12
53 53
U.S.
East. Eur.
Germany
Italy
France
Russia
Ukraine
Other
Total

PSD Table

Country **Spain**

Commodity **Softwood Plywood** 1000 CUBIC METERS

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Production	35	59	35	72	0	72	1000 CUBIC METERS
Imports	25	30	27	29	0	30	1000 CUBIC METERS
TOTAL SUPPLY	60	89	62	101	0	102	1000 CUBIC METERS
Exports	50	49	50	60	0	60	1000 CUBIC METERS
Domestic Consumption	10	40	12	41	0	42	1000 CUBIC METERS
TOTAL DISTRIBUTION	60	89	62	101	0	102	1000 CUBIC METERS

Import Trade Matrix

Country Spain

Commodit Softwood Plywood

Time Period	CY	Units:	CY
Imports for:	2001	1000 CUM	**2002**
U.S.	1	U.S.	1
Others		Others	
Portugal	4	Portugal	10
Brazil	4	France	9
Germany	3	Brazil	2
France	3	Germany	2
Finland	2	Finland	2
China	1	China	2
Poland	1	Poland	1
		Sweeden	1
Total for Others	18		29
Others not Liste	1		0
Grand Total	20		30