

U.S. BUILDERS GREETED WITH ENTHUSIASTIC RESPONSE IN CHINA

by Patrick Smeller

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With an eye toward tapping into the world's largest housing market, the National Association of Home Builders (NAHB)—with strong support from the U.S. Department of Commerce — recently organized and hosted a successful housing conference and U.S. building products pavilion in the epicenter of China's economic boom — Shanghai. The November events, which also

included a side visit to Beijing, served as an excellent introduction for many new-to-market U.S. building materials firms and home builders drawn to China's vast potential market and further encouraged by the country's entry into the World Trade Organization (WTO).

CONFERENCE: HIGHLIGHTING U.S. BUILDING TECHNOLOGY

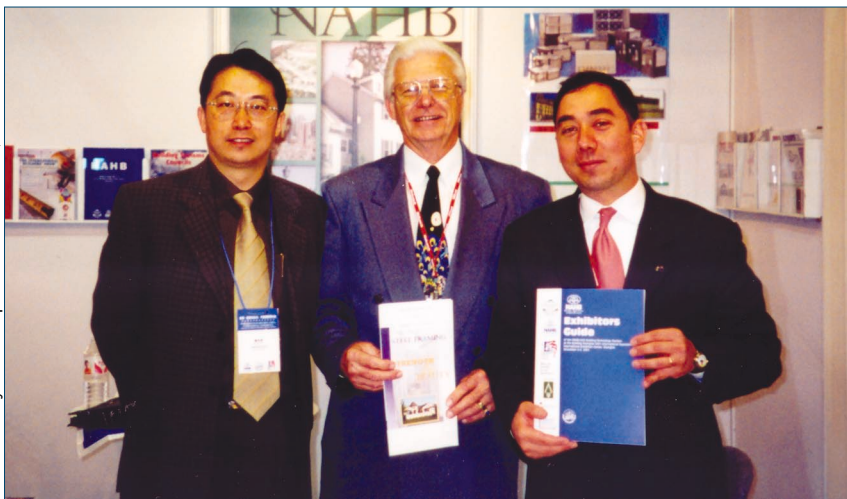
More than 450 home builders and building products manufacturers from the U.S., China and other countries attended NAHB's November 7-8, 2001 International Building Conference to learn the latest on U.S. building

technologies and to get a sneak preview of some of China's upcoming major building projects, including the 2008 Beijing Olympics.

"We were overwhelmed with the friendly and enthusiastic reception we received from the Chinese," said Thomas Mullen, chairman of the NAHB International Housing Committee and a multifamily builder from Indianapolis, Indiana. "There is an insatiable interest in American building products and technology now that the Chinese government is requiring strict compliance to building codes and standards for all new construction."

"The conference was timed perfectly to capitalize on China's opening the door to foreign investment by joining the World Trade Organization and the rapid build-up of private mortgage money," which, according to Mullen, "is fueling the demand for well-built, affordable housing."

U.S. and Chinese housing experts and building professionals spoke on a variety of key industry topics, including Chinese real estate development, U.S. building trends, forecasts for China's vast home building market and potential business opportunities connected with the Beijing 2008 Olympics. In addition, there were more than two-dozen U.S. building materials and prefabricated housing industry presentations on state-of-the-art American "green" building products and technologies. A nascent



(Left to right) Shiyang Cui, Senior Commercial Assistant, Chengdu, Chuck Schultz, President of Worldwide Structures and Patrick Smeller, International Trade Specialist, Forest Products and Building Materials Division showcase the product literature of 13 U.S. companies who participated in the Building Shanghai exhibition.

Photo courtesy of U.S. Department of Commerce, ITA.

but rapidly growing movement within the Chinese home construction sector to utilize low-energy-consuming, high-performance building products especially made these presentations a hit with local builders. Indeed, U.S. firms are well positioned to take advantage of this growing environmental awareness.

EXHIBITION AND CATALOGUE SHOW: PROMOTING U.S. GOODS AND SERVICES

The Conference coincided with a November 2001 U.S. building products catalogue show, which was part of NAHB and the Department of Commerce's U.S. Building Technology Pavilion held at the Building Shanghai 2001 Exhibition. More than 30 U.S. companies showcased their goods and services at the exhibition and an additional 13 companies took part in the catalogue show.

The NAHB/Department of Commerce exhibition took up three booth spaces and was buzzing with activity as a constant stream of Chinese business representatives pored over the product literature featured and asked questions about business cooperation with U.S. firms. Interest, in fact, in U.S. products was so great among the Chinese builders, developers and architects on hand that the Forest Products & Building Materials Division (FPBMD) staff — the main organizers of the catalogue show — ended up providing more than 2,000 trade leads for the 13 participating U.S. building products firms. Product brochures on display touted everything from air-conditioning systems to prefabricated housing to roofing materials to various wood products and moldings.

SHANGHAI AS SPRINGBOARD

"We feel good about being in China, particularly Shanghai," said Alfred Ng, managing director of Shanghai

Mammoth Air Conditioning, a subsidiary of a Minnesota-based firm specializing in geothermal and water source heat pumps and a catalogue show participant. "It's incredible, but most of what you see here (Shanghai) today was built within the last five to seven years."

In fact, it was due to Shanghai's astounding growth rate — about 12 percent during the past decade — and booming industrial output that made the city a natural for NAHB's second-ever international conference. Shanghai's gross domestic product (GDP) is expected to surpass that of Hong Kong after 15 years and may serve as an excellent springboard into the rest of China, according to a report released last spring by Hong Kong Trade Development Council chief economist Edward Leung.

"We considered a handful of sizeable markets in China, but it was clear from the beginning that Shanghai would be our choice," said Joseph J. Honick, a founding member of NAHB's International Committee. "We were looking for business opportunities for our members, so how could we not choose China's commercial and industrial center as a starting point?"

NO VISIT COMPLETE WITHOUT A COUNTRY COMMERCIAL BRIEFING AND TOUR

A day before the conference was to start, NAHB members were treated to a country commercial briefing by Principal Commercial Officer Catherine Houghton of the U.S. Commercial Service in Shanghai, one of Commerce's six offices throughout China. Houghton detailed implications for U.S. companies in light of China's then-impending entry into WTO. The Commercial Service Shanghai staff provided outstanding support to NAHB during all phases of the visit, including hosting a lunch for NAHB members and leading the

group on a tour of Shanghai's "building materials" region, a dusty, winding, bustling street of shops selling just about every building product China has to offer.

BUILDING INDUSTRY'S BEST PROSPECTS IN CHINA

Results from an FPBMD survey among Chinese business people showed that the most sought-after building materials are HVAC (heating, ventilation, air-condition) equipment, sealants, doors and windows, prefabricated housing and certain wood products. Chinese companies were also interested in forming joint ventures and other forms of partnership with U.S. companies. ■

For U.S. companies interested in exploring Shanghai and the rest of China, please visit www.usatrade.gov/china

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