

# MARKET REPORT

## AFRICA | MIDDLE EAST | INDIA | OCEANIA

### RED OAK WINS APPROVAL IN AUSTRALIA



**Above & below:** The 'Oak Redefined' installation comprised solid red oak seating, a work bench, an interactive sample table and screens of vertically-aligned thermally-modified red oak cladding, all manufactured to an extremely high standard.



AHEC, Melbourne-based designer and architect Adam Markowitz and Sydney-based graphic artist Marcus Piper, presented an installation made entirely from American red oak at this year's Denfair design exhibition in Melbourne (20-22 June). In line with AHEC's ongoing campaign to promote red oak, especially in markets where it is less well-known, the 'Oak Redefined' installation aimed to display American red oak in a number of different applications and to highlight both its beauty and versatility to an audience of architects, interior designers, furniture designers and informed consumers during Australia's premier design event.

The installation, manufactured to an extremely high standard by Sydney-based Evostyle, was conceived as a space in which to relax and recharge at the fair and in which to connect with red oak through an interactive sample display table, a high work bench and low seating. The walls of the installation were made from screens of vertically-aligned thermally-modified red oak cladding, thereby demonstrating a further application of this versatile hardwood species. The 'Oak Redefined' installation was awarded 'Best Large Stand' at the show.

During the course of the Denfair exhibition, almost all of Australia's main hardwood importer/distributors visited the stand, as well as many furniture and some joinery manufacturers. All of them agreed that now is the right time for red oak in Australia and most of the importers had already started to increase their inventories of the species. This was echoed by USDA/FAS export statistics, which show that the volume of American red oak lumber shipments to Australia during the first quarter of this year increased to 304 cubic metres from just 68 cubic metres during the same period last year. Furthermore, this increase took place during a period of overall decline in U.S. hardwood lumber exports to Australia, with shipments of white oak to the market down by 40 per cent in volume to 3,700 cubic metres from the same quarter of 2018. A significant proportion of the volume shipped this year would have been accounted for by thermally-modified red oak, which has already started to find its place in Australia. In fact, while the AHEC team was in Melbourne, the opportunity was taken to photograph a newly-completed TM red oak floor in a private house.

Thermally-modified red oak was also on display elsewhere at Denfair, featuring in the new range of outdoor furniture being offered by leading Australian furniture retailer, Tait and designed by another friend of AHEC, Adam Goodrum.

Denfair this year was co-located with the annual conference of the Australian Institute of Architects, which meant that there was a higher than usual number of architects who came through the exhibition. This was one of the reasons why the 'Oak Redefined' installation was designed with architects in mind, particularly with the incorporation of the thermally-modified red oak cladding. Gauging from the reactions of the many architects and designers who visited the installation, it became apparent that the level of interest in hardwood cladding is very high in Australia and there were many enquiries about where the TM red oak could be sourced and in what specifications.

In addition, the reaction to the natural red oak in the installation was very positive, with adjectives such as "warm", "honey-coloured", "inviting" and "robust" being used. In fact, most of those who visited the stand had never seen American red oak before or were not even aware of its existence and many of those were not able to see a difference between it and the more familiar white oak. This helps to underline the notion that any perceived resistance to red oak in Australia can probably be explained by a lack of awareness more than anything else.

The installation will be used again more than once in Australia over the next twelve months and AHEC is currently investigating a number of architect-focused events in Sydney and Brisbane.



**Above:** Solid thermally-modified and natural red oak was used for this 100 square metre floor in a private home in the Melbourne suburb of Coburg.

**Below:** TM red oak is offered as an option for the bench tops of the new range of outdoor furniture by Tait.



## EXPORT DATA REFLECTS DEVELOPING MARKET IN INDIA

Area/Partners of Destination And Commodities Exported		January - December Cumulative To Date Quantities/Values in Thousands of Dollars																Period/Period % Change (Value)		Period/Period % Change (Qty)	
		2014		2015		2016		2017		2018		Jan - Apr 2018		Jan - Apr 2019							
		UOM	Value	Qty	Value	Qty	Value	Qty													
India	Hardwood Lumber	M3	1,606	2,111.0	2,073	3,956.0	1,130	1,751.0	1,689	2,189.0	1,376	1,709.0	434	470.0	941	1,470.0	117	213			
India	Hardwood Lumber, Hickory	M3	548	640.0	1,137	1,309.0	207	288.0	540	489.0	486	538.0	46	34.0	152	249.0	231	632			
India	Hardwood Lumber, Walnut	M3	339	223.0	88	47.0	45	53.0	178	117.0	226	194.0	89	83.0	210	177.0	137	113			
India	Hardwood Lumber, Other Temperate	M3	87	216.0	302	1,575.0	11	37.0	55	55.0	203	214.0	183	174.0	0	0.0	--	--			
India	Hardwood Lumber, White Oak	M3	158	306.0	68	92.0	80	151.0	183	255.0	178	284.0	89	152.0	154	212.0	73	39			
India	Hardwood Lumber, Birch	M3	0	0.0	173	483.0	99	349.0	415	583.0	87	191.0	0	0.0	0	0.0	--	--			
India	Hardwood Lumber, Maple	M3	136	151.0	127	165.0	27	26.0	124	329.0	66	92.0	28	27.0	56	67.0	99	148			
India	Hardwood Lumber, Red Oak	M3	76	95.0	75	81.0	552	674.0	12	18.0	53	87.0	0	0.0	272	621.0	--	--			
India	Hardwood Lumber, Tropical	M3	0	0.0	0	0.0	4	4.0	0	0.0	29	33.0	0	0.0	31	17.0	--	--			
India	Hardwood Lumber, Ash	M3	208	384.0	10	12.0	49	74.0	87	134.0	27	25.0	0	0.0	53	79.0	--	--			
India	Hardwood Lumber, Yellow Poplar	M3	53	96.0	68	136.0	57	95.0	78	178.0	15	42.0	0	0.0	0	0.0	--	--			
India	Hardwood Lumber, Cherry	M3	0	0.0	19	31.0	0	0.0	8	7.0	5	9.0	0	0.0	0	0.0	--	--			
India	Hardwood Lumber, Western Red Alder	M3	0	0.0	7	25.0	0	0.0	10	24.0	0	0.0	0	0.0	14	48.0	--	--			
Grand Total		M3	1,606	2,111.0	2,073	3,956.0	1,130	1,751.0	1,689	2,189.0	1,376	1,709.0	434	470.0	941	1,470.0	117	213			

While exports of U.S. hardwood lumber to India remain extremely small in relation to the potential size of the market, there has been an undeniable leap in the volume of shipments so far this year. For some time, anecdotal evidence has pointed to a genuine increase in interest from both Indian importers and manufacturers in bringing KD hardwood lumber from the United States to the market. However, there is now hard evidence in the export statistics to support this. The volume of U.S. hardwood lumber shipped to India during the first four months of this year increased by over 200 per cent to 1,470 cubic metres. However, the most significant increase was seen in shipments of the oaks, with the volume of white oak exported rising by 39 per cent to 212 cubic metres as compared to the same period of last year and the volume of red oak going from zero in 2018 to 621 cubic metres during the first four months of this year.

Clearly, these numbers do not yet place India anywhere near the realms of major export markets for U.S. hardwoods, but they are a very obvious indication of a genuine change in the market structure. AHEC has been monitoring the development of modern and mechanised furniture manufacturing in India over the past few years and the indications are that more and more factories are investing in space, machinery and manpower, as the conditions for running a business become less bureaucratic and the market opportunity becomes more evident. Whether it is for export or for domestic consumption, there is no doubt that demand for furniture manufacturing in India is growing.

## SECOND AHEC MINI-CONVENTION ANNOUNCED FOR OCTOBER

With this developing opportunity in mind, AHEC has redoubled its efforts in India over the past two years or so, stepping up activities and focusing heavily on the wooden furniture and handicrafts sector in Rajasthan. Following a successful event in Jodhpur in March, AHEC has recently announced a second event in Jaipur, which will take place immediately after the Mumbaiwood show, in which AHEC is also participating. Mumbaiwood will run from 17 to 19 October in Mumbai and the event in Jaipur, which includes factory tours, a networking event and mini-convention will take place on 21 & 22 October. All AHEC member companies are most welcome and encouraged to attend.

## TURKISH MARKET WEAK, BUT OPPORTUNITIES DO EXIST

AHEC travelled to Turkey in late June in order to meet hardwood importers and end users, as well as media contacts. The trip was used as a means of getting an up-to-date picture of the market for American hardwoods and to look at the potential for future educational events with members of the trade, as well as with architects and designers.

Today, the vast majority of American hardwood lumber shipped to Turkey is destined either for thermal-modification by two or three companies, in the case of ash and tulipwood or for furniture production by a handful of

companies, in the case of white oak. There is little evidence of importers buying and stocking U.S. hardwood lumber for general distribution. Despite this, last year total exports of American hardwood lumber to Turkey reached 11,057 cubic metres, which was a 10 per cent increase on the previous year. 4,800 cubic metres of this was accounted for by white oak and 4,400 cubic metres by ash, while a further 1,000 cubic metres was red oak. During the first quarter of this year, total shipments of U.S. hardwood lumber were up by 12 per cent on the same period in 2018, reaching a volume of 3,454 cubic metres. Just under 2,000 cubic metres of this total was accounted for by white oak, with ash and some walnut making up the bulk of the remainder.

Turkey's economy has suffered considerably over the past year or so and the lira is now very weak against the US dollar, making American hardwoods more expensive than before. However, for companies making solid hardwood furniture for export and for those specialising in thermal-modification - much of which is also destined for export, - this has not been a major issue. The real problem lies within the domestic construction sector, which has contracted significantly, leading to lower demand for building materials.



*Above: Konyaalti Bogacayi Urban Project in the Municipality of Antalya, Turkey, which features 2,500 square metres of thermally-modified American ash.*



*Above: Work by AHEC's Europe Office led to the recent development of a new range of solid American red oak furniture for John Lewis Partnership in the UK. The furniture is being made by a company in Turkey, which has been exporting solid oak furniture to the UK for some years.*

Despite the size of the Turkish market, market penetration for American hardwood lumber has never been high. The massive furniture sector is primarily focused on wood-based panels and there is significant competition from other hardwood supplying regions, as well as from Turkey's own forests. Nonetheless, AHEC believes that niche opportunities for American hardwood lumber do exist over and above the existing demand from the handful of thermal modifiers and solid wood furniture factories. Creating demand for U.S. hardwoods in Turkey will have to come from influencing and educating architects and other specifiers and AHEC is planning to reprise this activity through a series of events starting later this year.

## THERMALLY-MODIFIED AMERICAN HARDWOODS FIND A NICHE IN THE GULF



As a direct result of a seminar sponsored by AHEC some three years ago in Dubai and at which AHEC's Technical Consultant, Neil Summers, gave a presentation on thermally-modified American hardwoods (TMT), two UAE-based architects specified the material in cladding applications.

The first, opened late in 2018 - KOA Canvas in Dubai - features a hanging wall comprising 5,500 square metres of thermally-modified American tulipwood. The second, opened in April of this year - Al Faya Lodge in Sharjah - features an 82 square metre facade, facing the saltwater swimming pool in thermally-modified American ash. Both projects have received considerable media attention both locally in the UAE and internationally

From AHEC's trip to Turkey in June of this year, it has also been established that there are currently three projects using thermally-modified ash under construction in the Gulf - one in Bahrain, one in Kuwait and one in Saudi Arabia. At the same time, AHEC is working with a UAE-based furniture factory, which is developing a range of outdoor benches for specification as street furniture, using thermally-modified American red oak donated by Bingaman & Son Lumber.

Thermally-modified American hardwoods are becoming increasingly better-known amongst the region's architects and designers and AHEC is making sure that the potential of TMT is fully understood in order to encourage its specification. The potential market for TMT in the Gulf is significant, with wood being a preferred material for screens, accent cladding, outdoor seating and shade structures. Currently, these applications often employ tropical hardwoods, WPC or metal painted to look like wood.

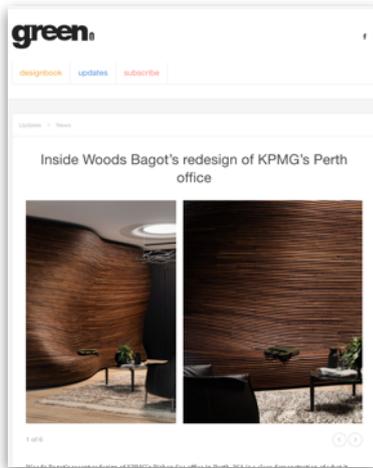


**Top:** KOA Canvas in Dubai, where T.Zed Architects specified thermally-modified American tulipwood.

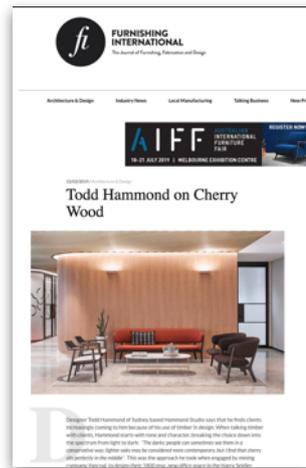
**Left & Right:** Al Faya Lodge in the Sharjah desert, in which Anarchitect used thermally-modified American ash to create an accent wall adjacent to the salt water swimming pool.



# PR HIGHLIGHTS



**Left:** Australia | Online  
*Green Magazine* coverage of American walnut project in Perth, Western Australia



**Right:** Australia | Online  
*Furnishing International* coverage of Australian project in American cherry



**Left:** Middle East | Print  
*Timber Design & Technology Magazine* four page feature on AI Faya Lodge



**Right:** Middle East | Print  
*Timber Design & Technology Magazine* three page feature on American red oak at Interzum



**Left:** India | Print  
*Timber Design & Technology International* two page feature on AHEC mini-convention in Jodhpur



**Right:** India | Print  
*Timber Design & Technology International* three page feature on American red oak project in Tel Aviv, Israel

## REGIONAL EVENTS

\*denotes AHEC event or AHEC participation

2019		
*7-11 August	100% Design SA	Johannesburg, South Africa
*11 September	Commercial Interior Design Awards	Dubai, United Arab Emirates
*4-12 October	Amman Design Week	Amman, Jordan
12-16 October	Intermob	Istanbul, Turkey
*17-19 October	Mumbaiwood	Mumbai, India
*21-22 October	AHEC Mini-Convention	Jaipur, India
*11-16 November	Dubai Design Week	Dubai, United Arab Emirates
19-21 November	Timber Israel	Tel Aviv, Israel
25-28 November	Big 5 Show	Dubai, United Arab Emirates
5-8 December	Cairo Woodshow	Cairo, Egypt

2020		
*27 February - 2 March	Indiawood	Bengaluru, India
*16-18 March	Dubai Woodshow	Dubai, United Arab Emirates

For further information on any of these events or on AHEC's activities in these markets in general, please contact Rod Wiles: [rod@americanhardwood.org](mailto:rod@americanhardwood.org)

