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Proposed tariffs on Chinese hardwood plywood imports would cost American jobs, impact economy

OCTOBER 11, 2012 – PORTLAND, OREGON – The American Alliance for Hardwood Plywood, a newly formed coalition of US based companies that rely on a unique form of hardwood plywood imported from China, warns that if proposed tariffs are levied on these imports, the impact on the US economy and jobs could be far-reaching.

A trade petition filed with the US Department of Commerce and the International Trade Commission last month by a group of large US based corporations demanded a 300% antidumping duty on imported Chinese hardwood plywood. Additional countervailing duties are also sought but the amount was not specified in the petition.

The hardwood plantations set up and managed in China provide a source of material not available in the US.

America's consumers of hardwood plywood have relied on imports for the past 40-50 years. While China has enjoyed an increased share of the hardwood plywood market, the total amount imported into the US has not changed significantly.

The group cautions that if the proposed tariff is approved, up to half the world's supply of hardwood plywood would be unavailable to US manufacturers, creating an economic advantage for overseas producers of many finished products.

America's import hardwood plywood industry is a niche market.

Hardwood plywood is used by US manufacturers of furniture, cabinetry, components for marine, aircraft, recreational vehicles and hundreds of US made products. America's hardwood plywood import market supplies the paint grade, lamination grade, and more high performance utilitarian panels used in these products.

Due to factors including fiber sources and the manual manufacturing practice employed by the Chinese, these panels have significantly thinner veneer than any hardwood plywood manufactured in the US. For businesses that manufacture products requiring a thinner veneer, imports are their only option -- this product is simply not available in the US.

The proposed tariffs would deal an additional blow to an already struggling market and put US jobs at risk.

Over one thousand US companies, most of which are small businesses, rely on the importation of highly engineered hardwood plantation panels to be competitive in the global marketplace. The approval of this tariff would severely jeopardize these companies and the tens of thousands of US jobs they support.

The petition is currently pending review and will be debated at a hearing before the ITC in Washington D.C. on October 18, 2012 with a vote on whether to move the case forward expected on November 9, 2012.

The American Alliance for Hardwood Plywood is an organization of American importers, distributors, manufacturers and retailers of hardwood plywood, along with other US companies who provide tens of thousands of jobs that depend on the availability of global resources. Read more at www.aa-hp.org.

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