CANADIAN PRESENCE AND POTENTIAL

After a sharp decrease from 1982 to 1985 due to the strength of the dollar relative to European and Scandinavian currencies, Canadian exports of forest products to France have shown a regular increase since 1986. In 1991, Canada represented 17% of French pulp imports, 15% of softwood lumber, and 22% of newsprint. In 1991, Canada's sales of forest products totalled $347 million, a very slight increase from the previous year, and made up 26% of our total exports to France. While Canada's pulp exports decreased in value by 18% and those of softwood lumber fell by 32%, sales of newsprint doubled in 1991. Major results are as follows:

Pulp		**$ 156 million**
Wood Products		**$ 70 "**
of which	softwood lumber	($ 52 ")
	hardwood lumber	($ 7 ")
	plywood	($ 4 ")
Paper and board		**$ 121 "**
of which	newsprint	($104 ")

Unfortunately, the outlook for 1992 is less favourable, particularly in the wood sector, as a result of diminished construction and furniture making, and uncertainties associated with the new European phytosanitary regulations relative to softwood lumber.

REGULATIONS - EEC

Canadian pulp and unprocessed softwood lumber are exempted from duty. Newsprint and softwood plywood enter duty-free, but only within the limits of EEC quotas. As of 1990, national quota allocations were abolished and replaced by one global EEC quota.

On the other hand, phytosanitary regulations require that imports of certain hardwood lumber (e.g. oak, elm and poplar) be certified by Agriculture Canada. With regard to the softwood lumber, regulations now being revised will require that, as of November 1, 1992, lumber must be pasteurized to avoid introducing the Pinewood nematode.

MARKETING

Basic forestry products, pulp, and lumber are imported through specialized agents who contract with importers or large users. The other products are marketed through distributors covering the whole country.

OUTLOOK FOR 1993

An improvement in the construction industry should result in increased demand for wood. Several factors might modify sources of supply: lower exports from Russia and other East European countries already commenced in 1992; diminished availability of exotic lumber, particularly from South-East Asia; regulations against plant disease for non European softwood which should lead exporters to turn to products with higher added-value.