

Most EC exports are in high value-added grades such as coated graphic papers (a 13 per cent export rate in 1987) and folding boxboard (11 per cent export rate). These grades compete successfully on world markets, mainly on the basis of quality.

b) Market Pulp Sector

For market pulp, the EC represents by far the world's largest single market. The 8.5 million t imported in 1987 was almost 39 per cent of total world trade.

Dependence on imports of market pulp (a 74 per cent import rate) constitutes one of the industry's principal weaknesses, as many mills are either not integrated or only partly integrated with pulp production. This dependence is, however, somewhat compensated by the excellent

availability of wastepaper, due in large measure to the EC's high urban population, which facilitates collection.

There were 830 companies active in the industry in 1987, operating a total of 1 032 pulp, paper or board mills.

While the number of small mills has decreased by 4 per cent to 274, the number of large mills (over 100 000 t/year capacity) has increased 5 per cent to 81. These mills, representing only 8 per cent of the EC's total operating units, account for an estimated 35 to 40 per cent of total EC production.

Major differences exist between Member States in the average size of mills and machines.

TABLE 3

Number of Companies and Mills, EC 12

	Paper and board		Market pulp	
	<u>Number of companies</u>	<u>Number of mills</u>	<u>Number of companies</u>	<u>Number of mills</u>
1980	961	1 220	23	29
1981	932	1 179	22	28
1982	909	1 158	22	28
1983	871	1 098	23	28
1984	848	1 068	23	29
1985	831	1 037	23	29
1986	818	1 014	23	29
1987	806	1 003	24	29

Source: Confédération Européenne de l'Industrie des Pâtes, Papiers et Cartons (CEPAC).