Flooring. As indicated in Table 8, France produces most of its domestic requirement (4,210 m²) and is also a substantial exporter. Oak is the reference product in this market, as in many others.

General Trends. Generally, the Forum européen du négoce du bois (FENB) reports the following trends for the French market:

- sharp drop in individual home construction and increased non-residential construction;
- growth in renovation;
- increased importance of 'decoration';
- trend toward greater comfort and larger living space;
- construction of verandas for greater usable space; and
- the arrival of the ecology movement.

FENB also reports that demand is growing for the following value-added products:

- parquet floors and panels;
- medium-density fibreboard (MDF);
- prefabricated trusses;
- pre-cut wood blanks; and
- products for decks.

3.1.2 Industry Structure

Principal Trends. The distribution of wood in France is marked by two phenomena: vertical integration and consolidation. It is estimated that up to 50% of end-user sales are in the hands of two companies, which, together with a third company, account for close to 70% of imports. This integration covers the extremities of the distribution chain (importing and retail/professional sales) as well as intermediate manufacturing.

The restructuring of the industry has grown out of the traditional and highly dispersed distribution pattern of independent agents, importers, intermediate manufacturers, specialist wholesalers and retailers. Each plays a limited role in the chain. Associated with this change in structure is a general move away from the buying chain, toward direct purchase. Thus, many of the large DIY groups deal directly with exporters or their agents. Similarly, the buyer for one of the largest home renovation supply chains deals directly with a number of Canadian exporters, even though the buyer is part of one of the big three integrated groups. This points to the need for more communication between supplier and buyer the further one goes down the value-added chain.

Sales Outlets. At the point of sale, the market share breakdown is estimated as follows:

- Pinault 25% to 30%
- Poliet 20% to 25%
- DIY 10% to 15%
- Others 35% to 40%

Generally, the structure is as follows.

- *Small wholesalers operating locally.* Sales range from FF 8 million to FF 15 million. Tendency to specialize in hardwoods. Customers are mostly craftspeople and small construction companies.

- *Average outlet.* Turnover is FF 25 million to 30 million. Either independent or belongs to a wholesaler network.

- *Large wholesaler with several outlets.* Turnover FF 600 million to FF 700 million. This type of wholesaler is disappearing with the emergence of the huge wholesale groups.

- *The major groups deal with all kinds of construction materials.* These include Pinault, Poliet and Becob. These chains tend to serve both professionals and consumers, and offer a full range of products at several price levels. This is the growth segment of the market.

- *DIY chains, for which wood products represent 12% to 15% of sales and where choice is much more limited.* They are estimated to have a market share of about 10% to 15%, but this has declined slightly in recent years.

The leading DIY chain is Castorama, which also controls Obi, another major group. Other leading chains are Leroy-Merlin, Briker (subsidiary of Rallye, a major food merchandiser), Bricaillerie and Bricorama (Euromarché Group).

Importers. The import market is dominated by three companies: Pinault, Becob and Poliet. They account for at least 60% and maybe as much as 70% of imports. They dominate the lower end of