

Forest Products

IMPORTANCE OF THE SECTOR

France has the largest forested territory in the EEC, i.e. 14 million hectares, only half of which is actually log productive. Forests are very fragmented, with three quarters being privately held by approximately 3,6 millions owners. Annual harvesting amounts to 33 million m³, two thirds for lumber and one third for industrial purposes. In 1989, lumber production reached 23 million m³ of round wood, including 13 million m³ in softwood and 10 million m³ in hardwood.

The entire forest industry (including furniture) known as the "The Wood Channel" employs about 470,000 people in some 85,000 companies.

In spite of these large forest resources, this industry represents an important deficit in France's trade balance. Although efforts have been made by successive governments over the past fifteen years to improve productivity, the deficit is steadily increasing, reaching close to 24 billion FF in 1990, of which 34% for the furniture industry alone; 24% for pulp, 28% for paper and board, and only 11% for lumber and wood products.

FOREIGN PRESENCE

In order to meet the needs of its large industrial sector which is important for the country's general economy, France has to import approximately 45% of its pulp, paper and board, and 25% of its requirements in lumber, softwood and tropical. Its trade balance is positive only for certain products, e.g. pulpwood, railway ties, fibreboard, flooring, hardwood lumber and logs.

Traditionally, Scandinavian countries dominate the market providing 30% of French imports of pulp, 35% of paper and board (54% of newsprint), 50% of softwood lumber. A significant part in imports of pulp and softwood originates in the former Soviet Union.

The paper industry in France has been subjected to numerous foreign investments and ownership participations. Some of the major operations include Feldmuhle (Germany) with Beghin Papier LWC; NSI (Norway) newsprint; UPM (Finland) with Stracel newsprint; Scott Paper (USA) tissues; James River (USA) with Kaysersberg tissues; International Paper (USA) with Aussedat-Rey printing and writing paper; and the Canadian group Cascades.