

3. MARKET CHARACTERISTICS

3.1 France

3.1.1 Market Dynamics

France is a significant producer of both hardwood and coniferous timber, chiefly pine. The timber industry in France is now beginning to benefit substantially from the investment made in reforestation since the late 1940s. As indicated in tables 3 and 4, domestic production accounts for more than 75% of coniferous and about 85% of non-coniferous sawnwood demand.

Although most lower-quality coniferous lumber is domestically produced, there is also a significant market for Canadian imports in this category. The market share between French and Canadian wood shifts as exchange rates vary. When rates are unfavourable to Canada, Canadian wood is limited to western France; when rates are good it pushes well into central France, and further east. Some analysts forecast, however, that domestic supplies will satisfy almost all of this market within 10 years.

Currently, most joinery grade wood is imported from Nordic countries. Imports of coniferous sawnwood are about 2 million m³, of which 50% is estimated by one industry source to be "open to competition from Canada." An estimate of the use of softwood lumber imports is presented in Table 11.

The French distribution system, although increasingly centralized, has traditionally worked with relatively small order sizes – vessels from Scandinavia are 1,500 m³ capacity – serving numerous regional ports. This is a disadvantage for Canadian shippers, who are accustomed to larger shipment sizes. A typical import program for value-added products would be up to 10,000 m³ of products, probably starting with 300 to 500 m³ monthly. Of necessity, this means shipping by container by sea.

Some noteworthy aspects of the French market are discussed below.

Windows. The window market is growing in France, with strong demand for replacement windows. The growth rate is 7%. However, the

share of wooden windows continues to fall and is now at 45%, representing some 2.4 million units, as indicated in Table 7.

Table 11
France: Use of Softwood
Lumber Imports, 1989
('000 m³)

House Construction/Renovation	970
Roof trusses	310
Construction carpentry	300
Moulding/flooring	360
Joinery	580
Doors	150
Shutters	200
Artisan joinery	230
Non-housing Construction	110
Glue laminates	110
Other	480
Sales to merchants	480
Total	2,140

Source: Henley International from estimates of
Fédération française du commerce du bois,
June 1990.

Timber Houses. The French market for timber houses in 1990 was estimated at 8,000 to 10,000 units, of which 70% to 80% were used as holiday homes. The trade press also reports that there are good opportunities for timber buildings in the hotel sector, because of a boom in low-priced two-star hotels. The two leading chains in this sector using wood are Formule 1 and Comfortel.

Shutters. Insurance companies require shutters for windows on the ground floor and first floor. This has traditionally been a strong and demanding market for imported wood. However, the long-term forecast is for plastics and other non-wood products to increase their share.

Roof Trusses. France's specifications and stress rating are not as strict as in the United Kingdom, and do not call for dried wood.