The domestic parquet industry accounts for only 25% of demand, as indicated in Table 8. However, the profiling industry generally remains firmly entrenched, as demonstrated by reports of failed attempts to export panels and panel stock from Scandinavia.

Windows. The Italian window market is somewhat similar to that of Germany in designs and concern for quality. There are no standardized sizes, however. As indicated in Table 7, Italy has the highest wood use for windows (58%) of any of the markets reviewed in this study. In 1988, wooden window production was 4.1 million units, only slightly behind that of the United Kingdom.

Window production is automated and therefore standardized colour, length and sizing in a given contract are important.

Other Features. There is a strong demand for quality outdoor furniture. The tropical hardwood boycott has had little or no effect in Italy.

3.3.2 Industry Structure

Principal Trends. The classic distribution system is still strong, but gradually changing. Thus, importers have gradually taken over the distribution function by acquiring wholesalers and, in some cases, small-scale DIY operations. They frequently ship directly to users' yards, and act as brokerage cum clearing houses. However, as indicated in Chart 1, the industry remains essentially unintegrated and diverse in ownership.

Most significant industry actors are members of either Fedecomlegno, the national trade federation that groups together about 550 importers, manufacturers and agents or a separate professional agents' association – Agelegno. The numbers of companies in the trade are: 30 large and 100 small- to medium-sized importers; 100 large- to medium-sized lumber merchants and wholesalers; perhaps 60 well-established agents, of whom 20 to 25 belong to Agelegno.

Generally, the various industry players are in the early process of redefining their roles. Many Austrian and Scandinavian companies deal directly with end-users, but this is mostly because of their proximity. Numerous large manufacturers of furniture, windows and other joinery products import directly, and even importers are bypassing agents to establish their own sources when market conditions are favourable. Some Canadian companies are reported to have struck successful deals this way, especially for higher-quality hardwood material cut and dried to customer's specifications.

Sales Outlets. The timber sales trade in Italy is very disparate, even if most importers now have moved downstream into distribution. Because of the ready availability of artisans, the DIY business has not caught on to the same degree as elsewhere in Europe. Thus, a recent study by Frost & Sullivan estimates Italy's DIY market at US$3.6 billion, which is half of that in Germany (US$7.3 billion) and two-thirds of that in the United Kingdom at US$5.2 million and France at US$5.4 million.

As a result, unlike elsewhere in Europe, the DIYs have not yet become a significant factor in the Italian wood products trade. However, DIYs, and the 'superstore' concept in particular, are expected to develop an increasing presence.

Italy has about 100 large- to medium-sized wholesalers and lumber merchants and numerous catalogue operations that have wide coverage. Two leading catalogue operations are Pircher-Oberland SPA, which offers mostly Austrian and Swedish wood products, and UNOPIU, which has a garden furniture catalogue that is reportedly distributed to 6 million households.

Importers. In Northern Italy, mostly because of proximity to Austria, shipments can be frequent and small. As a result, importers are also many in number and small in size. In the south, the industry is geared to handle large shipload-sized shipments and so companies tend to be both larger and fewer. Overall, there are about 30 large and 100 small importers, but the industry remains diffused. The largest importer, Fratelli Feltrinelli, is 2.5 times the size of the next largest, Cora, but accounts for only 8% of the market.

Importers are taking the initiative and seeking opportunities for sourcing in the exporting countries. This is probably a reaction to the drive by many of the larger manufacturers to out-source laminates and to bypass intermediaries.