

two-thirds of print production is directly or indirectly related to advertising.

At present, per capita paper consumption in Europe varies widely from 200 kg in West Germany to 65 kg in Portugal and is far below the 300 kg level of the U.S. The main reason for the creation of the Single Market is to stimulate growth and, therefore, paper demand should benefit from faster economic development, particularly in the countries of Southern Europe.

Demand for paper in Europe should continue to increase rapidly, spurred by sustained economic growth generally and strong end-use markets in packaging, office systems, publishing, printing and advertising. Some growth will also result from other industries responding to the Single Market and using more paper and board for international distribution and advertising.

c) Restructuring in the EC Paper Industry

The increase in European demand for paper and the growth of international trade have stimulated a major expansion in papermaking capacity, mostly from new machines which have become larger, faster, more specialized, more sophisticated and more expensive.

In addition to building capacity, many companies have increased market share by buying capacity through acquisitions and mergers, often across national borders. As a result the paper industry in Europe has become more international and, at the same time, more concentrated and competitive.

The restructuring process in the European paper industry is just beginning and will be accelerated by the Single Market program.

TABLE 5

EC Consumption of Newsprint (in tonnes)

	1982	1986
Belgium	196 490	193 795
Denmark	165 000	189 000
Germany	1 286 513	1 448 016
Greece	54 000	85 000
Spain	N/A	267 066
France	569 000	499 175
Ireland	34 827	29 710
Italy	315 000	366 000
Luxembourg	8 000	8 000
Netherlands	381 000	463 300
Portugal	N/A	37 500
United Kingdom	1 240 000	1 350 000
Total EC	4 249 830	4 936 562

Source: Communauté des Associations d'Édition de Journaux de la CEE (CAEJ).