v) *Louvered Doors*

During the 1980s, this product has developed into a popular DIY (do-it-yourself) item in the F.R.G. A firm in Eastern Canada continues to make substantial exports to Germany. Nevertheless, doors of Ponderosa pine have a considerably smaller portion of the louvered door market than the cheaper doors from the Far East.

vi) *Dimension Stock*

Dimension stock is hardwood lumber that has been cut to size and may have undergone preliminary shaping or surface finishing. A major customer for these semi-finished components is the furniture industry. There have been inquiries from German wood agents listing specific requirements, offering excellent opportunities for eight Canadian manufacturers of dimension stock, all of whom are located in Eastern Canada and thereby well suited for deliveries to Western Europe. It is difficult to estimate the potential size of this market because it is not a separate component of trade statistics.

vii) *Exterior Panel Doors*

The German market is willing to pay a premium for high-quality doors. Canadian manufacturers of exterior doors in oak and cedar can make sales in the F.R.G. provided they are prepared to make the necessary changes in dimension. For example, exterior door thickness in the F.R.G. is generally 60 mm, as opposed to 45 mm in Canada. At the Canadian Consulate General in Hamburg, extensive data regarding standard German door dimensions is available to any Canadian manufacturer visiting Germany to assess market prospects.

From total shipments of $1.13 billion in 1980, exports of manufactured wood products (excluding prefabricated housing and parts) were valued at $221 million, increasing to $250 million in 1981. Exports of windows and doors rose from $3.8 million in 1979 to $5.1 million in 1980 and to $9.4 million in 1981. Under the millwork n.e.s. category (which includes panelling and moulding), 1980 exports were $56 million, a decrease of $25.3 million from 1979. In 1981, that figure increased again to $60 million.

Recent Canadian Marketing Activity

From an industry that consists of many small firms, marketing activity has been a sporadic series of events rather than a concerted and continuous effort.

A report commissioned by the B.C. Department of Industry and Small Business Development, studying export potential for the province's wood products, was followed by a mission to Germany and Sweden. An early result was a contract with the Swedish firm IKEA for furniture components and shelves. A West Coast firm spent a number of months in Europe in 1979-1980 developing a market for its mouldings after investing in planing equipment capable of working to the requisite finishes.

Market Considerations

The F.R.G. market is characterized by well-established channels for the importation of wood and wood products. Both tariff and industry structures push toward low value-added imports rather than finished or semifinished products. The following factors will have direct relevance for the success of marketing campaigns for the whole range of manufactured wood products.

1. *Price.* The price of imported manufactured wood products is of paramount importance, since virtually all wood products can be produced by the local German industry from imported stock. Manufactured items from Canada require an expensive and careful shipping package.
2. *Quality.* This factor plays a much greater role in this market than in North America.
3. *Corporate reliability.* A Canadian company must establish and live up to an image of corporate reliability. The image is usually established in early contact with the German partner, importer or agent, based on prompt follow-up to requests for further information.
4. *German-language capability and local market know-how.* These are not essential attributes for a Canadian manufacturer. There are numerous agents with English-language capability who would welcome the opportunity to represent a Canadian manufacturer.
5. *Market channels.* The traditional and structured German importing channels remain the primary conduit for moving wood products into this market.
6. *Standards.* Through national product standards (Deutsches Institut für Normen-DIN), dimensions and configurations are set down in detail for panelling, doors, windows, etc. The standards vary from those used in the North American market.
7. *Tariffs.* These are in the 5-per cent range for most manufactured wood products.

The Competition

South African, Far Eastern and, particularly, Scandinavian suppliers are well-known in the German market. In recent years, the Scandinavian countries have accounted for more than 80 per cent of the volume of planed softwood imports. Domestic producers provide the greatest competitive challenge in terms of both price and quality. Complementary to its lumber imports, Germany has both large forest and large manufactured forest product industries which are technically up-to-date and world leaders in particleboard technology.

American exports of manufactured wood products have been limited. However, the major German panelling manufacturer, Ostermann und Scheiwe, has established a manufacturing subsidiary in Washington State that is largely oriented to supplying the