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6-Construction Products

Promising Areas

Wood for flooring, cedar shingles, windows, doors, wood frame construction

A. Potential Market

The **construction market in France** is one of the strongest in the European Union. After a recession lasting nearly seven years, 1999 appears to be an outstanding year and the construction sector has once again emerged as an engine of the French economy. The Fédération française du bâtiment (FFB) expects a 5.1% growth rate by volume - twice as fast as the economy in general. The FFB forecasts the building of 310 000 new units in 1999, of which about 150 400 will be single-family homes and the rest will be multiple, for a total increase of 25 000 units in comparison with 1998.

According to data from Douanes françaises, Canada had a 2% share of total French **wood** imports per year between 1993 and 1998. It is interesting to note that the Canadian supply of these products the fluctuations in French demand - a sign of the effectiveness of the Franco-Canadian trade networks in these sectors. In 1998, **French imports of Canadian wood** rose to C\$71 million, a 25% increase over the previous year.

According to the Fédération Française du Commerce du Bois, the main obstacle to **sales of Canadian wood** on French markets is now basically price (cost of transportation, reduced margin, etc.). The "non-tariff barrier" posed by French legislation against the pinewood nematode is no longer really a problem thanks to new drying technologies. However, this processing add to the costs, and competitors from Scandinavia and eastern Europe have managed to hold on to the share of the French market that Canada lost in the meantime.

The **French market for single-family homes**, which had fallen to 121 000 units by 1993, returned to 159 000 units in 1998 worth about FF 70 billion, and growth is continuing in 1999. This increase was encouraged by stable or even declining prices, specific kinds of assistance, and very low interest rates. As the economy recovers, the general public is apparently starting to become interested in wood homes and to provide a demand for them.

In France, the **wood construction market** represents about 4% of the total construction market, with an estimated 5 000 to 7 000 wood frame houses built in 1998. The potential market is estimated at 12 000 units a year. A full study of the positioning of wood houses for the purpose of creating a complete set of tools for wood housing techniques was submitted in the fall of 1999. The Comité National pour le Développement du Bois (CNDB) undertook a major campaign to promote wood frame construction under its mandate to promote wood as a construction material.

Canadian exports of wood housing to western Europe increased by 16.3% in the first quarter of 1999, reaching \$6.5 million. The main markets in western Europe were Germany and France, where exports