

4. EUROPE 1992: FOREST PRODUCT SECTOR DEVELOPMENTS

4.1 Overview

The 1992 program will accelerate growth in the EC. The 1988 Cecchini Report concluded that dismantling the remaining barriers to intra-European trade would raise the EC's output by 2.5 to 6.5 per cent. A new study by Professor Richard Baldwin of Columbia University argues that Mr. Cecchini and his researchers greatly underestimated the potential gains from Europe 1992. The growth in EC output may be as much as five times greater. This additional growth in turn will lead to increased demand for many categories of forest products from Canada, especially lumber and pulp and paper.

However, a number of specific EC directives and decisions related to the Single Market program could have a potentially disruptive impact on some segments of the Canadian forest products industry, especially export of wood products.

Another major development linked to the EC Single Market program that could affect the pattern of Canadian exports to the EC is the restructuring of the forest products sector across the EC. The impact of these developments is expected to be felt most strongly by Canadian pulp and paper exporters.

4.2 Developments Affecting Wood Products

The directive with the most significant potential impact on Canadian exporters to the EC, especially wood product exporters, is the Construction Products Directive. (See Appendix H.)

a) Construction Products Directive and Eurocode 5

The objective of this directive is to harmonize aspects of the design and construction of buildings and civil

engineering structures throughout the EC by the end of 1992, and to remove internal EC barriers affecting construction materials and products.

The Construction Products Directive is designed to establish essential requirements with which all construction projects and the products which make up the structure must comply. The essential requirements include mechanical resistance and stability, safety in case of fire, hygiene, health and the environment, safety in use, protection against noise, and energy economy and heat retention. The directive also establishes ground rules for the development and implementation of harmonized European standards for construction products and gives general direction as to how other products will be certified as meeting the essential requirements.

Under the directive, a standing committee comprising representatives of all Member States is charged with overseeing the implementation of the directive and its related interpretive documents which include the harmonized standards. The responsibility for developing common standards, or building codes, is given to the European Committee for Standardization (CEN). CEN has established nine structural engineering Eurocodes. The code that relates most directly to the forest products sector is Eurocode 5, which deals with "Common Unified Rules for Timber Structures" and, in turn, with product and testing standards for wood.

The Eurocode, while an integral part of the process, is separate from the construction directive and the resulting product standards. The Eurocode will be a building code and not a product standard, although engineering criteria such as stress grading and lumber sizes are included. Although it will not be