Nordic mills are considered to be top class and, as indicated, substantial quantities, generally in higher-end products, are imported. For lower-end wood products, the U.S.S.R. has a major effect on the export market. This segment of the market is driven by price. As one trade source put it, "Russians need hard currency and they cut the price so low that we have to buy." When Russian supplies are used up, German importers look to the Finns and Swedes.

The dynamics of the hardwood market are much more favourable to Canadian wood, particularly since the ecological movement in Germany has successfully reduced imports of tropical hardwoods. Although the Canadian share of imports is now only 3%, as indicated in Table 6, the importance of imports from the United States (14%) indicates the potential for Canada. Most Canadian imports were white oak and hard maple for remanufacturing.

The German wood products industry is moving to just-in-time (JIT) practices that favour increasingly short delivery times. This is a disadvantage for Canada, when compared with shipments from Nordic countries where truck and ferry combinations provide great flexibility. Shipments by sea from Scandinavia are generally in vessels of from 4,000 to 6,000 m^3 capacity, but smaller vessels down to 950 m^3 are also used. Truck (45 m^3) and rail (100 m^3) shipments are also very competitive, particularly because of the small order quantities and the importance attached to the JIT delivery concept. The proximity of competing sources also means that freight cost is a critical issue, particularly since much of the German market is far from sea ports. This adds a further cost element that favours shipments from nearby countries such as Sweden and Austria.

Some noteworthy aspects of the German market are discussed below.

Timber-Frame Construction. North American style timber-frame construction is infrequently used in Germany, and thus the substantial level of housing starts – 260,000 units in 1990 and rising – does not have the same significance for wood consumption as in Canada. The Canadian Consulate in Düsseldorf estimates that less than 10% of all structures are of a timber-frame construction. Furthermore, the timber construction is of a German type that differs greatly from that used in Canada.

Windows. The German market for wooden windows was estimated at 3.7 million units in 1988, which represented a 40% share (see Table 7). The numbers reported in German statistics, based on a standardized 1.3 m x 1.3 m window unit are double the above figure, but the market share of wood is essentially the same. Northern Germany prefers tropical hardwood, whereas southern Germany prefers Canadian wood, or wood against which Canadians can compete. Established Canadian species are hemlock and Douglas fir, which compete with ponderosa pine and meranti. Laminates are common and finger-jointing is sometimes accepted.

Flooring. Germany is the largest market for parquet, and also the largest producer. As indicated in Table 8, imports in 1988 were 4.2 million m^3, which represented 45% of the market. Although Canadian exports were very low in 1988, the Canadian position has since improved slightly.

Garden Products. Western red cedar has begun to generate considerable interest in the market and appears to have good prospects. Chemically treated pine is not liked for environmental reasons.

Mouldings. The market for standard mouldings requires JIT deliveries, small quantities, large variety and therefore large stocks. This is difficult to do directly from Canada. Certain highly valued speciality products may, however, be an exception to this rule. Thus, despite the difficulties, several importers and distributors are reported to have tried to find suppliers for high-grade speciality products of hemlock, spruce and cedar.

General Trends. Generally, FENB reports the following trends and factors for the German market:

- high living standard;
- strong influence of product standards;
- importance of co-operatives and buying groups;
- pressure from the ecology movement;
- current fashion trends toward light, glass and light colours (and away from wood);
- status as leading DIY market in Europe; and
- high cost of construction.