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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

PRE-PROJECT REPORT

REVIEW OF THE FRENCH TIMBER MARKET

PREPARED FOR ITTO

BY

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NOVEMBER 2005

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Executive Summary

Market Conditions

France is enjoying its highest level of home construction activity in more than 20 years. In 2004, new homebuilding reached 363,000 units, 15% better than 2003. New housing permits issued the first 7 months of 2005 are up 13% on the same period of 2004. Historically low mortgage rates help fuel the demand for new housing and also provide a boost to the home renovation sector.

New homebuilding and home renovation are the main drivers of the demand for construction materials, including wood. Tropical hardwood is a major beneficiary of this strong demand. At the end of June 2005, imports are up compared with the first 6 months of 2004, for all tropical wood products, industrial roundwood, sawnwood, plywood, profiled wood, and other Secondary Processed Wood Products.

Nordic Softwood imports are progressing strongly; major Nordic producers have their own terminals in French ports with their own stocks, marketing staff and distribution organization, driving up their market share across the board in all profitable market segments.

Temperate hardwood imports are up 24% for the first 6 months of 2005 compared with the same period of 2004; this is, however, still well below the level of imports a few years ago. French domestic hardwood production has declined not least due to the collapse of the beech market.

Trends in the tropical timber trade

Comparing imports of timber products in 1973 against imports in 2003, sawn softwood imports are up 50% in volume, veneer sheet imports, mainly tropical, have almost doubled, plywood is slightly increased. The import of tropical sawnwood has increased slightly, whereas the import of tropical industrial roundwood is down by 80%.

In volume terms, the market share of tropical timber has declined during this period, as availability of the traditional, popular species has declined, and tropical timber prices have generally risen strongly, whilst Nordic softwood prices have declined over the last decade. Plywood prices are under pressure notably due to competition from China.

In value terms, however, countries exporting tropical timber, particularly when counting China in that category, have in over-all terms done better than maintaining their market share during this period. Furniture and other secondary processed wood products imports from tropical countries, have more than replaced the value of the reduced roundwood import.

Transport

The cost of transport –the single biggest element of cost for many wood products– has increased dramatically over the last few years. A strongly increased volume of international movement of goods, not least China's demand for raw materials, has driven up the charter rates. Now oil (and other fossil fuel prices as well) are up six times compared with the oil price six years ago. The availability of suitable shipping bottom has been insufficient over certain periods, and has led to irregularity of supply of tropical timber into a number of French ports.

The dramatic increase of transport cost, in certain cases a doubling of freight rates, encourages the actors in the tropical timber trade to ship downstream products: one cubic meter of dowels can much better support the cost of transport than three cubic meters of roundwood.

France's Forest and wood industry

The French forest has been replanted over the last 150 years, and has grown from 8 to 16 million hectares. The wood capital totals two billion m3 of which 60% is hardwood, 40% softwood. Annual incremental growth totals 90 millon m3, of which one third is not felled but left to increase the capital and increase annual incremental growth.

Many sectors of the French forest and downstream industry are suffering a serious lack of profitability; factories have been closed, as many as one third of all jobs lost, exports are declining. This is true in harvesting and logging, sawmilling, veneer and plywood, joinery, and particularly in the furniture industry. The balance of the wood products trade is deteriorating seriously: imports are up, exports down, the annual deficit is reaching a historical high of 3.4 billion Euro, one billion of which is represented by furniture, and another billion by woodwork including sawnwood.

This trend is similar to that of most other high-cost West European countries. France exports high quality oak logs to China and imports finished furniture from China.

Tropical timber producers are amongst the beneficiaries of this situation, increasing their sales of value-added products whilst the export of industrial tropical roundwood to France has fallen by 80% over the last generation.

France is the only remaining European country with a plywood industry of any consequence that is based on imported tropical hardwood. That situation is, however, changing as the French plywood manufacturers are setting up their peeling factories in Africa (mainly Gabon). At this time veneer imports into France are growing strongly, plywood slowly. The French CTBX label required for all construction plywood represents a non-tariff barrier.

Data reliability assessment

ITTO asked the consultants to "identify the sources of statistical data .. and provide an assessment of the reliability and timeliness of this data".

Very serious and competent efforts are being made by authorities and organizations to ensure the exact recording of the volume and value of movement of goods

The existing nomenclature under the TARIC, the integrated tariff of the European Communities, covering section 44 Wood, is unnecessarily complicated, open for mis-declarations, confusing for customs and others trying to produce reliable, meaningful up-to-date trade statistics. The French Timber Trade Federation, LCB, will present their recommendations for a simplification of the plywood nomenclature.

Inter-European traffic has to be reported to Customs Authorities in a monthly "declaration of movement of goods" by any and all companies and persons trading/moving goods across borders. The consultants conclude that there is undoubtedly some undeclared inter-European movement of goods, including tropical wood products. Trade statistics, interpreted by the French customs, the UN/ECE, ITTO, and the UCBD/UCIP do not show identical numbers.

The consultants evaluate that, globally, imported volumes are reported within a few percentage points margin of error, but that there are both voluntary and involuntary misdeclarations made between different nomenclature groups in the categories of sawnwood, plywood, parquet and "other SPWP".

End-Use of tropical timber

The vast majority of tropical timber is used in home construction and home renovation. 40% of the plywood is used for construction, the rest for packaging, furniture, transport and other. In respect of solid timber, from roundwood, sawnwood, dimension stock or imported secondary processed wood products (excluding furniture), builders joinery represents some 80% of the end-use, the balance goes to mouldings, parquet and other uses. Furniture today represents France's biggest import item of tropical wood products: Five hundred million Euro worth of annual imports.

Factors affecting competitiveness of tropical timber

Many ITTO producers are battling against a number of constraints which their counterparts working with softwood and temperate hardwoods do not suffer: distance to market, high cost of transport, climatic and other factors which hamper logistics, lack of visibility and lack of investment, difficulty and cost of certification.

Fortunately, the inherent natural characteristics of the popular tropical timber species are excellent for a number of end-uses such as joinery, decking and other outdoor applications. Many tropical species are available in volume in attractive specifications of high export quality. The durability, stability, workability and aesthetical appeance of many tropical species are superior to those of most competing timbers and other materials.

Environmental concerns

Public awareness of environmental concerns has been lower in France and other Latin countries than in Northern Europe, up to a few years ago. NGO's are now very active in France. The Government has in 2005 issued a Public Procurement Decree establishing guidelines for the public procurement of wood. The objective is to progressively increase the share of wood from legal origin producers committed to sustainable forest management, minimum 50% by 2007, 100% by year 2010.

The decree refers to all wood, from all sources. The text states: "If the safeguard of the tropical forests constitutes the major preoccupation, the directive contained in the decree apply to all public procurement of all products made from wood, of all origins, in order to promote sustainable management and value-creation for all types of forests."
France participates in the FLEGT action programme, particularly in its role as coordinator for countries in the Congo basin.
There are two organizations dominating the certification scene in France, PFC and PEFC. As of 30/4/2005, PEFC lists 3,591,127 HA as certified in France. FSC is the certification scheme promoted by the Environmental NGO's such as Greenpeace, WWF and FoE. The wood trading and industrial actors as well as their associations wish certification to not be the monopoly of only one organization. Some support PEFC, some FSC, but there is agreement that several schemes must be allowed to compete. Above all, mutual recognition by and of all the different schemes around the world, is very urgently requested by all in the wood trade and industry who asked the consultants:

"Please ask ITTO to employ all their power and influence in the international timber community to bring about mutual recognition of and by the different certification schemes."

Promotion

CNDB, The National Committee for Wood Development, is together with trade and industry actors running promotion schemes for wood on a permanent basis, "J'aime le bois" (I love wood) ran for a decade, was succeeded by "Le bois avance" (Wood is advancing), now "Le bois – c'est essentiel" (wood – it's essential). 134 TV spots on the popular channels, advertizing in popular magazines, and posters remind the public "Using wood is an ecological act", and "wood is one of the very few renewable building materials".
The government signed with the wood industry and trade in 2000 a "Plan Bois Construction" to increase the use of wood in construction, from 10% to 12.5% by 2010.
All wood from all origins benefits from these campaigns.

Perceptions and views of the private sector on likely future trends in the tropical timber markets of France.

Wood is the material chosen for up-market end-uses in the private home, restaurants, shops, airports, and offices. When aesthetics are more important than cost, the favourite tropical timbers are chosen for joinery, parquet, decking (a huge succes for tropical timber use), shopfitting etc.
Demand for tropical timber products is good. The importers and industrial joinery manufacturers who have seen France change its leading exterior joinery species six times in one generation, are concerned that the supply of suitable tropical timber may be drying up. Everyone wants the tropical forest to be protected and managed on a sustainable basis so that tropical timber supply is ensured for the future generations.

The wide range of trade and industry leaders interviewed by the consultants express the need for the supply of certified tropical timber products to be increased – quickly: "Please impress on ITTO the urgency, time is running out, the pressure is on us to supply certified wood products –now! Given regular supply of quality products, we shall obtain a reasonable premium for certified tropical wood products, so that suppliers recover the cost of certification, over a reasonable period".

Recommendations to ITTO Producers: Opportunities in the French timber market

- Participate in the work to promote simpler and clearer nomenclature. This will assist with respect to creating better access to the plywood market, amongst others
- Respect the standards, e.g. EC Markings
- Give maximum attention to all issues linked to environment, not least certification
- France offers many opportunities for finished and semi-finished products. Wood based furniture at this time represents the biggest item of import of all tropical woods, in value terms.

Popular species

Take full advantage of the inherent characteristics of the popular, primary species.
Each one of the popular, primary species of tropical timber that has its place in the French timber market owes its popularity to the inherent characteristics of that species, the technical characteristics as well as its aesthetical appeal.

Recommendation:
« Employ each species for the purposes/final products for which it is best suited and most appreciated. Listen to the market, and deliver
- *quality products*
- *which satisfy the client's real needs*

- *and obtain your price »*

This is true for all products: Industrial Roundwood, Sawnwood, Veneer, Plywood, Joinery, Mouldings, Parquet, Decking, Furniture, and other Processed Wood Products.

Lesser-known species

In most cases "lesser-known species" are less popular, or « secondary » for a number of technical and/or aesthaetic reasons which can be related to difficulties of workability, drying, stability, finishing, durability, appearance, etc.

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When these species are sold on the world market either without any transformation as industrial roundwood, or in the form of primary processed raw material, sawnwood or veneer, they fetch low delivered prices. These timbers will compete against a host of other species of tropical and temperate hard- and softwoods, as well as against other building/decorative materials.

With rising energy cost, the element of transportation cost will absorb most of the value. The producer will be left with a very low contribution ex-logyard or ex-mill for such "secondary" species sold as industrial roundwood, veneer, or green/airdried sawnwood.

It is more profitable for tropical timber producers to transform these « secondary » species into finished/semi-finished wood products, such as plywood, furniture, joinery, mouldings, decking, and other secondary processed wood products.

A host of « secondary » or « lesser-known » species that were previously left in the forest, without any demand for them, are now being utililized for making such products as **plywood** and **furniture**.

Seen with the user's eyes, provided the sheet of plywood and the piece of furniture are serviceable and satisfy the intended use, then the species from which these products are made, is not important.

The same is true of **mouldings,** for certain end-uses, as well as for a number of the products in the group of **"Other Secondary processed wood products".**

Some "lesser-known" or "secondary" species, are not known because the volume available is insufficient to arrange economic production runs, and insufficient to make an impact on the market.

These species often pose a problem for the producer/manufacturer in the country of origin, with respect to downstream manufacturing. The volume available of fresh logs is insufficient to make a production run in the sawmill, it is difficult to ensure proper kilndrying, and there is insufficient volume to make a production run in the moulding factory.

A number of these species can profitably be made into plywood, furniture, and other SPWP. Provided that the ITTO producer manufactures these species into finished products which satisfy the client's technical and aesthetic requirements, the client is not concerned about the species used, nor if the species are mixed.

When a "lesser-known species" enjoys technical and/or aesthetic characteristics which are attractive to the market, but that species is available in insufficient quantities to each producer, the consultants recommend to the producers in the same region to work together and exchange these rare species so that each producer gets enough raw material to be able to make economic production runs. Heavy hardwoods, suitable for decking, are a good example of this kind of opportunity.

France: the world's most species flexible wood market.

Amongst the traditional timber importing countries, France is the most species flexible wood market. France has in less than one generation changed its primary joinery species 6 times, from African Sipo, to Philippine Lauan, to Malaysian and Indonesian Dark Red Meranti, to Malaysian White Seraya, to Brazilian Curupixa, and now Brazilian Tauari.

The French market is open to « new » species and products – on certain conditions, amongst which the most important are:

- regularity of delivered volume of supply
- quality of product, specification, and appearance
- competitive price relative to equivalent supply

Tropical Timber Producers seeking further information and recommendations about opportunities in the French timber market may contact ITTO who can refer to sources of information in France.

PART I

1.1 Introduction

Terms of Reference.

On 1 June 2005, ITTO employed, under "special service agreement for a consultant" Pierre M. Desclos, French National, and Ole Pedersen, Danish National, as co-consultants, to undertake a review of the French timber market in accordance with the following Terms of Reference:

"REVIEW OF THE FRENCH TIMBER MARKET
[ITTO Yokohama Action Plan, Section 3.1, Goal 1, Action 5]

Terms of Reference

Compilation and Review of Information

The consultant shall:

- Collect, analyse and present data on imports, exports, production and consumption of timber identifying trends for tropical hardwoods, softwoods and temperate hardwood in France. This analysis should cover industrial roundwood, sawnwood, veneer, plywood, builders joinery, flooring, mouldings, millwork and wood furniture. Any existing studies should be integrated in this analysis.
- Identify the sources of statistical data used in (1) above and provide an assessment of the reliability and timeliness of this data.
- Review information on trends in tropical timber trade in the region in which France is located.

Tropical Timber Consumption Analysis

- For the main consumption centres, report on trends in the last 3-5 years in consumption of the products noted in (1) above and identify the consumption trends for tropical hardwood products relative to other timbers and place such trends in a regional context.
- For each of the consumption centres, and for the countries as a whole, identify and report on the end-use distribution for each tropical timber product referred to in 1 above.
- Analyse factors affecting competitiveness of tropical timber including identification of the significant products (timber, other materials, etc.) with which tropical timber competes.
- Analyse and report on current import tariffs, product specifications and quality requirements in these timber markets and their implications and opportunities for ITTO exporters.
- Identify possible non-tariff barriers in France for timber imports and any particular impacts on tropical timber.
- Survey the perceptions/views of the private sector on likely future trends in the tropical timber markets of France.
- Present preliminary findings/analysis to the ITTO Secretariat at the end of the data collection phase.

Reporting

- Submit a preliminary report of the review to the ITTO Secretariat not later than 15 August 2005.
- Submit the final report of the review, including an executive summary and a draft article for the Tropical Forest Update (TFU), not later than 15 October 2005.
- Present the report at the Thirty-seventh Session of the Committee on Economic Information and Market Intelligence scheduled for 7-12 November 2005 in Yokohama, Japan. »

The Consultants

The consultants both have a long and complementary experience in the French timber market. Pierre M. Desclos has strong ties to the international trade and forestry organizations, FAO, UNECE, and others. Ole Pedersen has hands-on industrial and commercial experience in France and internationally.

Ole Pedersen is a timber consultant specialized in strategic planning, market analysis, product development, and marketing, branding and merchandizing. In a 40year carrier with a leading timber group, he has held commercial positions in Canada, USA, and UK. In Malaysia, he was seconded to a World Bank timber project as Marketing Manager. In Brazil, he was Managing Director for a sawmill operation. In Denmark he was responsible for group strategic planning development. In Belgium, Deputy Managing Director before moving to France in 1977 as Managing Director for a major timber importing company, which he directed for 25 years. Simultaneously, he held group level responsibilities, a.o. procurement director for Africa, and group commercial director. As an independent consultant he works both for private enterprises and for national and international organizations, within his fields of expertise. His broad background and integration into different cultures, are helpful assets in international studies.

Pierre M. Desclos is an independent consultant based in Rome, Italy. He is a specialist in the marketing and international trade of forest products. Pierre M. Desclos is deeply involved in South and North America, Africa, Europe and Russia, consulting for and advising several forest industry associations, forest products companies and major international organizations. Formerly, he managed the offices of the Council of Forest Industries of British Columbia (COFI) in Lyons, Rome and Paris. He has authored and co-authored several articles and studies in a number of international publications, including the Development of Further Processing published by ITTO and ITC in 2002. He lectures at the École Supérieure du Bois in Nantes (the French wood products university) and has been guest lecturer in several academic institutions around the world. He is a frequent participant in major forestry and forest products events and contributes regularly to wood market and wood products development fora.

Structure of Report

The structure of the Report has been built with a view to including a depth of background data and information placing the French tropical timber consumption in a historic and regional perspective. The authors have at the same time endeavoured to deliver practical information on the utilization of species and products, which can hopefully be of use to ITTO producers.

1.2 Methodology

All existing studies were integrated in this analysis: CIRAD, FAO, ITTO, UNECE, LCB, SESSI, Agreste, IPEA, ATIBT, etc. (See complete list in appendix II) Assessment of the reliability is reviewed in chapter 1.4. The sources were identified and the latest data (2004 for most statistics) reported.

Report structure

The description of the French economical background and matters common to all products, such as the French economy, industry and trade structure and the environment are presented in the first part of the report

Product reports
Each of the main products is reviewed in a separate chapter:

2.1 Industrial Roundwood
2.2 Sawnwood
2.3 Plywood
2.4 Veneers
2.5 Furniture
2.6 Builders Joinery
2.7 Mouldings
2.8 Parquet
2.9 Other Secondary processed wood products

In order to situate France in the regional context, for each product, the European data were reported.

Product report format
The following structure was adopted for each product:

Profile of France for the Product
- Summary Table (production, Import, export, consumption)
- Institutions
  - National federation/association for the Product
  - European federation/association for the Product
- Terminology and Nomenclature
- Tariffs
- Product Standards
  - European Standards
  - French Standards
- Product Specifications
  - Formats
  - Species
  - Shipping and Conditioning
  - Environment
  - Certification

Product production
- Europe: Product Production (General)
  - Tropical product production
- France: Product Production
  - Tropical Product production
  - Tropical Product production capacity
  - Tropical Product production

Tropical Product production trends

Product Imports

Europe: Product Imports (All types)
Product Imports by importing countries
Product Imports by countries of origin
Product Imports by type /species
Europe: Tropical Product imports
France: Tropical Product imports
Breakdown by origin
Breakdown by species
Tropical Product imports non tariff barriers
Tropical Product imports trends

Product Exports

Europe: Product Exports (All types)
Breakdown by exporting countries
Breakdown by countries of destination
Breakdown by type /species
Tropical Product exports
France: Tropical Product exports
Tropical Product exports trends

Product Consumption

Europe: Product Consumption (All types)
Tropical Product consumption
France: Tropical Product consumption
End Uses
Market Drivers
Competition
Other Wood Products
Other materials
Non Tariff barriers
Tropical Product consumption: trends, perception and views

On-site visits and interviews

Tour de France.

In combination with the desk study of reports, analysis, statistics, and telephone interviews with a wide range of organizations and companies, the authors visited ports, companies, trade associations, and others.

The purpose of on-site visits is many-fold, to name a few:

- Ports receiving shipments of tropical industrial roundwood and sawnwood are like an open book to read: Which shipper in which country ships which product of which species to whom? What is the volume of stocks – are the stocks moving?
- On-site visits allow meeting persons in their own natural environment where they have immediate access to immense detail and information. In many cases it is possible to look at timber products, including new developments. In this manner, it is also possible to cross-check information obtained elsewhere.
- The most important advantage is in personal, confidential face-to-face contact to obtain the person's genuine perceptions and views. This is more valuable information than that obtained on the telephone or by other methods.

With a view to obtaining and cross-checking the fullest range of data and information possible, the authors therefore visited a wide selection of companies, ports, organizations, etc.

The list of organizations, companies, persons interviewed, is included in appendix III

Main visits
The authors visited on their site of operation:

- 13 Importers/Distributors of Tropical and other timber, in Sète, Bordeaux, La Pallice, Nantes, Paris, and Grenoble.
- 5 Leading Timber Merchant Chains
- 1 Producer/Exporter of Tropical Timber
- 1 Forest Operator (Africa), sawmiller, Plywood-miller, exporter, importer, and distributor
- 1 Producer/exporter and distributor in France of Scandinavian softwood products.
- 1 Producer of French Hardwoods
- 1 Custom-sawing sawmill cutting boules from tropical logs
- 2 Parquet Manufacturers
- 1 Dowel Manufacturer
- 1 Shutter and Interior Door Manufacturer
- 1 Importer/Retailer of Tropical-wood garden furniture
- 6 Joinery Manufacturers (3 Visits, 3 telephone)
- 2 Stevedoring/Transit Agent/Ship agents
- 6 Trade Federations (2 by phone)
- The Forestry Ministry
- The Forest Research Institute
- 1 Certifying Bureau
- 2 Forest Certification Consultants
- 2 International Plywood Traders
- 1 Chamber of Commerce
- The Customs statistics bureau
- The Statistics Bureau of the Ministry of Agriculture,
- The Plywood Labelling Authority
- Centre Technique du Bois
- UNECE
- Fédération Nationale du Bois (FNB)
- LCB, Le Commerce du Bois

1.3 Statistical Sources and Analysis

Sources
The following sources were consulted during the composition of the present report:

- **French Customs Service:** The French Customs Service is part of Minefi [1] (Department of Economy, Finance and Industry). The Customs service releases import /export data selected by nomenclature code.

- **French Department of Agriculture and Fisheries:** SCEES [2] is the office releasing statistics and studies on agriculture, forestry and agri-food industry. Their AGRESTE publication service produces periodical data on forest production and forest industries (GraphAgri).

- **French Department of Industry:** The Studies and statistics service of the Industry Department is "Service d'Etudes et de Statistiques Industrielles" [3] (SESSI). It publishes periodic and annual data and analysis collections.

- **UNECE:** The United Nations Economic Commission for Europe (UNECE) has a committee dedicated to forestry and timber. The UNECE timber committee [4] and the FAO European Forestry Commission work together and are associated in many projects. The UNECE timber committee collects from the member countries a wide range of information regarding the European forest, its related industries and trade. Their database is invaluable for this type of study.

- **FAO:** The FAO database [5] was consulted for longer historical series.

- **COMTRADE :**United Nations Statistics Division Commodity Trade (COMTRADE) [6]

- **Eurostat:** Eurostat [7] is the Statistical Office of the European Communities

Trade Organisations Statistics
- **LCB** (French Timber Trade Federation: Le Commerce du Bois) [8] LCB is the central and important source of information for the French timber trade.
- **UCBD / UCIP**
  UCBD = Union pour le Commerce de Bois Durs dans l'U.E.= European Hardwood Trade Federation
  UCIP = Union pour le Commerce des Panneaux en Bois = European Wood Based Panels Trade Federation
  UCBD [9] is an alliance of the national federations of tropical and temperate hardwood importers in the European Union. UCIP and UCBD produce an annual statistical summary of the European plywood trade based on the national trade association. This document is fundamental in analysing the European timber and panel trade because it is based on a critical and professional analysis at a European level.

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[1] http://www.minefi.gouv.fr
[2] www.agreste.agriculture.gouv.fr
[3] http://www.industrie.gouv.fr/sessi
[4] http://www.unece.org/trade/timber
[5] http://faostat.fao.org
[6] http://unstats.un.org/unsd/comtrade
[7] http://epp.eurostat.cec.eu.int
[8] http://www.lecommercedubois.fr
[9] ucbd@boisimport.be

Industrial Organisations Statistics
The major industries have national associations and European federations. Most of them produce an annual report with production statistics. In each product chapter of this study the industrial associations are presented with details. For the main productions reported in this study:

Table 1.3.1
French and European
Industry Associations / Federations

	France	Europe
Plywood and Veneers	UFC	FEIC EPF
Furniture	IPEA	UEA
Parquet	UFFEP	FEP

Statistical analysis

Timeliness of data
In most cases the authors were able to report the 2004 and first half 2005 figures.

Geography
A fundamental point specific to European statistics is the meaning of "Europe". There are several definitions:

- Geographical i.e. West of Ourals. It is worth noting that UNECE includes Russia in some European data series
- Geo-political e.g. "West Europe"
- Political e.g. EU15 formerly and EU25 now, some statistical reports including the three current candidate countries.
- Sectoral for each industry e.g. "European Panel Federation Member Countries". Some trade organisations do not associate all the producers of a country e.g, for plywood, UFC regroups only 95% of the French plywood manufacturers, and some European federations do not regroup all countries e.g., for plywood, UK is not a member of the European Plywood Federation.

Each reference to Europe is clearly identified in the present report - - EU15, EU25, EPF countries, etc. --

Data reference
When the definition is relevant to a particular set of data, it is explicitly mentioned which Europe the authors are referring to. All sources are quoted. This report incorporates statistical data from a wide range of sources. The main ones are reported in the following table.

Units
Various quantity units are used in the forest products trade (m3 for roundwood, sawnwood and panels, m2 for some veneers and parquet, linear meter for mouldings, etc.) as well as the Round Wood Equivalent (RWE) for each product.

The customs statistics do not use this full range of units and for several products the quantity is expressed in Metric Tonnes (MT). There are conventional conversion factors [10] between weight and volume and between actual volume and RWE. Whenever it was possible the unit of the original data set has been kept, and the authors checked the homogeneity of the data with the conventional conversion factors.

Nomenclature

The Harmonised System product nomenclature is based on the **trade of products**. It is not easy to read and understand even for wood specialists. The ubiquitous "other"s in every paragraph are, deliberately or not, misused and a substantial amount of wood products end up under the wrong heading. Some exporters/importers take advantage of the confusion created by the complexity of the nomenclature to opt for the cheaper tariff. The authors have endeavoured to analyse carefully the customs statistics to correct some of the more evident mistakes.

The NACE Nomenclature is the Nomenclature of Economic Activities in the European Community providing a harmonized statistical classification of **economic activities** in the EU. In contrast to the Harmonized System, which provides a classification according to trade, the NACE system classifies economic activity in terms of **production** corresponding to the nature of goods and services produced or by the nature of the production process used. NACE 20 comprehends the manufacture of wood and wood products, except furniture, which falls under NACE 36.10. Using the NACE classification, the European woodworking industry can be subdivided into the following subsectors:

- NACE 20.10 : sawmilling and planing of wood, impregnation of wood;
- NACE 20.20 : manufacture of veneer sheets, manufacture of plywood, laminboard, particleboard, fibreboard and other panels and boards;
- NACE 20.30 : manufacture of builders' carpentry and joinery;
- NACE 20.40 : manufacture of wooden containers;
- NACE 20.50 : manufacture of other products of wood, manufacture of articles of cork, straw and plaiting materials;
- NACE 36.10: manufacture of furniture.

Figures for 2004 were unfortunately not yet available. Due to restructuring activities that are taking place within the statistical database of Eurostat, also the figures for 2003 may include some estimates, though they provide you with the currently best available information on the woodworking industry. Doc: CEI Bois

The NAF Nomenclature is the Nomenclature of Economic Activities in France [11]. NAF keeps the structure of NACE Rev 11, adding more national levels:

- 20.1A Sawmilling and planing
- 20.1B Impregnation
- 20.2Z Panel manufacturing
- 20.3Z Builders joinery and carpentry
- 20.4Z Packaging
- 20.5A Various wood objects
- 20.5C Cork and wicker work

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[10] Volume / Weight :
Coniferous logs: 1.43 m^3/ton
Non-coniferous tropical logs: 1.37 m^3/ton
Non-coniferous non-tropical logs: 1.25 m^3/ton
Coniferous sawnwood: 1.82 m^3/ton
Non-coniferous sawnwood: 1.43 m^3/ton
Veneer: 1.33m^3/ton
Plywood: 1.54m^3/ton

[11] http://www.insee.fr/fr/nom_def_met/nomenclatures/naf/pages/naf.htm

Identification of tropical products:
In the specialised (UNECE, UCBD) databases most wood based products are differentiated according to "temperate", "coniferous" and "tropical". It is not always the case in the general databases. The French customs do it for some products only. In the case of veneers, there is a peculiar problem related to the different nature of products reported under the same heading: sliced veneers and peeled veneers are two different products by end-use, distribution and manufacturing network and last but not least by value.

Estimates
When faced with a lack of identification of the products as "tropical" combined with the uncertainties of the nomenclature declaration (See paragraph above) the authors based their estimates on the assumption that all wood based products coming from tropical countries were made of tropical wood. When part of the data is clearly identified as tropical the authors added it to "other" woods products to produce their total estimate. In some cases e.g. plywood from Brazil, the authors have mentioned that the data incorporates products other than tropical.

Data Comparison:
For each product, and when several sources have been available, a table summarising the different figures has been added.

Table 1.3.2
Main Statistical Data Sources
of the Report

Product	France	Europe	UN
Roundwood	LCB	UCBD	UNECE
	Customs		FAO
	FNB		Comtrade
Sawnwood	LCB	UCBD	UNECE
	Customs		FAO
			Comtrade
Plywood	LCB	UCBD	UNECE
	Customs	FEIC	FAO
	UFC	EPF	Comtrade
Veneers	LCB	UCBD	UNECE
	Customs		FAO
			Comtrade
Furniture	IPEA	UEA	Comtrade
	Customs		
Parquet	UFFEP	FEP	
	Customs		

1.4 Data Reliability Assessment

The authors' conclusions, on the basis of the study and evaluation of the different sources of statistical data, and after having consulted with professionals in the trade, importers, industrials, port operators, trade associations, stevedoring companies, forwarders, are as follows:

French Production and consumption.

The recording of data by the Customs authorities, SCEES, and SESSI, is carried out by professionals committed to quality; very serious efforts are made to produce timely reliable statistics.

Le Commerce du Bois (LCB) follows up with the Customs Authorities in regard of any apparent anomaly in respect of import statistics, and necessary corrections are made after investigation into possible errors.

One possible margin of difference between recorded production and actual production, and between recorded consumption and actual consumption could lie in un-reported activities by enterprises with a view to escaping value-added tax.

Whilst such un-recorded activity does take place, it is considered to be of marginal over-all importance, not exceeding a few percent of the total activity.

Inter-European Traffic

Any and all exchange of goods between members of the European Union, is to be declared by the company or person who buys or sells goods across national borders.

The "Déclaration d'échanges de biens entre états membres de la C.E.E." = Declaration of exchange of goods between members of the European Economic Union must be made on a monthly basis to the customs authorities.

None of the timber trading companies interviewed has I.T. interfase between the company's commercial database and the "Déclaration d'échanges de biens" i.e. the "déclaration" is made manually. Errors and omissions do undoubtedly occur.

The authors have consulted the Ministry of Economy, Finance, and Industry, Customs Servides with our questions as to the reliability of the statistics. Their reply, dated 05/10/2005 spells out the procedures and means of control employed by the customs authorities. It is not possible for the customs authorities to verify all declarations.

An example:
Belgium and the Netherlands, where major timber-receiving ports are situated, appear to have relatively larger tropical wood consumption than countries less rich in ports such as Germany, Poland, and other Central and East European countries. So far as France is concerned, it is estimated that there is probably some import of notably Asian sawnwood and plywood into France from North European ports, which may not all have been correctly recorded. There may also be some export from Southern French ports into Northern Spain and Italy, which is not necessarily all precisely reported.

The following evaluations of reliability are made with the reservation of some uncertainty as regards un-reported inter-European traffic.

The possible un-reported volumes in and out of France are considered to be minor, over-all not more than a few percent of the recorded volume.

UCBD endeavours to make a critical evaluation of all elements which enter into the European timber import statistics, including inter-european movements, as well as discrepancies due to timing differences.

The difference in volume of export and import in a given calendar period, can in a number of cases be explained by the difference in time between departure of a given shipment of timber products from the producing country and arrival date in the importing country.

Nomenclature

Industrial roundwood
There is little scope for error as regards the interpretation of the nomenclature for industrial roundwood. The authors conclude that statistical records of tropical industrial roundwood are as precise as can reasonably be expected; possible variances are not expected to exceed a few percent.

Sawnwood
The category 44.07. includes both rough sawnwood imported free of duty, and certain planed and otherwise transformed sawnwood products, which are subject to duty. This can lead to some error, both voluntary and involuntary. Overall, the authors conclude that the recording of sawnwood imports and exports represents the actual volumes, any error not exceeding a few percent.

Plywood and secondary processed wood products.
Nomenclatures are not easy to interpret for the actors in the timber trade. As different nomenclatures carry different import duties, importers can have an interest in confusing one product category with another. As such, there is probably a higher margin of error in these product categories. There could be errors, for instance as to whether plywood has an okoume face or a bintangor face or whether a piece of planed, moulded timber is for one end-use or another.

Overall, the authors evaluate that total volumes are recorded within a few percent margin of error tolerance, however, there could be bigger variances as regards the correct recording of individual product groups. For instance, there could be a higher recorded volume of “mouldings”, a product nomenclature that carries no import duty, than the real volume.
Conversely, there could be a lower recorded volume of parquet nomenclature 44 18 30 10 which carries a 3% import duty, than the real volume.

The authors have asked the Customs Service Department of Fraud for their comments and evaluations. In case an answer can be obtained – verbally – the authors shall bring this information along to Yokohama in November.

1.5 Nomenclature and tariffs

Product nomenclature: HS

The European product nomenclature is based on the Harmonised System, and provides a classification according to trade. As it is, the document is not easy to read and understand. This (too) long list of options with so many paragraphs starting with "other than …" is easily misleading.

The most practical illustration is given by the plywood nomenclature (Chapter 4412). Quite a substantial amount of plywood ends up under the wrong heading. For instance, plywood panels of lesser known tropical species are apparently declared indifferently under code 4412 13 90 or 4412 14 00 ("… other, at least one outer ply of non coniferous wood"). In the later case they eventually appear in some statistical summaries as "Temperate hardwood plywood" One example to illustrate this fact (LCB Imports Year 2004 Report, based on French Customs statistics):

Table 1.5.1
France: Plywood Imports from Indonesia

2004	Code	QTY m3
	4412…..	
Coniferous	19 00	177
Temperate *	14 00	15 611
Tropical	13 10 13 90	19 584
Overlaid	22 99 29 80 92 99	15
Others	22 91 29 20 92 91 99 20	219
Total		35 606

* In French: Feuillus (Hardwoods)
Data source : French Customs / LCB

It is quite clear that in the case of Indonesia the panels listed as "Temperate hardwoods" in some European statistical reports were in fact "Tropical". An analysis of imports statistics from Brazil brings similar conclusions. As it is now, the nomenclature is too complicated, ambiguous and difficult to check. This potential source of mistakes, when combined with rather high tariff, facilitates frauds.

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) [12]. Tariffs vary from nil to 10% (2, 2.5, 2.7, 3, 4.9, 6, 7, 10 %). One could question the need and logic of so many tariffs for similar products. Again, a simplification is desirable. The tariffs corresponding to each product are listed in the report. In the particular case of plywood an anti-dumping case originated a modification of tariffs regarding some types of plywood imported from China. See details in 2.3.

Traders' opinion

Most traders would prefer a simplified (and more efficient) nomenclature of which the lists -- and specially the wood based panels list -- would be drastically shortened. This would ease the work of many people, including the customs officers. Identifying the products according to the current nomenclature is not an easy task. Some buyers take advantage of the confusion created by the complexity of the nomenclature to opt for the cheaper tariff. The plywood committee of the French Timber Trade Federation (LCB) is currently working on a series of recommendations for the national administration.

[12] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

1.6 The French economy

France: the second largest European residential building market

In 2004, France had 61.7 million inhabitants, making it the twentieth most populated country in the world and the second most populated in the European Union (EU) after Germany. After a near stagnation in 2003, the French economy has slightly recovered in 2004 with a growth of its GDP amounting to 1.4%. According to the first official figures, GDP could remain at the same level for 2005. [13] This rather weak growth should keep the public deficit under the symbolic limit of 3% of the GDP. The expectations of the French government for 2006 are more optimistic and GDP growth should reach about 2.2 %.

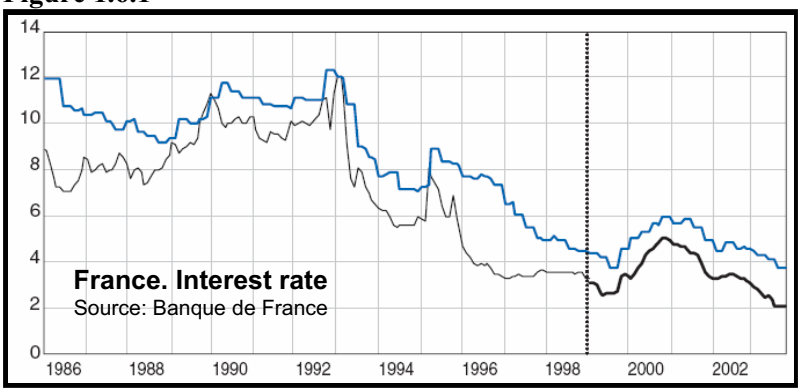
Table 1.6.1

France
Economic Indicators

	Units	Actual 2002	Actual 2003	Actual 2004	Estimate 2005	Estimate 2006
GDP	% + / -	1,7%	0,7%	2 %	1,4%	2 %
Exchange Rate	Euro / US$	1,02 €	0,90 €	0,9 €	1,2 €	1,2 €
Inflation (RPI)	% + / -	2%	1,8%	2 %	1,7%	1,6%
Industrial Production	Base 100 year 2000	101	99	102	103	104
Housing Starts		305 000	315 000	363 000	380 000	385 000
Housing Completions		260 000	270 000	310 000	325 000	330 000
Source FNB, European Softwood Conference Market Report 2005						

Interest rates remain at low levels in France and fuel the construction market.

Figure 1.6.1



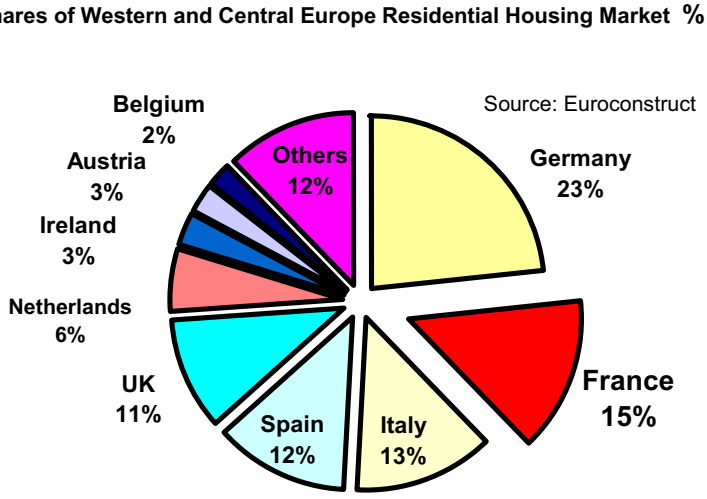
Construction in Europe

Following three years of sluggish construction activities, particularly in Western Europe during 2002-2003, but also in Central and Eastern Europe during 2001-2002, the overall building industry picked up again in 2004. The total construction output amounted to more than 1,152 billion EUR, which

[13] Source FNB, European Softwood Conference Market Report 2005

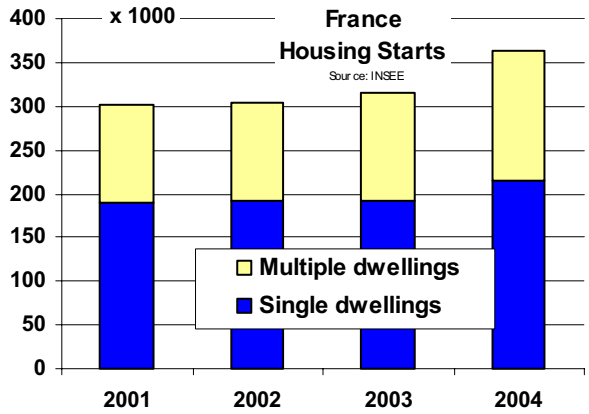
represents an increase of 2% compared to 2003. This growth was mainly thanks to a remarkable recovery of the residential construction sector, which had been suffering severely in recent years and restrained the overall building performance to a large extent, since the residential segment accounts for 44% of all European construction activities.
In Western Europe, the construction industry will have reached its highest growth rate of 1.9% in 2004, almost exclusively on account of a sharp rebound in new residential housing. New housing starts peaked in several countries (Austria, Finland, France, Italy, Norway, Spain and Switzerland), which even led to new record levels in some of these countries. The number of completions is foreseen to peak in 2005. Renovation will probably remain the most flourishing segment with accelerating growth rates until 2007. During 2004, the Western European construction output increased from 1,089 billion EUR to 1,110 billion EUR. Within the residential construction market, Germany maintained its leading position in 2004, even though its market share continued to decline further. Also Italy and Spain faced a smaller market share compared to 2003, whereas France (15 % of the market) and the UK were able to gain some points.

Figure 1.6.2



Construction in France
In 2004 new private home construction reached a 20-year high of 340,000 units of housing. This favourable trend is continuing in 2005, new construction permits reached 440,000 units. The level of activity is reported good both by industrials, importers, and distributors of timber and other building products.

Figure 1.6.3



The factors influencing this favourable level of home construction are the low level of interest rates for long-term building loans, strong increases in the price of homes in literally all areas of France, i.e. investing in one's home is the best money placement possible.

The non-residential construction market also picked up again, mainly thanks to a strong rise in the education and health sectors, while commercial construction failed to give impetus. Renovation and maintenance activities are still strong during 2005 thanks to a reduced VAT rate applicable until at least the end of 2005, tax-relief measures for certain types of work, improvement activities required following the purchase of existing houses (nearly 600,000 annually) and the impact of urban renewal programs. [14]

[14] Source : EPF http://www.mdf-info.org/website%5Fepf/main_tc.html

1.7 The European wood industry

A diversified industry

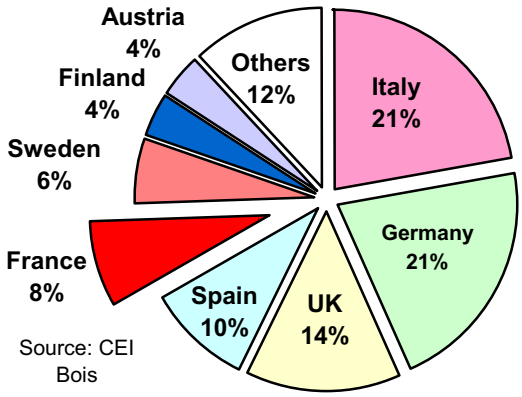
The European woodworking industry covers a wide range of activities: sawmilling, planing, impregnation of wood, veneer and wood-based panels manufacturing, joinery, pallets, containers, packaging and furniture. The European woodworking industry includes more than 100,000 companies and employs around 2.7 million workers in EU25 [15]. The majority of the companies are small or medium-sized in most sectors with the exception of panel manufacturing and large sawmills. CEI-Bois, the European confederation of woodworking industries, represents the interests of the European industry. [16]

Table 1.7.1

Europe (EU 15)
Woodworking industry production (Million Euro)

Production (excl. VAT)	1999	2000	2001	2002	2003	2003
20.10 Sawmilling & Impregnation	16.488	17.631	17.120	17.256	17.616	12%
20.20 Panels & Veneers	11.942	13.134	13.023	12.613	13.080	9%
20.30 Carpentry & Joinery	20.789	21.819	22.288	23.205	23.968	17%
20.40 Packaging	4.703	5.218	4.674	4.876	5.082	3%
20.50 Cork & Others	8.681	9.384	8.079	8.014	8.105	5%
36.10	91.264	95.599	82.565	81.420	79.418	54%
Total	153.867	162.785	147.749	147.384	147.269	100%
Source CEI Bois / Eurostat						

Figure 1.7.1 Production 2003 – Relative importance of the EU Member States Industries

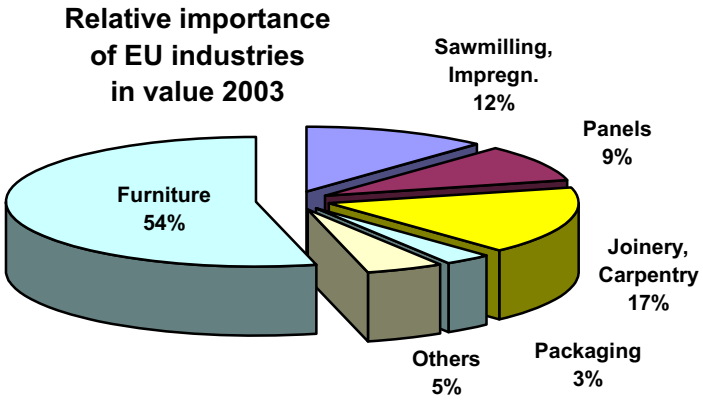


[15] Data CEI Bois

[16] CEI Bois
Allée Hof-ter-Vleest 5, 5/4
BE-1070 Brussels, Belgium
Tel : +32 2 556 25 85
Fax : +32 2 556 25 95
http://www.cei-bois.org

The performance of the woodworking industries, including furniture, is very much depending upon the activity of the construction sector, as this counts for the major volumes of sales in the "building" and "living" areas. In fact, a vast majority of the products produced by the European woodworking sector find their way into the construction sector, both for structural and non-structural applications, as well as more decorative purposes.

Figure 1.7.2



The furniture industry is one of the largest European manufacturing industries and, even with a decreasing share due to a deep and durable crisis, it still accounts for 38% of the world's production. Since 2001, the production value of the furniture industry has been deteriorating sharply. This downward trend in the production value of the furniture industry is reflected in the relative importance shares as shown in Figure 1.7.2.

The European industry 2010 roadmap

The "Roadmap 2010 for the European woodworking industries" is an action launched by CEI-Bois with the aim of:

- producing an updated analysis on key factors and challenges affecting the European woodworking industries;
- identifying the opportunities for the sector;
- describing the ideal position;
- producing an action programme for the European woodworking industries towards 2010;

within the general vision of "Wood and wood products to become the leading material in construction and interior solutions by 2010".

The final aim of this study is the establishment of an action programme targeted to the industries, their associations and the authorities. Within the Roadmap action, work was performed on different areas, such as:

- Environmental analyses and wood and fibre availability;
- Market developments on European and non-European markets;
- Barriers to an enhanced use of wood in Europe;
- Perception analyses.

Summaries and preliminary conclusions from work in these various areas and the general conclusions drawn from the action overall, finetuned in discussions with key players in the European woodworking sector, can be found in the preliminary conclusions.

1.8 The French Forest Resource

The French forest has increased from 8 to 16 million hectares during the 150 year period from 1850 to 2000.

The most densely forested area is in Les Landes, mediterranean pine plantations in the region between Bordeaux and the Spanish border– Europe's largest man-made forest outside Scandinavia.

Figure.1.8.1 shows the French forest cover, geographically.

Source: Agreste 2000: La Forêt et les industries du bois.

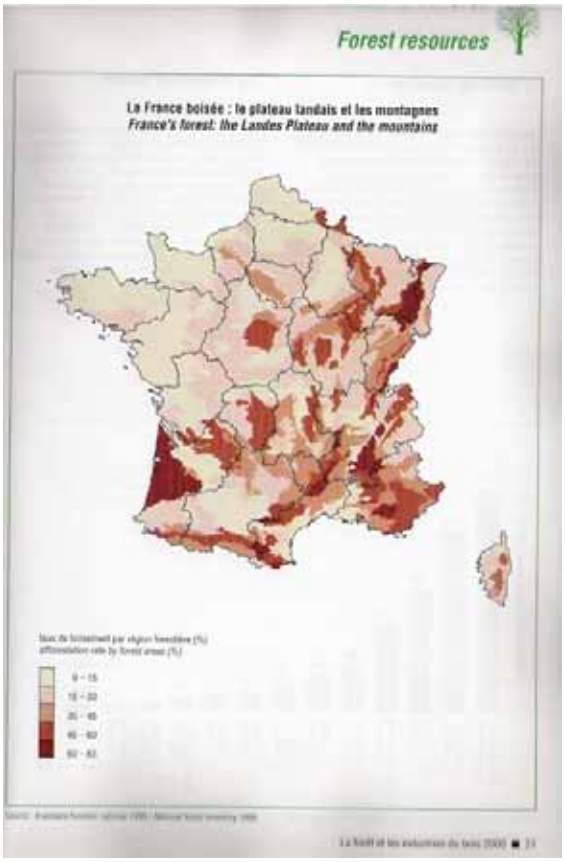
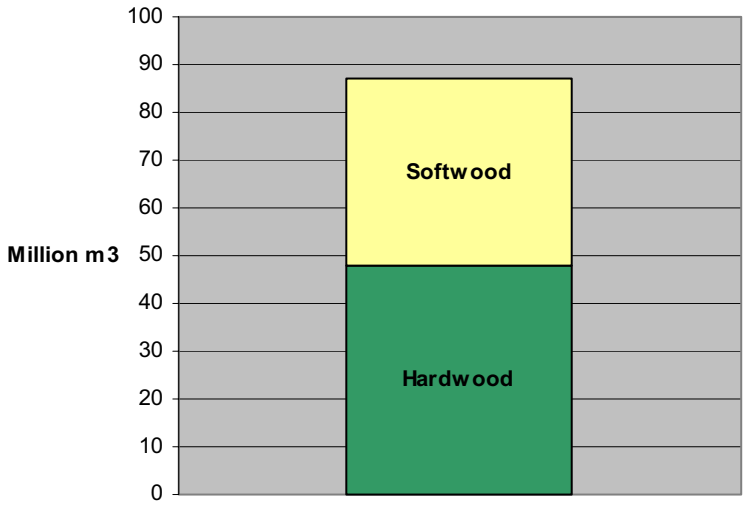


Table 1.8.2 shows the annual incremental growth.

Source Agreste



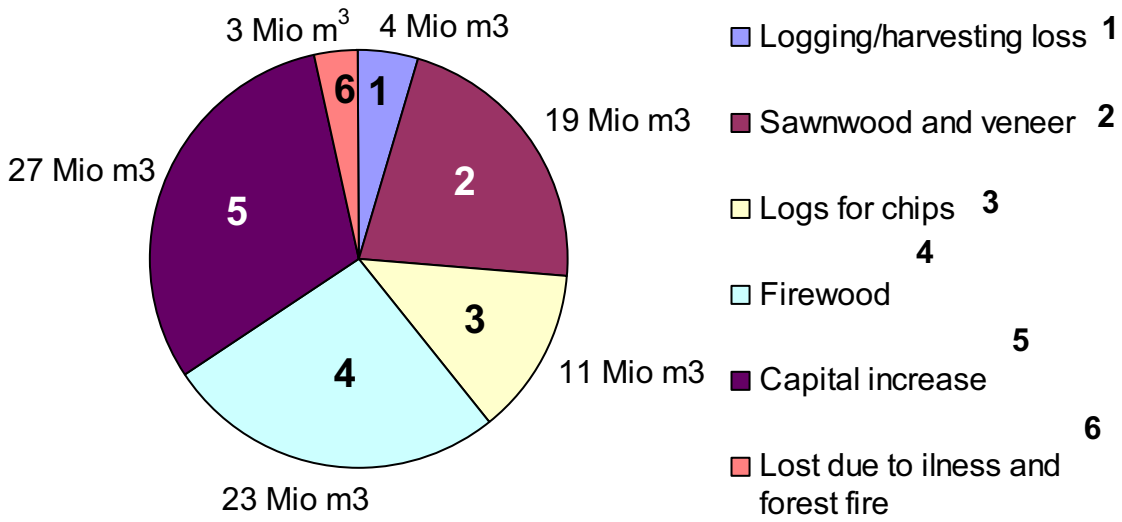
The 8.6 million ha of hardwood forest contains 1.2 billion m3 hardwood, producing an annual incremental growth of 48 million m3.
The 5 million ha of softwood forest contain 800 million m3 softwood producing an annual incremental growth of 39 million m3.
Out of these 87 million cbm annual growth, the annual timber capital increase is 27 million m3 (non-harvested growth).
3 million m3 is lost due to illness, forest fires, etc.

Roundwood Production

The timber harvest consists of

- 23 million m3 for firewood
- 11 million m3 for chips (pulp, chipboard, etc.)
- 19 million m3 for sawnwood and veneer
- 4 million m3 represents logging/harvesting loss.
- The industrial roundwood harvested consists of two thirds softwood, one third hardwoods.

Table 1.8.3 Illustrates the use of the annual incremental growth.



History

Up until the middle of the 1800's, wood was practically the only source of energy. Forests were being depleted for fuelwood.
Once the railways came into operation, the coalmines could deliver fuel more competitively to the towns and industries, and the forest resource was recreated.
At the same time, a massive re-forestation was initiated, creating the big Pine forests of the Landes, and huge softwood plantations in the MidFrench Central Highlands.
Forests had been depleted, as in many other European countries, during the preceding centuries, to supply timber to the navy and the merchant marine.

With all this wood capital – why import?

In absolute terms, France does not need to import wood. Modern processing techniques permit the utilization of the species, sizes, and qualities of timber available for manufacture into all the country's needed wood products, veneer, plywood, sawn timber, joinery, mouldings, parquet, wood furniture, and other Secondary Processed Wood Products.
So why does France import several Billion $ worth of wood products every year?

France, like almost all other countries in the world, import wood products which offer the consumer a better solution than could be made from domestic timber, be it quality, specification, aesthetics – or price.
It is often a combination of several of these factors.
We shall comment on the specific factors influencing the import of each product group.

1.9 The French Wood Industry

Forest Harvesting

The 35 million m3 harvested and marketed annually from the French forest is produced by 5500 enterprises employing 7000 persons.350 companies, 6% of the total number, employs 3600 persons, and produce two thirds of the total production.

2000 enterprises are one-person operations felling less than 500 m3 per year.

The number of one-person operations is being reduced every year. There are today 40% less forest operators than there were 20 years ago. The total number of persons employed in log harvesting has been reduced by 60% over the same period as productivity has increased.

The majority of the hardwood is harvested in North Eastern France, and the softwood primarily comes from Les Landes and Les Vosges.

Sawmills

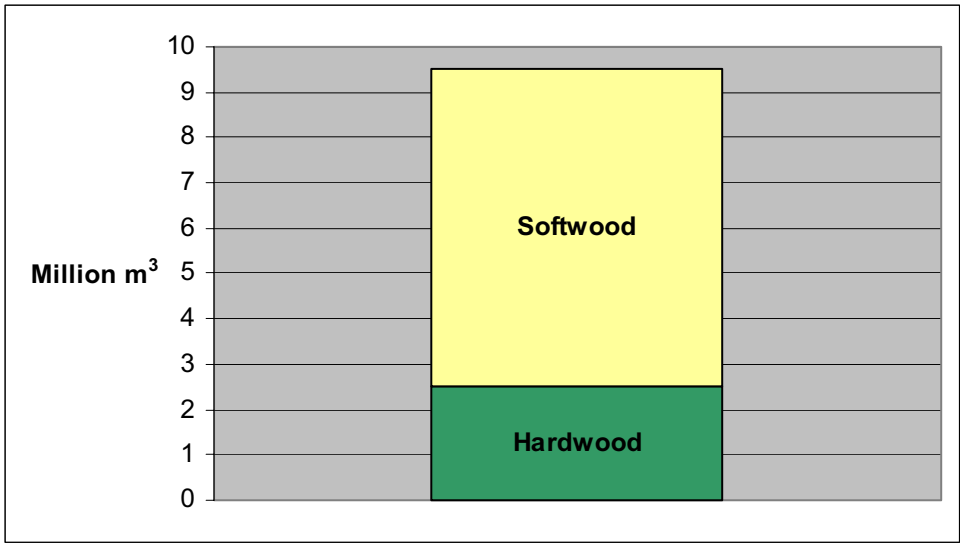
The number of sawmills has been reduced from 5200 in 1980 to less than 2800 today, and the number of persons employed has been more than halved from 26,000 to less than 13,000 persons.

3% of the sawmills saw more than 20,000 m3 sawnwood per year, they represent one third of France's total sawnwood production.

The sawnwood production consists of

2.5 million m3 hardwood
7 million m3 softwood

Figure 1.9.1



The hardwood sawnwood production continues to decline, at the same time as softwood sawnwood production increases regularly.

Most of the hardwood sawmills are found in North Eastern France, and most of the softwood mills are in Les Landes, the Alps, and Les Vosges.

Plywood, veneer, and panel Production

This industry is also being concentrated into fewer, more efficient units with larger production volumes in order to achieve economy of scale.

The international competition is fierce, and the panel producing groups are being concentrated on fewer and fewer hands.

60 companies employ 8000 persons; there will undoubtedly be further restructuring of this industry.

Most of the panel industry is found in Western France, between the Spanish border and Normandy.

The second most important concentration is in North Eastern France.

The woodworking industry

employs 40,000 persons, in 600 companies. Most of the wood working industry is also located in the Western part of France, as well as in the North East.

The furniture industry

The number of furniture industries is falling rapidly, as is the number of people employed.

Production and export is declining, as low-priced furniture is imported from low-cost producers in tropical countries, China, Central and Eastern Europe – as well as other countries such as Turkey.

The competition on price is fierce.

All the traditional West and North European furniture industries are suffering – in Italy, Spain, France, Germany, Denmark – as is also the case in USA.

The number of furniture manufacturers is today less than 600, with less than 65,000 persons employed - a dramatic reduction over the last few years.

Additional information about the French forest industry is found in, and seen from the point of view of

1.12 Consumption by region
1.14 Logistics and ports
2.2. Sawnwood
2.3 Plywood
2.4. Veneer
2.5.Furniture
2.6 Joinery
2.7 Mouldings
2.8 Parquet

Source [17]

[17] www.agreste.agriculture.gouv.fr

1.10 The French Trade Structure.

General Trend.

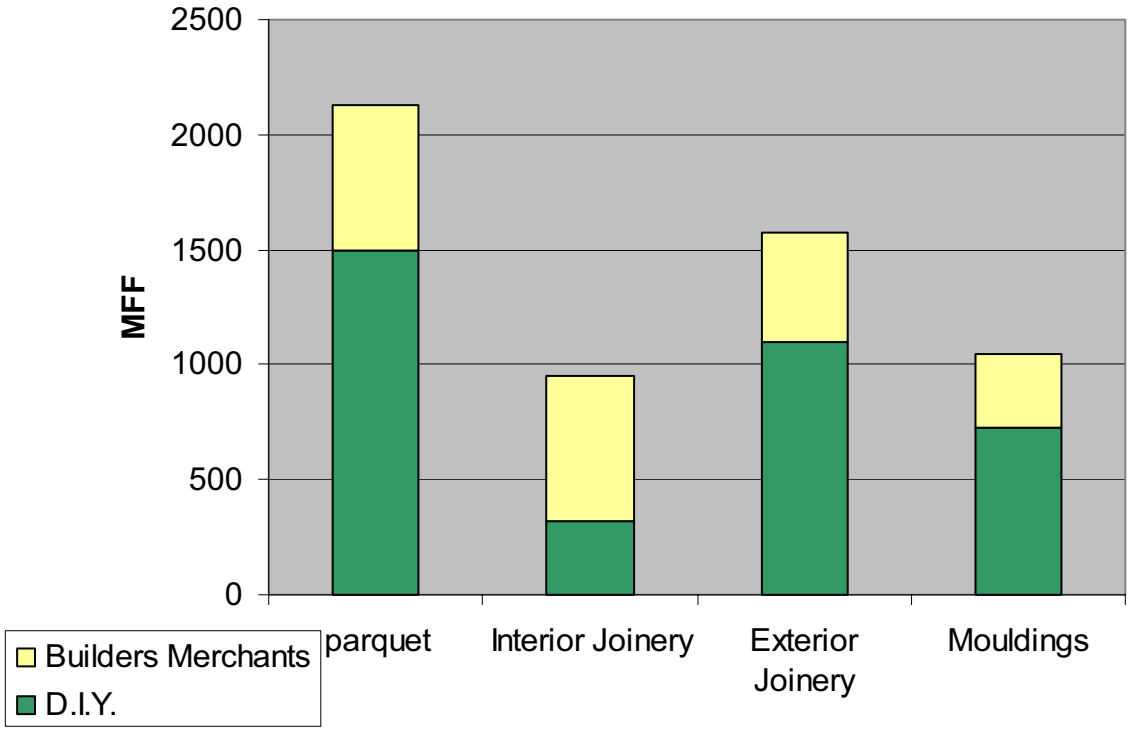
The trade structure has been made more direct in all facets of the timber trade, bringing the producer closer to the consumer, reducing the number – and cost – of all intermediaries whose intervention can be avoided.

Retail

Looking at the structure with the eyes of the consumer,
we enclose overview of the distribution by retail channel of the different wood products,

Figure 1.10.1

	Parquet	Interior Joinery	Exterior Joinery	Mouldings
D.I.Y.	1500 MMF	320 MMF	1100 MMF	730 MMF
Builders Merchants	630 MMF	630 MMF	473 MMF	315 MFF



Builders Merchants

The biggest chain of builders merchants in France is the biggest timber distributor group in Europe.

This group is at the same time a manufacturer of joinery, both in France and in South America.

This group is vertically integrated, with its own procurement of timber products from all the sourcing areas in the world, and with its own stocks in the ports to serve the nationwide net of own timber distributors.

The next-largest group is also nation-wide in its distribution, with vertical integration downstream, including its own production lines essentailly to pre-finish a range of timber building products.

Other building material chains have strong regional bases from which they are expanding, some with national ambitions.

The individual family-owned local timber merchants are usually working together with other timber merchants in large nationwide procurement groups in order to secure the most favourable buying conditions allowing them to compete against the large national chains.

Do-It-Yourself, Garden Centers, Home Improvement Stores

12 major chains and a range of regional and local DIY-type retailers compete for market share in an over-all growing market.

The DIY groups procure their wood products as directly from the source as possible.
From domestic and European manufacturers purchasing is usually direct with truck deliveries to regional distribution platforms.

Internationally, these groups endeavour to procure as direct as possible, be it from Finland or China, with varying degrees of success.

Importer/ Distributers.

Looking at the wood products trade with the eyes of the importer/distributor,
this link of the trade procures their timber products from:

Overseas Suppliers
in direct trading, usually based on long-term mutual-interest relationships.

As regards, the well-established trades in, e.g. Nordic softwoods, orders for sawn timber, sheet material, SPWP which represent regular repetitive product specifications, are usually well defined and respected.

Hardwood supply, both temperate and tropical is more difficult in many cases, mainly due to the nature of the variances in the raw material yielded from the forest, from time to time, and from one geographical place to the other.

So far as roundwood is concerned, the buyer will come to inspect the logs, or appoint a representative to carry out the inspection before shipment.

So far as sawnwood and Secondary processed wood products from hardwood sources, are concerned, suppliers are basically divided into 2 categories

Producer/Shippers Protecting Their Brand Image
These shippers, be they in Pennsylvania or in Congo, have a policy of, and invest in supplying a regular product which meets with the client's satisfaction.

Less regular suppliers
Another category of suppliers will try to supply product specifications and qualities which correspond with what the forest can yield in the way of raw material at any given time, and what the downstream manufacturing facilties can best produce, at any given time.

From less regular suppliers, the overseas buyer will usually arrange for inspection of the goods before shipment.

Agents, Brokers

Agents and brokers are employed less and less in the international timber trade, both temperate and tropical.

The large groups who represent the bulk of the trade both on the production and the import level, are able to communicate direct both as regards commercial and technical matters.

Smaller importers, and less regular buyers may employ the services of agents and brokers, such as sellers of timber products who do not have their own marketing structures, may employ middle-men.

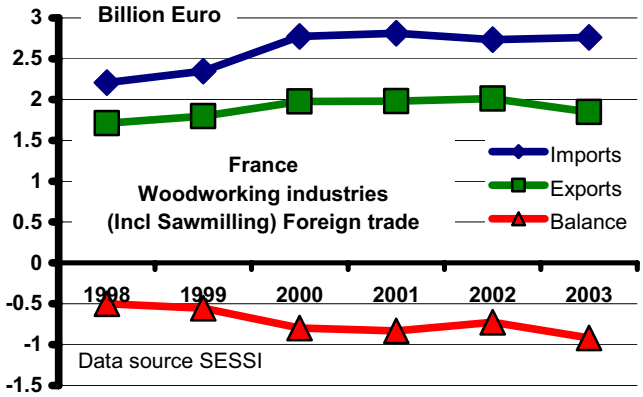
However, in the age of the internet, well-functioning international telephone and fax, relatively cheap airfares to many destinations, the trend goes towards direct trading between the principals.

1.11 The French balance of timber trade

A continuous decline: less exports, more imports

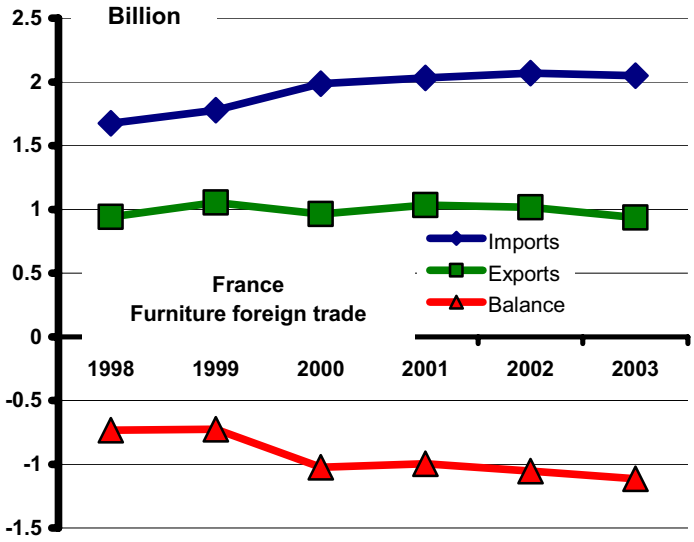
The French balance of forest products is negative (- 3.4 billion euro in 2004). The woodworking and furniture foreign balances of trade are continuously declining. For sawn hardwood the balance remains positive but the balance for sawn softwood is deeply negative and worsening.

Figure 1.11.1



The furniture industry is more directly exposed to globalization than the other industries. During 2004, exports rosed by 1% and imports by 11% [18].

Figure 1.11.2



The wood-based panels balance of trade remains positive as well as cooperage, a French specialty.

[18] Source : Agreste conjoncture, n°1 2005

1.12 Consumption by geographical region within France

The big national distributors are erasing regional differences in wood consumption habits.

Lack of data

There are no available statistics of the consumption of tropical timber by geographical region.

The authors have shown in some of the individual product reports where the factories are situated which consume tropical timber. These factories distribute, in most cases, their products nation-wide.

Figure 1.12.1 : Panel Products Manufacturers (companies with more than 20 employees)

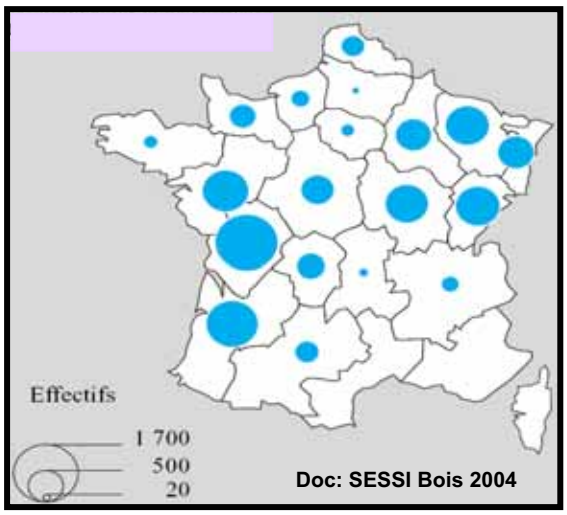
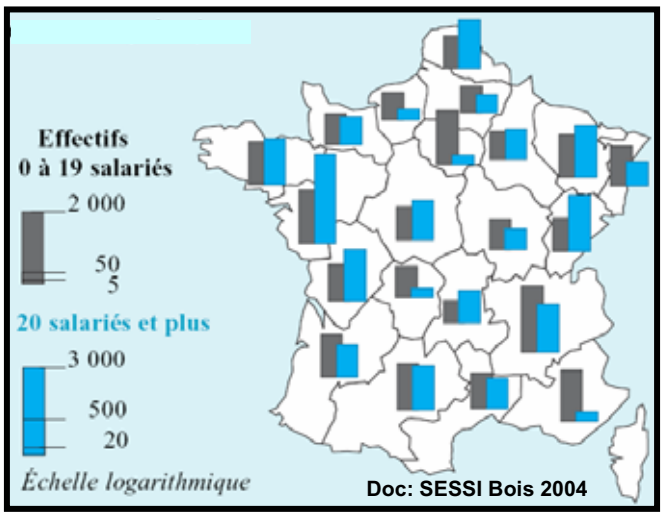


Figure 1.12.2 : Furniture Factories (all companies)



In grey : companies employing between 1-19 persons

In blue : companies employing more than 20 persons.

One educated guess that can be made as to the regions in which the final tropical timber product is used more than in others, is by super-imposing a map of the most densely populated regions, upon a map showing the highest proportion of medium- and high incomes.

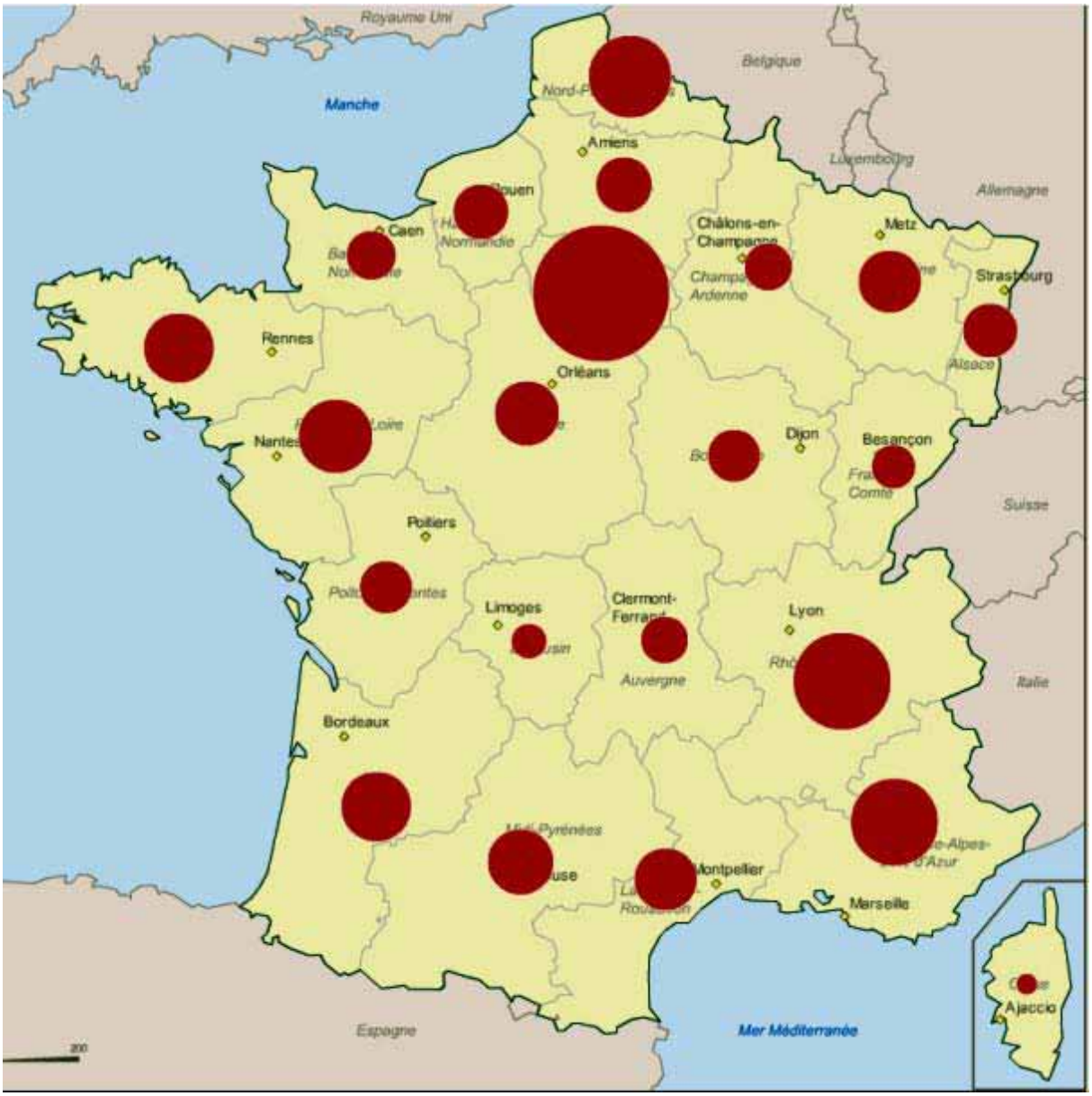
This map, figure 1.12.3 shows the more densely populated Northern France, with higher incomes, representing higher purchasing power for tropical timber than Southern France does.

South of the Loire river, there are only the regions of Lyon, Marseille, Bordeaux, Toulouse and Montpellier which represent major centres of purchasing power.

North of the Loire River, the Paris region is by far the most densely populated and the one with the highest incomes, followed by Lille, Nantes, Rennes, Rouen, Nancy, Strasbourg and Orleans.

There is, however, in France, as in Europe in general, a strong demographic trend developing of people moving away from the north to the warmer climates of the south.

Figure 1.12.3



Timber Use – Traditions

Traditionally, French consumers utilized the timber they found in their local region: hardwoods in the North and West of France, softwoods in the mountains of the Alps, Jura, the Pyrenees, the Vosges, and the MidFrench Central Highlands.

The tradition in the Mediterranean areas was to build in stone, wood was generally not used for exterior use when other materials could be found.

The traditional wood-working craftsman's skills are found in the forested areas stated above, whereas there are less such skilled wood craftsmen in the Mediterranean area.

This factor in itself has presented an obstacle to developing wood use in the Mediterranean areas.

Timber use – today

Today people have more time, and traditions are changing so that more time is spent on home building and renovation, Do-It-Yourselfers are learning, also in the Mediterranean, how to work with wood.

Today, the big national wood products distributors stock and distribute the same product range in every one of the depots all over France.This is one factor which is erasing regional differences in wood consumption.

French Oak is considered by most French consumers as one of the most noble species, durable, aesthetically pleasing, an upmarket product.

Prices for solid, high-grade wood products, such as windows and doors, are expensive compared with laminated, veneer-covered wood products, be it furniture, joinery, mouldings or other SPWP.

As such, the products made from expensive upmarket solid oak and other "noble" hardwood species are sold to that part of the population which enjoys the highest incomes, see section 1.3. Revenue by region.

Examples of remaining regional differences

There are still some regional differences in consumption habits:

Softwood, in general, is looked upon as an inferior product, less durable, thus less "noble" than hardwoods.

However, in the Alps, the tradition of using softwood is being maintained, manufacturers and distributors are catering to this specific market with softwood windows, doors, mouldings, beams, etc.

Climatic differences.

Climatic conditions determine certain regional species preferences:

The Western part of North and Central France are the main users of species such as Movingui, Moabi, Mengkulang for exterior joinery.
These species tend to suffer in the hot and dry Mediterranean areas, where Niangon and Merantis stand up better to big variations in temperature and humidity.

Western Red Cedar enjoys popularity in the Alps – a traditional softwood area – and on the Atlantic Coast where its technical and aesthetic characteristics are appreciated in these often humid conditions.

The French Riviera – Côte d'Azur, has a tradition of using Walnut. Nowadays, frake bariolé stained to appear like walnut, imported from West Africa, is used for making joinery, interior doors and staircases, mainly for the Côte d'Azur area.

Hydraulic works

Azobe is being used for hydraulic works, mainly in Atlantic and Mediterranean ports and yacht harbours.

The Outdoor Timber fashion

has been promoted nationally, and touches today every corner of France.

The leading product in this group, Decking, naturally finds more utilization in the beach and pool environment of Southern France - both Mediterranean and Atlantic - than North of the Loire.

The skilled craftsman

Generally, timber has been used more in the areas with a timber tradition – and especially – with skilled craftsmen to work the wood.

There are less and less young people learning the trade to become skilled wood craftsmen. The local "menuisier" = joiner, is today more often installing a factory-bought window, door, or kitchen furniture, than making it himself.

This trend is changing the wood products industry and distribution – less craftsman- produced wood products, more factory mass-produced wood products for the house/apartment/garden.

1.13 Promotion

The French Timber industry and trade associations have been investing on a regular and frequent basis in promoting the use of timber.

CNDB

Le Comité national pour le développement du bois (CNDB) = The National Committee for Wood Development, is the national organization which promotes wood. The CNDB is composed of the national trade and industry federations, and regional wood organizations. CNBD's promotional efforts are supported by local, regional, and national government bodies, both financially and in other manners.

CNBD is the organization which promotes wood towards the building industry, and the product specifiers.
CNDB[♣] supported by different funding both from public and private sources, have over the years been running decade-long promotion campaigns.

« J'aime le bois » (« I love wood ») ran for almost a decade, and is still seen in many timber offices around France.

« Le Bois avance » (« Wood is advancing ») ran, likewise for most of a decade, and is still the official slogan on f.inst. the CTBA website.

The current campaign is employing the TV media to reach a wide public audience: « Le Bois – c'est essentiel » (« Wood – that's essential »)

This campaign which is running TV spots on 4 of the leading French TV channels, reached during November and December 2004 more than 26 million viewers with a message saying

« Did you know that in Europe it does the forest good when you consume wood? »

This campaign is financed equally by the CNDB of France and NTC, the Nordic Timber Council (the promotion arm of the Nordic Timber producing countries).
The success was repeated with a concentration of 100 spots during May and June 2005.

In total, 34 million TV viewers have now seen the ad, a 10- second spot, seen 5-6 times by the same person, begins to have the desired impact.

Simultaneously, a newspaper and magazine advertisement »This child makes the forest grow » underlines the positive effect on the forest when wood is consumed. This campaign has reached 26 million readers, and will be repeated in the autumn of 2005.

The website www.bois.com is addressing the public with practical information about wood use ; so far 52,000 visitors have been to this site, to obtain information about how to use wood in the home, the garden, for joinery, decking, etc.

Given more spare time, there are now more D-I-Y wood users in France than ever before. This web-site helps new wood users learn how to use the right material and products for the right end-uses, how to install the wood product, how to finish it to ensure proper maintenance, etc.

The timber trade distributes posters and stickers « Le Bois – c'est essentiel ». They subscribe to the newsletter « Lettre de campagne » which keeps them informed of the communication campaign.

[♣] www.cndb.org

Figure 1.13.1
"Le Bois enfonce le clou" – part of the campaign "Le Bois – c'est essentiel". Source CNDB.

The timber trade

The timber trade has created the web-site www.bois.com/professionnels/campagne. where construction companies, architects, builders obtain information about wood-product use in technically advanced projects, such as an off-shore platform, a bridge without tonnage limitation, a grand new cinema complex.
The purpose of these information campaigns is to repair the negative image of wood use and its impact on the forest, which many people have received, with messages such as:

"The majority of the world's forests are producing more wood than is being harvested."

"Using wood is an ecological act, wood is one of the very few renewable building materials."

The target is to re-build the positive image of wood use within 3 years, and convince the public that wood is a modern, high-performing building material, it is ecological, a renewable source, aesthetic, fashionable.
The timing of the campaigns is well chosen : the level of activity in the building sector, both new construction and renovation is at a 20 year peak.

All timber, from all origins, benefit from the campaigns.

“Accord Plan - construction – environnement”

Figure 1.13.2 Plan bois-construction environnement.

Plan Bois – Construction
In March 2001, The Government and all major representative bodies of the wood industry and trade as well as representative bodies from the construction and related sectors signed the above-stated « frame agreement – construction – environment ».

The target is to increase the use of wood as a building material in construction, from 10% wood used in 2001 to reach a level of 12.5% in 2010.

A study has been ordered which will up-date the data on wood use in construction in 2005/2006.

No up-to-date figures are available at this time. The construction and building trade generally consider the intention of the « Accord Cadre – Construction – Environnement » to be good, but very difficult to put into application.

It is unlikely that this frame agreement has had any material impact on the wood use in construction.

1.14 Logistics and ports in France

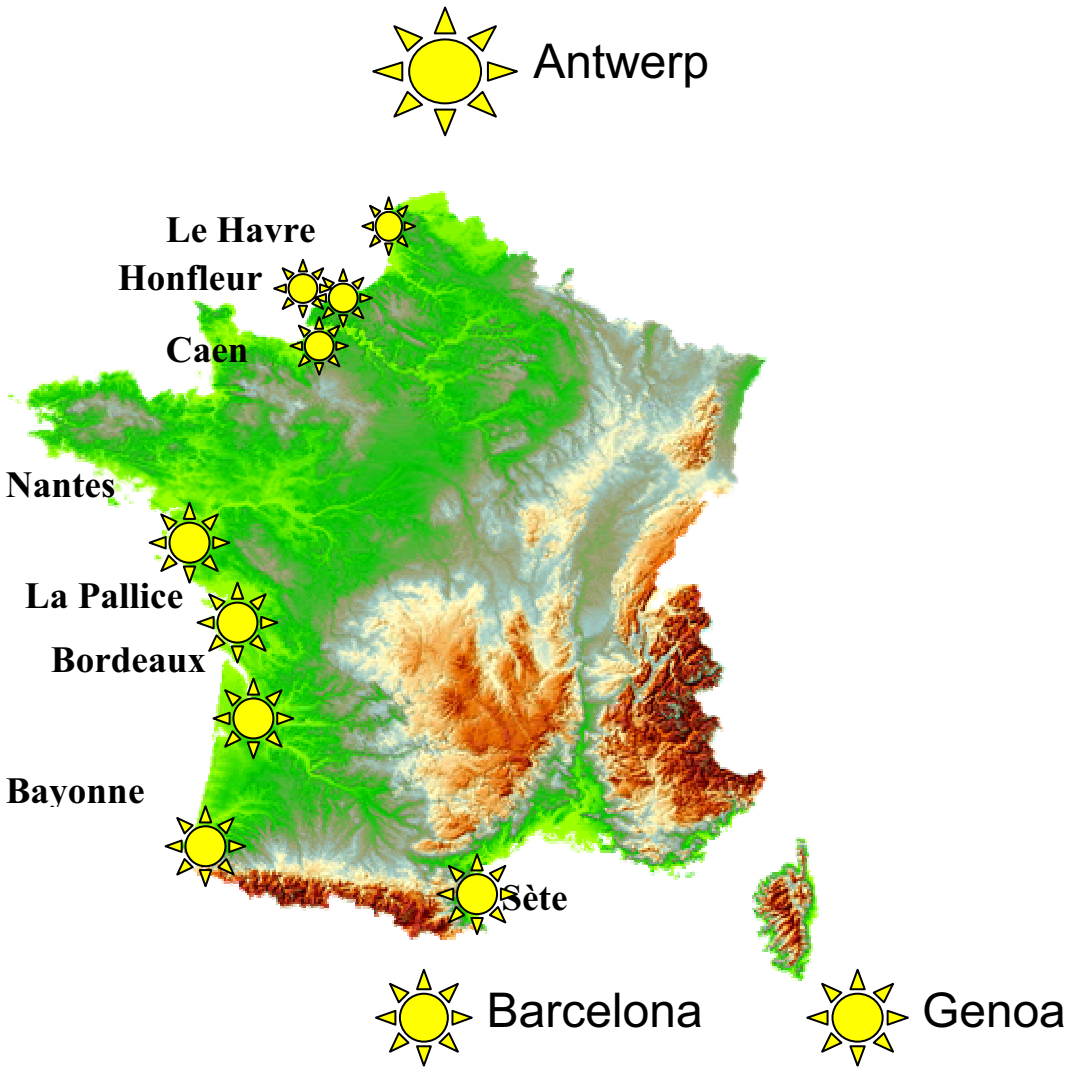
Ocean shipping

Shipping of logs from West Africa to France has become more difficult to organize and far more expensive as the freight market increased substantially during 2004. Added to this, the important increase in cost of fuel, particularly in 2005.

China's continued growing need for raw material of all kinds – including wood – has created upward pressure in the freight market, not least for bulk cargo vessels.

Ports

The log and sawn timber receiving ports are generally well equipped with deep water draft and safe berths; immediately adjacent or close storage space for first storage after discharge. These ports offer warehouse space for fragile products; cranes, forklifts, trucks, and skilled manpower to discharge and on-forward the cargo; access to road, rail, and fluvial transport.



Generally, French ports are expensive, compared with neighbouring countries, both per call-cost for the vessel, and in terms of cargo handling unit cost.

Atlantic ports are relatively less expensive than the Mediterranean port of Sete.
Ports receiving tropical industrial roundwood and sawnwood in breakbulk.

- **Bordeaux** now has only 3 major timber importers left. There are no regular lines calling, the importers have to make their own freighting arrangements from West Africa to Bordeaux.

There are 2 sawmills in Bordeaux cutting tropical logs.
Bordeaux arrivals totalled 15,000 tons in 2003, 24,000 tons of tropical timber in 2004.

- **La Pallice** is a deep-water port, direct on the ocean, offering a competitive cost structure for its – few – clients. La Pallice is the receiving port for the bulk of the Okoumé log import; the majority of the plywood factories are all situated within a couple of hundred km distance of La Pallice.

Arrivals in La Pallice totalled 243,000 tons of tropical timber in 2003, 182,000 tons in 2004, mostly okoumé logs. This places La Pallice – La Rochelle in No. 1. position amongst French tropical timber receiving ports.
In La Pallice, only one tropical log sawmill remains operating, with two in the hinterland.

- **Nantes**: The bulk of the French timber trading community is domiciled in Nantes which receives the bulk of the sawlog imports 51,000 tons in 2003, 65,000 tons in 2004.
  Nantes has recently taken over some of the okoumé log trade from La Pallice.
  Sawn tropical timber imports in Nantes totalled 63,000 tons in 2003 – 69,000 tons in 2004.
  Total tropical timber arrivals in Nantes were thus 114,000 tons in 2003 – 134,000 tons in 2004.
  Nantes has lost out over the last few years as regards the volume of Brazilian sawn timber which is now being shipped in container from South Brazilian ports and from Belem, only Santarem area origins are shipped in break bulk vessels.
  Only one sawmill cutting tropical timber remains in operation in Nantes. There are two in the hinterland.

- **Rouen-Honfleur**: The ports which have taken over the import of Brazilian timber from Nantes, are Rouen-Honfleur, now France's third-biggest tropical timber receiving port with 93,000 tons in 2003, and 115,000 tons in 2004 – of which the majority is logs, both Okoumé and sawlogs.
  The big Honfleur sawmill has been closed, there are two sawmills cutting tropical logs operating in the near environment.

- **Caen** is the 5th port for tropical timber, 40,000 tons of logs annually for the sawmill in that port, plus 31,000 tons of sawn timber 2003 – 35,000 tons in 2004, totally 71,000 tons in 2003, 74,000 tons in 2004.

- **Dunkerque** receives a mere 3000 tons of logs annually plus 20,000 tons of sawn timber - an important portion of which is American hardwoods.

- **Bayonne** received 8000 tons of logs in 2003, 7000 tons in 2004 – mostly Azobe for a specialty-cutting sawmill.

- **Sète:** The port of Sète has been particularly affected by the decreased availability of bulk cargo vessels, and now has no regular lines calling with bulk cargo vessels from West Africa – nor from Asia – nor from South America.
  The port and close vicinity of Sète, had 5 boules-cutting sawmills a few years ago. Today there are 2 working full time, one working less than half time.

Ports receiving tropical and other timber products in containers.

Le Havre is France's leading port and container terminal, followed by Marseilles, Rouen, Nantes.
Foreign ports receiving tropical timber destined for France

Antwerp is the leading port for break-bulk arrivals of Asian sawn timber and plywood.
Antwerp in Belgium and Algeciras in Spain are major container terminals from where containers are on-forwarded to French destinations, by truck.

Barcelona in Spain and Genoa in Italy are ports of increasing importance, offering lower prices than their competitors in France, notably Sete.

French ports receiving softwood from Russia, Nordic and East European countries
Softwood now arrives only in Atlantic ports; there are no longer any arrivals in any Mediterranean port (Russian timber was previously shipped from Odessa to Mediterranean ports.)

The Atlantic ports receiving softwood sawnwood and panel products are,

- St. Malo
- Nantes
- Fecamp
- La Rochelle
- Bordeaux
- Rouen-Honfleur
- Le legue (St.Brieuc)
- Boulogne
- Caen
- Le Treport
- Paluden
- Dunkerque,

Followed by Lorient, Le Treport, Sables d'Olonne, and Roscoff.

Increasing quantities of softwood from Scandinavia are now transported by truck direct from the producing mills to final destination.

Logistics from port to final destination

France enjoys one of the world's best networks of roads, motorways, railways, and coastal/river/canal infrastructure for fluvial transport.
However, only road transport by truck is a practical commercial solution.

Rail and fluvial services exist, however, neither is flexible nor rapid, elements favoured by clients in today's world of J-I-T deliveries.

1.15 Environment

A fundamental issue for tropical wood in France

France, like a great number of countries in the world is concerned about the future of the tropical forest. In France, the environmental NGOs are quite attentive to the management of the domestic forests and survey closely the trade from tropical countries. In this context, the French government announced in April 2004 an action plan in favour of the tropical forest. One year later, in April 2005, the Government passed an important Decree (Circulaire) establishing guidelines for the public procurement of wood [19]. One article of this plan is dedicated to public procurement. The public procurement buyers are very cautious in respect of specifying tropical wood, because they do not have any guarantee as to the origin, legal, and environmental aspects.

Public Procurement Decree (Circulaire)

Summary of the decree
The French Government action plan aims at increasing progressively in public wood procurement the share of wood from legal origin producers committed to sustainable forest management (SFM).The share should in 2007 represent at least 50% of the public wood procurement. The target for 2010 is that 100% of the wood procurement complies with this requirement. These measures are part of the national sustainable development strategy adopted by the French government in June 2003. The government is committed to show the example with its own behaviour and asks the public procurement managers to adopt an eco-responsible attitude aiming at the promotion of the sustainable management of tropical forest and fighting against their destruction. [20] It is hence requested that the State, for its major construction projects, starting this year, uses wood with these guarantees and in particular eco-certified woods. The public procurement code allows imposing specifications taking into account environmental protection as long as they are connected to the object of the contract and are not discriminating against the potential candidates.
The decree acknowledges the difficulties with which the tropical producers are faced and recommend a progressive application of the requirements in order to not create an effect contrary to the stated purpose, namely to promote tropical wood in public procurement.
In Annex III A, Control of origin of the products, it is specified that the contractor, at any moment during the proceeding of the works, can be requested to prove that the products being put in use fulfill the requirements in terms of sustainable forest management. The decree defines the various documents and certificates which can be accepted as proof.

Comments
Whilst the introduction of the decree refers to the concern about tropical forests, the text states in paragraph 4: “If the safeguard of the tropical forests constitutes the major preoccupation, the directive contained in the annex, apply to all public procurement of all products made from wood, of all origins, in order to promote sustainable management and value-creation for all types of forests”. The decree was well received by the trade association who is complementing it with its own environmental charter (See next chapter). Several French environmentalist NGOs have declared that they see little or no progress in this decree. They are critical of the fact that the specification of the documents requested to prove that the wood comes from sustainably managed forests, is not clear. They are critical of there being no hierarchisation between the certificates and that statements without credibility could possibly be accepted within the proposed scheme.

[19] http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=PRMX0508285C
[20] http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=PRMX0508285C

Timber Trade Federation Environmental Chart

To answer the questions raised by several NGOs, the French Timber Trade Federation (Le Commerce du Bois, LCB [21]) has adopted an environmental charter regulating the wood products trade. The members of LCB commit themselves to respect not only French legislation governing the timber trade, but also international legislation. Two key indicators were adopted to evaluate the progress of each individual LCB's member in respecting the chart:

- the percentage of certified products in the total volume traded
- the percentage of products proposed by the member which identifies species and origin, (and states whether certified or not)

Certification schemes in France

Two main organizations are dominating the certification scene in France: PEFC and FSC. A French certifying body, BVQI Veritas issues certificates guaranteeing the legal origin of the wood products (Eurocertifor OLB [22])

Table 1.15.
France
Certification

	Forest (ha)	Chain of Custody
PEFC [23] (June 2005)	3 807 273	758
FSC [24] (Oct. 2005)	15 325	89

- **PEFC** = Programme for Endorsement of Forest Certification schemes. PEFC is working closely with ATIBT, IFIA and the African Timber 0rganisations (ATO) to promote PAFC, the African certification scheme. In 2005, PEFC started a revision of its standards. The revised standards should be operational in 2006.

- **FSC** is the certification scheme promoted by the environmental groups such as WWF, Greenpeace, and Friends of the Earth.

Mutual recognition

Mutual recognition is unavoidably mentioned in each interview and trade meeting. The trading and industrial actors are facing growing difficulties due to the competition of several certification systems. The French government itself [25] declared (April 27 2005) that it intends to promote mutual recognition of the systems in international spheres. Many industrials and distributors expressed concern that the different labels confuse the consumer, and recommended that a global "certified" label be developed for all wood products.

The authors of this report were asked by a number of interviewed trade and industry leaders to emphasize to ITTO the importance of Mutual Recognition, and to ask ITTO to employ all its influence in the international timber community to achieve this objective.

[21] http://www.lecommercedubois.fr
[22] OLB = Origine et Légalité des Bois
[23] http://www.pefc-france.org
[24] http://www.fsc.org
[25] http://www.premier-ministre.gouv.fr/acteurs/gouvernement/conseils_ministres_35/conseil_ministres_27_avril_473/politique_foret_52885.html

Availability of certified products

Since 2002, the statistical service of the Department of Agriculture, SCEES [26], surveys the French harvest of certified wood and the volume of certified sawnwood products. The 2004 statistics show that the volume of certified roundwood, 6.7 million m^3, is now 20% of the total harvest, while production of certified sawnwood, 840,000 m^3, accounts for 9 % of the total production. From mid 2004 to mid 2005, the number of PEFC Chain of Custody (CoC) certificates jumped from 550 to 750.

An often repeated perception by the industrials is that they feel "caught in the middle" between the insistence by certain buyer groups that they want certified tropical products, and on the other hand a lack of available certified raw material, be it sawnwood, dimension stock or other. Given this fact, a number of industrials and traders are growing increasingly frustrated, considering that they are being unfairly criticized from all sides. When they do manage to find a – usually small - parcel of tropical certified timber, bought at a substantial premium, they are unable to pass the cost increase on to the consumer. In this situation, the perception of the industrial, the trader, and the distributor is that certification has the same effect for the individual as an increase in tax – all expense, no benefit. Most of the interviews on this topic ended with: " It's an absurd situation. We are caught in the middle, forced to pay higher prices for the wood, unable to pass the cost increase on to our clients."

Provided there is sufficient availability of certified tropical timber and SPWP on offer to the French market, it is the considered opinion of the authors of this report that tropical timber can maintain most if not all of its existing market share. During interviews with leaders in the timber trade, the joinery, moulding, and parquet industries, all expressed their desire to continue to use tropical wood. The reason why tropical wood is being used in France is that each specific product of imported wood, each species, each specification satisfies a need in France better than any domestic timber can do. Many of the timber traders and industrials we interviewed asked the authors to strongly emphasize in our report to ITTO: "Please impress on ITTO how important it is that ITTO use all their influence and effort to ensure that sufficient volumes of certified tropical timber, in current species, quality and specifications become available. But hurry – please, we are in a race against time: will there be enough certified tropical timber available by the time the use of certified timber becomes a must? "

Market Acceptance of the Cost of Certification

When asked whether the wood industry would be able to pass on to their clients the increased cost of joinery, mouldings, parquet, etc. made from certified tropical timber, compared with the price today, the answers varied greatly from " Not at all " – to " Once certified timber becomes the norm, and the real cost of certification is incorporated in the cost of wood – a relatively modest amount compared to all the other elements entering into the delivered cost – then the trade will adjust to this new fact, and the client will, in the end, have to pay the price incorporating the certification cost. " The authors consider this 2nd answer the most realistic prediction of what is going to happen. Traders and industrials expressed concern about " the level playing field " as regards certified timber : " Provided everybody plays by the same rules and the cost and availability of certified timber is the same for everybody, then the client will accept the – modest – increase in cost to have certified timber products. "

The cost of certification is substantially higher for a tropical forest than for example a Nordic softwood plantation or a French hardwood forest which has been nursed and well managed for more than two centuries. However, the unique qualities of each of the imported species of tropical timber are so important that the trade, the industry, and the consumer will, in practically every case of utilization, accept the - modest - increase of cost which the certification will cause. The product reports highlight the specific quality requirements which are matched by the specific species in question.

[26] http://www.agreste.agriculture.gouv.fr/default.asp?rub=agreste&hauteur=456

FLEGT (Forest Law Enforcement, Governance, and Trade)

The EU FLEGT action plan [27] proposes measures to increase the capacity of emerging and developing-market countries to control illegal logging, while reducing trade in illegal timber products between these countries and the EU. The action plan sets out a range of measures that aim to combat the problem of illegal logging. These include :

- support for improved governance and capacity building in timber-producing countries ;
- development of Voluntary Partnership Agreements with timber-producing countries to prevent illegally produced timber from entering the EU market ;
- efforts to reduce the EU's consumption of illegally harvested timber and discourage investments by EU institutions that may encourage illegal logging.

France is fully supporting the FLEGT initiative. In its role as “Coordinator” for the Congo-basin countries in the “Partenariat pour les Forêts du Bassin du Congo” programme, France will promote FLEGT actions in these countries.

[27] 21 May 2003 - communication from the Commission to the Council and the European Parliament

1.16 Factors affecting Competitiveness of Tropical Timber

Pre-conditions

The French timber market is an integrated part of the global timber market, both as a consumer and as a supplier. The French market is affected by the changes in the global timber market, for instance the emergence of China as a major supplier of board products and furniture – and as a major consumer of industrial roundwood.

In order for a tropical timber product – or a temperate or softwood timber product – to be considered for import by a French merchant or industrial, certain pre-conditions have to be met:

The species, the product specification, and the quality must be well defined and agreed between buyer and seller.
Regular supply in commercial volume must be assured over a number of years.
Transport must be available on a regular and competitive basis.
The supplier must be able to deliver the product at a competitive CIF price, relative to competing products.

Factors affecting competitiveness of tropical timber

Distance to Market
Tropical timber is produced and shipped a long way from the European market. This means high cost of transport, and long delivery time.

Climatic conditions
The climatic conditions in the producing countries, including rainy seasons, often upset the regularity of supply.

Infrastructure problems
Infrastructure problems often prevent regularity of supply.

Public services
Public services are in some countries inadequate, upsetting the regularity of shipments.

Logistics problems
Logistics problems affect the product quality and condition negatively.

Ocean Freight
Over the last 18 months, ocean freight rates have increased dramatically, and now further increases are being caused by high energy costs.

The ocean freights from Asian ports to France, for instance, have doubled over the last year, from some 60 Euro/m3 to 120 Euro/m3

Lack of Visibility and Lack of Investments
Lack of visibility and lack of Investments affect the competitivity negatively in some producing countries.

Competition
At the same time as consumption of tropical timber has declined, the import into France of Nordic softwood has continued to progress. In the following, the authors list some of the factors which have had and will continue to have an influence on market shares.

An example of Competition: Nordic Softwood

Own Terminals in France
The major Nordic softwood producer/shippers now have their own terminals in France where they carry substantial stocks of kiln-dried sawnwood, sheet materials, and SPWP, in a sufficiently complete range of products to be able to satisfy most industrials and merchants.

These clients can operate on a Just-In-Time basis, without stocks. The clients know their suppliers can deliver the product, ready-to-use, within 48 hours, from stocks in France. If that specific product or combination of products is not in stock in France, it can be delivered within 8 days by truck direct from Scandinavia.

Raw material is abundantly available, the wood processing factories are functioning on a regular, planned schedule of production. Infrastructures, logistics, and public services are reliable.

Necessary means to carry out long-term strategies.
The industry is dominated by producer / shippers who are big publicly-owned companies. These companies have the necessary means to carry out long-term strategies.

The wood capital grows every year.
The incremental growth of the European softwood forest exceeds the harvest, i.e. European softwood producer/exporters have to develop more and more export markets – Japan is an example – in order to be able to dispose of an ever increasing raw material availability.

Investment in product development
The big softwood groups continue to invest in product development with a view to gaining increasing market shares for their increasing volumes.

In the individual Product Reports, the authors are defining the specific market gains made by softwood relative to tropical hardwoods.

Homogeneous raw material.
Nordic softwood producers enjoy the advantage of huge volumes of homogeneous raw material in terms of species, quality, and dimensions. This allows for operating in the forest as well as in the factories on a massive scale.

Advantage of scale
Operating on a huge, industrial scale gives the operator the advantage of lower unit cost.

Standardization of products
Standardization means that the clients are assured of a regularity of product quality, conditioning, specification etc.

Prices
Increased competition between Finnish, Swedish, Russian, Baltic, Austrian, and other European softwood producers puts the pressure on selling prices which are today lower than they were in 1993.
Volume of certified softwood
Regular, important volumes are now available from Nordic and other countries.

Cost of certification
Since these forests have been managed, re-planted and generally cared for during more than two centuries, the cost of certification is very modest compared with the cost of certification in the tropical forests.

Softwoods – summary of advantages
The competition from softwood is taken into consideration as one of the factors affecting competitiveness of tropical timber, in each individual product report.
Softwood timber products enjoy advantages in terms of proximity to market, product development, cost, volume of homogeneous product, certification and increasing future availability.

Temperate Hardwoods

Oak remains in the traditional market, the King of timber species, for style furniture, joinery, parquet, kitchen furniture, etc.

Oak is available from France, from North America, and increasingly from Central and East European countries. The supply from these "new" Europeans has brought about increased competition amongst sellers. Consumers are benefiting from more competitive products.

Beech prices doubled during the late 90'ies when this species became very popular in China.

When Chinese demand faded, beech prices collapsed. Beech supply exceeds demand, prices are low. Beech is a popular and technically very suitable species for a number of end-uses including staircases, certain furniture products, veneer. Manufacturers are waiting for its come-back as a popular species.

Specialty hardwoods such as walnut, wild cherry ("merisier"), ash, chestnut, hornbeam, birch, acacia, all have their niche markets.

Tropical Timber – Advantages

Tropical timber is competing, and will compete in the future in France, against alternative products, on the strength of the inherent technical and aesthetic characteristics of each species.

Specific End-Uses.
The days are over when tropical timber was imported into France because it represented the cheapest mass raw material available.

Today tropical timber is purchased by French Industrials and Distributors, on the merits of the inherent characteristics of each species.

Each specific species, each specific product specification, each specific quality definition corresponds exactly with a specific end-use application.

Tropical Timber - Superior Quality
The inherent, individual, characteristics are unique for each tropical timber species and product imported into France.
Equivalent material is inexistent.

The authors describe in the individual product reports the preferred species for each end-use.

1.17 Tropical Timber Import: 1973 – 2003

The volume of tropical wood imported into Europe has declined dramatically during one generation 1973 – 2003.

Year 1973

Table. 1.17.1 (Appendix IV) shows the import into 7 selected European countries in 1973 of Tropical roundwood and tropical sawnwood. The latter is shown both in n3 sawnwood and in m3 roundwood equivalent: m3 RWE.

This table also shows the total of the two products combined, expressed in m3 RWE.

The 7 European countries are shown as follows

- 4 North European countries:
  - UK
  - Germany
  - Netherlands
  - Belgium
  - Total of 4 North European countries

- 3 South European countries
  - Spain
  - France
  - Italy
  - Total of 3 South European countries

Year 2003

Table 1.17.2 (Appendix IV) shows the same table as 1.12.1 for the year 2003.

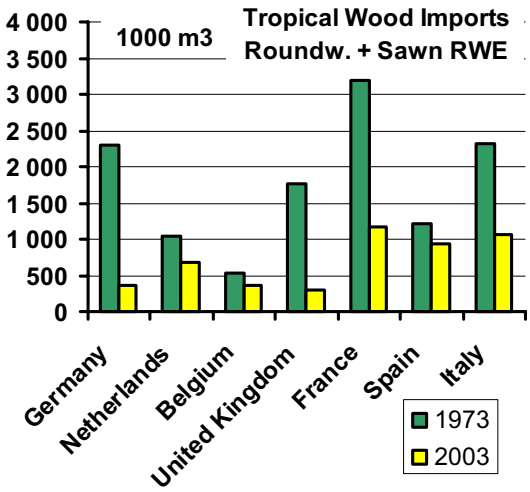
Comparison 1973 : 2003

Table 1.17.3 (Appendix IV) compares the 1973 import with the 2003 imports.

Comparison of volume 1973 – 2003

As seen in table. 1.17.1 tropical roundwood + sawn timber import into these 7 European countries, totaled 12.4 million m^3 roundwood equivalent (R.E.) in 1973.

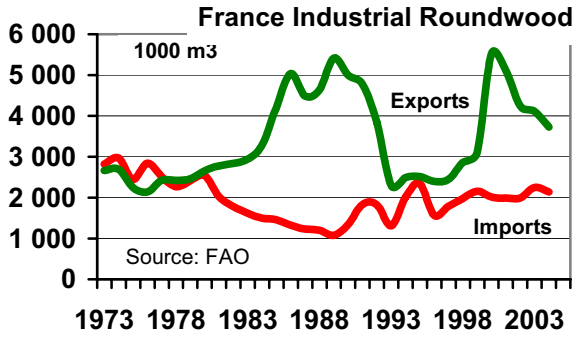
Figure 1.17.1



In 2003, the roundwood + sawnwood combined volume had fallen to 4.9 million m3 – 61% less. Tropical roundwood imports have dropped from 8 million m3 to 1.1 million m3 – 86% less. Sawnwood import has dropped from 2.4 million m3 (4.3 million m3 RWE) to 2.1 million m3 (3.8 million m3 RWE) – a reduction of 13%.

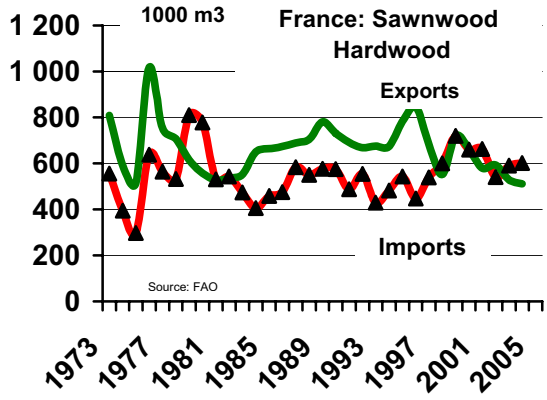
For comparison purposes, during the same period

Figure 1.17.2



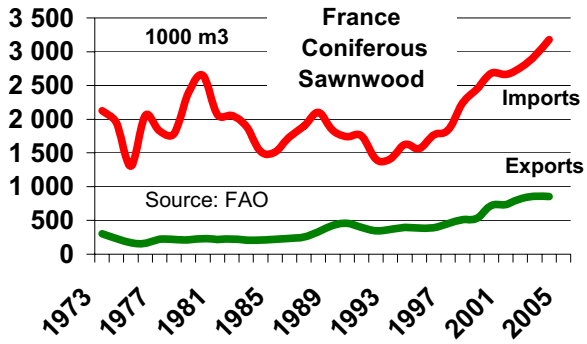
Industrial roundwood imports have declined, exports have increased.

Figure 1.17.3



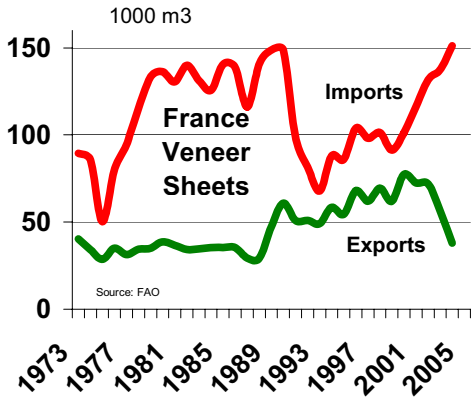
Hardwood sawnwood imports are relatively steady, exports have declined.

Figure 1.17.4



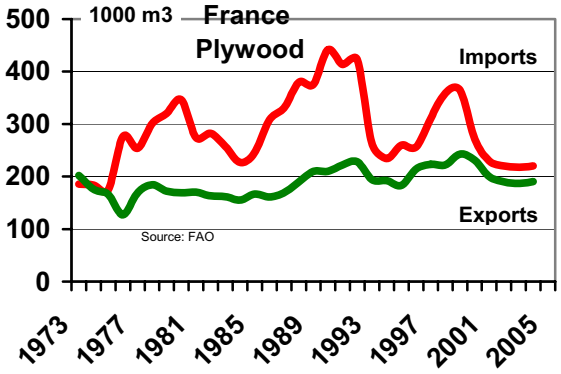
Softwood sawnwood exports have increased modestly, imports have increased substantially.

Figure 1.17.5



Veneer exports are now back to the same level as in 1973, imports are increasing.

Figure 1.17.6



Plywood exports and imports are at about the same level as in 1973.

Northern versus Southern Europe

Country-by-country, there is an important difference between Northern and Southern Europe. The 4 North European countries Germany, UK, Holland, and Belgium, combined have reduced roundwood import from 2.5 million m3 to 0.2 million m3 – a 92% reduction.

During the same period the 3 South European countries Italy, Spain and France have reduced roundwood import from a combined total of 5.6 million m3 to 0.9 million m3 – a reduction of 84%.

Comparing tropical sawnwood imports in the same manner, the 4 North European countries have reduced combined imports from 1.8 million m3 to 0.8 million m3 – 52% less.
The 3 South European countries increased imports of sawnwood from 0.6 million m3 to 1.3 million m3 -–an increase of 95%.

In m3 R.E. the 4 North European countries reduced the import of logs + sawn timber from 5.7 million m3 to 1.7 million m3 – a reduction of 70%. The 3 South European countries reduced log + sawn timber imports from 6.7 million m3 RWE. to 3.2 million m3 R.E. – a reduction of 53%

North vs. South Europe – analysis of difference.

Amongst the primary reasons for the very notable difference between the North European countries and the South European countries are:

Veneer and Plywood
The North European countries have closed their tropical timber-using plywood factories and replaced log import by plywood import from tropical countries. The most important suppliers are Indonesia, Malaysia, Brazil, and now China.

France still has a sizeable plywood industry, using okoume logs for face and back combined with domestic pine and poplar core veneers. Italy and Spain also maintain plywood industries using some tropical wood.

Imported SPWP
A substantial portion of the log + sawn timber import has been replaced by import of secondary processed wood products (SPWP). The North European countries are importing relative more SPWP than the Southern European countries, in respect of joinery, moulding and parquet.

At this time France's import of SPWP from Tropical countries, notably Indonesia, Brazil, Malaysia, and China, is growing rapidly.

Environmental Issue
Another important factor distinguishing Northern Europe from Southern Europe is the environmental issue. Environmental awareness is higher in Northern Europe than in the Southern European countries.

The three NGO's who are most actively engaged in creating public awareness of the diminishing tropical forests and associated environmental effects, Greenpeace, WWF, and Friends of the Earth, have been militant and developed grass root support in Northern Europe for decades.

There are a number of well-known examples of the effects of the environmental movement. In Germany, several Länder and a substantial number of cities and towns do not authorize the use of any timber which is not certified. This has, effectively, led to tropical timber being excluded, since up to now, certified tropical timber has not been available in regular, commercial quantities. In the UK, large distribution chains have declared they will offer their clients certified timber only.

The Netherlands consume substantial quantities of tropical timber for hydraulic uses, to maintain their important canal, locks, and entire sea defence system. Dutch authorities want this timber to be certified, and are likely to be some of the first clients to pay the premium needed to pay for the cost of certification.

Another example is Switzerland. Swiss Timber Merchants used to come to French, German, Dutch, and Belgian ports to purchase their tropical timber needs. Today, Switzerland, a very environmentally aware country, uses literally no tropical wood.

In Southern Europe, this militant movement has begun later, and was for a number of years met with less public interest than in Northern Europe. Today, however, the environment issue is becoming a market driver in France, Italy, and Spain.

Where a majority of timber importers in France a few years ago, paid lip service only to the environment issue, they are today becoming C-O-C certified, convinced that if they want to stay in the timber business, they will have to offer their clients certified timber.

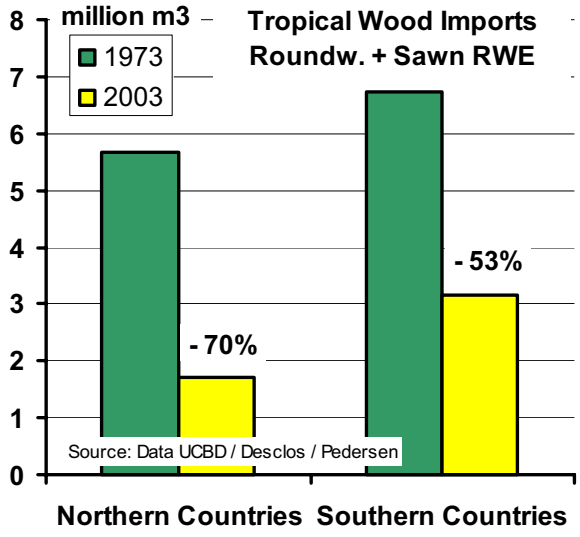
A quick look at the above 1973 – 2003 statistics shows how Northern Europe has reduced the use of tropical timber, more than the South European countries.

The following table summarizes and compares the changes in imports of selected North European and South European countries,(North European countries: Belgium, Germany, Netherlands, UK, South European countries: France Italy Spain)

The 2 countries who have reduced the import of tropical timber most, are the UK and Germany, two countries where the environmental issue has the strongest influence.

These countries have replaced tropical timber with timber from temperate countries, both domestic and imported, to a very large extent by plantation softwood from Nordic and other countries, most of which is today certified.

Figure 1.17.7



The same environmental influence is now gaining strength also in Southern Europe.

1.18 French Guyana : France as a Tropical Producer

Guyane – a county inside France.

France is a tropical timber producer in Guyane, which is a French « Département ». Guyane is a county within France, governed by the same rules, laws, labour regulations etc. as any county on the French mainland.

The total terrirtory of Guyane is 84,000 km2, compared with the 550,000 km2 of the French mainland. Guyane is the only overseas French tropical region with any forest area to speak of.

Figure 1.18.1

Guyane – The Tropical Forest

This tropical forest is the only tropical forest in the European Union. It covers 8.2 million hectares, 96% of the total land area of Guyane.This compares with 16 million ha forest on the French mainland, 27% of the total land area. 99% of the Guyanese forest belongs to the State.

The Guyanese forest belongs in the category of evergreen tropical rainforests.

Of the 8.2 million HA, 3 million HA are set aside for for natural forest reserve. 3 million HA are reserved as an area « to be managed with a view to the general protection of the natural environment »

10% is under productive forest management. These 850,000 HA of forest are managed in accordance with a forest management plan based on a rotation of 60 – 70 years.

12,000 HA are exploited annually, yielding an annual roundwood harvest of 60 – 70,000 m3. This compares with 50 million m3 roundwood harvested annually on the French mainland.

Guyane – Tropical timber species.

The Amazonian forest is characterized by its biodiversity. The number of tree species exceeds 1200, compared with 80 in France.

This wealth of species is ecologically precious, but presents economic barriers to the cost-effective management of commercial forest and timber industry activities.
Three species, angelique, grignon franc, and gonfolo, represent 70% of the harvested volume in Guyane.

11 companies share the industrial timber activity in Guyane, which consists of roundwood harvesting and sawmilling.

Cost of operating in the timber industry in Guyane.
The cost of raw material from the managed forest is much higher than in the neighbouring countries of Brazil and Surinam.

First and secondary transformation costs are also much higher than in neighbouring countries, due to much higher cost of labour and a number of other operating costs.

End-Use of the Guyanese Wood

The very high cost price of Guyanese timber and timber products, compared with the cost in Brazil and Surinam, excludes the possibility of export on any commercial scale.

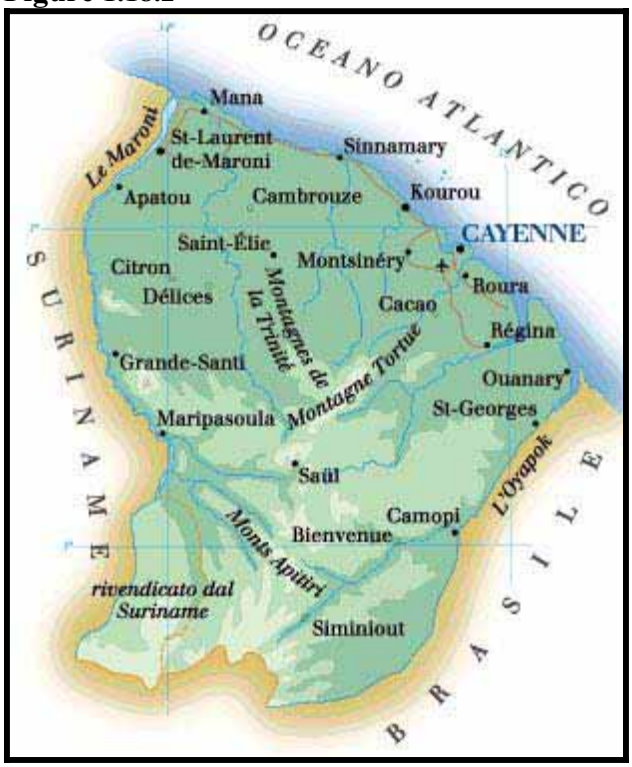
The 60 – 70,000 m3 roundwood are used for local construction, joinery, furniture, etc. in Guyane.

The Future of the Forest of Guyane

In view of the prohibitive production cost, compared with that of neighbouring countries, the forest of Guyane is currently reserved essentially for its biodiversity, for recreational and tourist purposes, for use by its indigeneous peoples, for research, and a range of other non-commercial purposes.

The 10% - 850,000 ha, which are being operated under a productive management plan produce sufficient wood raw material to cover the needs of the 200,000 people living in Guyane.[28]

Figure 1.18.2



[28] « Orientations Regionales Forestieres – Guyane » Republique Francaise, Region Guyane 2002

PART II

2.1 Industrial Roundwood.

One of Europe's major Industrial Roundwood Producers.

Profile of France – Industrial Roundwood - Overview

Table 2.1.1
France Industrial Roundwood m3

France 2004				
	Production	Imports	Exports	Consumption
Tropical		483 134 ***	25 000**	458,000
Temperate Hardwoods	8,000,000	1 243 000 ***	1 684 000**	7,500,000
Coniferous	14,000,000*	1 172 000 **	2 017 000**	17,200,000
Total Industrial Roundwood	22,000,000	2 898 134	3 726 000	25,200,000

*** Calculated from UNECE data
*** Source: LCB
** Source: UNECE 2000/2004 Prov / Desclos Pedersen
* Source : French Customs
Date of data collection: July 2005

Table 2.1.2
France Tropical Roundwood 1000 m3

	2000	2001	2002	2003	2004
Production					
Consumption	801	707	619	551	481
Imports	837	736	644	579	506
Exports	36	29	25	28	25
Imports ITTO Stats				579	

Source : UNECE 2000/2004 Prov / Desclos Pedersen
Date of data collection: July 2005

As seen in Chapter 1.8, the forests of France produce an annual increase of industrially usable timber of 89 million m3. Only 35 million m3 timber is felled annually for industrial use. Imports total 2.9 million m3, exports 3.7 million m3, for a net apparent consumption of 25.2 million m3.

Institutions

National

- ONF – Office National des forêts
- FNB Fédération nationale du bois
- Direction de l'espace rural et de la forêt du ministère de l'Agriculture et de la forêt
- Fédération nationale des syndicats de proprietaires forestiers et sylviculteurs
- INRAD - Institut national de la recherche agronomique
- Le Commerce du bois

European

- UCBD

Terminology and Nomenclature

In Europe the term « Industrial Roundwood » is used for:
« wood in the rough, whether or not stripped of bark or roughly squared ».

Nomenclature code: 44.03

Common commercial terminology is « logs »

Tariffs

There is no import duty on industrial roundwood

Standards for Industrial Roundwood

Only Africa supplies logs to Europe in industrial quantities. South America ships no logs. From Asia only Myanmar ships a few hundred m3 annually of teak logs for special utilization.

The grading and measuring standards for African industrial roundwood are those of ATIBT.

Teak Logs from Myanmar are measured and graded according to Myanmar's Log Export Grading and Measuring Rules.

Standards for Industrial Roundwood:

Marking

All logs are to carry the supplier's number, producer's identifying mark or logo, the « marteau » (lForest Licence No.), which at the same time identifies the country of origin, the exporter's mark or logo, optionally also the importer's mark or logo.

Specifications

Must comply with the producing countries' rules concerning timber harvesting and export.

In most African producer countries, only trees of 80cm dbh and up, can be felled.

There is no control by customs or any other authority in France to ensure that no undersize logs are imported.

Species

- Peeler species
  Okoume for plywood production is the leading species in terms of volume of import into France. In 2004, France imported 198,000 m3 Okoume logs, mainly from Gabon. Okoume is sought for its high quality veneer/plywood characteristics, and is sought principally for manufacturing into high quality face and back.
  Occasionally, modest quantities of other peeler species arrive in France, however, France possesses an excess of very competitively priced domestic peeler species, pine, poplar and other.
  The dramatic increase in freight cost from Africa, increased taxes in Africa, combined with increased availability of domestic peeler species render the import of other peeler species than okoume of little/no interest.

- Slicing species

The species used for sliced veneer consist of Sapeli, Sipo, Iroko and Aniegré, as the main species, with a host of other species being used according to the taste and demand at the moment.

The import of slicing logs is falling as France imports more and more sliced veneer from the producing countries.

There are no statistics specifying the volume of slicing logs imported, we estimate the annual volume to be less than 5,000 m3 logs of tropical origin.

Sawlogs

285,000 m3 import in 2004 are sawn into boules, dimension stock, hydraulic and special big dimension timbers, for the latter the main species are Azobe and Iroko. The hydraulic = water works timbers are used for harbours, ports, yacht clubs and other maritime environment needs. Most of these timbers are for public works. It is likely to be one of the product groups for which premium prices will be obtainable for certified timber. Logs are imported and converted in France because the water works specifications vary from project to project; required delivery dates are often too close to tender dates to allow for import of the sawn specifications from overseas. This is likely to remain one of the very few end-uses for timber in France that will continue to require the import of logs and conversion in France.

There is a certain market for specific big-dimension timbers, often for outside use, where the characteristics of Iroko are most suitable.

There are no statistics available specifying the quantities of hydraulic timber produced or sold in France.

Joinery timber in fixed dimensions
The industrial joinery manufacturers of doors, windows and staircases, need their specifications of thickness, width, and length to fit the specific end-uses. The supply from the African producing countries, of fixed dimension sawn timber for specific joinery end-uses, is at this time insufficient to satisfy the demand. A few sawmills in France have specialized in manufacturing dimension stock, often KD, some S4S, from logs, for the joinery industry.

The main species for this specific end-use are Moabi and Movingui.

There are no statistics for this specific group of production..

Boules
Boules = Plots = sandwich-cut logs, see photo « boules ». France is the only remaining country still producing industrial quantities of boules.

What is the reason for this apparently archaic way of cutting up logs? There are several:

- Boules give the client wide widths and long lengths, ideal raw material for the craftsman who will produce a multitude of end products, an exterior door one day (requiring 2,10m length, 15cm wide jambs and stiles, a staircase another day, requiring 33cm wide threads and 4m long risers, another day an outdoor table 4m long, etc.
- For fine joinery work, the client is sure of having uniform grain, colour, density, working and finishing characteristics, since one boule is made from one log.
- Boules will contain both flat and edge cut lumber.
- The sapwood is left on the boules that thus provide a natural protection for the hardwood, against the erosion of the elements.

Figure 2.1.1: Boules

The volume of boules distributed in France, is diminishing regularly, as the small craftsmen tend to buy the finished product factory-made, and only do the installation of the product, instead of making the products.

This diminishing trend in boules consumption is seen in all species, both domestic soft- and hardwoods, and imported tropical timber.

The species that the artisans prefer is Niangon. During the latter part of the 1980'ies before the war, Liberia exported 100,000 m3 annually of Niangon logs to France, literally all cut into boules for distribution via the local merchants to artisans all over France.

The log export from Liberia is stopped, and there is very little Niangon available on the market, a few thousand m3 annually from Ghana in the form of boules and sawn timber, and even less, in the form of sawn timber, from the Ivory Coast.

The main species for making boules are today: Sipo, sapeli, bosse, iroko, ayous, frake, moabi, movingui, badi, lotofa, kewazingo, ogoué and framire.

In the region of the Alps, and beginning to spread to also other parts of France, one of the species replacing Niangon for the artisan is Siberian Larch.

As industrial joinery manufacturers are not able to procure the quantities they need of species such as movingui and moabi in the form of kiln-dried dimension stock, many still have to rely on a certain supply of boules.

The authors asked importer and distributors who sell to the small artisans which volume of Niangon logs and/or boules the market will be able to absorb once Liberia at some point in the future, will be authorized to reopen production and export.
The answers consisted of the 3 following essential elements:

Liberian Niangon and other species have to be certified. There has been so much controversy about Liberian timber, related to timber-for-arms deals, that the only way this suspicion will disappear from the mind of the public and the environmental groups, is by having all Liberian timber certified.
Niangon is the preferred species for exterior joinery. The artisan will continue to favour Niangon over other species, and will continue to pay a premium price, compared with most other tropical joinery species.

However, the volume of exterior joinery manufactured by the artisan, has dropped substantially over the years. The artisan now prefers in many cases to buy the finished factory-made window, door, staircase, and does the installation.
As such the market for a general joinery hardwood such as Niangon, has been dramatically reduced from the 1980'ies when Liberia shipped 100,000 m3 Niangon logs annually to France.

The general consensus as to the total annual volume that the French market could absorb in Niangon logs and/or boules would be around 25 – 30,000 m3.

Shipping and conditioning
Shipping of logs from West Africa to France has become more difficult to organize and far more expensive as the freight market increased substantially during 2004. Add to this, the important increase in cost of fuel, particularly in 2005.

China's continued growing need for raw material of all kinds – including wood – has created upward pressure in the freight market, not least for bulk cargo vessels.

"Logistics and ports in France" have been described in chapter 1.14.
Generally, the French Atlantic ports are maintaining their position as tropical timber receiving ports.
In the Mediterranean, however, there is only one timber port today, Sète. The port of Sète has been particularly affected by the decreased availability of bulk cargo vessels, and now has no regular lines calling with bulk cargo vessels neither from West Africa – nor from Asia – nor from South America. The port and close vicinity of Sète, had 5 boules-cutting sawmills a few years ago. Today there are 2 working full time, one working less than half time. The cost of ocean freight has increased by more than 30%. The port and its operators are facing important operational and financial difficulties. Timber importers in Sète are grouping together to arrange joint freighting of logs and sawn timber from West Africa to Sète, but arrangements between competitors are fraught with difficulties.

Asian sawn timber, which exceeded 100,000 m3 annual arrivals in the port of Sète in the 1980'ies, now arrives in Antwerp, nothing in Sète; there are rare arrivals in Nantes, but most of the Asian plywood and sawn timber arrives by bulk carriers in Antwerp for on-forwarding to France – a lack of income for the French ports and their operators, and in due course, increased unemployment. Tropical timber arrivals in Sète have fallen from 86,000 tons in 2003 to 66,000 tons in 2004. First quarter 2005 arrivals are the same as first quarter 2004 arrivals 13,000 tons.

The port of Bordeaux now has only 3 major timber importers. There are no regular lines calling, the importers have to make their own freighting arrangements from West Africa to Bordeaux. There are 2 sawmills in Bordeaux cutting tropical logs. Bordeaux arrivals totaled 15,000 tons in 2003, 24,000 tons of tropical timber in 2004.

La Pallice is a deep-water port, direct on the ocean, offering a competitive cost structure for its – few – clients. La Pallice is the receiving port for the bulk of the Okoumé log import; the majority of the plywood factories are all situated within a couple of hundred km distance of La Pallice. In La Pallice, only one tropical log sawmill remains operating, with two in the hinterland. Arrivals in La Pallice totalled 243,000 tons of tropical timber in 2003, 182,000 tons in 2004, mostly Okoumé logs. This places La Pallice – La Rochelle in No. 1. position amongst French tropical timber receiving ports.

The majority of the timber trading community is domiciled in Nantes which receives the bulk of the tropical sawlog imports 51,000 tons in 2003, 65,000 tons in 2004. Nantes has recently taken over some of the okoumé log trade from La Pallice. Sawn tropical timber imports in Nantes totaled 63,000 tons in 2003 – 69,000 tons in 2004. Total tropical timber arrivals in Nantes were thus 114,000 tons in 2003 – 134,000 tons in 2004. Nantes has lost out over the last few years as regards the volume of Brazilian sawn timber that is now being shipped in container from South Brazilian ports and from Belem, only Santarem area origins are shipped in break bulk vessels. Only one sawmill cutting tropical timber remains in operation in Nantes. There are two in the hinterland.

The ports which have taken over the import of Brazilian timber from Nantes, are Rouen-Honfleur, now France's third-biggest tropical timber receiving port with 93,000 tons in 2003, and 115,000 tons in 2004 – of which the majority is logs, both Okoumé and sawlogs. The big Honfleur sawmill has been closed, there are two operating in the near environment.

Caen is the 5th port for tropical timber, 40,000 tons of logs annually for the sawmill in that port, plus 31,000 tons of sawn timber 2003 – 35,000 tons in 2004, totally 71,000 tons in 2003, 74,000 tons in 2004.

Dunkerque receives a mere 3000 tons of logs annually plus 20,000 tons of sawn timber – an important portion of which is American hardwoods.

Bayonne received 8000 tons of logs in 2003, 7000 tons in 2004 – mostly Azobe for a specialty-cutting sawmill.

Environment

Tropical Logs and Environmentalist Groups
Tropical logs are under close observation of the NGOs - environmental groups that are quite active in France, both Greenpeace, WWF, and Friends of the Earth.

Due to their size, and the fact that they are stocked on open quays (as distinct from kiln-dried secondary processed wood products stored in closed warehouses), logs attract attention and are often under scrutiny.

Furthermore, environmental groups also recommend that logs be converted in their country of origin, and should not be shipped out of their area of origin.

Certification
Logs are imported only from Africa (+ a few hundred m3 Teak logs from Myanmar).

Certification in West Africa is progressing.

One consultancy group report they are working on pre-certification procedures etc. for a total of 12 million ha of West African forest.
Major producers, managed by their European owners, are approaching final certification for forests totalling over 2 million ha; it is expected that certified logs, sawn timber, veneer, and plywood will be on the market as from 2006, in industrial quantities.

The pre-certification, and certification cost is estimated by the consultancy group at 4 – 6 Euro/HA/year, based on a 30-year rotation, i.e. depreciation over 30 years of the initial cost.

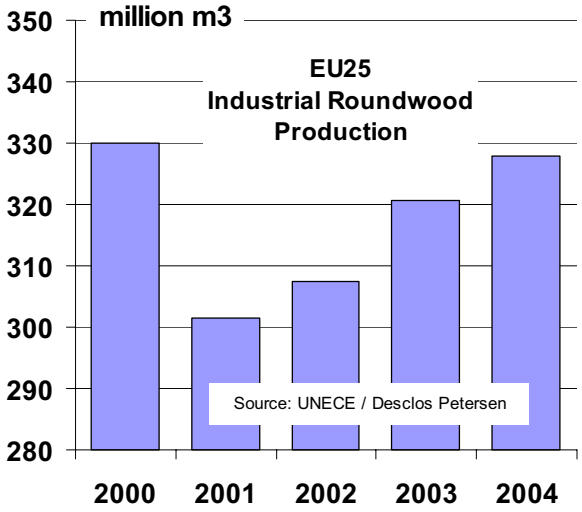
To this should be added a once-a-year inspection fee of 10 – 15,000 Euro per concession. This is only the cost of external services, to which should be added the company's internal cost, essentially staff cost.

However, the consultants consider that improved management and operational practices yielding improved recovery and productivity over the long run should compensate the internal cost.

Roundwood Production

Europe
Graph EU15 roundwood production

Figure.2.1.2



In all European countries that used to import sawlogs and plywood logs from tropical countries, the import has been dramatically reduced over the last generation. Except for France, and a couple of factories in Spain and Italy, the plywood industry based on tropical logs has disappeared in Europe.
As to sawlogs, Italy, Spain and Portugal still import logs and convert to square-edged sawn timber and to dimension stock specifications. Germany converts tropical logs into square-edged sawn timber, special dimension stock sizes, and boules.
The European factories that were converting tropical logs into veneer, boules, and sawn timber, have over the years been scrapped, some machines sold to tropical countries.
The remaining sawmills and plywood mills have all experienced very difficult times, with over-capacity, increasing costs, and lack of operating margin.
A number have gone bankrupt.

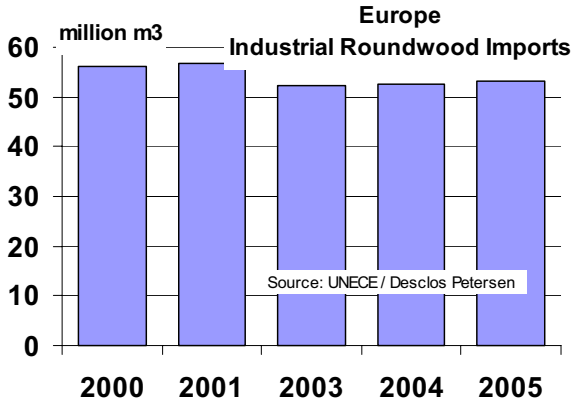
France
The only country in Europe producing industrial quantities of boules from tropical logs, is France – some 250,000 m3 annually, RWE. Sawmilling capacity exceeds the market's needs; there have been closures of sawmills literally every year.

The plywood industry has generally been suffering under insufficient margins to satisfy shareholders, many family-owned units have been taken over by international groups whose results on the stock exchange are inadequate to attract new capital for investment.

Roundwood Imports

Europe

Figure. 2.1.3



Europe Industrial Roundwood imports by importing countries

Table 2.1.3
Europe Roundwood Import 2004

	x 1000 m3	%
Finland	12,961	22.9
Sweden	9,398	16.6
Austria	8,402	14.9
Italy	4,614	8.2
Spain	2,973	5.3
Norway	2,866	5.1
Belgium	2,755	4.9
France	2,140	3.8
Germany	1,916	3.4
Estonia	1,466	2.6
Others	7,088	12.5
Total	56,579	100.0

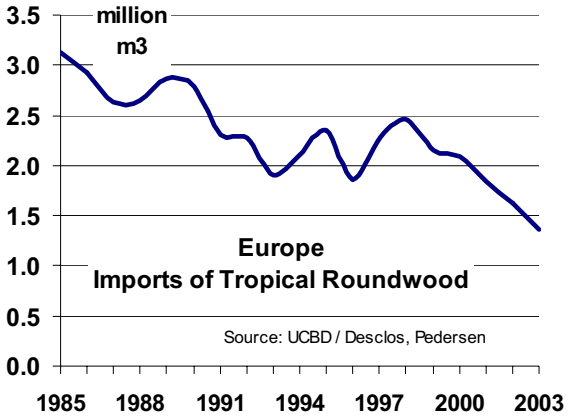
Source: UNECE 2004 Prov / Desclos Pedersen

Breakdown coniferous / non-coniferous

Table 2.1.4 Europe Industrial Roundwood Import 2004		
	x 1000 m3	%
Tropical *	1 360 000	2.4
Temperate hardwoods **	21 373 000	37.6
Coniferous ***	33 846 000	59.8
Total ***	56 579 000	
Sources: * UCBD ** Calculated *** UNECE 2004 Prov / Desclos Pedersen		

Europe Tropical Roundwood Imports

Figure 2.1.4



The leading exporters of industrial roundwood to Europe are the countries in the Congo basin:

Cameroon was the leading log exporter only a few years ago, now log export is declining reapidly, as Cameroonese sawmills consume increasing quantities of roundwood, and as felling and export restrictions limit roundwood availability.

Gabon is today the leading exporter of logs, firstly okoume logs for peeling, as well as increasing quantities of sawlogs.

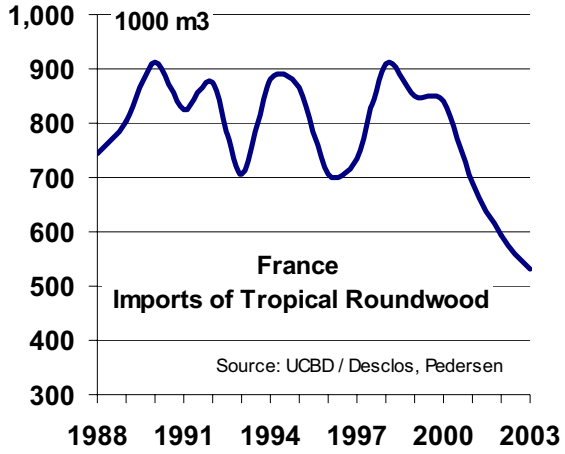
Congo Brazzaville is also shipping increasing quantities of roundwood, but industrialization of Congo Brazzaville, as well as log export restrictions is reducing availability.

Congo Rep. Dem. (ex-Zaire) is increasing shipments in 2004 and 2005, after a period of very low volume of export.

Equatorial Guinea is also still shipping logs to Spain, Portugal and Germany.

France Tropical Roundwood Imports

Figure 2.1.5



France Tropical Roundwood Imports Breakdown by origin

Table 2.1.5
France Tropical Roundwood Import 2004
By origin

	m3	%
Belgium	2802	0.6
Others Europe	6753	1.4
Cameroon	21089	4.4
Congo	100962	20.9
Gabon	312517	64.7
Liberia		
Central Af. Rep.	15985	3.3
Equat. Guinea	19552	4.0
Others Africa	1918	0.4
Others Asia	1349	0.3
Others	207	0.0
Total	483134	

Source: LCB

France Tropical Roundwood Imports Breakdown by species

Table 2.1.6 France Imports 2004 Tropical Roundwood M3	
Okoumé	197 554
Sapeli, Iroko, Acajou Afrique	67 856
Sipo	36359
Others	181 365
Total	483 134
Data source : LCB / Desclos Pedersen	

France Tropical Roundwood Imports - non-tariff barriers
There are no non-tariff barriers.

France Tropical Roundwood Imports trends
As can be seen in table 1.17.1 "Factors affecting competitiveness of tropical timber – a comparison of tropical roundwood and sawnwood into 7 European countries 1973 – 2003", the drop in volume over this 30 year period, is dramatic.

France Tropical Roundwood Imports Perceptions and views
Every single importer, industrial manufacturer, and distributor interviewed expects import of tropical industrial roundwood to continue to drop, and within 5 – 10 years to be reduced to insignificant quantities only.

Standard veneer and plywood will be produced in the countries of origin, only specialty products will be manufactured in France, from tropical hardwoods.

As to tropical sawlogs, these will be replaced by the import of sawn timber, dimension stock, and SPWP.

A few specialty products, such as one-off, big hydraulic timbers and other very specific items for quick delivery, may still be cut in France, but everybody agrees that the number of sawmills cutting tropical timber will be very few indeed within 5 – 10 years.

This view is based on the perception that the producing countries will ban the export of logs within the next few years, and that there will simply be no high quality tropical logs suitable for joinery manufacturing, available to buy anywhere in the world.

The majority of the persons interviewed are of the opinion that this trend is not only historically inevitable but also economically logical.

The loss of jobs in France is serious in a country that has more than 10% unemployment.

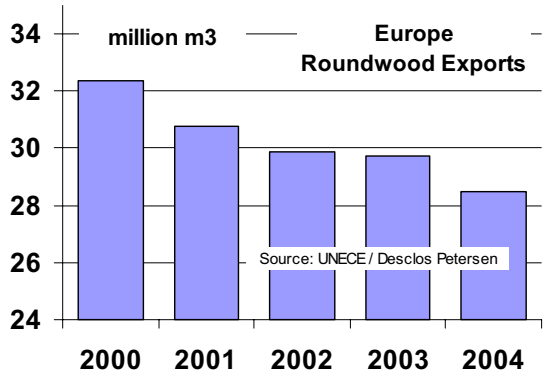
The existing factories are thus doing all they can to continue to secure the needed raw material and keep surviving – and keeping their people employed.

An anecdote: Some French sawmillers, who traditionally convert oak and other hardwood logs, are lobbying the government to ban the export of French oak and other high quality logs.

Roundwood Exports

Europe: Industrial Roundwood Exports (All Species)

Figure 2.1.6



Europe: Industrial Roundwood Exports by countries (All Species)

Table 2.1.7
Europe Industrial Roundwood Export 2004

	1000 m3	%
Germany	4,748	15.0
Latvia	4,058	12.8
France	3,726	11.8
Czech Rep.	2,858	9.0
Estonia	2,297	7.3
Switzerland	2,058	6.5
Hungary	1,366	4.3
Lithuania	1,177	3.7
Slovakia	1,142	3.6
Belgium	1,051	3.3
Portugal	1,009	3.2
Poland	942	3.0
Sweden	865	2.7
Austria	853	2.7
Others	3,501	11.1
Total	31,650	

Source: UNECE 2004 Prov / Desclos Pedersen

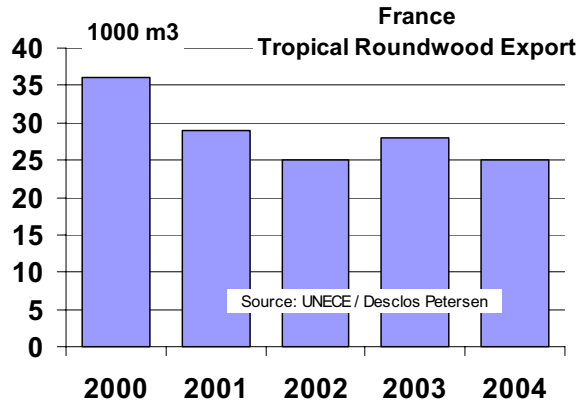
Europe: Tropical Industrial Roundwood Exports by countries

Table 2.1.8 Europe Tropical Roundwood Export 2004		
	m3	%
France	24,810	22.0
Germany	17,000	15.1
Netherlands	16,400	14.5
Belgium	11,000	9.7
Italy	9,260	8.2
Denmark	6,160	5.5
Others	28,290	25.1
Total	112,920	100.0
Source: UNECE 2004 Prov / Desclos Pedersen		

The inter-European Tropical Industrial Roundwood trade is very small, often tied to ocean shipping opportunities to given ports which create export trade opportunities for traders in that port.

France: Tropical Industrial Roundwood Exports

Figure 2.1.7

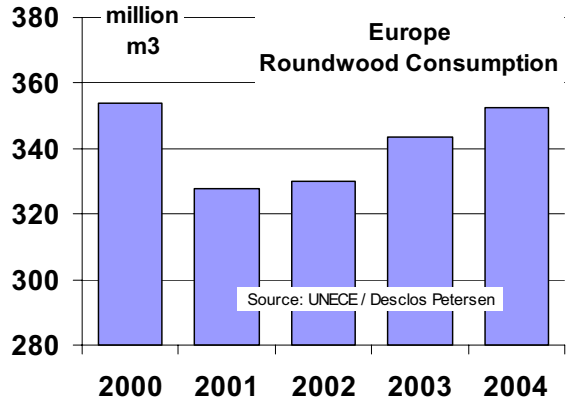


The export of tropical roundwood is insignificant. There are the odd parcels of logs arriving in Bordeaux and Sète for clients in Catalunya, and similar cross-border trading from North Atlantic French ports to clients in Northern Europe, but no volume of any consequence.

Roundwood Consumption

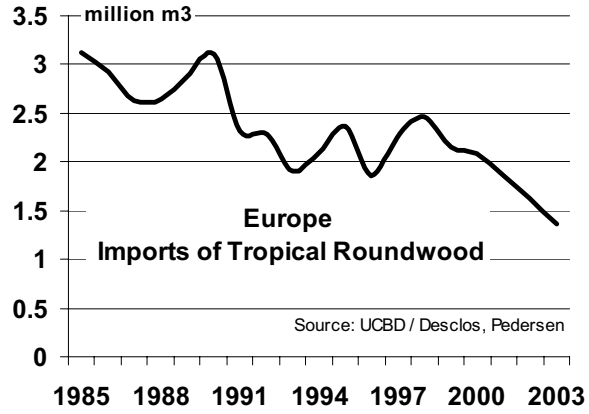
Europe: Industrial Roundwood Consumption (all species)

Figure 2.1.8



Europe: Tropical Industrial Roundwood Consumption

Figure 2.1.9



France: Tropical Industrial Roundwood Consumption
The annual French consumption of tropical roundwood is estimated at 458,000 m3

France: Tropical Industrial Roundwood End-Uses
Tropical industrial roundwood is used for

- Sliced veneer
- Plywood
- Boules for artisans making joinery, other SPWP, and all-purpose in- and outdoor construction, furniture, and fittings.
- Sawn timber in fixed dimensions for the joinery industry.
- Specialty Big Timber/Hydraulic and other Project-work timbers.

France: Market Drivers

- Demand depends on the state of the economy in general, and on the level of activity in the building sector, in particular.
- Supply depends on the willingness of supplying countries to make logs available for export.

Competition

From Other Wood Products

- Veneer, plywood, other sheet materials, sawn timber, dimension stock, and SPWP of the same species, bought from industries in the same countries which before supplied the industrial roundwood.
- Veneer, plywood, and other sheet materials, wood furniture and other SPWP supplied from low-cost producers, such as China and Vietnam, Latin American and East European countries.
- Softwood Veneer, plywood, and other sheet materials, sawn timber, dimension stock, joinery, wooden furniture, and other SPWP from Scandinavia, Eastern Europe, Russia, Brazil, Chile.
- The price of Scandinavian softwood, over the last 10 years, has dropped whilst over the same period, the cost of tropical timber, has increased substantially.
- A limited volume of temperate hardwood sheet materials, sawn timber, and SPWP, European and Russian, with very small imports from North America and other regions.
- « Technical Products » such as Laminated Beams for structural purposes, produced from softwood to the end-user's specifications – 13m long is a « standard » length – the maximum length allowed on a normal truck trailor.
- Decking and exterior applications: Treated softwood.

From Other Materials:

- For structural purposes: metal and cement.
- For flooring and decking ceramic tiles.
- For joinery, windows, doors, shutters PVC and aluminium.
- For interior doors: postformed sheets made from wood and synthetic fibre.
- For furniture : metal , plastic, glass,
- For mouldings and other SPWP: PVC, and veneer and paper-wrapped MDF/other support, metal, plastic composites, glass, ceramic tiles.

2.2. Sawnwood

France: The most species-flexible importer of tropical sawnwood

Profile of France

Table 2.2.1 France Sawnwood m3				
2004	Production	Imports	Exports	Consumption
Tropical	160 000 **	419 664 ***	20 835 MT*	544 000 **
Temperate	2 000 000 ****	136 460 ***	434 737 MT*	1 707 000 ****
Coniferous	7 700 000 **	3 282 522 ***	628 000 ***	10 022 000 **
Total	9 860 000 **	3 838 646 ***	1 367 000 **	12 273 000 **
**** Calculated from UNECE data *** Source/ LCB ** Source: UNECE 2000/2004 Prov / Desclos Pedersen * Source : French Customs Date of data collection: July 2005				

Table 2.2.2 France Tropical Sawnwood 1000 m3					
	2000	2001	2002	2003	2004
Production	234	219	212	156	160
Consumption	586	575	517	517	544
Imports	386	396	331	386	412
Exports	33	40	26	25	28
ITTO Stats				386	
Source : UNECE 2000/2004 Prov / Desclos Pedersen Date of data collection: July 2005					

Table 2.2.3 France Tropical Sawnwood Data Comparison 2004				
Source	Production	Imports	Exports	Consumption
UNECE m3	160 000	412 000	28 000	544 000
French Customs 6/2005 MT	n.a.	303.430	20.174	n.a.
COMTRADE MT*	n.a.	n.a.**	n.a.	n.a.
LCB m3	n.a.	419 664	n.a.	n.a.
UCBD m3	n.a.	502 000	n.a.	n.a.
Date of data collection: July 2005				
** 440724-25-26-29 data available and similar to French Customs, 440799 data not applicable (tropical mixed with other species)				

Sawnwood- Overview

Tropical sawnwood represents 4% of France's total consumption of sawnwood, 24% of total hardwoods.
France imports wood from other countries when such wood represents a better solution than domestic timber.

The authors analyse the imports of tropical sawnwood from different origins, and identify the end-uses for this sawnwood, as well as the characteristics of these species which make them attractive to the French market.

It is interesting to note, particularly for the tropical timber producing countries, that France is the most species-flexible customer of all the tropical timber importing countries.

Within one generation, joinery factories in France have changed tropical timber species 6 times, in the following chronological order:

- Sipo from Ivory Coast and other West African countries
- Lauan from the Philippines
- Dark Red Meranti from Malaysia and Indonesia
- White Seraya from Malaysia
- Curupixa from Brazil
- Tauari from Brazil.

The French Industrial, distributor and consumer is the most species-flexible of any major market in the world.

Provided a "new" species offers advantages, be it price, technical characteristics, aesthetics, specification, there is an openness in France to try something new which is rarely found in other tropical timber importing countries.

The timber trade tends to be very traditional around the world, particularly the hardwood trade.

Institutions

European

- OES
- CEI Bois

French

- FNB
- ONF
- ATIBT
- LCB

Terminology and Nomenclature

Chapter 4407 describes "Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6mm".

Common commercial terminology is "sawn timber".

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities [1])

Table 2.2.4 EU Customs Tariff for Imported Sawnwood	
Code = 4407 …..	%
2430, 2530, 2630, 2930, 2983,	2
2415, 2510,2550,2610,2650,2905, 2950, 2985, 9950	2.5

Standards for Industrial sawnwood

- African sawn timber is graded and measured according to ATIBT sawn timber grading rules.
- Malaysian and Indonesian sawn timber is graded and measured according to MGR = Malaysian Grading Rules.
- Myanmar teak is graded and measured according to Myanmar Export grading rules.
- Sawn timber from Brazil is graded and measured in accordance with American Hardwood grading Rules, NHLA.
- Since sawn timber is an intermediary product that is transformed into a final product in France, there is no requirement for CE Marking.

Specifications

Thicknesses

Sawnwood is shipped from Asia and Brazil, practically exclusively in the traditional inch-equivalent dimensions, 25, 38, 50, 63, and 75mm thicknesses – with over-measure to allow for drying.

African sawmillers ship these same thicknesses, but also other thicknesses as agreed between buyer and seller, for specific industrial end-uses in France.

Width-and-length

Specifications are, either:

- "Standard" = Random widths and random lengths, which are "PTWL" = "packed-to-width and length" in standard widths 100, 125, 150, 175, 200, 225, 250 275, and 300mm.

  This product allows on one hand the tropical sawmilling producer to obtain maximum yield from the log, by being able to ship all the widths and all the lengths that the log can yield.

  On the other hand, since the importer obtains one width and one length in each bundle, he can direct each bundle to the specific client – workstation in the case of an industrial – where that specific product is needed.

- Fixed width and/or fixed length. African suppliers are accepting more fixed specifications than their counterparts in Asia and Brazil.
  This is part of the explanation why sawmill recovery in Africa is often inferior to recovery particularly in Asia – in spite of the African raw material, in the Congo basin at least, generally being of better quality and bigger size than the Asian log.

[1] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

Packing and conditioning
The sawnwood is shipped in bundles, flush sides and ends, securely steel-strapped. The ends of the timber are waxed or tarred to protect it from end-splitting. Air-dry timber shipped in break-bulk has a protecting layer of thin wood protecting the top of the bundle, so that the upper layer of planks does not split nor check.

"Shipping-dry" sawnwood is shipped on stickers so that the timber does not suffer deterioration during transit. More and more producers are now kiln-drying the timber. This ensures a better condition, less drying defects during transit, the timber needs no stickers, thus occupies less space in the vessel, weighs less, and can thus be transported at a lower real cost than the equivalent « shipping-dry » timber. This lowering of real cost does not always benefit the timber shipper nor the receiver.

Marking
All bundles carry the supplier's name, mark or logo, a bundle number, weight, and destination, optionally the receiver's name and /or logo.

Quality
Tropical sawnwood represents 4% of France's total sawnwood consumption. Tropical sawnwood is imported to satisfy specific end-uses, the vast majority joinery. Quality, both technical and aesthetic, is together with species and specification the primary concern. France buys the highest quality – and the most expensive – in these timbers, FAS from Africa and Brazil, Select & Better from Asia.

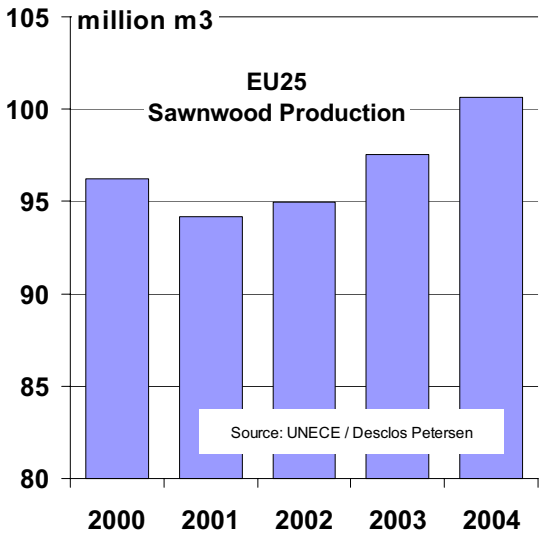
Species
Species bought are described in section 3. Imports, supply country by supply country.

Shipping
Ocean Transport
The traditional method of shipping has been in break bulk. More and more sawn timber is now being shipped in containers direct from the tropical producer to the importer / distributor or to the importer / Industrial.

Sawnwood production

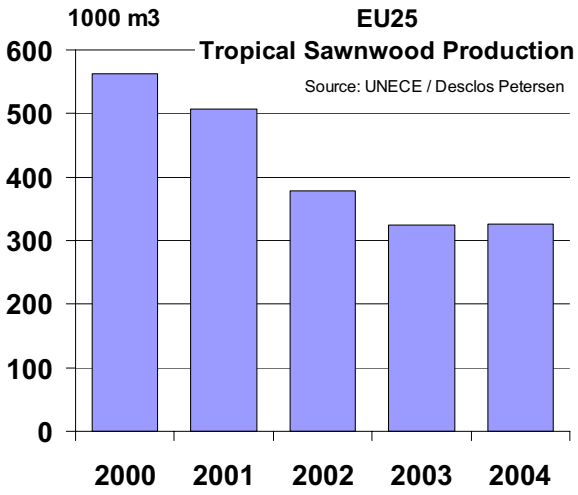
Europe: Sawnwood Production (General)

Figure 2.2.1



Total European sawnwood production, temperate hardwoods and softwood, and tropical hardwoods.
Europe: Total European Tropical sawnwood Production.

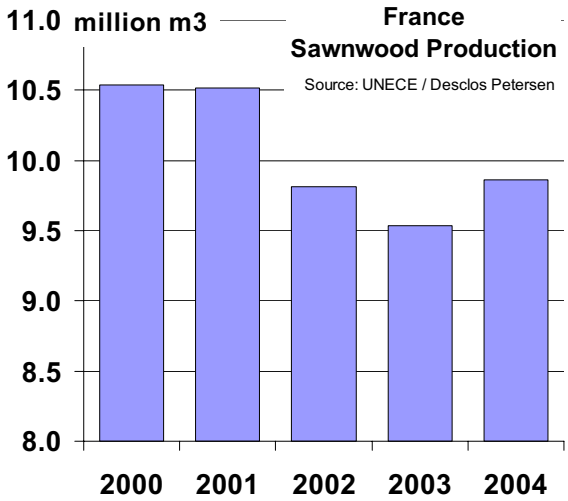
Figure 2.2.2



Tropical sawnwood sawn in Europe accounts for 0.4% of total European sawnwood production.

France: Sawnwood Production (General)

Figure 2.2.3



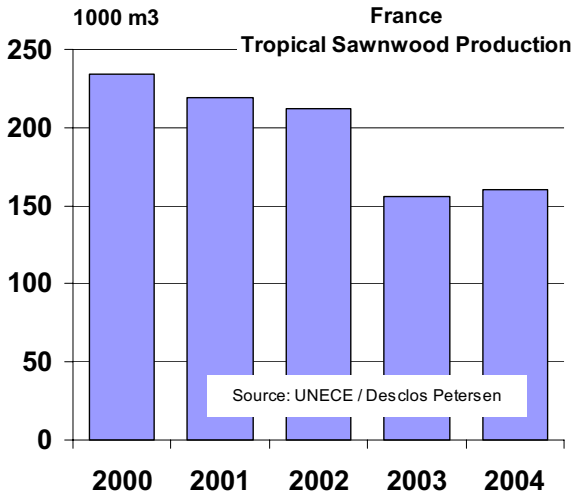
Tropical Sawnwood Production

The import of tropical sawlogs in 2004 totalled 286,000 m3, the vast majority sawn into boules at an average recovery of 80%

Azobe, Badi, some Iroko and other heavy, durable hardwoods are sawn into special big dimension timbers for hydraulic and special construction at some 50% recovery.

Some Movingui, Moabi, and other joinery timber species are sawn into fixed dimensions for door and window manufacturers, at a recovery of 40 – 50%.
The ECE 2004 statistics show 160,000 m3 sawnwood produced from 286,000 m3 sawlogs, i.e. 56% recovery – which is a realistic average rate of recovery of sawnwood from tropical export quality sawlogs.

Figure 2.2.4



Tropical Sawmilling Production Capacity
The sawmills cutting tropical logs are located in the ports where the logs arrive, a few in the close/relatively close hinterland.

Location and number of tropical log-cutting sawmills in France:

- Bordeaux : 2
- Bayonne : 1

- La Pallice 1
- Hinterland 2

- Nantes 1
- Hinterland 2

- Caen 1
- Hinterland 2

- Sète : 3

Totally 15, all set up to saw big tropical logs into boules. The mill in Bayonne is a specialty-cutting mill, concentrating on hydraulic timbers and the like.

Comparing the current level of import of tropical sawlogs - some 300,000 m3 annually - with the 1973 total import of 2.5 million m3, of which at least half were sawlogs, it is understandable that only 1 out of 4 tropical log-sawmills in France are still in existence today.

Tropical sawnwood production trends
The capacity of the remaining 15 sawmills exceeds the 300,000 m3 annual log intake.

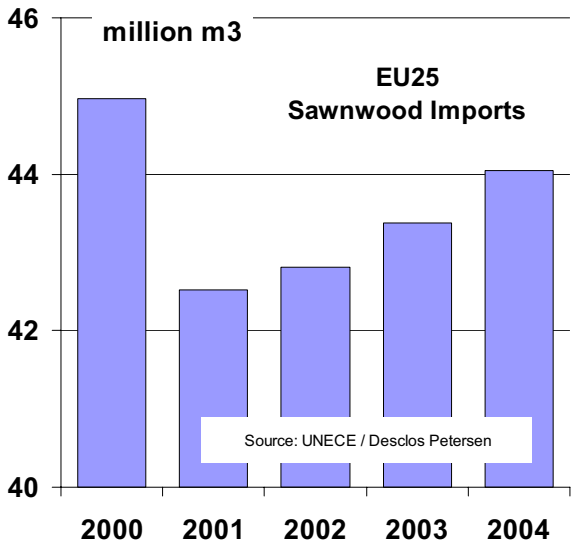
France: Tropical sawnwood production
As tables 1.2. and 3 show, the production in France of tropical sawlogs into sawnwood has fallen steadily over the years, to now represent only 300,000 m3 annually. All the sawlogs arrive from West Africa, essentially representing species that are available in insufficient quantities of sawn timber or SPWP to satisfy the demand.
The trend is obvious: The import of sawlogs will be reduced at the same pace as availability of sawnwood and SPWP from the supply countries increases.
All importers, custom-sawmillers, industrials, distributors, port operators, shipping agents and forwarders, agree that the import of sawlogs will continue to decline, at a pace which is decided in the

African producing countries. The perception of the pace varied from those considering that tropical logs would disappear entirely as a commercial product within 5 years to those considering it will be a more gradual reduction lasting 10 – 15 years. An average estimate of the time it will take the remaining African countries who are still shipping logs, to be able to supply sufficient quantities of sawnwood and SPWP, would be around 10 years, i.e. disappearance of the last sawlog exports to France by 2015.

Sawnwood Imports

Europe: Sawnwood Imports (All species)

Figure 2.2.5



Europe: Sawnwood Imports by Importing Countries (All species)

Table 2.2.5
EU25
Sawnwood Import 2004

	1000 m3	%
UK	8,647	9.6
Italy	7,661	7.4
Germany	4,652	0.6
France	3,780	.6
Spain	3,326	.6
Netherlands	3,163	.2
Denmark	2,251	.1
Belgium	2,048	.6
Austria	1,485	.4
Hungary	1,121	.5
Greece	1,000	.3
Others	4,910	1.1
Total EU 25	44,044	00.0

Source: UNECE 2000/2004 Prov / Desclos Pedersen

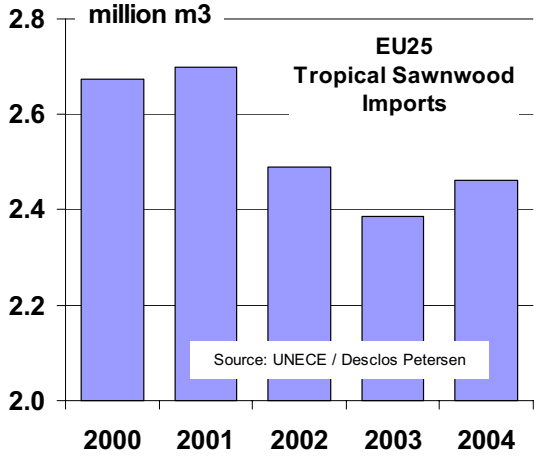
Europe: Sawnwood Imports (All species)
Breakdown by coniferous, temperate hardwood, and tropical

Tropical:	1 493 000 m3
Softwoods	36 472 000 m3
Temperate	6 080 000 m3
Total	44 045 000 m3

Source: UNECE

Europe: Tropical Sawnwood Imports

Figure 2.2.6



France: Tropical Sawnwood Imports

Figure 2.2.7

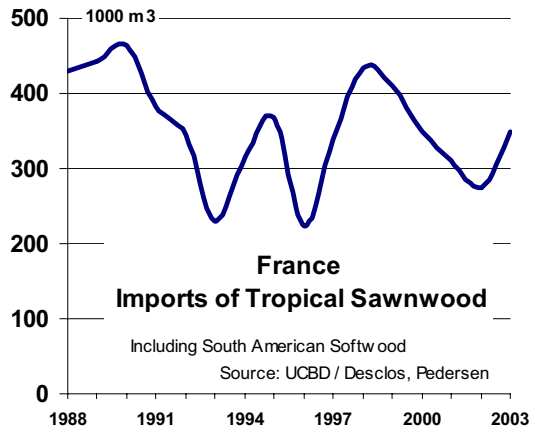
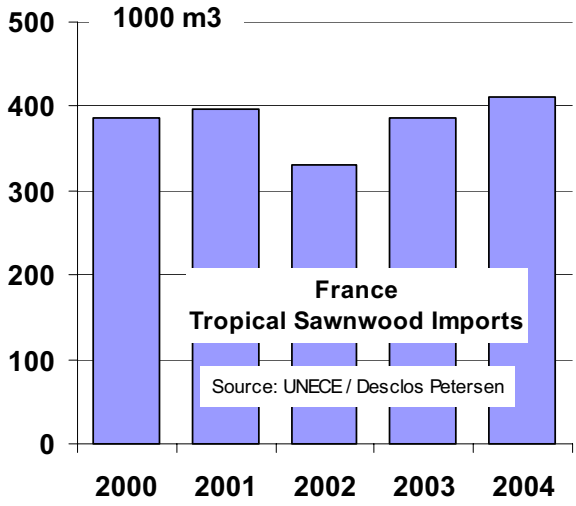


Figure 2.2.8



Tropical Sawnwood Imports by Countries of Origin

Table 2.2.6
France
Tropical Sawnwood Import 2004

	1000 cum	%
Cameroun	57.6	13.7
Congo Braz	13.9	3.3
Cote d'Ivoire	51.6	12.3
Madagascar	1.4	
Gabon	23.4	5.6
Ghana	24.2	5.8
Others	2.2	0.5
Africa	174.3	41.5
Myanmar	5.0	1.2
Indonesia	10.9	2.6
Malaysia	19.2	4.6
Others	2.3	0.5
Asia	37.4	8.9
Brazil	165.3	39.4
Others	2.2	0.5
America	167.5	39.9
Others*	40.4	9.6
Total	419.7	

Source LCB/Customs – Desclos/Pedersen.

* Others = transhipments via other European ports, mainly from Asia.

Tropical Sawnwood Imports by Species

Table 2.2.7 France Tropical Sawnwood Import 2004	
	cum
Virola, Balsa, Mahogany	1 656
Dark Red Meranti, Light Red	2 409
White Lauan Meranti Seraya	4 505
Others	323 000
Total sawnwood	388 602
Railway sleepers	31 062
Total	419 664
Source : LCB	

This table illustrates the lack of information contained in available statistics: 98% of species are defined as "others".

France: Tropical Sawnwood Imports import trend

Over the 30-year period studied, French consumption of tropical sawnwood has declined from 1.1 million m3 1973 (0.4 million m3 imported sawnwood + 0.7 million M3 sawn in France from imported tropical roundwood) to now 0.5 million m3 (0.4 miilion m3 imported sawnwood + 0.1 million m3 sawn in France from imported tropical roundwood) i.e. a reduction of 60%.

At the same time, the import of tropical SPWP, secondary processed wood products, has increased from practically zero in 1973 to 250 million USD worth today, in wooden furniture, Builder's woodwork, and mouldings. (Source ITTO 2004 Review).

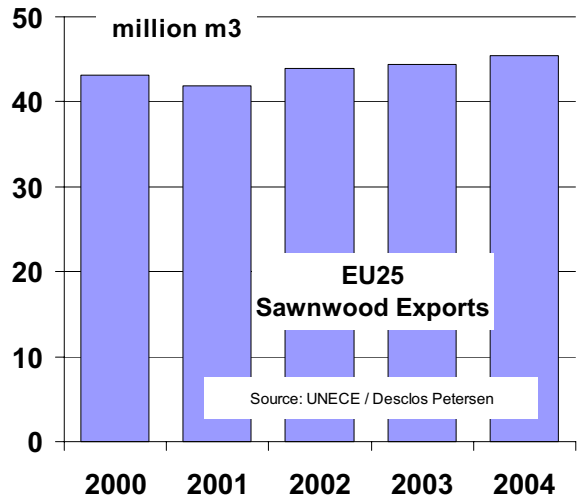
However, in certain applications, tropical sawnwood has lost market share:

- About 65% of the window frames are now made from PVC, 17% from wood, and some 17% from Aluminium. 30 years ago, more than 80% of all window frames were made from wood.
- Front doors, 30 years ago were practically all made from tropical wood, are now also made from other timbers, and other materials (PVC and metal).
- Interior doors, 30 years ago, were mainly made in solid wood, from tropical timber, today only a minority are solid, and more temperate soft- and hardwoods are being used.
- Mouldings were mainly made from Ramin, wawa/ayous, and some redwoods such as Meranti, Sipo. Today softwood mouldings dominate the building trade, and veneer-wrapped MDF has taken over part of the tropical moulding market.
- The shutter market was shared between softwood and tropical hardwoods. Today softwood dominates entirely, with very little hardwood being used. PVC shutters have taken over a large part of the market – PVC shutters installed together with the PVC windows.
- At the same time as there is a general trend towards a more competitive environment, there is also less waste today.
- In 1973, the artisan produced a substantially higher proportion of all joinery products, from boules, relative to the factory-produced joinery. Today the artisan's role as a manufacturer is very small.

Sawnwood production

Europe: Sawnwood Exports (All species)

Figure 2.2.9



Europe: Sawnwood Exports by countries of origin/production

Table 2.2.8
EU25 Sawnwood Export 2004

	1000 cum	%
Sweden	11,259	24.8
Finland	8,226	18.1
Austria	7,457	16.4
Germany	5,598	12.3
Latvia	2,921	6.4
Czech Republic	1,616	3.6
France	1,367	3.0
Belgium	1,103	2.4
Estonia	1,030	2.3
Others	4,831	10.6
Total	45,407	100.0
Total EU 25		

Source: UNECE 2000/2004 Prov / Desclos Pedersen

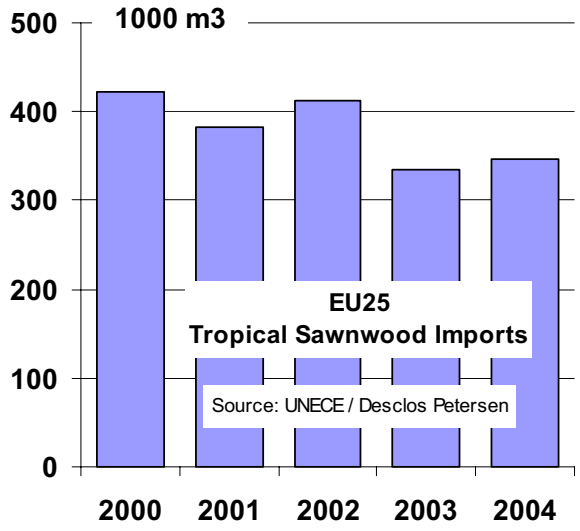
Europe: Sawnwood Exports by types

Tropical:	347 000 m3
Softwoods	41 686 000 m3
Temperate	3 374 000 m3
Total	45 407 000 m3

Source: UNECE

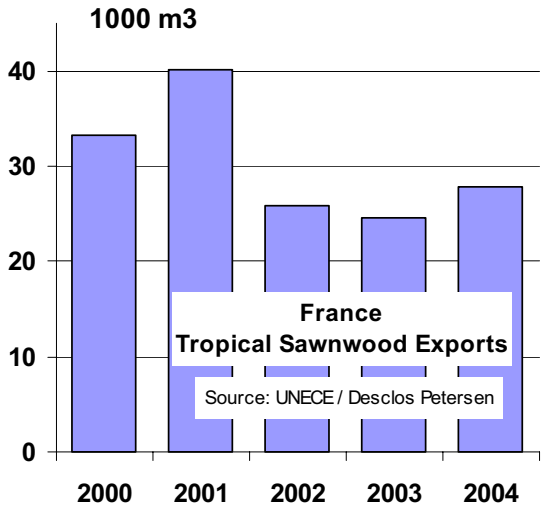
Europe: Tropical Sawnwood Exports

Figure 2.2.10



France: Tropical Sawnwood Exports

Figure 2.2.11



France: Tropical sawnwood export trends.
The export from France of tropical sawnwood is of marginal significance, representing essentially specialties that France is traditionally buying and receiving direct from the supply countries, and which other countries do not usually buy or receive direct.

There is a small but regular export from Southern France into Spain and Italy, mostly of such specialties. This export is very much based on logistics, particularly related to ocean shipping opportunities into French ports, combined with competitive road transport to final destination.

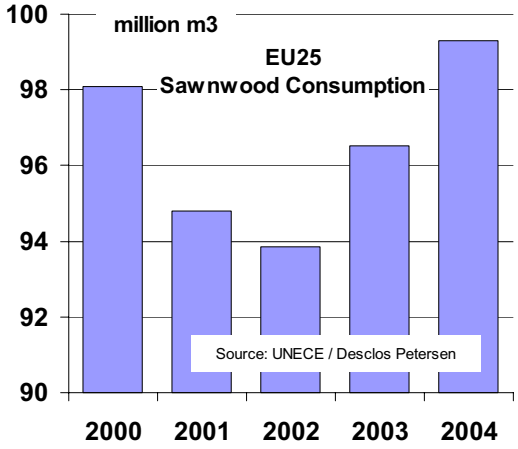
There is also a modest export to North Africa.

The timber traders in France expect this modest export trade to continue at its current level.

Sawnwood consumption

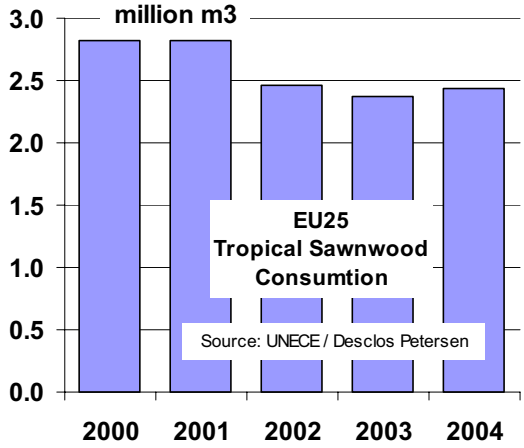
Europe: Sawnwood Consumption (All types)

Figure 2.2.12



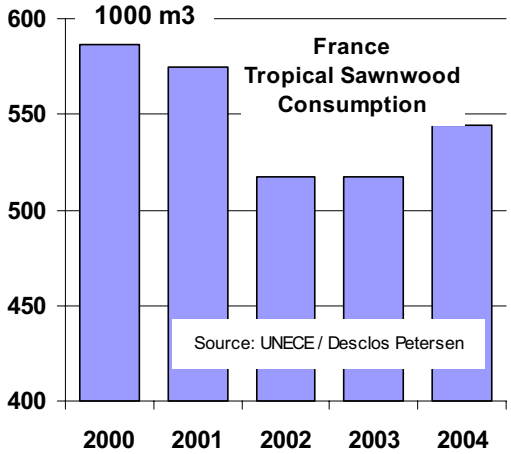
Europe: Tropical sawnwood consumption

Figure 2.2.13



France: Tropical sawnwood consumption

Figure 2.2.14



End Uses
Estimated Shares of the end-user market:

- 80% joinery including Decking and Garden /Outdoor up-market wood-work (example fencing around swimming pools)
- 3 - 5% hydraulic timbers
- 2 - 3% moulding
- 1% truck decking
- 1 - 2% Parquet
- 9 – 13% other

Market Drivers

- The most significant market driver is the activity in the home construction sector of the building industry and the renovation of homes. In 2004 new private home construction reached a 20-year high of 340,000 units of housing. This favourable trend is continuing in 2005, new construction permits reached 440,000 units. The level of activity is reported good both by industrials, importers, and distributors of timber and other building products. The factors influencing this favourable level of home construction are the low level of interest rates for long-term building loans, strong increases in the price of homes in literally all areas of France, i.e. investing in one's home is the best money placement possible. An important negative market driver is the high level of unemployment that prevents many potential homebuyers, not least young people, from buying their first home.

- France is one of the few « old » West European countries, which still enjoys a positive demographic development. This is based on immigration, which is likely to continue. The increasing population needs more homes.

- A strong demographic movement from North to South is increasingly evident. Languedoc-Roussillon (« La Septimanie ») is the region of France enjoying the strongest population growth – 1 000 persons per month are moving into the Département of l'Hérault (34), the capital of which is Montpellier, one of the fastest growing cities in France. These newcomers to the region all need housing. They consist of people retiring in the sun – not only from Northern France, but from all of Northern Europe. Young people from all over Europe are also arriving in this region to enjoy climatic and other advantages. This demographic mobility is similar to that taking place in North America.

Competition

From Other wood:

- Coniferous sawnwood and SPWP. Examples of products where coniferous sawnwood and SPWP have taken market share from tropical sawnwood
  - joinery – interior doors.
  - windows and doors in the region of the Alps,
  - laminated /finger-jointed softwood scantlings for window frame manufacturing.
  - shutters,
  - certain moulding products
  - wooden furniture, shop-fitting, and other SPWP

- Temperate Hardwoods
  - Furniture including Kitchen furniture is dominated by light-colour temperate hardwoods – and some softwood in the modern young style. There is literally no tropical sawnwood used in the French furniture industry today compared with quite important quantities in the past of Ramin, Agathis, Limba, and some redwoods.

- Shop-fitting is likewise dominated by light-coloured temperate hardwoods, birch is a favored species today – literally no tropical sawnwood is used any more.
- Truck Decking: now employs laminated temperate hardwoods (mainly chestnut), replacing in part the traditional Kapur from Malaysia and Indonesia.

- Sheet materials
  Have taken over the market from solid timber, including tropical sawnwood, in many applications including furniture, shop-fitting, caravan construction, to name but a few.

From veneer-or -paper-wrapped MDF and other low-cost wood-based profiles
They are increasingly used in a wide range of applications, furniture, shopfitting, certain mouldings, parquet, interior doors.

From reconstituted Wood – produced from 80% sawdust, 20% resin – this new product is being marketed for applications such as exterior cladding, and Decking. Product development is improving the technical characteristics. In the second generation of reconstituted wood products now on the market, a number of the initial problems have been solved. This is an interesting new product the raw material of which was previously waste, or at best used for fuel.

From Other Materials:

In this group, « Other Materials », the single most important competitor to tropical sawnwood over the last 20 years, has been

- PVC used for window and doorframes, for shutters, garage doors, garden gates, etc.
- Metal: aluminium and steel – have taken over markets from tropical sawnwood in the joinery industry, notably in front doors. The consumer who is concerned about fire risk and burglary, can now buy front doors with guaranteed security norms, both as regards fire resistance and resistance to break-in attempts.

France: Tropical Sawnwood Imports non-tariff barriers

There are not any non-tariff barriers. The CITES convention limits/excludes the trade in protected species. This is not perceived as a non-tariff barrier, and is of no practical commercial consequence. The species now protected under CITES, which were previously imported into France - such as Ramin -have been replaced by other species and products.

The French building code which specifies that all building materials must carry a 10-year guarantee, favours the use of a range of tropical timbers over temperate timbers which are generally less durable and have lower strength ratios. The technical characteristics of a substantial number of tropical species are superior to those of competing temperate soft- and hardwoods.

Tropical sawnwood consumption: trends, perceptions and views

Trends
Refer table 3: The total imported volume of tropical sawnwood in 2003 is almost unchanged since 1973. The level is stable around 350 – 400,000 m3 yearly. The species and supply countries have changed over the years, Malaysia, Indonesia, and the Philippines dominated in the 70'ies and 80'ies. During the 90'ies, Brazil took over as the dominant supplier of joinery woods for the French industries; Curupixa and Tauari from Brazil replaced the Meranti and Lauan (shorea spp) from Asia.

The change in species and source of supply - from Asia to Brazil - has been driven by a combination of

- availability of suitable supply in sufficient – or insufficient - volume
- price
- change of taste/colour.

The supply of Meranti from Indonesia became insufficient when Indonesia stopped the export of sawn timber. This ban on export of rough sawnwood took place before supplies and clients had adjusted to replace the sawn timber by dimension stock or other SPWP from Indonesia, in corresponding quantities.

Supply of lauan from the Philippines was stopped due to insufficient availability of raw material.

When demand for Curupixa from Brazil exceeded supply possibilities, Tauari became the dominant species – also helped by its white colour in a market where the fashion turned to light coloured finish.

African supply of sawnwood doubled between 1973 and 2003, as sawlog shipments were replaced by sawnwood.

Perceptions and views

The perceptions and views of importers, industrials, and distributors are unanimous:

- sawnwood will replace the import of sawlogs from Africa, i.e. more sawnwood
- SPWP will replace sawnwood imports from Asia and Brazil, i.e. less sawnwood

Over all, it is the perception that the supply from Asia will be vacuumed by wood-hungry big Asian markets, leaving reduced availability for Europe.
Brazil's leading market is the U.S.A. that is enjoying very strong demand from an ebullient home-building sector. The competition in years to come amongst clients, firstly the domestic Brazilian clients, other South, Central, and North American customers, European clients, and Asian buyers to obtain popular high-quality tropical sawnwood and SPWP, from Brazil, will become fierce.

French and some other European industrials and importers are solidly installed in Brazil, to ensure their future raw material supply. However, the perception is that the long-term supply trend for Europe may soon reach its peak, followed by a decline. The perception is that Africa will continue to be the leading supplier to France of tropical timber, yesterday logs, today sawnwood and veneer, tomorrow sheet materials and SPWP.

2.3 PLYWOOD

France: consumer, importer, producer, and exporter

As a consumer, importer, producer and exporter, France has a unique profile in the trade of tropical plywood. French companies have a long experience of tropical plywood manufacturing in France, but this sector is now in a serious crisis. Several French producers are facing severe difficulties. The French forest industry is strongly present and well established in Africa, in many sectors. The evolution of Gabon's policy linking forestry and industry brought some obligation of local primary processing. To comply with the new rules the French producers are progressively developing their veneer manufacturing capacity in Gabon and consequently reducing this sector of their activity in France. Some went further and built plywood manufacturing plants. Peeling plants are still operating in France to supply special sizes and the faces of French made combi and twin panels. In 2004, 2/3 of the French plywood production was tropical. This percentage may decrease in the coming years, depending on three factors:

- The level of confidence in Gabon's politico-economic background
- The availability of local qualified manpower in Gabon
- The evolution of shipping costs

The perceived uncertainty relates more to the timing than on the nature of this evolution.

Table 2.3.1

France Plywood m3

2004	Production	Imports	Exports	Consumption
Tropical	269 485	96 929	123 360	240 254
Temperate Hardwoods	17 285	136 195	3 665	148 615
Coniferous	123 854	137 179	86.096	174 937
Others		41 476	6 414	35 062
Total Plywood	**410 624**	**411 779**	**219 535**	**598 868**

Source: UFC

Table 2.3.2

France
Tropical Plywood Data Comparison 2004

Source	Unit	Production	Imports	Exports	Consumption
UFC	m3	269 485	96 929	123 360	240 254
FEIC	m3	269 500			
EUROSTAT	m3		100 466	125 399	
LCB	m3		97 663		
UNECE	m3	268 000	92 800	106 700	254 100
French Customs	MT		90 064	70 100	
COMTRADE	MT			68 082	
UCBD	m3		189 000 *		
ITTO 2003	m3		96 000	108 000	

* Including coniferous plywood from Brazil and transhipments from Belgium ports
Date of data collection: July 2005

Institutions related to plywood in Europe

- **FEIC** = European Federation of Plywood Industry
  FEIC represents 21 member countries and 75 member companies with a total production capacity of more than 4 million m³ of plywood and blockboard.
  FEIC Members: Belgium, Bulgaria, Czech Republic, Estonia, Finland, France, Germany, Greece, Italy, Latvia, Lithuania, Poland, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland, Ukraine, Morocco (Associated Member).
  Austria, Denmark, Ireland, Netherlands, and UK (n°1 European consumer) are not members of FEIC
  FEIC works in close co-operation with the European Panel Federation (EPF)
- **EPF** (European Panel Federation)
  The European Panel Federation[2], represents the European manufacturers of particleboard, MDF and OSB, with a total production in 2003 of 36,1 million m2 of particleboard, 11,2 million m2 of MDF and 2,4 million m2 of OSB. EPF thus took over the tasks of FESYP, the European federation of associations of the particleboard manufacturers (founded in 1958) and Euro MDF Board, the European federation of MDF manufacturers (founded in 1986).
- **UCIP** (Union pour le Commerce des Panneaux en Bois = European Wood Based Panels Trade Federation)
  UCIP is a sister organisation of UCBD.
- **UCBD** (Union pour le Commerce de Bois Durs dans l'U.E.= European Hardwood Trade Federation)
  UCBD is an alliance of the national federations of tropical and temperate hardwood importers in the European Union. UCIP produces a yearly statistical summary of the European plywood trade.
- **ATIBT** (Association Technique Internationale des Bois Tropicaux) Many ATBT members are tropical plywood manufacturers.

Institutions related to plywood in France

- **UFC** (French Plywood Manufacturers Association = Union des Fabricants de Contreplaqués)
  UFC brings together a dozen members and accounts for 95 % of the French production of plywood. UFC is a member of FEIC (the European Federation of Plywood Industry)
- **LCB** (Le Commerce du Bois = French Timber Trade Federation)
  LCB has a plywood committee and the plywood imports statistics are reported in its monthly magazine "Commerce International du Bois". LCB is a central point of information for the plywood trade, as it is for all other wood products.

Terminology, nomenclature and tariffs

Terminology

In Europe, the "Tropical Plywood" heading is commonly used for three different types of panels:

- Plywood made throughout of tropical veneers
- Plywood with alternate plies of tropical and temperate hardwoods ("combi") e.g. plywood made of okoumé and poplar
- Plywood with tropical veneer faces ("twin") e.g. maritime pine or poplar core with okoumé faces

In some of its plywood data tables, FEIC mentions "Faces of tropical hardwood". In some European statistical presentations, blockboard is included in the same statistical group as plywood. [3]

[2] EPF: http://www.mdf-info.org/website%5Fepf/

[3] Blockboard is a diminishing production in Europe. The main producers are Germany, Italy, Poland and the Czech Republic The total European production of blockboard in 2004 amounted to 268,000 m³. Data source: FEIC

Activity nomenclature: NACE Codes

NACE (Nomenclature of Economic Activities in the European Community) provides a harmonized statistical classification of economic activities in the EU according to the nature of goods and services produced or by the nature of the production process used. NACE 20 comprehends the manufacture of wood and wood products, except furniture, which falls under NACE 36.10. The NACE code for wood based panels manufacturing is 20.2. Each country can add more letters for a better national identification. The French national NACE code for wood based panels manufacturing is 20.2Z. For a study like the present one, the NACE nomenclature is not detailed enough and can only give general indications regarding the overall trend of an industrial sector.

Product nomenclature: HS

The many problems raised by the nomenclature are reported in chapter 1.5 with some practical examples related to plywood, such as the ambiguous declarations of topical plywood under 4412 13 90 or 4412 14 00 ("…. other, at least one outer ply of non coniferous wood").

Table 2.3.3
France: Plywood Imports from Indonesia

2004	Code	QTY m3
	4412…..	
Coniferous	19 00	177
Temperate *	14 00	15 611
Tropical	13 10 13 90	19 584
Overlaid	22 99 29 80 92 99	15
Others	22 91 29 20 92 91 99 20	219
Total		35 606

* In French: Feuillus (Broad-leafed)
Data source : French Customs / LCB

It is quite clear that in the case of Indonesia the panels listed as "Temperate hardwoods" in some European statistical reports were in fact "Tropical". An analysis of imports statistics from Brazil brings similar conclusions. As it is now, the nomenclature is too complicated, ambiguous and difficult to check. This potential source of mistakes, when combined with rather high tariff, facilitates frauds.

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) [4]. For each product covered in the report the tariffs are reported.

Table 2.3.4
EU Customs Tariff for Imported Plywood

Plywood Code = 4412 …..	%
13 90, 14 00, 19 00	7
22 10, 23 00, 92 10, 92 91, 93 00 , 99 20	6
13 10, 22 91, 22 99, 29 20, 29 80, 92 99, 99 80	10

[4] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

The Chinese Okoumé Plywood Tariffs

Since 2002, the European plywood producers have been addressing the European Commission about the pressure originated by the fast increasing volumes of okoumé plywood from China that disrupted the European market with prices considered unusually low by the European manufacturers [5]. In November 2004, anti-dumping duties, were imposed by the European Commission on imports of okoumé plywood produced in China. The countrywide duty amounts to 66.7%, while 4 Chinese exporters with the exception of 4 companies who were imposed lower duties on an individual basis ranging from 6.5% to 23.5%. The effect of this duty was quick: the Chinese exporters modified immediately the composition of their plywood and shipped plywood containing other species than okoumé i.e. without anti dumping duties.

It is understood that a new and eventually broader claim is being prepared by the European producers.

Standards

European Standards

CEN: The task of CEN [6] (**European Standards Committee)** is to develop European Standards (ENs), which are defined as "a set of technical specifications established in collaboration with and with the approval of the parties concerned in the various member countries of CEN". CEN delegates the actual work to the Technical Committees (TC) These Technical Committees consist of Working Groups (WG) that prepare the draft ENs.

- Wood-based panels Technical Committee: CEN/TC 112 [7]
- Plywood Working Group: WG 2 Plywood [8]

Latest European standards related to plywood published / revised in 2005:

- EN 13986 "Wood-based panels for use in construction – Characteristics, evaluation of conformity and marking" revised
- EN 14279 "Laminated Veneer Lumber (LVL) – Definitions, classification and specifications"
- EN 314-1 "Plywood – Bonding quality – Part 1 : Test methods" revised

CE Marking

The European authorities adopted the **Construction Products Directive (CPD**) in 1988. The scope of the Directive is to abolish the technical barriers across the EU countries in the construction market to create a single European market for construction products. Plywood fits the construction product definition given by the CPD: "any product which is produced for incorporation in a permanent manner in construction works, including both building and civil engineering works". Construction products can be used for structural or non-structural purposes. Since April 2004, CE marking is compulsory for plywood used in construction. *Theoretically, it is the only certificate required for this end-use in the EU.*

The precise requirements for the CE Marking are not detailed in the CPD but in Mandate M113 given to the CEN.. The mandate specifies the characteristics subject to CE marking and the systems of attestation of conformity. The "harmonised" European Standard (hEN 13986) is the logical complement of the CPD. It defines how wood-based panels must be produced and evaluated in order to ensure that they comply with all the requirements of the Mandate M113 for wood-based panels. EN 13986 is an explanatory dom3ent for the manufacturer, the designer and the user. The characteristic values given by EN 13986 are based on the new version of the specification standard EN 636 for plywood.

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[5] See FEIC annual report

[6] CEN: http://www.cenorm.be

[7] Chairman: Mr Steffen Tobisch (Germany)
Secretariat: Mr Bernd Trepkau (DIN)

[8] Convenor: Mr Bernard Chevaldonnet (France)
Secretariat: AFNOR/BNBA

Table 2.3.5 EN 636 Specification Standards for Plywood Allowable stresses, stiffness and density			
	Okoume	Ozige, Sapelli, Sipo, Birch, Maritime Pine, Douglas	Keruing, Beech
σ	> 12.4 in the strongest direction		
ϑ<	3.6	4.3	5.7
ϑr	1.5	2.0	2.5
Er	Average of the 2 directions: > 4		
Δ moy	500	650	550
For panels made of several species, the values of the weaker species should be used			

Table 2.3-6		
Symbol	**Designation**	**Unit**
σ	Bending stress	N / mm2
ϑ<	Shear stress in the plane of the board	N / mm2
ϑr	Rolling shear stress	N / mm2
Er	Bending module of elasticity	kN / mm2
Δ moy	Average density	Kg/m3
Values at 65% relative humidity and 20°C		

Attestation of Conformity: The degree of involvement of Notified Bodies depends on the destination of the panel product (structural or non-structural) and on the reaction to fire class to which the product belongs [9].

- The (4) level is required for general non-structural uses. The marking is applied by the manufacturer without third party control.
- The (2+) level is required for all structural plywood (S). For this conformity level a notified certifying body is compulsory and the characteristic values of the panel should be published and certified.

The manufacturers associations (e.g. FEIC) are confident that this set of standards will greatly help promoting the use of plywood in structural applications. The importers and retailers are all in favour of it but refuse to pay any premium for the CE marking. It is worth noting that the CE marking does not necessarily have to be printed on the product itself. It may be put on a label attached to it, on its packaging or on the accompanying commercial dom3ents.

French Standards
NF= "Norme Française" = French Standard. As soon as a European Standard (e.g. EN xxxx) is translated and inserted in the French set of regulations, its name becomes NF EN (e.g. NF EN xxx)
CTBA publishes several periodical updates on standards. [10]

As declared by the European Panel Federation:
"The European Commission gave EN 13986 the formal status of 'harmonised' standard under the Construction Products Directive by publishing communication 2003/C 47/02 in the Official Journal of the European Union on 27 February 2003. This communication stipulates that the CE marking of wood-based panels for use in construction is compulsory since 1 April 2004. Consequently, *all EU Member States meanwhile must have withdrawn their compulsory national certification systems and*

[9] Annex III of the CPD and Annex ZA.2 of the hEN
[10] http://217.174.207.71/~ctba/1_le_group/metiers.php?rub=actualites

must have modified their building regulations to allow the use of wood-based panels in construction and civil engineering works on the basis of the CE marking in accordance with EN 13986." [11] In France, the implementation of the harmonised standard is *still conflicting* with the French application standards. On this point see CTB-X paragraph hereafter.

CTB-X and CTB-C

NF Extérieur CTB-X is a French certified quality label for exterior grade plywood. The certified characteristics are:

- . Durability and quality of species used
- Glue bond resistance to water
- Quality of faces and inner plies
- Module of elasticity
- Thickness tolerances

There is a similar quality label for concrete-forming plywood: NF Coffrage CTB-C

French application standards

The DTUs (Documents Techniques Unifiés) are the set of French Application Standards regulating the use of building materials and building techniques. In certain respects these dom3ents do not reflect the state of the art and do not incorporate the development of (not so) recent wood based building materials (e.g. OSB panels). In the case of plywood, the DTUs requires, on top of the CE marking, the French CTB-X quality label (see 1.5.3. here above) for structural plywood. Without compliance to this requirement the building code conformity inspection companies will not deliver the certificate required for the 10 years compulsory guaranty. For a foreign plywood manufacturer, there are only two possibilities:

- to apply for and get a CTBX agreement
- to negotiate with each building code conformity inspection companies and obtain an "avis technique". This may be an easier approach but it is nevertheless another technical approval to apply for.

This kind of national requirement can be considered *a barrier to trade* of imported plywood.
It should be noted that France is not the only EU country having yet to solve similar problems with wood based building materials.

Specifications

Main plywood formats

The French market is divided 50/50 between small and large formats:

Small formats :

- 2.44 x 1.22 m (8' x 4') International
- 2.5 x 1.22 m This format is specific to the French market and may not remain so present on the market if the French domestic production decreases.

The small formats are the favourite sizes of the DIY retails, mainly for handling and merchandising reasons .

Large formats :

- 3.05 x 1.53 (10' x 5')
- 3.10 x 1.53

Large format: 60% of French building market and 90% of building materials retailers market

Thickness

A wide range of thickness is distributed in France: 5, 5.5, 6, 8, 10, 12, 15, 18, 22, 25, 30 mm
It should be noted that 5, 8, 10, 12 mm are specific to the French market.

Glue Line: WBP, MR

For construction end-uses, the French glue line quality requirement is based on the biological risk class (1 to 3) as defined by (NF EN 335-3). The market is split 50/50 WBP and MR. MR is a specific

[11] FEP (European Panel Federation) Annual Report 2004-2005

request of the French market and 2/3 of the tropical plywood imported is MR. Three quarters of the plywood produced in France is exterior glued. While DIYs buy 75% MR and 25% WBP, building materials merchants buy mostly WBP

General plywood specifications

Table 2.3.7	
Plywood General Specifications	**Requirement**
Tolerance on nominal sizes: NF EN 315 - Thickness in same sanded panel - Thickness in same unsanded panel Thickness < 12 mm 12 mm < Thickness < 25 mm - Thickness between panels	 ± 06 mm ± 1.0 mm ± 1.5 mm a + 0.03 e a : constant
- Length and width	± 3.5 mm
Tolerance, edge straightness: NF EN 325	1.0 mm/m
Tolerance, squareness: NF EN 315	1.0 mm/m
Tolerance on average density within a panel: NF EN 323 Formaldehyde emission: NF EN 1084 (*) - Emission Class A - Emission Class B - Emission Class C	± 10 % ≤ 3.5 mg/m2 h > 3.5 mg/m2 h and ≤ 8 mg/m2 h > 8 mg/m2 h

Species
As a single tropical species, Okoumé is by far the favourite species on the French market (See 2.1 Industrial Roundwood). Many others species are also used:

- Ilomba,
- Eyong
- Fromager / Ceiba
- Igaganga
- kapokier
- Moabi
- Ozigo
- Sipo
- Teck,
- Etc.

Today the vast majority of plywood sold in France is made of mixed species:
- Indonesian Hardwood Plywood (IHP) from Indonesia
- Mescla: (Usually avoiding Virola for the duty) from Brazil
- Twins on a poplar core from China
- Combi made in France , mainly with poplar or maritime pine
- Etc.

The importers' views are that in the future there will be more twins made with plantation species or coniferous cores.

Overlaid plywood

The brand and specification of the overlay film is considered by the main buyers an essential part of the panel specification and is a key marketing asset.

Logistics, shipping and conditioning

Shipping costs
The shipping costs are crucial for tropical plywood. The shipping cost from Asia to Europe accounts for 20/25 % of the current CIF price structure [12]. From every origin, the shipping costs are under scrutiny because they are a main element of competitiveness and could become a major problem for tropical plywood. Further increments of the shipping costs could also bring some revision of the logistic strategy (2 m3 of logs for 1 m3 of plywood).

Ports
According to ports statistics, 64 % of the maritime delivered plywood import lands in the port of La Rochelle. The port statistics include under the same heading plywood and veneers. In reality, Nantes is the n°1 for plywood and La Rochelle the n°1 for veneers.
The following table, with a total of about 120.000 m3 illustrates that only 30 % of the imported gets in France water born.

Table 2.3.8
France
Main Plywood (All types) Importation Ports

2004	m3
La Rochelle	75 922
Nantes	15 279
Dunkerque	12 687
Rouen-Honfleur	9 335
Le Havre *	5 360
Boulogne	581
Bordeaux	201
Total	119 365

* Part of data missing
Source: LCB

The port of Antwerp in Belgium is the main competitor of the French ports. The large amount of plywood landed in Antwerp but imported by French buyers explains why Belgium is considered the main country supplying tropical plywood to France.

Conditioning
The conditioning of imported plywood is a matter of concern to the French importers and a sales argument for the exporters. Many importers report that poor packaging is rather frequent, gives a poor image of the product and ends in claims and expenses.
The CE marking is not always properly applied thus reducing the marketing advantage of CE declared panels,

Deliveries
Most importers complain about uncertainties in deliveries. The main current problem regards Brazil but Africa is also a frequent concern.

Environment

[12] Current freight cost from Asia to Europe for a m^3 of plywood: 105/110 US$

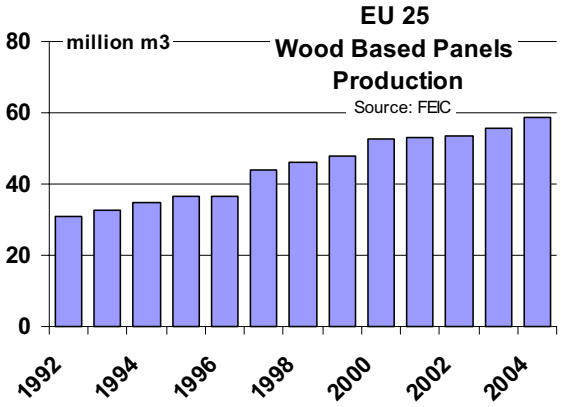
Plywood Life Cycle Analysis
UFC sponsored an interesting programme: Life Cycle Analysis of Plywood [13]. The research was carried by CTBA (Technical Centre for Wood and Furniture). The analysis was based on two end-uses (sidings and sheathing) and aimed at producing environmental declaration data sheets

Certification
Talking plywood, concerns about certification may not be as present in every interview as it is for sawnwood but it is now quite present in the mind of all importers. In some ways it could be said that, as regards certification and tropical imported plywood, the French market is in a transition phase in which the price/quality ratio is absolutely the main criteria: for the time being no premium is paid for certified plywood. Some of the major importers are in the process of getting their chain of custody certified and they expressed their concerns about the legality of some of their supply (e.g. core material of some plywood from Asia). In the meantime, at the distribution level there no promotion for certified plywood.

Plywood production

Europe: Wood Based Panels Production
2004 was another year of continuous growth of the European wood-based panel production. This industry accounts now for 9% of the total European woodworking industry [14].

Figure 2.3.1

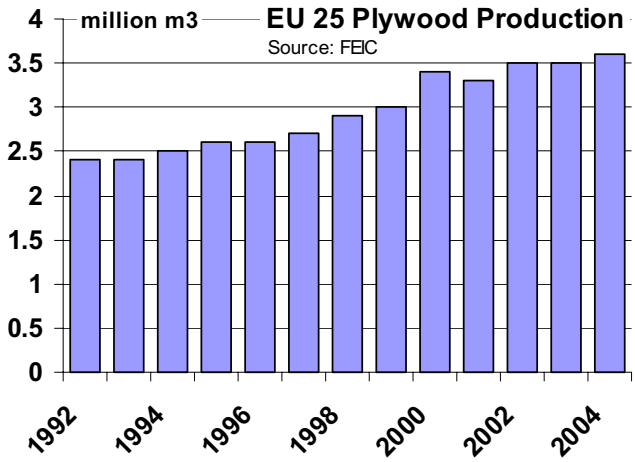


In most European countries, the fibre and particle wood-based panels producers are being confronted with increasing costs for their wood raw material. This is due to increasing competition with the energy producers who receive government support for using renewable energy sources. With this "renewable energy" the authorities hope to contribute to their commitments under the Kyoto Protocol on climate change.

Europe: Plywood Production (All species)
Accounting for 6% of the total wood based panels production, plywood is a minor production in Europe. The European plywood production grows at a slower pace than the other panels. In 2004 the FEIC member countries, increased their plywood production by 2.9% up to 3.8 million m³.[15]

[13] According to XP P 01-010 Standard, Environmental Quality of Building Products
[14] Source : FEP
[15] Source : FEIC annual report, 2005

Figure 2.3.2

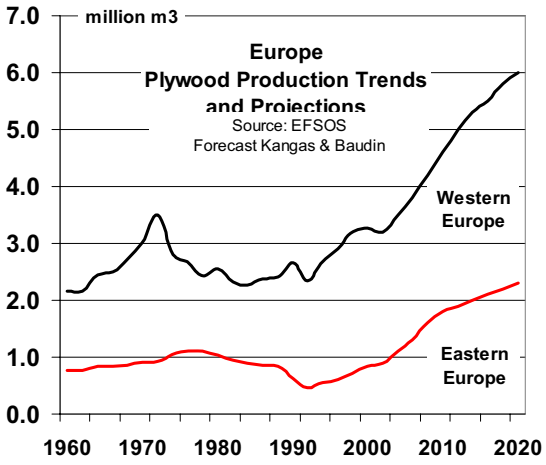


The main production increments in 2004 came from Finland, the largest European plywood producer, and France (mainly with coniferous plywood). The main reduction took place in Italy, with the closure of two major poplar plywood mills.

The prospective trend for plywood in Europe is quite positive. A strong growth in all parts of the wood based panels sector is expected in the future, reflecting the continued expansion across this sector in Western Europe and the continued recovery of the sector in Eastern Europe. Western Europe is currently the largest producer and consumer of plywood and veneer sheets in Europe and this is expected to continue, although Western Europe's dominance of production is expected to decline. Average annual growth in production and consumption is expected to amount to 2.4 percent and 2.1 percent respectively over the next two decades. Production will increase from 4.7 million m3 per year to 5.9 million m3 per year and consumption will increase from 7.9 million m3 per year to 10.9 million m3 per year, leading to an increase in net imports into Western Europe from 3.2 million m3 per year to 5.0 million m3 per year. Source: European Forest Sector Outlook, UNECE

Tropical plywood accounts for a significant proportion of plywood imports into Western Europe, but it is expected that imports from the CIS sub-region will increase in importance in the future. Source: European Forest Sector Outlook, UNECE

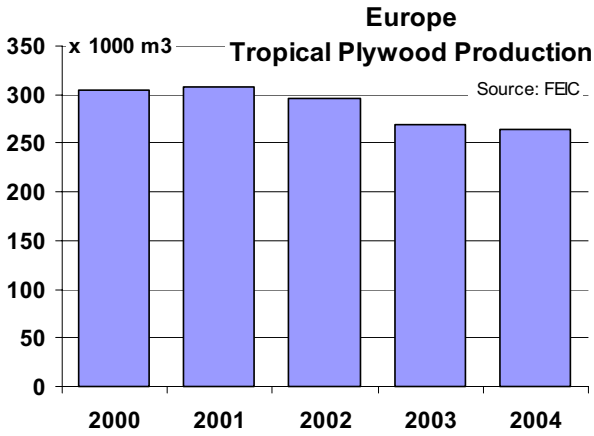
Figure 2.3.3



Europe: Tropical plywood production

Tropical plywood production is slowly declining in Europe. In 2004, the production of tropical faced plywood decreased in nearly all European countries (- 12 %), with a drastic reduction in Italy (- 55 %). In the meantime the temperate hardwood faced plywood production increased by 5%.

Figure 2.3.4



Currently, tropical plywood accounts for 11% of the total European plywood production

Table 2.3.9
Plywood Production FEIC Countries

2004	Qty X 1000 m3	%
Tropical	351	11
Temperate hardwoods	1 639	52
Coniferous	1099	35
Others	70	2
Source: FEIC		

There are three main European producers of tropical plywood, France being by far the largest (76 % of European production of tropical plywood):

Table 2.3.10
Europe
Tropical Plywood Production

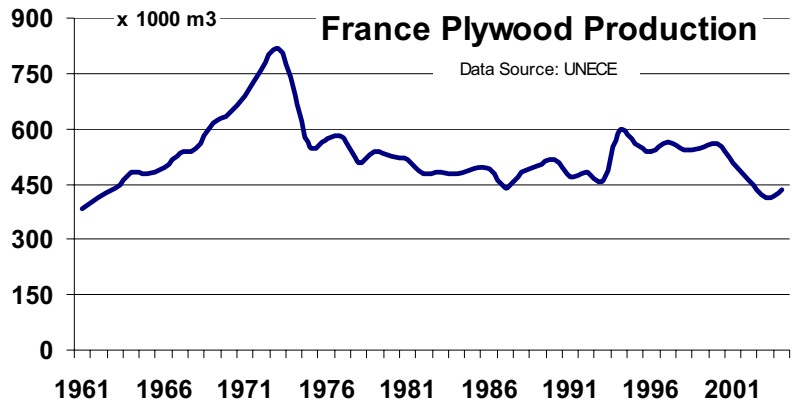
2004	Quantity x1000 m3	%
France	269.5	76.8
Italy	66.4	18.9
Portugal	11.5	3.3
Germany	2.7	0.8
Switzerland	0.9	0.3
Poland	0.1	0.0
Total	351.1	
Source: FEIC		

Tropical plywood accounts for a significant proportion of plywood imports into Western Europe, but it is expected that imports from the CIS sub-region will increase in importance in the future. Source: European Forest Sector Outlook, UNECE

France: Wood Based Panels Production

France is the second largest European wood based panels producer**.** The French industry is made of family owned companies and some larger European groups. Most of the companies are based on the Atlantic shore. They are faced with strong competition from other European productions e.g. Finland and non-EU e.g. Brazil, Indonesia and now China. The plywood production, over the last 30 years has been around 500.000 m3 a year.

Figure 2.3.5



The French plywood production depends heavily on tropical plywood which accounts for a high percentage of the national production (2/3).

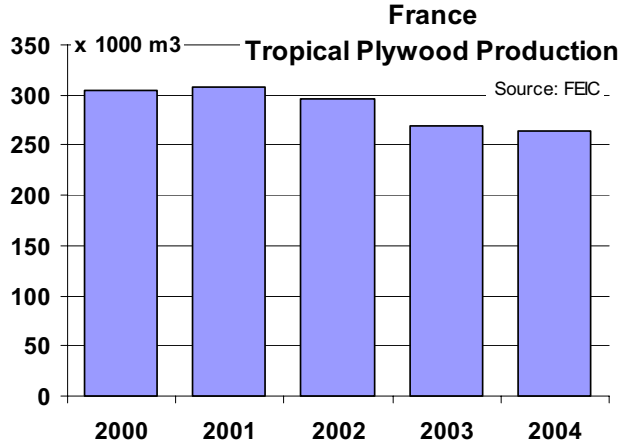
Table 2.3.11
France Plywood Production

2004	Quantity x1000 m3	% of French Production
Tropical	269.5	65.6 %
Temperate hardwoods	17.3	4.2 %
Coniferous	123.9	30.2 %
Total	410.7	
Source: FEIC		

France: Tropical plywood production

The French tropical plywood manufacturers are now in a very serious crisis. It the coming years they will have to take strategic decisions (See introduction) regarding the location of their plywood plants.

Figure 2.3.6



The number of French manufacturers volume of tropical plywood as well as the volume produced in France is bound to diminish in the coming years. In the first phase the surviving industries are likely to import more veneers from their African subsidiaries. The combined effect of national policies in

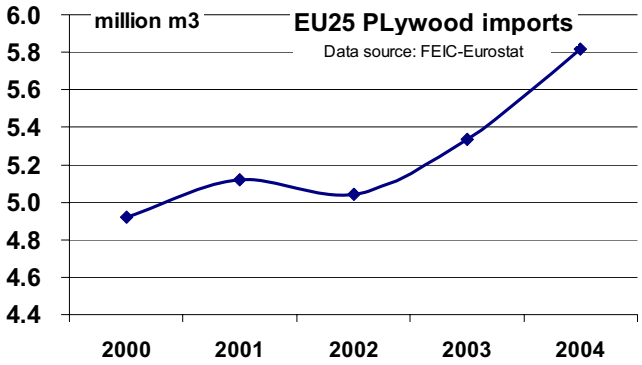
Africa favouring domestic downstream manufacturing and increased cost of ocean transport may stimulate the French manufacturers to transfer a larger part of their industrial activity in Africa. The high grade and speciality products would be the last production to move.

In 2004, tropical plywood accounted for 65 % of the overall French plywood production. [16]

Plywood Imports

Europe: Plywood Imports (All types)
During 2004, imports of plywood in Europe amounted to 5.3 million m³. [17].

Figure 2.3.7



The main European importers of plywood are UK (25%) and Germany (18%).

Table 2.3.12
EU25 Plywood Import 2004

	x 1000 m3	%
UK*	1 474.3	25.3
Germany	1 072.3	18.4
Belgium-Lux	612.9	10.5
Italy	464.7	8.0
Netherlands*	459.4	7.9
France	411.8	7.1
Denmark*	368.5	6.3
Sweden	172.4	3.0
Ireland*	147.4	2.5
Spain	129.8	2.2
Austria*	100.4	1.7
Others	505.2	8.7
Total EU 25	5 818.7	100.0

Source: FEIC-Eurostat*

Several countries, among the major European consumers, e.g. UK, Netherlands, Denmark and Ireland, are totally dependant of imports for their plywood consumption. The most aggressive and fastest growing exporter to Europe is China with rapidly rising volumes of low price plywood, including Okoumé [18]. Even with a reduced volume of okoumé plywood in 2004, the imports of other Chinese plywood continued to increase spectacularly and more than doubled in 2004 up to nearly 300,000 m³.

[16] Data UFC
[17] Data FEIC 2004 report.
[18] See Chap……..on duty

The Chinese exporters now offer new species mix: kedongdong, red canarium bintangor, coniferous and film-faced plywood.

Europe: Tropical plywood imports

Annually, the European countries import more than 1 million m3 of tropical plywood. This Figure includes imports of all EU25 countries from Europe and abroad, with a negative trade balance of 682,000 m3. In 2004, 64 % of the imports of tropical plywood came from non-EU countries.

Figure 2.3.8

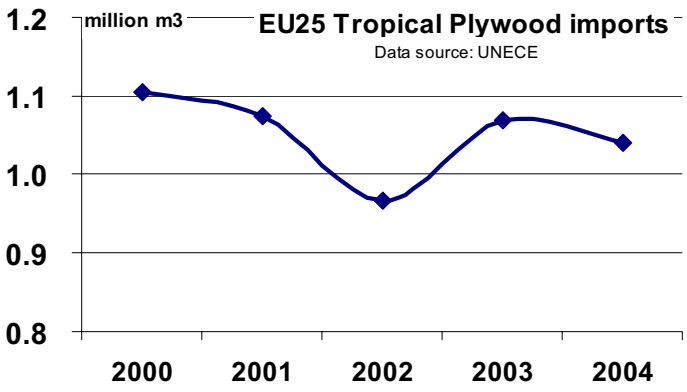
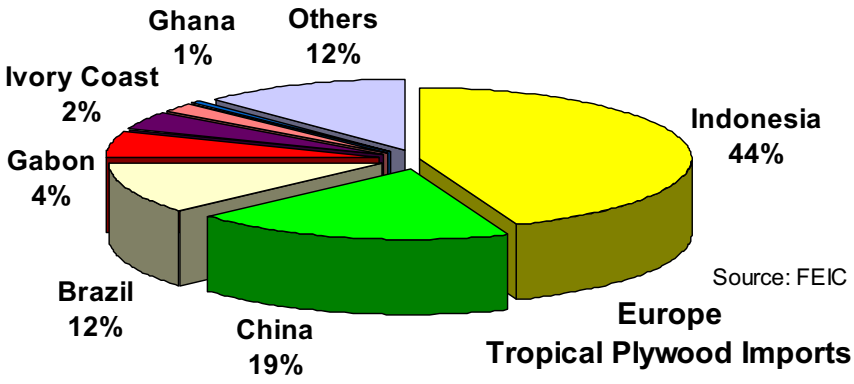
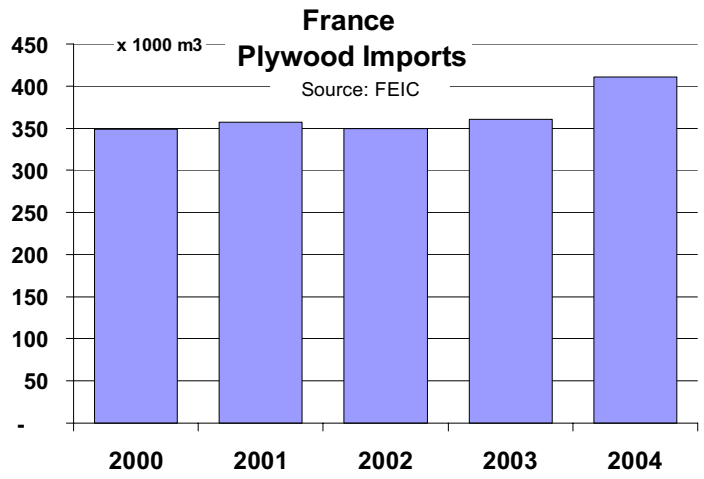


Figure 2.3.9 Europe, Tropical Plywood Import by Origin



France: Plywood imports
In 2004 the French imports of plywood (all types) increased 5.4 % to 412,000 m^3.

Figure 2.3.10



France: Tropical Plywood imports
The value of 2004 plywood imports from tropical countries amounts to 76 million Euro [19] corresponding to 8 % of the total tropical products import value. Imports of tropical plywood decreased by 5%, down from 102 026 m3 in 2003 to 96 929 m3 in 2004 [20]. The main reduction came from Indonesia (- 35 %) and Malaysia (- 27 %). Chinese hardwood plywood increased by 11 %. In 2004, tropical plywood accounted for 23.5 % of the overall French plywood imports [21] and 48 % of the tropical plywood imports came from EU countries. [22]

Table 2.3.13
France Plywood Import 2004

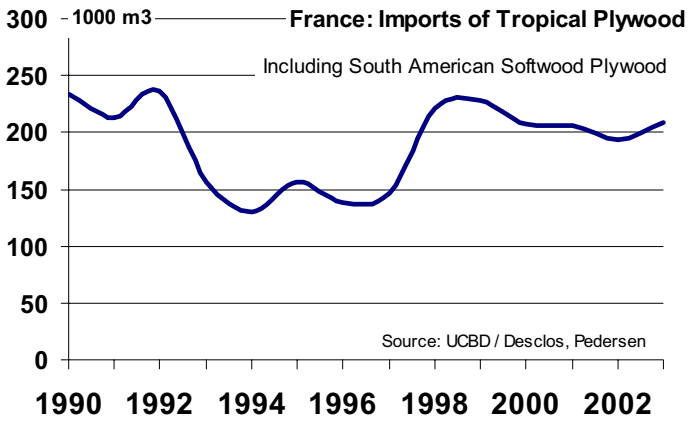
	x 1000 m3	%
Tropical	92 932	24
Temperate hardwoods	134 955	33
Others	48 510	10
Coniferous	133 706	33
Total	410 103	100

Source: LCB

In 2004, European countries, which are not tropical plywood producers e.g. Belgium, Germany and Netherlands, increased their exports to France. While the tropical plywood import from China decreased by 20 %, the total Chinese plywood import increased by 38% : Coniferous + 2,219 m3, Temperate hardwoods + 2,741 m3, “Others” + 1,917 m3. Over the years the French imports of tropical plywood from Africa and Asia have been declining.

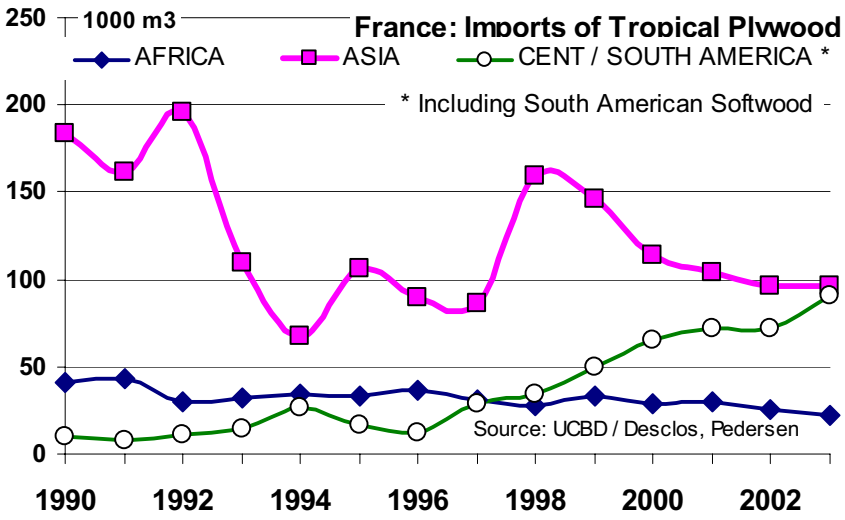
[19] Data source: Report authors estimate based on French Customs data.
[20] Data UFC
[21] Data UFC
[22] Data Eurostat: IntraEU 52,000, extra-EU 48,000 m3

Figure 2.3.11



Regarding South America, the statistics could easily be misleading due to the growing amount of other types of plywood (30,000 m3 coniferous and 15,000 m3 of would be "temperate" in 2004) imported from Brazil. Tropical plywood as such [23] accounted only for 24% in 2003 and 22% in 2004 [24]

Figure 2.3.12



[23] Codes 44121310 & 44121390

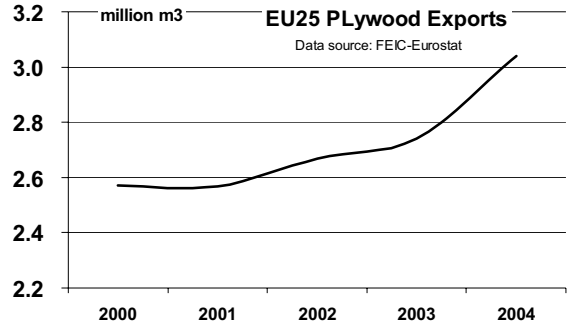
[24] Data LCB

Table 2.3.-14 France Tropical Plywood Imports m3			
	2003	**2004**	**% total 2004**
Belgium-Lux	13,742	17,357	19
Germany	5,891	7,519	8
Italy	2,365	3,921	4
Netherlands	1,836	2,633	3
Spain	1,646	1,818	2
Others W. Europe	1 190	1,914	2
Western Europe	**26,670**	**35,162**	38
Cameroon	1,342	763	1
Cote d'Ivoire	6,701	6,461	7
Gabon	11,639	10,339	11
Others Africa	562	155	0
Africa	**20,244**	**17,718**	19
Brazil	13,593	12,107	13
Other America	576	3	0
America	**14,169**	**12,110**	13
China	9,901	7,905	9
Indonesia	25,993	19,584	21
Malaysia	680	450	0
Asia	**36,574**	**27,939**	30
Other World	6	3	0
Total	**97,663**	**92,932**	100
Source: LCB			

Plywood Exports

Europe: Plywood Exports (All types)
The main growth of European exports was achieved during the last two years. Over the last five years, Finland increased its export as well as Germany, Belgium and UK. France and Italy regressed in the same period.

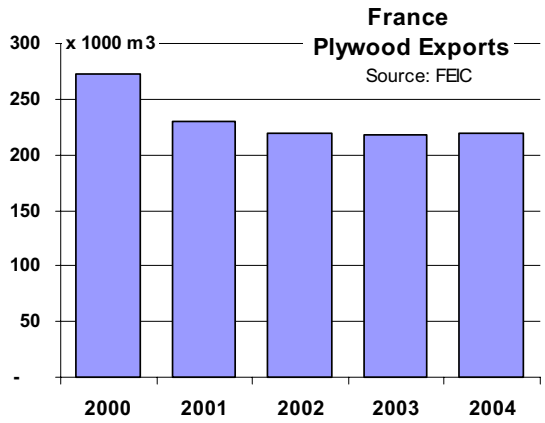
Figure 2.3.13



Europe: Tropical plywood exports
Most of the tropical plywood exports go to EU25 countries. In 2004, the quantity exported out of the continent amounted to 24.000 m3 [25] equivalent to 6% of the total wood based panels volume exported out of EU25.

France: Plywood exports
Since 2001, the volume of the French plywood export has been static around 220,000 m3/year.

Figure 2.3.14



In 2004, tropical plywood accounted for 56 % of the overall French plywood export.[26] and 94 % of the tropical plywood exports went to EU countries [27].

Table 2.3.15
France Plywood Export 2004

	x 1000 m3	%
Tropical	123 360	56
Temperate hardwoods	3 665	2
Others	6 414	3
Coniferous	86 096	39
Total	219 535	100

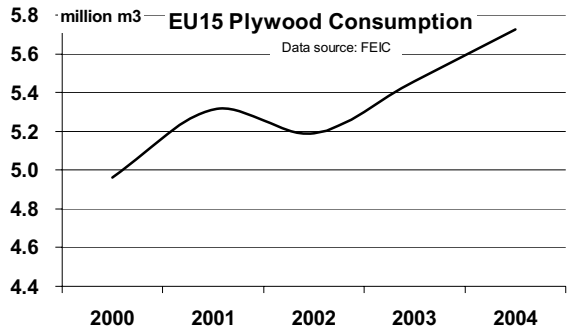
Source: UFC

Plywood Consumption

Europe: Plywood Consumption (All types)
In 2004, the European plywood consumption was close to 6 million m3. For the last five years the consumption grew nearly constantly. The main growth, in volume took place in the UK (by far the n°1 market), Finland and Denmark.

[25] Calculated on FEIC data
[26] Data UFC
[27] Data Eurostat

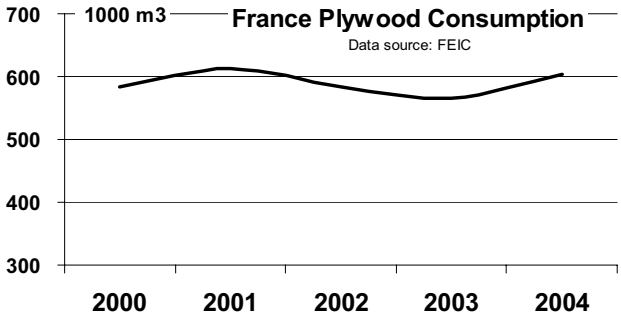
Figure 2.3.15



France: Plywood Consumption (All types)

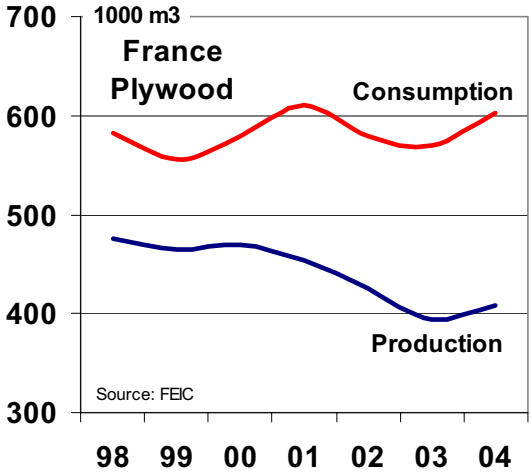
During the last five years the French consumption of plywood has been rather static around 600,000 m3/year.

Figure 2.3.16



As shown in the following graph, the gap between consumption and domestic production has been constantly widening since 2001.

Figure 2.3.17



In 2004, with 240,000 m3, tropical plywood accounted for 40 % of the overall French plywood consumption [28].

End Uses

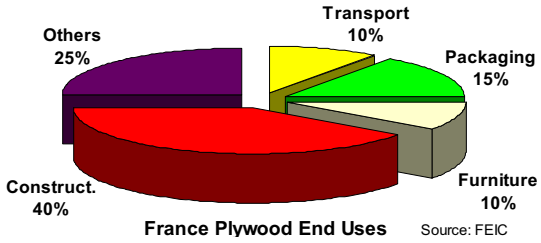
The main end uses for plywood in France are construction, packaging, furniture, transport vehicles (buses, trucks, touring caravans, motor homes and railcars) and naval construction.

[28] Data UFC

France is the n°1 sailing boat builder and this sector is an important consumer of high-grade exterior plywood.

French market, all plywood types :

Figure 2.3.18



Market Drivers
The market drivers for tropical plywood in France are the general economy, the housing starts, and the sales of trucks, caravans and boats. Furniture follows housing starts will some delay and packaging is linked to the overall industrial activity.

Factors Affecting Competitiveness

Competition between Tropical Plywoods
The competition is fierce between the various tropical plywoods. On the lower end of the market China is very aggressive and on the upper end Africa seems to have higher production and logistic costs but maintain its volume of shipments. Brazil is perceived as a growing supplier. An important part of the French production services the high grade certified product market.

Price volatility
Traditionally, it was the importers' role to manage frequent and brisk price variations. With the evolution of the trade structure (more direct trade between producer and end-users), the industry faces difficulty to cope with prices uncertainties, and there is little doubt that any extension of price commitments period would stimulate the importation trade.

Competitiveness and Logistics
Price is not the only criteria. Logistics play an important role. Availability of containers is a main factor, even if it is often difficult to optimize the load of containers other than "high cubes". The need for containerisation will be more crucial in the future with the growth of value-added products imports, while the shipping of commodities may remain traditional for a longer period. The combined factors of delivery (including container facilities) play a important role in the competitiveness of the distribution and explain why some foreign ports e.g. Antwerp are so successful in landing tropical plywood for the French market.

2.4 VENEERS

French peeled veneer manufacturing: an integrated production

It should be clearly stated as an introduction that, in France, peeled, sliced and sawn veneers are very distinct products belonging to very different domains:

- **Peeled veneers** manufacturing is a step of the plywood manufacturing process. As such this activity is fully integrated in the plywood plants and, practically, is not considered in France as an independent activity. It accounts, by far for the largest part of the production.
- **Sliced veneer** manufacturing**, o**n the contrary, while a much smaller activity in matter of volume, is an independent activity with import, export and domestic trade.
- **Sawn veneers** are produced in very small volumes in small units. This product is mainly used in cabinet making and is often closer to craftsmanship than to industry.

The statistical sources available do not differentiate the type of veneers. The mix of these different types in a same statistic database gives a blurred picture of this sector. This fact, combined with the large variety of species explain the wide range of price/unit (It varies from less than 1,000 to more than 16,000 €/m^3CIF).

. **Table 2.4.1**

France Veneers

2004	Production	Imports MT	Exports MT	Consumption cum
Tropical	n.a. ****	70 327 MT *	4 704 MT *	87 000 **
Temperate		15 954 MT *	16 272 MT *	35 000 ***
Coniferous ****	**	27 761 MT *	2 009 MT *	**
Total		**114 042 MT ***	**22 985 MT ***	**174 000 ****

**** Apparently, the UNECE data does not consider the coniferous veneer production and consumption of veneers used in the French made plywood
*** Calculated from UNECE data
** Source: UNECE 2000/2004 Prov / Desclos Pedersen
* Source : French Customs
Date of data collection: July 2005

Table 2.4.2

France Tropical Veneers cum

	2000	2001	2002	2003	2004
Production	n.a.	n.a.	n.a.	n.a.	n.a.
Consumption	6 000	18 000	36 000	55 000	87 000
Imports	33 000	48 000	67 000	77 000	93 000
Exports	27 390	30 610	30 430	21 600	6 020
ITTO Import Stats				77 000	

Source : UNECE 2000/2004 Date of data collection: July 2005

Table 2.4.3 France Tropical Veneer Data Comparison 2004					
Source	**Unit**	**Production**	**Imports**	**Exports**	**Consumption**
UNECE	m3		93 000	6 020	87 000
French Customs	MT		70 327	4 704	
COMTRADE	MT		70 246	4 522	
UCBD	m3		106 600*		
* Data 2003 Date of data collection: July 2005					

Data Sources

For different reasons there are few French statistics published for veneers. Peeled veneers production data stay in each plywood manufacturer cost accounting books. The Chambre Syndicale Nationale des Bois de Placage, the industrial federation to which the veneer slicing companies report does not collect and publish production data. The few data available are customs data and data derived by the French department of economy from invoicing and manufacturing ratios. The customs statistics (expressed in kg and in Euro) identify the tropical veneers. None of the two sources of statistics differentiate peeled and sliced. The FAO stats, based on French declaration are expressed in m^3 and US$. UCBD publishes every year a clear and useful synthesis in m^3 and RWE of the European countries import without differentiation between peeled and sliced veneers. UNECE offers a complete and reliable set of statistics regarding tropical veneers but there is no data reported for the French production.

Institutions related to veneers

Europe: The institutions dealing with peeled tropical veneers are he same than for plywood. See Chapter 2.3

France: The institutions dealing with tropical veneers reflect the difference between peeled and sliced veneers.

- The producers of peeled veneers refer, like the plywood manufacturers to UFC (see 2.13)
- The sliced veneers industrial association is the Chambre Syndicale Nationale des Bois de Placage, hosted by the FNB (Federation Nationale du Bois, National Wood Federation) which is a major French organization regrouping the French sawmilling and logging sector.

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) [29]

Table 2.4.4 EU Customs Tariff for Imported Tropical Veneers	
Veneer Code = 4408 ….	%
3955	3
3121 3921, 3985, 3995	4
3111, 3125 3915	4.9
3130 3931, 3935,	6

[29] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

Species
As a single tropical species, Okoumé (mainly peeled but also sliced) is by far the favourite species of the French market (See Industrial Roundwood 2.1 and Plywood 2.3). Many others species are also used:

Table 2.4.5
France
Main Tropical Veneers Used

Peeled	Sliced
Aiele	Aniégré
Ako	Ako
Ayous	Bahia
Eyong	Khaya
Fromager	Kossipo
Kapokier	Koto
Sapelli	Makoré
Etc.	Padouk
	Sapelli
	Sipo
	Tauari
	Wengé
	Etc.

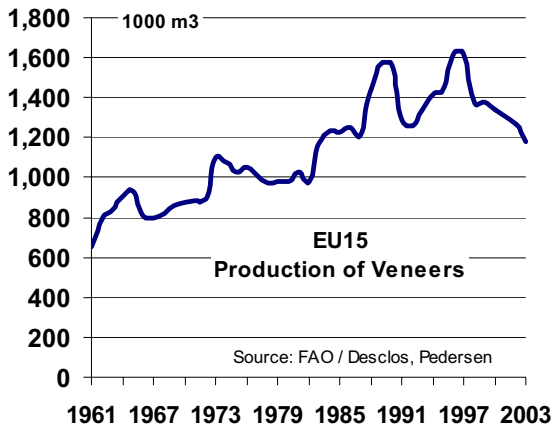
Standards
ISO, the international standard organisation, is currently developing a standard covering terminology, technical characteristics and tolerances for veneers.

Veneers Production

Europe: Veneer Production

The source of the European production data reported hereafter is the FAO database. Since 1998 nearly all European countries reduced their production, the main decline coming from Spain, France and Italy.

Figure 2.4.1



France is the third largest European producer. Italy is the first, with a major poplar veneer production.

Table 2.4.6 EU15 Veneers Production 2003		
	x 1000 m3	%
Italy	460 000	39.0
Germany	392 000	33.2
France	89 000	7.5
Finland	70 000	5.9
Spain	55 000	4.7
Belgium	48 000	4.1
Portugal	28 000	2.4
Austria	23 420	2.0
Sweden	15 000	1.3
Total	1 180 420	
Data source : FAO / Desclos Pedersen		

France: Tropical Veneers Production

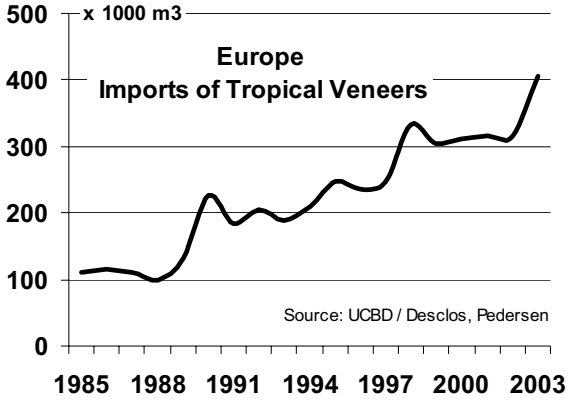
As mentioned above, it is difficult to get data on the amount of tropical veneers (peeled or sliced) produced in France. Previous studies [30] reported that France produced 80,000 m^3 of tropical veneers in 1993 and only 5,000 in 1999. Considering the volume of peeler logs imported at the time, the 1999 Figure may seem low if peeled veneers, or veneers used in plywood manufacturing were included. Nevertheless, with the spectacular increase of veneers imports which took place later, there is little doubt that the 2004 quantity is substantially inferior to the previous level.

Veneers Imports

Europe: Tropical Veneer Imports

European import of tropical veneers increased nearly constantly in the last 30 years, with an acceleration since year 2000. This recent increase of rate is mainly due to French imports.

Figure 2.4.2



The consideration made in the plywood chapter (see Chapter 2.3) regarding the uncertainties of the nomenclature (44 08) application applies as well to the veneer trade.

Since 2002, France is the first European importer of tropical veneers and its import is growing very fast while Italian import is slightly declining.

[30] De Boer 1995, ITTO 1999

Table 2.4.7 Europe Tropical Veneers Import 2004		
	x 1000 m3	%
France	93	25.8
Italy	69	19.1
Denmark	50	13.8
Spain	41	11.3
Germany	27	7.3
Portugal	19	5.3
Netherlands	15	4.1
United Kingdom	13	3.5
Belgium	10	2.7
Others	25	6.9
Total EU25	**362**	
Source: UNECE 2004 / Desclos Pedersen		

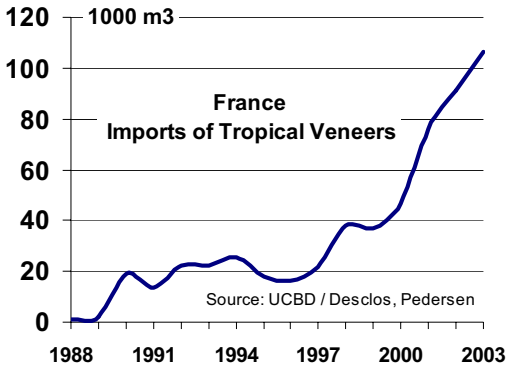
France: Tropical Veneers Imports

The 2004 tropical veneer import value amounts to 67 million Euro [31] corresponding to 7 % of the total tropical products import value.

Origin of Imports

Most of the major French plywood producers have now peeling plants operating in Gabon. The current upsurge of veneer import is not a surprise. It is more a logistic and industrial fact than a commercial evolution.

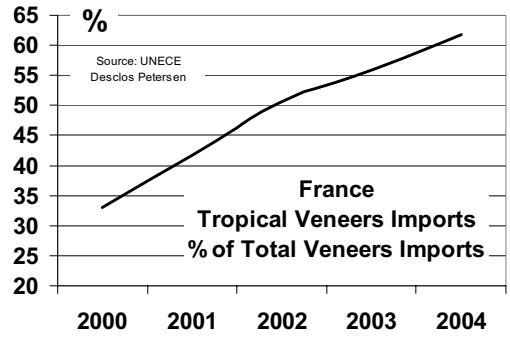
Figure 2.4.3



[31] Data source: Report authors estimate based on French Customs data.

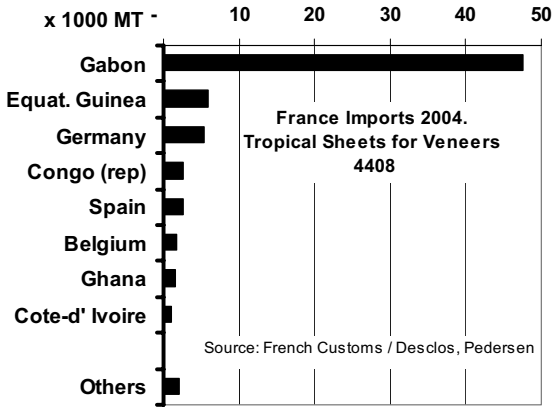
Tropical veneers are now the majority of veneers imported in France.

Figure 2.4.4



Tropical veneers import comes essentially from Africa with one partner: Gabon. In 2004 98.9 % from Africa (86% from Gabon) [32]

Figure 2.4.5



Tropical veneers species

As said earlier Okoumé is by far the main species imported,

Table 2.4.8 **France Imports 2004** **Tropical Veneers Sheets** **MT**	
White lauan, sipo, limba, okoumé, 440839 +15+21+31+35 *	64,309
Meranti …. 440831	558
Others 440839 +55+70+85+95	5,461
Total	**70,328**
* White lauan, sipo, limba, okoumé, obéché, acajou d'Afrique, sapelli, virola, mahogany (Swietenia spp.), palissandre de Rio, palissandre de Para and palissandre de Rose * * Dark red meranti, light red meranti and meranti	
Data source : French Customs / Desclos Pedersen	

[32] Data source : UCBD

And, by far, the main supplier is Gabon.

Table 2.4.9 **Tropical Sheets Veneers** **MT**			
White lauan, sipo, limba, okoumé, …. 440839 +15+21+31+35 *			
	2002	**2003**	**2004**
Gabon	38 278	45 514	47 262
Eq.. Guinea	1 253	3 360	5 842
Germany	88	613	4 962
Congo D R.	322	372	2532
Spain	734	913	1 978
Others	3 710	2 101	1 732
Total	**44 385**	**52 872**	**64 309**
* White lauan, sipo, limba, okoumé, obéché, acajou d'Afrique, sapelli, virola, mahogany (Swietenia spp.), palissandre de Rio, palissandre de Para and palissandre de Rose			
Data source : French Customs / Desclos Pedersen			

Veneers Export

Europe: Veneer Exports

Figure 2.4.6

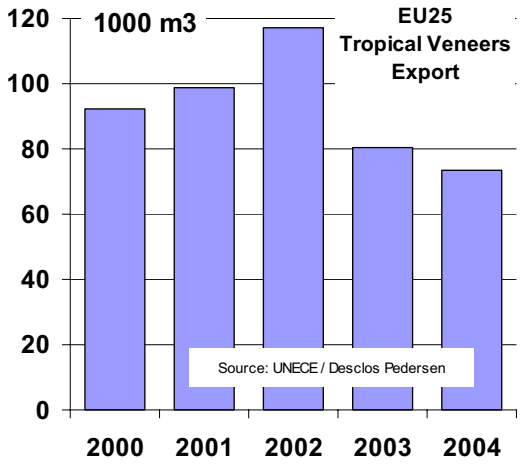
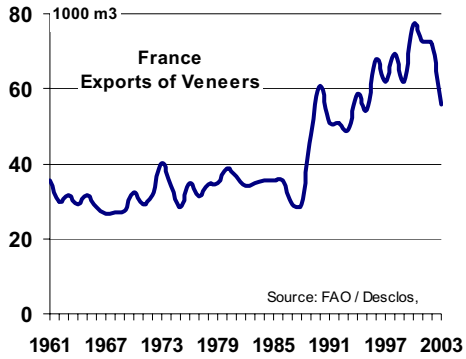


Table 2.4.10 Europe Tropical Veneers Export 2004		
	1000 m3	%
Spain	17	23.2
Germany	15	20.5
Italy	7	9.5
Portugal	7	9.5
France	6	8.2
Belgium	6	8.0
Netherlands	5	6.4
United Kingdom	2	3.3
Denmark	2	2.2
Others	6	8.2
Total EU25	**73**	
Source: UNECE 2004 Prov / Desclos Pedersen		

France: Veneer Exports
The diminishing production in France combined with rising imports results in a brisk fall of the French export, plummeting since 1999

Figure 2.4.7



Veneers Consumption

Europe: Veneers Consumption
Hardwood Veneers Consumption in Europe: Italy is by far the main consumer of hardwood plywood (most of it). France is the 3rd and accounts for 9 % of the European apparent consumption. Considering the recent evolution of the Italian industry (Closure of 3 plywood plants in 2004) France will represent in future a higher percentage of the total European consumption.

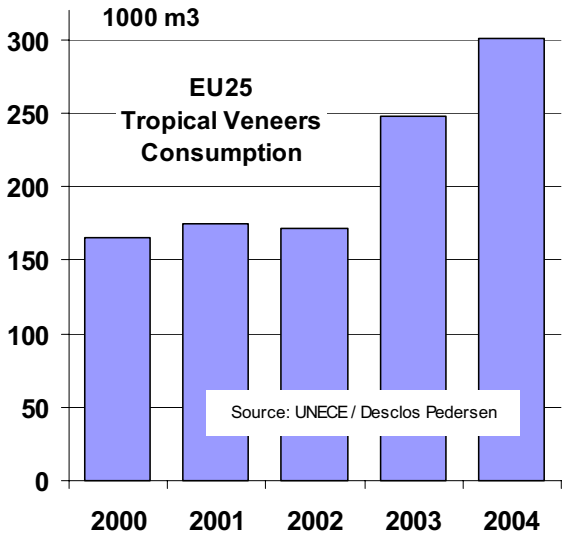
Table 2.4.11 Europe Hardwood Veneers Consumption		
2004	Quantity x1000 cum	%
Italy	613	43
Spain	128	9
France	122	9
Poland	88	6
Denmark	68	5
Belgium	60	4
Slovenia	38	3
Roumanie	37	3
Portugal	36	3
Lithuania	31	2
Others	202	14
Total	**1,426**	
Source: UNECE 2004 Prov / Desclos Pedersen		

Tropical Veneers Consumption in Europe : The evolution of the European consumption as shown in the following table may seem a paradox if compared with the evolution of the European tropical plywood production. Two factors explain these apparent discrepancies:

- Tropical sliced veneers are not only used on plywood. There are commonly used on a wide range of other panels: particle board, MDF, blockboard, etc.

- Part of the increment of the apparent consumption (mainly in the peeled veneers sector) is originated by the switch from European produced veneers to imported veneers. As said in the introduction of this chapter, quite an amount of the European peeled veneers production is not reported in the statistics.

Figure 2.4.8



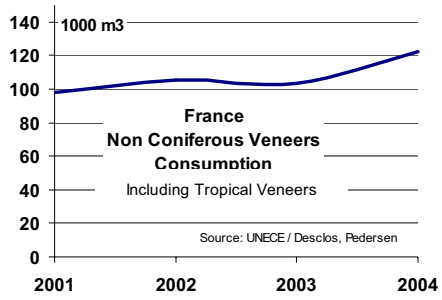
France is the main consumer of tropical veneers. This is due to its tropical plywood industry (3/4 of the European tropical plywood production)

Table 2.4.12 Europe Tropical Veneers Consumption		
2004	1000 cum	%
France	87	29.1
Italy	62	20.7
Denmark	48	16.0
Spain	24	8.0
Portugal	14	4.7
Belgium	12	3.9
Germany	11	3.8
UK	10	3.5
Pays-Bas	10	3.4
Others	21	7.0
Total	**300**	
Source: UNECE 2004 Prov / Desclos Pedersen		

France: Hardwood Veneer Consumption

There is no separate data available for the consumption of tropical veneers. The following table reports hardwood veneers (including tropical).

Figure 2.4.9



Competition

- Peeled veneers.
  In the peeled veneer sector, the competition is fierce for the core material (See chapter on "twin plywod" Chapter 2.3). There is a growing use of softwoods and poplars for plywood cores and this trend, for European made plywood, is unlikely to change. Tropical veneers, mainly okoumé, remain the main and favourite product for the high grade exterior plywood (marine and CTB-X), including for cores.
- Sliced veneers.

The favourite sliced veneer species in France is white oak, but the main competition for the tropical sliced veneers is the same than for the temperate. The main challenge comes from the many synthetic look-alikes. They are progressively chasing true veneers out of some markets. This already happened in commercial and public buildings. In reaction to this, the French producers are considering to promote a "True Wood" label as their Italian colleagues did with the "Vero Legno" label [33].

Promotion

ATIBT has published end-user guide, the Technical Guide for Tropical Veneer.

[33] www.verolegno.it

2.5 FURNITURE

France: a big consumer of furniture with fast growing import from tropical countries

France is the fourth largest importer of furniture and accounts for 4% of the global production.

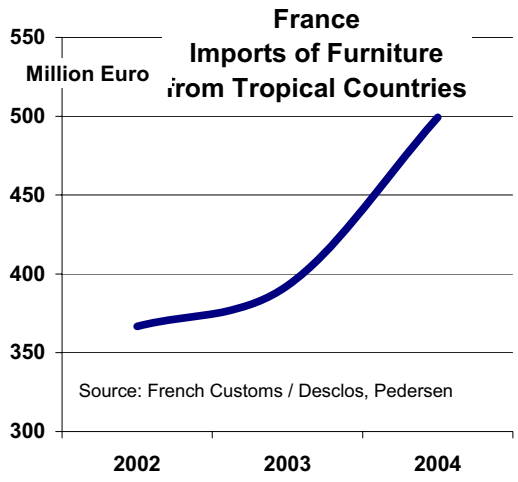
Table 2.5.1 France
Furniture 2004

Billion Euro	From Tropical Countries	Total **
Production		6.2
Import	0.5 *	4.6
Export		2.1
Consumption		8.57

** Source: IPEA
* Source : Calculated by the authors from French Customs data
Date of data collection: July 2005

Since 1999 furniture imports have been steadily growing while exports were decreasing. During 2004, exports raised by 1% and imports by 11% [34]. The imports from tropical countries are rising spectacularly: +36% in the last three years. They amount to 500 million Euro [35] corresponding to 13 % of the total furniture import and 50 % of the total tropical products import values.

Figure 2.5.1

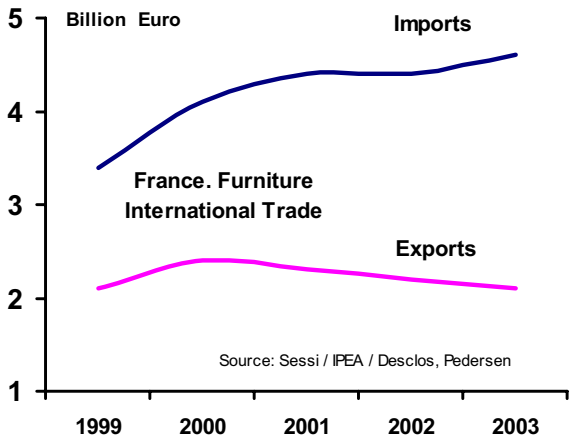


Wood Furniture / Wood in Furniture

Most furniture pieces are products with a high value-added ratio. In some types of furniture, the wood material used is the very core of the value of the piece of furniture but in others, like upholstered sofas, the proportion of wood, in value and volume, is minimal while the piece of furniture is still classified under the heading "Seats, with wooden frames". Upholstered furniture, for example has one of the highest trade value in the ECE with a wood based products content which is very low in quantity, quality and value.

[34] Source : Agreste conjoncture, n°1 2005
[35] Data source: Report authors estimate based on French Customs data.

Figure 2.5.2



Data Sources

The statistics mentioned in this chapter come from IPEA statistical release, from the UNECE database and the European Panel Federation Reports.

Statistics on furniture may be confusing and have to be carefully analysed: the presence of aircraft seats, for example, can give quite a different picture of a balance of trade for a given country.

Institutions related to furniture

- Europe
  UEA = EFF = European Furniture Federation
  On its web site [36], EFF publishes an interesting SWOT analysis of the European furniture industry.
- France
  UNIFA = Union Nationale des Industries Françaises de l' Ameublement = Union of French Furniture Industries [37]
  IPEA = Institute for Furnishing Promotion and Studies [38] is a department of UNIFA, providing economic studies, analysis on the furniture markets in France. IPEA publish an annual collection of data: Le Meubloscope
  CTBA =Technical Center for Wood and Furniture. CTBA is the central French technical institution
  for Wood and Furniture.

Nomenclature

The product nomenclature is based on the HS (Harmonised System) which provides a classification according to trade.

[36] www.ueanet.com
[37] www.mobilier.com
[38] www.ipea.fr

Table 2.5.2 EU Nomenclature for Imported Furniture	
Product	Code 94 …
Seats (other than those of heading No. 9402), whether or not convertible into beds, and parts thereof	01
Seats other than garden seats or camping equipment, convertible into beds	40
Seats, with wooden frames Upholstered	61
Seats, with wooden frames other	69
Other furniture and parts	03
Wooden office furniture	30
Wooden kitchen furniture	40
Wooden Bedroom furniture	50
Other furniture and parts thereof of wood	60
Parts of wood	9030

Species
For indoor furniture, it is difficult to name all the species and even to name a favourite. It should be noted that, anyhow, when talking indoor furniture, by far, the main tropical product is a sliced veneer.

Main species used for furniture manufactured in France:

- acajou
- bois de rose
- ebony
- bois de rose
- ebenes
- eucalyptus
- bete
- framire
- bahia
- avodire
- aniegre
- lauans
- koto
- merantis
- makore
- iroko
- kaori
- kosipo

At the lower end of the imported furniture market rubberwood, under a very wide range of finishes seems ubiquitous.

For **outdoor furniture**, tropical species keep a large share of the market. Teak remains the favourite species, but many other species are processed in France such as iroko and eucalyptus. Imported garden furniture adds a much wider range of species e.g. keruing, yellow balau, kapur. It is not rare to see other species presented wrongly as teak. Quite noticeable is the success of tropical eucalyptus in garden furniture. This product is now widely distributed by the major non specialised chain stores.

Tariffs
The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) [39]

Table 2.5.3
EU Customs Tariff
Imported Furniture

Furniture Code = 94 ….	%
039030, 0340, 9030	2.7

Standards
All European standards apply in France.

The French "Direction Générale de la Concurrence" (General Directorate of Consumption) rules furniture labelling with a new standard furniture labelling [40]. This standard is *quite important for tropical wood* because it requires a clear identification of the materials and species. It was partly conceived to avoid the confusion between wood and look-alikes.

Environment
Regarding environment, the French furniture retailers have been under less pressure than the DIY chains. The market for environmentally certified products, up to now, comes essentially from large accounts and public organisations.

Eco labelling
- Europe: "Eco label" is a European project of Environmental Label for furniture. [41]
- France: "NF Environnement Ameublement" is the French ecolabel for furniture. Up to recent times it was mainly targeting office and public procurement but it is now starting in the household furniture. Essentially this label requires the respect of rules regarding the life cycle of the products, the production process, the refuses, the emission of gas and the energy savings. For the solid wood part a 50% quota coming from sustainably managed forest is required (20% for the panels)

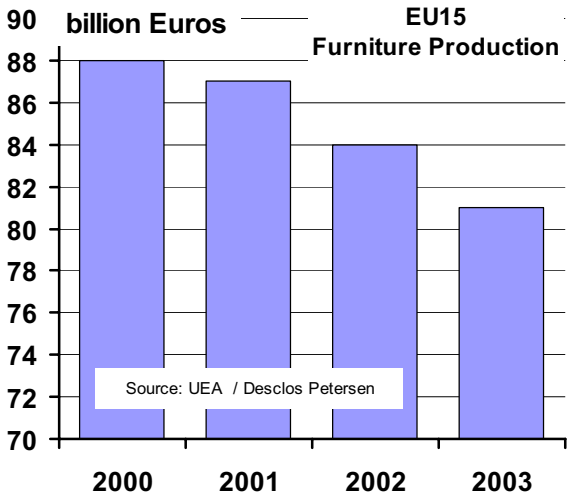
Certification
Certification is now quite present in some sectors of the distribution. This is the case for the young household market e.g. IKEA but also for the general food stores of which the wooden garden furniture is often certified, essentially FSC. From European or domestic supply, many manufacturers mention PEFC but very few labels are seen.

Furniture Production

Europe: Furniture Production
The furniture industry is one of the largest European manufacturing industries and, even with a decreasing share, it accounts for 38% of the world's production. Italy ranks 2nd and Germany 3rd among the world largest furniture producer (France 6th) [42].

[39] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm
[40] DGCCRF: http://www.finances.gouv.fr/DGCCRF/04_dossiers/consommation/ficonso/c08.htm
[41] Ecolabel : http://europa.eu.int/comm/environment/ecolabel/product/pg_furniture_en.htm
[42] Data 2003

Figure 2.5.3



The recent year's decline of production is due to the stagnating demand in the majority of EU countries and to fast growing imports from non-EU countries. Almost all the major EU producing countries recorded negative trends in 2003. With a annual production of 9.2 billion Euro France is the third largest European producer with a size similar to Spain and UK, while Germany (19.8) and Italy are about twice this size (19.4).

Table 2.5.4
Europe
Furniture Production 2003

	Billion Euro	%
Germany	19.8	24.5
Italy	19.4	24
France	9.2	11.4
Spain	8.5	10.5
U.K.	8.3	10.3
Others	15.6	19.3
Total	80.8	

Data source : UEA

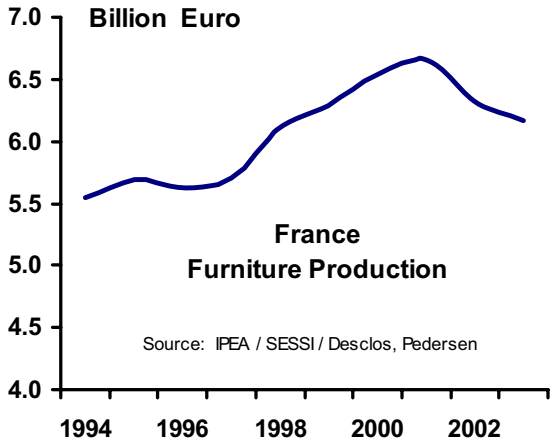
Ten countries have become actual members of the European Union on 1 May 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Three other countries are candidate: Bulgaria, Rumania and Turkey. This group of countries is characterised by a high furniture production level. According to CSIL estimates, in 2003 the total production in these 13 countries almost reached 10 billion EUR, accounting for over 5% of the world production. Among the enlargement countries, the main furniture manufacturer is by far Poland, which also ranks 12th among the world manufacturers, whose output accounts for approximately 35% of the production in this area. [43]

[43] Source: EPF

France: Furniture Production

France accounts for 4% of the global production of furniture[44]. The French production decreased by 5.8% between 2002 and 2003. The industry suffers from high manpower costs and growing international out-sourcing.

Figure 2.5.4



Furniture Imports

Europe: Furniture Imports

A fundamental trend, started 10 years ago, is the opening to imports of the furniture markets. The imported furniture accounts now for about 15% of the EU market in value (5% ten years earlier) and more than 21% in volume.

Table 2.5.5
Western Europe
Furniture Imports 2004

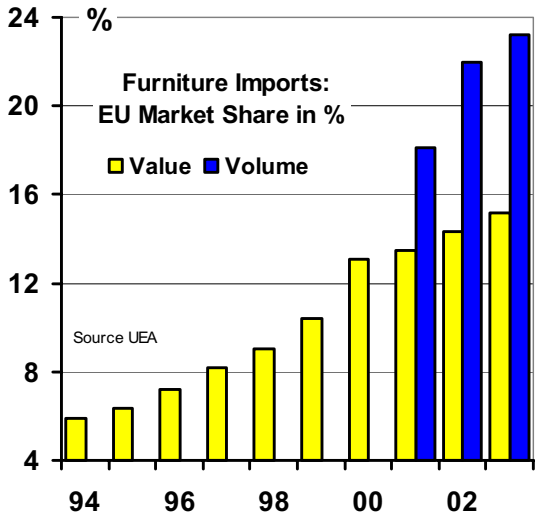
	Billion Euro	%
Germany	6.6	21.8
UK	5.3	17.7
France	4.4	14.5
Belgium	2.1	6.9
Austria	1.6	5.3
Netherlands	1.6	5.3
Switzerland	1.6	5.3
Spain	1.5	5.0
Italy	1.2	3.9
Sweden	1.1	3.7
Others	3.2	10.8
Total	30.1	

Data source : FEIC / CSIL

France is the 3rd largest European importer. The growing gap between the growth of imports in value and in volume (See Figure below) shows that the increment of imports is heavy in the low end of the market.

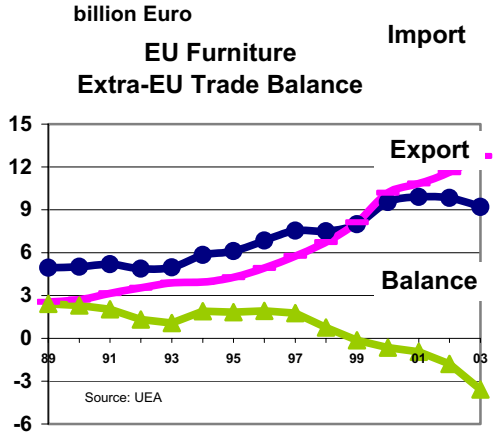
[44] Data: CSIL

Figure 2.5.5



In 2003, the growth rate of extra-EU imports reached 10%. The trade deficit amounted to 3.6 billion Euros and was the double of the previous year's deficit [45].

Figure 2.5.6



The consideration made in others chapters regarding uncertainties of the nomenclature (44 08) application apply as well to the furniture trade.

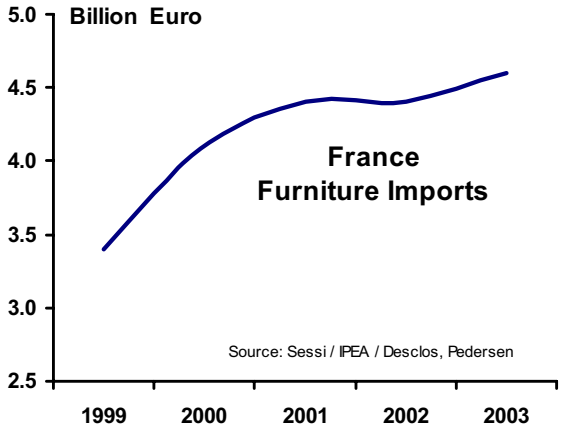
France: Furniture Imports

French imports are rising fast. The ratio of import, 45% [46] is superior to the European average (40%).

[45] Source: EPF

[46] % Import / Consumption

Figure 2.5.7



Italy is the first supplier (1/4 of imports)

Table 2.5.6
France
Furniture Import
by Countries of Origin
2003

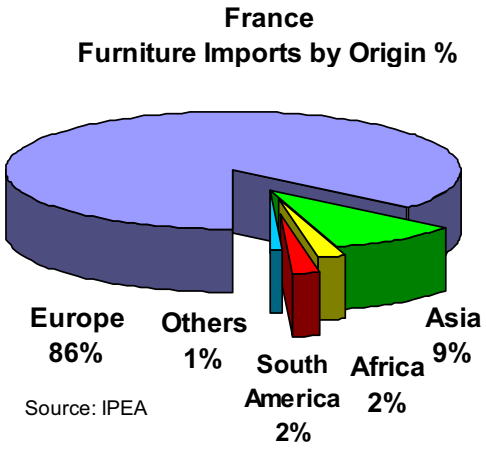
	Million Euro	%
Italy	1 131	24.8
Germany	550	12.0
Belgium-Lux	491	10.8
Spain	409	9.0
Poland	231	5.1
Portugal	200	4.4
China	179	3.9
Denmark	142	3.1
Romania	129	2.8
Indonesia	103	2.3
Austria	96	2.1
Others	905	19.8
Total	4 566	

Data source : IPEA

Table 2.5.7 France Furniture Import by Product 2003		
	Million Euro	%
Seats	**1 110**	24.3
upholstered	704	15.4
not ……	220	4.8
other seats	186	4.1
Furniture	**2 178**	47.7
Bedroom	298	6.5
Diningroom	483	10.6
Kitchen	240	5.3
Office	220	4.8
Other	937	20.5
Bedware	125	2.7
Parts of seats and furniture	**1 153**	25.3
Total	**4 566**	
Data source : IPEA		

Most of the imports come from European countries.

Figure. 2.5.8

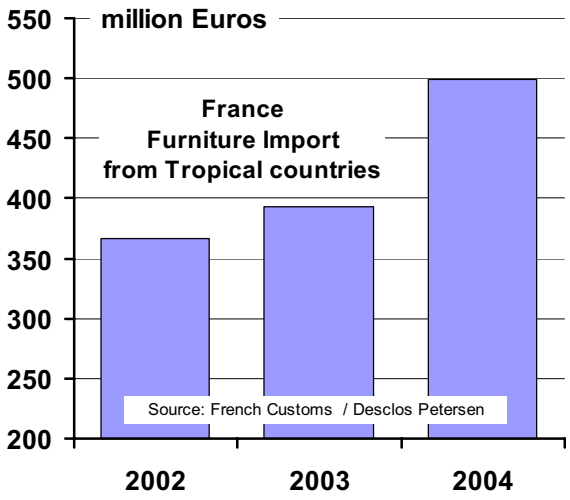


France: Furniture Imports from Tropical Countries

The 2004 furniture imports from tropical countries value amounts to 500 million Euro [47] corresponding to 13 % of the total furniture import and 50 % of the total tropical products import values. As can be see in the following Figure imports from tropical countries are rising fast (36% in the last three years.)

[47] Data source: Authors' estimate based on French Customs data.

Figure 2.5.9



Origin of Imports from tropical countries

Table 2.5.8
France
Wood Furniture Import
from Selected Tropical Countries

France	Million Euro		
	2002	**2003**	**2004**
China	69.44	90.89	144.43
Brazil	88.35	90.82	97.93
Indonesia	88.48	89.77	95.18
Vietnam	35.73	40.22	63.61
India	14.95	17.14	22.66
Malaysia	15.60	12.94	15.62
Thailand	12.29	11.17	12.64
Others	41.94	39.80	47.31
Total	366.80	392.74	499.38

Source: French Customs / Desclos, Pedersen

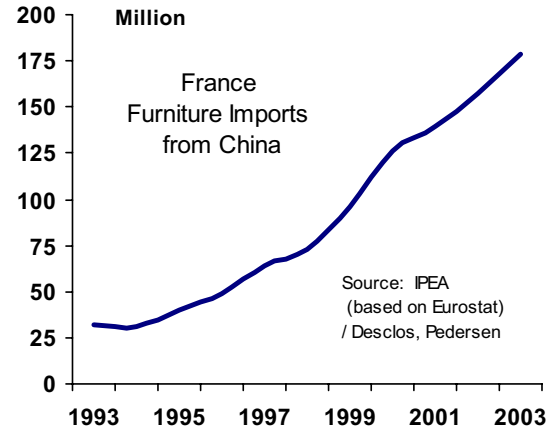
Table 2.5.9

France
Wooden Kitchen Furniture Import
from Selected Tropical Countries
940330

	Million Euro		
	2003	**2,004**	**2004**
China	1.2	2.7	3.8
Brazil	3.9	1.8	1.8
Others	1.7	1.8	2.1
Total	6.9	6.4	7.7

Source: French Customs / Desclos, Pedersen

Figure 2.5.10



Furniture Export

Europe: Furniture Exports

Italy is the leading European exporter. The countries which joined EU recently and the three candidates are strongly export-orientated countries. In fact, almost 77% of their total furniture production in 2003 was destined for exports, accounting for approximately 14% of world exports.

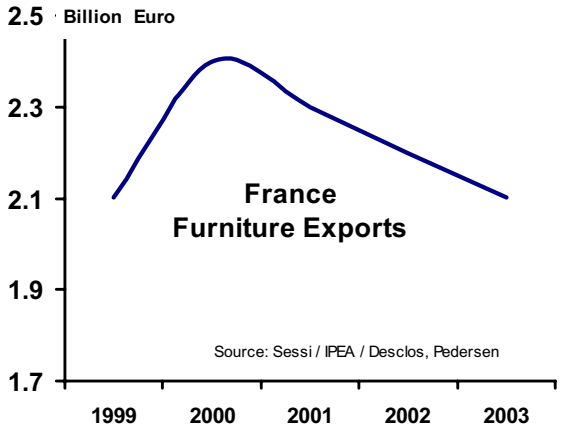
Table 2.5.10 Western Europe Furniture Export 2004		
	Billion Euro	%
Italy	8.4	32.0
Germany	5.0	19.0
Denmark	2.1	7.8
France	1.9	7.2
Austria	1.6	5.9
Belgium	1.4	5.2
Spain	1.3	4.7
Sweden	1.2	4.6
Others	3.6	13.5
Total	26.4	100.0
Data source : FEIC / CSIL		

In 2003, exports of furniture to extra-EU countries continued to decrease (-6.5% to 9,191 million Euros). [48] It should be noted that China, a growing supplier to Europe is also a substantial client of Europe.

France: Furniture Export

Globally, France ranks 9th (6th in 1999) for furniture exports. The downturn in export is continuous and important (- 5.7% 2002/2003) [49] The French ratio of export, 26,5% [50] is inferior to the European average (36,5%).

Figure 2.5.11



[48] Data UEA
[49] Data IPEA / Eurostat
[50] % Export / Production

Furniture Consumption

Europe: Furniture Consumption

Table 2.5.11 Europe Furniture Consumption 2004		
	Billion Euro	%
Germany	16.4	21.6
UK	12.7	16.7
Italy	12.1	15.9
France	9.6	12.7
Spain	6.7	8.9
Netherlands	2.8	3.7
Belgium	2.4	3.2
Austria	2.1	2.8
Sweden	2.1	2.7
Others	9.0	11.8
Total	75.9	
Data source : FEIC/ CSIL		

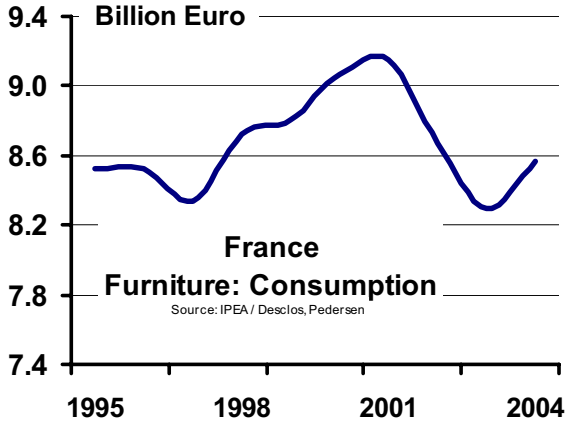
France: Furniture Consumption

Ranking 4th consumer, France accounts for 12.7% of the European furniture consumption. Its consumption per capita (153 Euro) is inferior to the European average (186 Euros) [51].

France: Furniture Parts Consumption

Despite substantial investments, the French industry hardly supplies half of the domestic consumption of furniture parts. Italy is the main supplier. The main clients are the kitchen cabinet and the knocked down furniture makers.

Figure 2.5.12

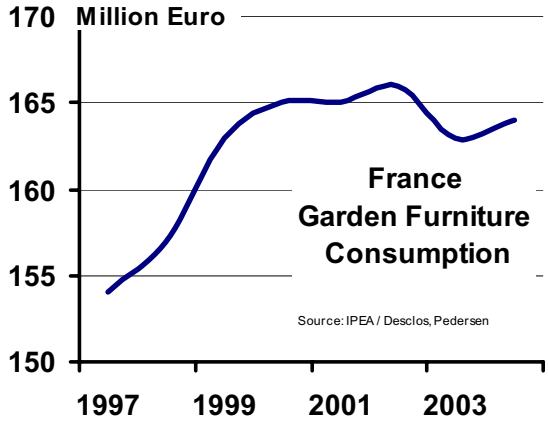


[51] Data FEIC / CSIL

France: Tropical Furniture Consumption

As said earlier, for what regards tropical wood, the French domestic consumption is essentially made of panel products (and veneers). Imported garden furniture accounts for a large part of the French consumption of tropical wood based furniture.

Figure 2.5.13



Competition for tropical wood

For **indoor furniture**, there is a dense network of shops selling cheap imported tropical furniture, including large volumes of rubberwood components. The competition regarding tropical furniture comes also from the "young households" furniture e.g. IKEA main chains, whose production is heavily based on softwoods and look-alikes of many sorts, with a recent offer of eucalyptus products.

For **outdoor furniture** tropical species keep a strong share of the market and is perceived by most as the best species for this end-use. Tropical wood is in the upper end of the market. The lower end is shared between treated pine, beech and plastic, the later being the most aggressive and widely distributed product on the market.

2.6 Builders Joinery

France: Decking – Huge Success for Tropical Timber.

Profile of France –Builders Joinery Overview

Table 2.6.1	Builders Joinery– 1000 Euro			
France 2004				
	Production	**Imports**	**Exports**	**Consumption**
Tropical *	n.a	44204	7915	n.a.
Temperate Hardwoods	n.a.	n.a.	n.a.	n.a.
Coniferous	n.a.	n.a.	n.a.	n.a.
Total Builders Joinery*		**270 018**	**138 594**	

* Source French Customs

Tropical builders joinery represents 55% of France's total consumption of builders joinery, according to Syndicat National des Fabricants de Menuiseries Industrielles, SNFMI = The National Joinery Industries Association.

PVC has gained the lion's share of the window frame market, and is now also gaining an increasing share of the exterior door market. There is one all-overriding reason why PVC is replacing wood: **no upkeep, no maintenance.**

The day the wood manufacturing industry, in collaboration with the paint/stain manufacturers, can provide maintenance-free wood-frames, wood will regain market share in these joinery market segments.

Imports of joinery products increased strongly – 16% in 2004 over 2003. Exports fell by 3% during the same period. This is partly due to the strong demand in the homebuilding and homerenovating sectors.

Institutions

- National

  SNFMI
  CTBA

- European

  CEI Bois

Terminology and Nomenclature

HS Code 44.18 – « Joinery and Carpentry for construction including cellular panels, panels for parquet and cladding (shingles and shakes) made from wood »:

« Windows, French windows, and their frames, made from tropical wood » 441810100000G

« Doors and their frames .. of tropical wood. 441820100000Q

Common commercial terminology is « joinery ».

The imported finished joinery products, made from tropical wood, are thus identifiable. As to production and consumption, the 44.18. category consists of

Joinery – of which exterior joinery is made mainly from tropical and temperate hardwoods. Interior joinery from softwood as well as tropical and temperate hardwoods
Carpentry – is made from softwood
Parquet – panels for parquet belong to parquet products
Cladding (Shingles and Shakes), practically all made from Western Red Cedar from Canada.

There are no official statistics with relevant numbers for production or consumption of Builders Joinery. The data shown is based on the "Données Chiffrées" provided by the SNFMI, for the year 2004.

Tariffs

Table 2.6.2
EU Customs Tariff
Imported Builders Joinery
made from tropical wood.

Code = 4418 ….	%
44181010, 44182010	3

Standards for Joinery

European standards / French standards
The CTBA in its « Annual Progress Statement on Standardization [52] », (by Bureau de Normalisation du bois et de l'ameublement) reports on:

"Doors, Windows, and Other Joinery »

This statement explains the difficulties, in spite of meetings, working papers, etc. to create harmony between

- Europe – CE standards
- international – Iso standards
- French « NF » standards.

All structural components which are employed in construction must be in conformity with the « NF » (=Normes françaises) for that product category.

These standards refer to structural strength, durablity, water- air- and sound- isolation qualities, resistance to fire, and now there are also standards for resistance to forced entry (burglary attempt).

These standards are described in « NF P.23.101, DTU 36.1 23.501. The standards 23.305, 20-522, and 20-526 for doors and windows are being revised, as also NFP 21-111 for staircases.

Specifications

Formats
The industrial joinery manufacturers produce and stock standard formats of windows, French Doors, Front Doors, Shutters, and Staircases. The retailers who sell these products, be it builders' merchants, D-I-Y markets, hypermarkets, or specialty stores, stock the standard formats.
Special sizes are manufactured to order.

[52] http://217.174.207.71/~ctba/1_le_group/metiers.php?rub=actualites

The standard formats of windows, front doors, garage doors, utility doors, shutters, garden gates, Decking and other garden products (exterior) and staircases, interior doors, parquet, cupboard doors, kitchen and bathroom furniture and accessories, are described in manufacturers' and stockists' catalogues and web-sites.

Quality

Industrial Wood Joinery is available in a range of qualities; the bulk of the market is a price-orientated clientele, looking for a performance-guaranteed (« NF ») product carrying the 10-year building guarantee, at the lowest possible price – « Premier prix », or as window manufacturers have been known to call it: « a product to fill a hole in the wall ».

Up-market products, characterized by a superior finish and more attractive accessories are sold at premium prices compared with the « premier prix » products.

Species

Species selection represents one of the most important ingredients in the quality image of the joinery product.

Traditionally, Oak has been and remains today the classic up-market joinery – and furniture – product. Other « noble » species, as perceived by the up-market clients, are species such as Teak, Doussie and Merbau.

Perceived as superior species particularly in Western France, are Movingui, Moabi, Sipo, and Palapi/Mengkulang. The technical characteristics of these species are well suited for the climatic conditions of Western France. In Southern France, Niangon is the preferred species, again for climatic reasons.

Of species used for standard joinery products, the leading species in France today is Tauari, used mainly for windows, front doors, and staircases. Dark Red Meranti is a popular all-purpose joinery and moulding species. However, supply is becoming scarcer, the price has increased, and ocean freight has doubled.

A range of other species are imported for joinery:

- Africa: Sapeli, Tiama, Douka, Kotibe, framire, and bosse.
- Asia: white seraya, nyatoh, and kapur.
- South America: curupixa, jatoba, and pau amarello.

For outdoor structural/other use: Iroko, Azobe, Tatajuba, Ipe.

For Decking: Selangan Batu and Ipé are the main species, but a host of other heavy hardwoods are being employed and tested for suitability to meet the increasing demand worldwide. Amongst these species:

Badi, Mukulungu, Massaranduba, Cumaru.

For interior doors, and other interior use, the main species are:
wawa, samba, ayous, frake, limba, okoumé, marupa.

Shipping and Conditioning:

Secondary processed wood products, practically all off of which have been kiln-dried, and need protection both against humidity, against shocks, and against exposition to strong sun, are shipped in containers.

Decking, Air-dried, is shipped either in containers or in crates by break-bulk.

Generally, there are less and less break-bulk shipping opportunities for timber products anywhere in the world, Container shipment is becoming the norm.

Environment

The development of downstream manufacturing in the countries of origin, is intended to create not only employment, value adding, and industrialization in the countries of the developing world, but also represents an environmental initiative.

Producing the finished or semi-finished products from the log allows the manufacturers in the tropical countries to improve their recovery.

The increasing cost of ocean transport is much better supported by one m3 value-added product than the 3 m3 industrial roundwood which it takes to manufacture the one m3 joinery components.

The NGO Environmental groups are advocating that the tropical timber be transformed into SPWP and finished products in the countries of origin.

Teak Garden furniture has received a great deal of attention from environmental groups, which has had its impact on the public, not least in connection with the media attention to the political situation in Myanmar (Burma).

The majority of imported garden furniture now carries certification labels.
Other imported joinery and SPWP made from tropical timber, attract much less attention than the teak furniture, at this time.

Distributors expect that NGO Environmental groups will strive to create focus on all SPWP made from tropical timber, with a view to stimulating certification of all forests, in due course.

France: Builders Joinery - Production made from tropical timber

SNFMI (14/02/2005 : « Données Chiffrées 2004 sur le marché de la menuiserie industrielle »), evaluates the 2004 industrial joinery market as follows :

Products :

- Windows and French Windows
- Solid wooden doors – exterior and interior
- Flush Doors
- Utility doors
- Staircases

Builders Joinery Manufacturers
100 Industrial Joinery manufacturers.

Builders Joinery Market share by joinery manufacturing groups

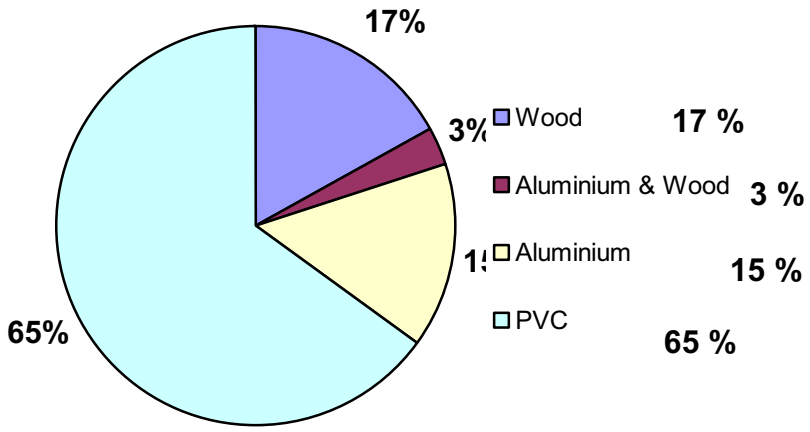
- Standardized Industrial manufacturers – 85%
- Semi-industrilized manufacturers – 9%
- Cratsmen/Artisans – 6%

Turnover – 1.2 Billion Euro – 5% higher than 2003.

Production in volume of Wood Joinery

- Windows & French Windows – total estimated at 10 .5 million units.
  Estimated market shares
  Wood – 17%
  Aluminium & Wood – 3%
  Aluminium – 15%
  PVC – 65%.

Figure 2.6.1: Windows and French Windows, Market share by raw material

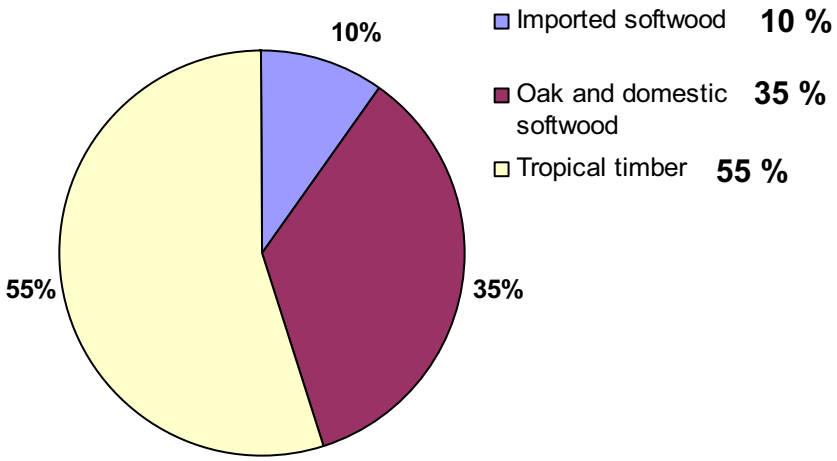


- Wood Front Doors – 315,000 units
- Interior solid wood doors – 940,000 units
- Interior flush wood doors – 8.6 million units.
- Wood Staircases – 240,000 units.

Joinery - Wood consumption
850,000 m3 Roundwood Equivalent (RWE) of which:

- Oak and domestic softwood – 295,000 m3 R.E. – 35%
- Imported softwood – 85,000 m3 R.E. – 10%
- Tropical timber – 470,000 m3 R.E. – 55%

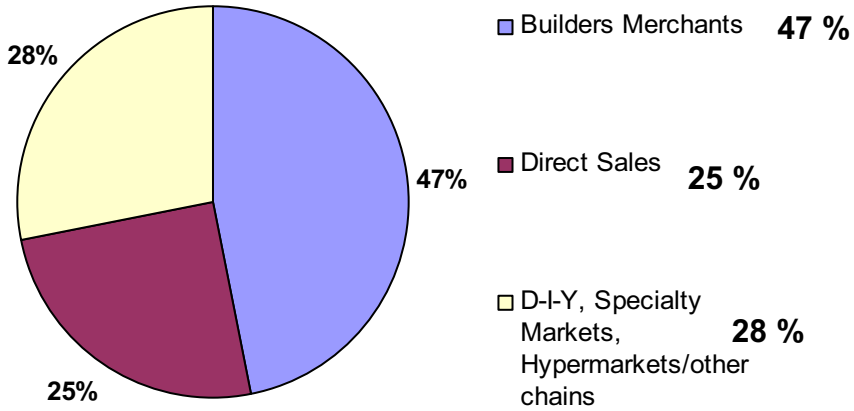
Figure 2.6.2: Joinery made from Wood, market share by origin of timber.



Type of Sale / Sales Outlet

- Builders Merchants – 47%
- D-I-Y, Specialty Markets, Hypermarkets/other chains – 28%
- Direct Sales – 25%

Figure 2.6.3: Joinery Sales, by type of sale/type of outlet



Trends

2004 saw 363,000 new housing starts, 16% more than in 2003, the best level of activity in 20 years. During 2004, construction permits were issued for 460,000 housing units, 22% more than in 2003.

On the strength of these factors, SNFMI forecasts continued positive development in the home building sector thus continued good level of activity for the joinery manufacturers.
Most of the joinery manufacturers are enjoying a good level of activity. One exception is the wood window manufacturers, who continue to suffer falling market share compared with PVC windows.

Again this year, there have been bankruptcies amongst the wood window manufacturers.

Decking

Market Survey
Le Commerce du Bois presented at their Annual General Assembly 17/6/2005 their

« Etude de marché sur les terrasses bois en France », making the following estimates of the decking market:

- Estimated exterior surface covered yearly – all materials – 40 million m2.
- Wood Decking laid down 2004: 6.5 million m2 – Wood decking market share of exterior surface cover – 16%.
- Deck Layers (profession like Tile Layers) laid down 4.8 million m2 wood decks in 2004.

An additional 1.7 million m2 wood decks were laid down by D-I-Yourselfers etc.

The Wood Decking market is estimated to consume

250,000 m3 sawnwood annually, of which **Tropical wood 28% - 70,000 m3 sawnwood**

(This is 125,000 m3 roundwood equivalent representing 10% of France's total import of tropical sawlogs and sawnwood.)

Non-tropical wood – 72% - 180,000 m3 sawnwood.

The volume import of Decking into France commenced with Indonesian Bangkirai also called Selangan Batu. Today, Brazilian Ipé is the most popular species for Decking.

Tropical Decking: a success story
The success story of Tropical Decking is a good example of the opportunities existing for tropîcal timber when competent product development is combined with professional marketing in a dedicated engagement.

Tropical timber deck costs, laid down by a professional deck layer several times the cost of the traditional ceramic tile.

The tropical wood decking presents a number of disadvantages compared with the ceramic tile:

Cultural barrier
Several thousand years of Mediterranean tradition favours the ceramic tile. Wood for exterior use was considered unsuitable, low quality.

- The wood deck will *last shorter time* than the ceramic tile.
- *Maintenance and cleaning* of the wood deck is much more difficult and time-consuming than of the ceramic tile.
- You don't get *splinters* in your foot from ceramic tiles.
- Ceramic tiles *don't twist, split, nor move* as the climatic conditions change.

Yet, Decking made from tropical timber is a roaring success.

Why?

Figure 2.6.4 Decking

Photo presented by Indubois.

Tropical hardwood Decking is promoted as one of the up-market products for outdoor life featured on the cover of fashionable magazines.

The availability of quality raw material from the tropical forests will not increase in the future. In order that this scarce raw material be directed towards those products which provide the best return, the importing industrials and distributors in Europe have to work in close collaboration with the tropical timber producers in Africa, Asia, and South America.

2.7 Mouldings

France: Trade balance deterioriating.

France imports mouldings annually for about 100 million Euro, and exports mouldings for a value of about 43 million Euro[53]. Import of mouldings from ITTO producer countries in 2002 totalled 12.8 million Euro, or 14% of the total import of mouldings. The vast majority of mouldings are produced domestically from domestic timbers.

Institutions related to Mouldings

Europe
UCBD = Union pour le Commerce de Bois Durs dans l'U.E.= European Hardwood Trade Federation
UCBD is an alliance of the national federations of tropical and temperate hardwood importers in the European Union.

France
LCB, Le Commerce du Bois.

Terminology and Nomenclature
The product nomenclature is based on the Harmonised System, and provides a classification according to trade.

- 44 09 20 11 mouldings, beadings, of wood, for frames of paintings, photos, mirrors and similar, non-coniferous.

- 44 09 20 98 Wood continuously shaped, tongued and grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like, along any of its edges, ends or faces, whether or not planed, sanded or end-jointed, non-coniferous.

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) 54

Table 2.7.1
EU Customs Tariff for Imported Mouldings

Code	%
44 09 20 11 and 44 09 20 98	0

Specifications

General moulding specifications
The term "mouldings" covers in this report, the same nomenclature references as the ITTO, ECE, and FAO statistics.
"Mouldings" thus consist of **44 09 20 11 and 44 09 20 98** as described above

[53] Source : Agreste Conjoncture – Commerce Extérier du Bois et dérivés, Données du 4eme trimestre 2004
[54] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

Species

The leading species is European softwood, mainly French domestic, and imported Scandinavian, Russian, German, and other North and East European softwoods.
France manufacturers the bulk of its own moulding needs, both from French domestic forests, and from imported softwoods.
Imported softwood mouldings from Europe and Russia represent the next biggest portion of the consumption.
The softwood whitewood mouldings are dominating the building trade, for standard construction mouldings.
For redwood mouldings, domestic maritime pine is used where the inherent straightness is of less importance, for instance where the moulding is nailed, glued or otherwise fixed to the wall.
Where inherent straightness and stability is required, imported Scandinavian and Russian softwood is preferred.

Imported mouldings made from tropical wood, are used mainly for the following categories of mouldings:

- Construction mouldings of such small dimensions that softwood with knots cannot be used.
- Appearance quality mouldings for such use where knots are not acceptable.
- Mouldings for picture frames and similar
- Dowels for curtain rods and similar applications.

The dominating hardwood species is West African Triplochiton spp., called

- Wawa in Ghana
- Samba in Ivory Coast
- Ayous in the Congo Basin.

This lightweight, light-colour hardwood is very stable, easy to work, finishes well to any colour.
The price has increased, however, there is no easy substitute found.
Brazilian Marupa has a small market share for certain end-uses.
The preferred moulding species in Europe for decades, was Ramin – now a CITES-group species.

“Mouldings” is a broad term, both in the vernacular, as well as in the nomenclature definition. There is an important volume of “mouldings” which could justifiably be included in the “builders joinery” category.

The nomenclature categorizes “coniferous” and “non-coniferous”, however, does not identify “tropical”. As such, reliable statistics are not available for “tropical” mouldings, particularly not those manufactured in France from tropical timber species.

As to imported “mouldings”, the authors have assumed that mouldings imports from tropical countries, are made of tropical wood (although Brazil may also supply softwood mouldings). The authors also assume that the mouldings imported from China are tropical hardwood mouldings – although there could also be temperate hardwood and softwood mouldings.

Mouldings being such a broad definition, and used for such a variety of end-uses, the number of species used is almost endless:

The most popular are:

European softwood

Redwoods

- maritime pine,
- Douglas fir

- Scots pine,
- Corsican pine,
- Black pine
- Aleppo pine
- European Larch

Whitewoods

- Norway Spruce
- Silver fir

French hardwoods

- White Oak
- Beech
- Chestnut
- Ash
- Birch
- Alder
- Aspen
- Willow

Tropical hardwoods

Africa

Whitewoods

- Ayous/wawa/samba/obeche
- Framire
- Frake
- Limba
- Ilomba
- Chenchen
- Abura

Redwoods (incl. Yellow)

- Sipo
- Acajou,
- Niangon
- Sapeli
- Bosse
- Okoume
- Iroko

Asia

Whitewoods

- Ramin (extremely rare – Cites spp)
- White meranti/white seraya/white lauan
- Pulai
- Sesendok
- Jelutong
- Rubberwood

Redwoods

- Red meranti/seraya/lauan
- Geronggang

- Bintangor
- Nyatoh
- Mengkulang/palapi
- Durian
- Teak

South American

Whitewoods

- Marupa
- Amapa
- Para-para
- Sumauma
- Tauari
- Virola
- Guatambu

Redwoods (incl.yellow woods)

- Cedro (rare)
- Jaboty
- Curupixa
- Louro Vermelho
- Goiabao
- Jatoba
- Quaruba
- Pau Amarello
- Tatajuba

Environment

Mouldings usually enter into the construction as a modest, often anonymous building material. Mouldings at times play a decorative role, but are more often ignored. Mouldings, generally, do not attract the attention of the user, the distributor, nor the environment NGO's.

Certification

Therefore, manufacturers or distributors are not feeling concern about certification of mouldings in the same way as for instance, for garden furniture. Certain big distribution groups insist on certified "mouldings". At this time, since there is no regular supply of certified tropical hardwood mouldings, these distributors have not established a specific market for these products. When a parcel of certified sawn timber is proposed to the moulding manufacturer, at a premium, the moulding manufacturer, who does not have a regular production of certified tropical hardwood mouldings, therefore cannot recover the premium price for his finished product.

The day certified tropical hardwood mouldings become the norm, the manufacturers will buy certified tropical timber, and pay a – reasonable – premium for it. Manufacturers in different categories of the moulding trade have different opinions as regards certification, as reported under "Factors influencing the competitiveness of tropical timber" and "Tropical moulding consumption: trends, perception, and views".

Moulding production

France: Mouldings production

The French production of mouldings is estimated at 8.5 million linear meters. There are no volume or value statistics of the "moulding" production that would be relevant to this report.

Moulding Imports and exports

Europe Moulding Imports and exports (All species)

Figure 2.7.1 Mouldings for frames, non-coniferous 44092011

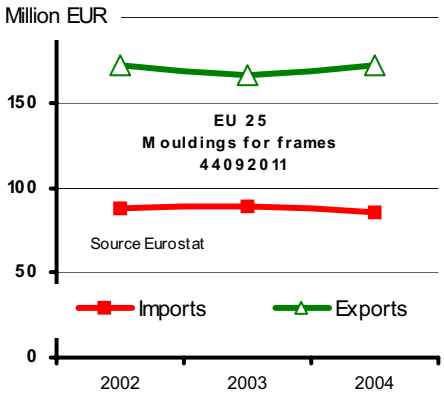
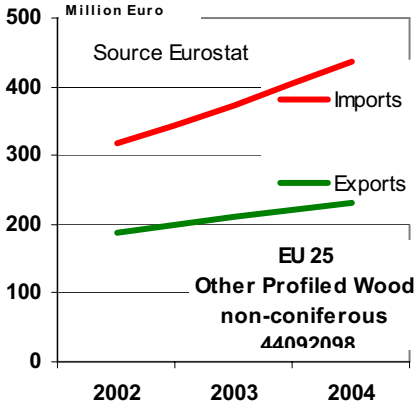


Figure 2.7.2 Other profiled wood, non-coniferous, 44092098



France: Tropical Mouldings Imports

Figure 2.7.3

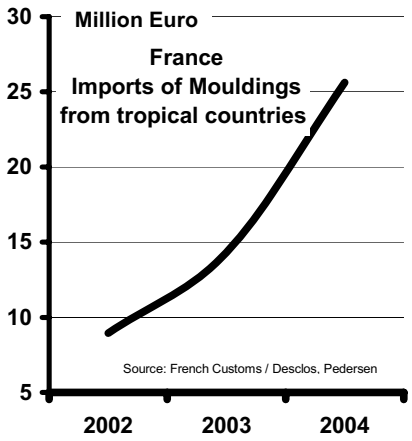


Table 2.7.2

France
Imports of Mouldings
from tropical countries
Million Euro

44092011 (Frames) +44092098 (Other)

	2002	2003	2004
Brazil	2	6	18
Indonesia	3	4	3
Myanmar	0.1	0.1	1
Malaysia	0.3	0.7	0.6
Others	3	4	4
Total	**9**	**14**	**26**

Data source : French Customs / Desclos Pedersen

Table 2.7.3

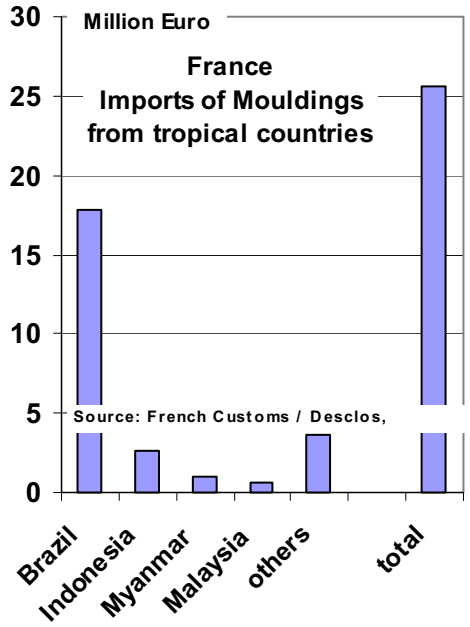
Mouldings from tropical countries
France Imports
Million Euro

....

	2002	2003	2004
44092011 frames	**1.4**	**1.5**	**1.7**
44092098 Other profiled Wood	**8**	**13**	**24**

Data source : French Customs / Desclos Pedersen

Figure 2.7.4



End Uses and Market Drivers

The over-all most important driver is the health of the economy and the consumer's desire to invest and spend.

The consumption of construction mouldings that are part of the non-aesthetical part of the construction is driven by the same factors as those identified for joinery in Chapter 2.7

The mouldings that are apparent and form part of the visual landscape, be it of the home, the office, the boutique, hotel, restaurant or other, become subject to the fashion governing the "decor".

"Decor fashion" influences the "look", the aesthetic appearance, its shape, colour, etc.

"Decor fahion" therefore also influences the choice of material, wood, metal, PVC, glass, ceramic tiles, stone or other building material.

- Construction Mouldings
  Depend on the level of activity in the building sector, mainly new construction, and renovation to a lesser extent. The drivers influencing this market are essentially the same as those influencing the market for joinery described in 2. 7

- Appearance quality mouldings
  This type of mouldings is strongly related to the construction market, and to the renovation sector. Fashion is more of a driver in this market than for pure construction mouldings.

- Mouldings for picture frames and similar. Fashion is a major driver for the up-market segment, price for the bulk market.

- Dowels for curtain rods.
  Construction and renovation are drivers; fashion even more so. In recent years fashion has driven the consumer toward metal curtain rods.

Competition
From other Wood Products:

- Softwood
- Temperate Hardwoods
- Sheet materials
- MDF and similar low-cost base covered by paper or veneer-wrapped.

From other Materials:

- PVC and other synthetics
- Metal
- Ceramics, glass

Non-tariff barriers: None

Factors affecting the competitiveness of mouldings made from tropical timber:

- Regularity of supply
- Regularity of quality
- Competitive pricing
- In due course, certification
- Strategic alliances to influence fashion

Tropical moulding consumption: trends, perceptions, and views:
The consumption of tropical mouldings, in terms of market share, has declined over the last two decades, from the time when ramin and ayous/wawa/samba mouldings dominated the whitewood moulding trade, and the merantis/sipo/lauan etc. dominated the redwood moulding market.

Prices for tropical timber have increased substantially during this period whilst softwood prices have declined over the last decade.

French manufacturers and distributors of mouldings express concern about insufficient availability of suitable, competitive tropical sawnwood and semi-finished, as well as finished tropical mouldings. The import of finished tropical-wood mouldings has increased over the last few years, as seen above, however the moulding manufacturers and distributors consider that the French moulding market offers further potential for suppliers of tropical moulding material, be it in the form of sawnwood, dimension stock, or finished products.

Softwood is available "certified", tropical hardwood is not yet. The moulding trade is concerned about the lack of regular competitive supply of tropical hardwood, and concerned about the lack of availability of certified timber. At this time, a number of moulding manufacturers in France have to manufacture their mouldings from other raw materials, whereas they have a preference for tropical hardwoods.

The up-market portion of the moulding market, which is affected by fashion, is economically more interesting than the common construction moulding. The natural characteristics of many tropical timber species lend themselves particularly well to a fashion-orientated market.

This up-market part of the moulding market offers opportunities to ITTO producers to develop better paying "niche" products, than the common construction moulding market.

2.8 Parquet

France: Tropical hardwood market share keeps growing.

The European parquet market is growing at an annual rate of 5% per year, which is also the growth rate in France.

In the European parquet market, 2003 statistics show a total annual consumption in the 12 member countries of the European Federation of the Parquet Industry (FEP), of 84 million square meters (m2).
The corresponding production in these 12 countries totals 66 million m2.
18 million m2 are imported, the main importers are Germany, Spain, and Italy, followed by Belgium, Switzerland, France, and Holland.
The Nordic countries are net exporters, Sweden is the leading European producer with 15 million m2, and exporter of 10 million m2.

Oak is the dominating species. Tropical hardwood is gaining market share, now representing 20 – 25% of the total market (estimates vary). The rate of consumption is growing faster than the rate of production, imports are increasing.
The outlook is for continued growth of consumption, and for tropical timber to take an increasing part of the market, as well as for finished parquet import to continue increasing.

Institutions related to parquet

Europe
F.E.P. The Federation of the European Parquet Industry.
F.E.P represents its 12 member countries: Germany, Spain, France, Italy, Netherlands Denmark, Finland, Norway, Sweden, Austria, Belgium, and Switzerland. F.E.P. now also reports on production from the Czech Republic, Hungary, Poland and Romania.

France
- **U.F.F.E.P**. The Union of French Parquet Manufacturers and Entrepreneurs.
- **C.T.B.A**. – Centre Technique de Bois et d'ameublement
- **F.I.B.C.** – Industrie Bois de Construction.
- **LCB = Le Commerce du Bois = The French Timber Trade Federation**
  LCB reports on all commercial activity in timber. LCB has a parquet committee, and information on parquet is reported in its monthly magazine "Commerce International du Bois".

Terminology

FEP defines parquet as: "Parquet is the term used for all floor covering in wood or made from a wood base the surface thickness of which must be minimum 2.5MM ".

The parquet is divided into
- solid
- lamparquet
- mosaic
- multilayer

Nomenclature: HS

The product nomenclature is based on the Harmonized System, and provides a classification according to trade.

Parquet belongs in the 44. Nomenclature

- 44 07 91 31
- 44 09 20 91
- 44 09 20 98

and 44.18 Wood Panels for Parquets

- 44 18 30 10 mosaic parquets
- 44 18 30 91 composed of several layers of wood
- 44 18 30 99 others

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC (Integrated Tariff of the European Communities) [55]

Table 2.8.1
EU Customs Tariff for Imported Parquet

Parquet Code	%
44 07 91 31, 44 09 20 91, 44 09 20 98 44 18 30 91, 44 18 30 99	0
44 18 30 10	3

Standards

European Standards
CEN
CEN = European Standards Committee
The task of CEN [56] is to develop European Standards (ENs), which are defined as "a set of technical specifications established in collaboration with and with the approval of the parties concerned in the various member countries of CEN". CEN delegates the actual work to the Technical Committees (TC) These Technical Committees consist of Working Groups (WG) that prepare the draft ENs.

The latest European standards related to parquet cover:

- EN 13226: Solid parquet elements with grooves and/or tongues,
- EN 13227: Solid lamparquet products,
- EN 13228: Solid wood overlay flooring elements including an interlocking system,
- EN 13448: Mosaic parquet elements,
- EN 13489: Multilayer parquet elements,
- EN 13629: Solid pre-assembled hardwood boards,

French Standards
NF= "Norme Française" = French Standard

[55] TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm
[56] CEN: http://www.cenorm.be

As soon as a European Standard, EN is translated and inserted in the French set of regulations, its name becomes NF EN
The main French standards for parquet:

- NF B 54-000 – Solid parquet manufacturing characteristics
- NF B 54-008 – Manufacturing and grading of mosaic parquet
- NF B 54-010 – Manufacturing and grading of parquet other than mosaic
- NF B 54-011 - Manufacturing and grading of multilayer parquet hardwood faced

CTBA publishes several periodical updates on standards. [57]

Application standards (DTU) 51.1 / 2 /3 cover the laying down of parquet.

Specifications

- Thickness

  - Solid – standard thicknesses : 8 - 10 -12 – 15 – 21 – 23 mm
  - Mosaic/Lamparquet/Multilayer 7 - 9 – 14 18mm, most common 14mm

- Width

  50 – 60 – 70 – 75 – 80 – 90 –120 – 125 – 130 – 140 – 180 mm

- Lengths

  - 400 – 1200mm
  - 1030 – 1190mm
  - 1050 – 1200mm
  - 1190mm
  - 20000mm

Packing

In retail packs containing 1 – 2 m2 ready to be delivered direct from the factory to the retailer/end-user.

Species

Oak has been the dominant parquet species on the European market, and still represents over 65% today. This is, however, down from more than 75% a few years ago.

A host of other temperate hardwoods are used, beech, chestnut, cherry, ash, maple, to name but a few.

Of tropical timber species, the most popular are :

- teak
- merbau
- doussie
- jatoba
- wenge
- iroko

Bamboo is also making inroads.

Other species on the market are

- South America
  - Cumaru
  - Sucupira

[57] http://217.174.207.71/~ctba/1_le_group/metiers.php?rub=actualites

- Angelique
- Cabreuva
- Pau Amarello
- Tatajuba
- Amarante

- Africa

- Padouk
- Sapeli
- Bubinga
- Bilinga
- Movingui
- Tali
- Okan
- Ovengkol
- Mutenié
- Amazakoué
- Afrormosia
- Moabi
- Douka

- Asia

- Balau
- Kempas
- Mengkulang
- Nyatoh
- Padouk

The cost of launching a new species/product is minimum 70,000 Euro.

Logistics
Logistics represent an important parameter of competition, the leading producers now deliver 10 m2 anywhere in France within 48 hours.

Environment

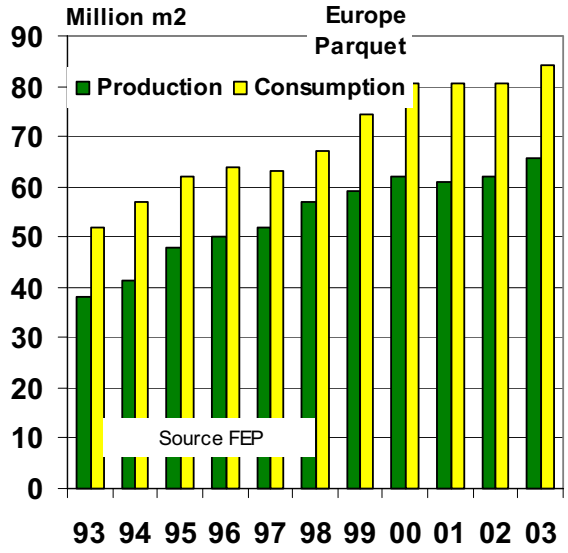
Wood parquet is an environmentally friendly building material. This is one of the reasons this floor cover is gaining market share around the world. Carpets, the floor cover leader for decades, is suspected of creating conditions favourable for certain persons to develop allergies ("acarid").

Certification
A number of distributors are demanding certified parquet. Suppliers of Oak and other temperate hardwood parquet can supply certified products. However, there is insufficient and only irregular supply of tropical timber in the popular species for the manufacturers to be able to market "certified" tropical timber parquet on a regular basis. Once there is a regular supply in sufficient volume of certified tropical timber to satisfy the demand of the parquet anufacturers, the manufacturers expect to be able to secure a reasonable premium for such products. The manufacturers cannot obtain such a premium today, because they cannot establish a market for the product, so long as there is no supply. Although certified oak parquet does not obtain a premium as such, it is an appeal to a certain clientele. For parquet made from popular tropical species, the manufacturers expect nonetheless, to be able to obtain a premium in due course for certified parquet – provided it is a level playing field.

Parquet production

Europe: Parquet Production vs. Consumption

Figure 2.8.1



Consumption continues growing, production is stagnating.

Figure 2.8.2

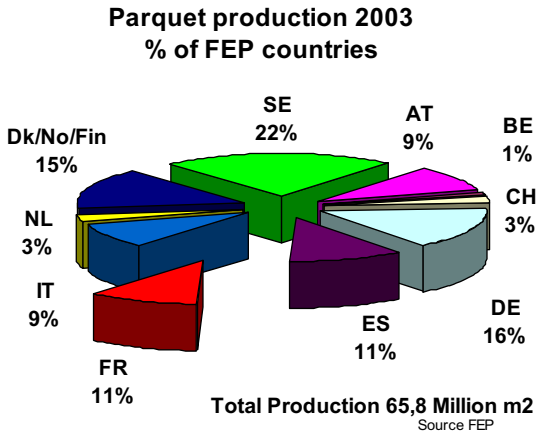


Figure 2.8.3

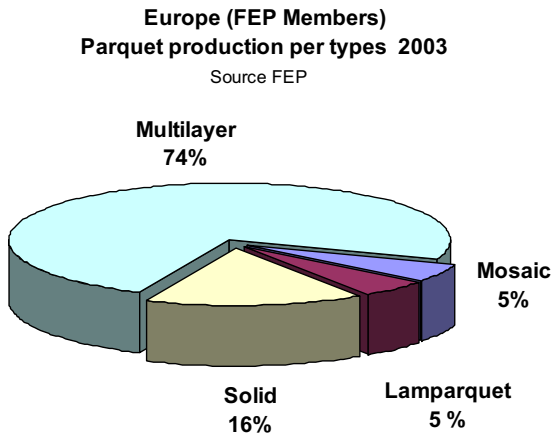
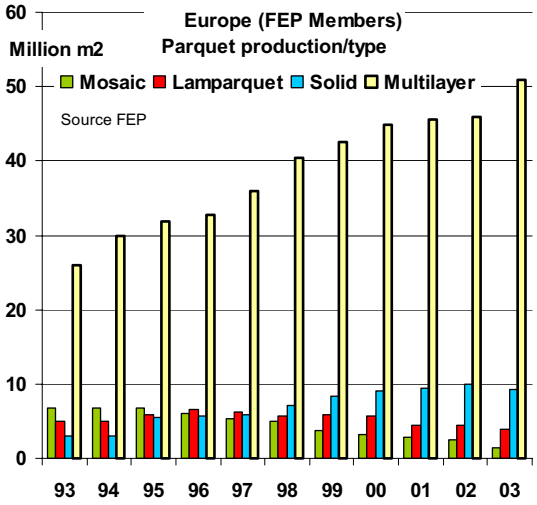
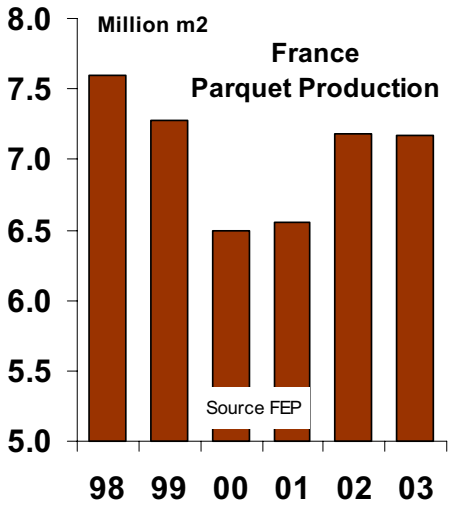


Figure 2.8.4



France : Parquet Production

Figure 2.8.5



France : Tropical parquet production

Tropical parquet production trends

The European parquet manufacturers are facing price competition from a number of low-cost producing countries. Those surviving are all avant-garde in terms of

- Finishing (varnishing)
- Production techniques including precision machining
- Product design and innovation, e.g. “clips”
- Fashion

Tropical hardwood flooring is increasing its market share, from a few percent only a few years ago, tropical timber parquet is now estimated to have a 20 – 25% market share, and growing.

The inherent characteristics of the popular tropical species, technical properties combined with aesthetic appeal of colour and grain structure, are the factors behind the increase in demand.

Parquet Imports

Europe: Parquet Imports (All types)

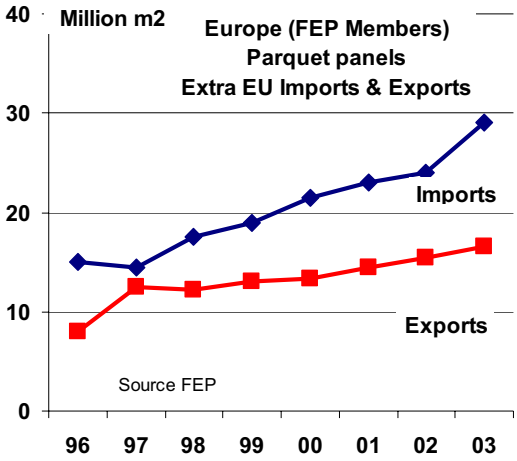
The main FEP European importers of parquet are Germany, Spain, and Italy.

Exports

Europe: Parquet Exports (All types)

Europe: Parquet Export

Figure 2.8.6



France: Tropical parquet export trends.

ITTO producer countries are increasing exporters of tropical parquet to the world market. Other parquet producer countries such as China and Poland are increasing production and export, of tropical as well as of temperate parquet. Price-wise, these producers – particularly in China, are the best placed on the market.. French manufacturers express optimism about the future of the parquet market in general, and tropical parquet in particular. Asked how they can compete with the cheaper supply from a number of other countries, they suggest there are niches in respect of quality, product innovation, and being technically advanced in all aspects of production, finishing and presentation,

The “clip” system used for laying down floating parquets requires a very fine tolerance of machining, straightness, and condition in general. Manufacturers express tolerances in 1/100ths of mm.

Parquet Consumption

Trends in consumption:

General:
Apart from the strong growth in consumption of parquet in the private home, more and more shops, restaurants, hotels, convention centers, airports, etc. now employ parquet as an essential element of the "décor". In environments of essentially white non-descript walls, the colour - the entire decorative effect - comes from the parquet.

One market segment which is on the increase is the "natural finish", i.e. wood parquet that allows natural defects such as knots.

Europe: Parquet Consumption (All types)

Figure 2.8.7

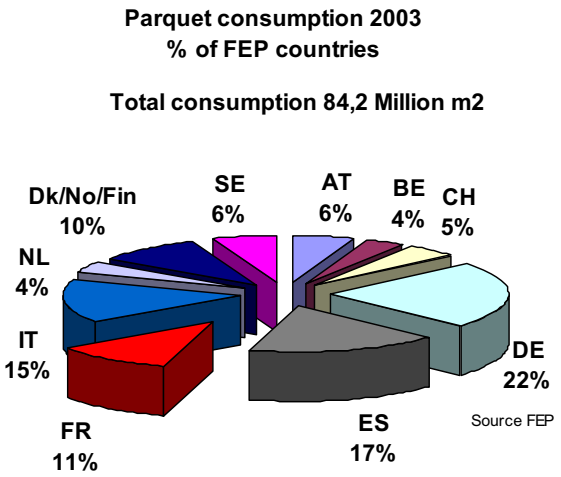
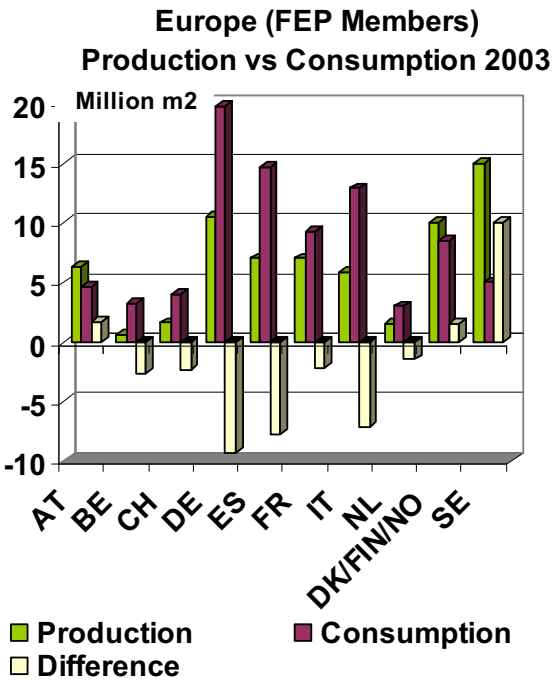


Figure 2.8.8



Suppliers of parquet are providing the client with an entirely finished product, easy to lay-down. Previously, parquet was supplied with little or no finish. The professional parquet layer would lay-down the parquet, sand it and finish it, at high cost. Today the factories supply the parquet with the finish the client demands, as regards colour, shade, and surface finishing – as many as 8 layers of varnish. All factories propose easy installation techniques, allowing the Do-It-Yourselfer to lay-down the parquet himself.

Solid
The consumption of solid parquet is increasing, as imported solid parquet arrives at competitive prices, thus the distributors and retailers are promoting "solid" as a superior product, creating an image of tradition, quality, solidity, long-wear, "the real thing" compared to multi-layer parquets. This image of the solid parquet helps the tropical producers of solid parquet develop their volume of sales in France. Solid tropical parquet is now one of the fastest growing parquet products. The quality image of solid parquet also affects the demand from a certain – high-end of the market - clientele, as regards solid parquet made from temperate timber.

Traditional ("bourgeois") homes and apartments, for instance, with old wood flooring, will replace such flooring with solid parquet – not with multilayer. Another interesting development in the parquet market is the "wet room" parquet market. For bathrooms, saunas, etc. the most popular species are Teak and Iroko.

Multilayer:
Sales are progressing for this parquet product which is, technically, the superior flooring for a number of end-uses, and which is the "modern" choice. Today upwards of 40% of the multiplayer parquet sold is with "clic" installation technique, i.e. no glue, easy installation. ("If it does not fit, dismantle it, and do it again."). The D-I-Y retailers are increasing their share of the parquet market. Fashion goes towards wider parquet. The wider and longer the parquet, the higher the price. The main market for parquet remains the living room. Living room sizes are on the increase, wider rooms call for wider parquet.

Markets / End Uses

The main market for parquet, both tropical and non-tropical, is the private home, new construction as well as renovation. Offices, shops, hotels and restaurants, convention centers, airports, etc. represent other important markets for parquet.

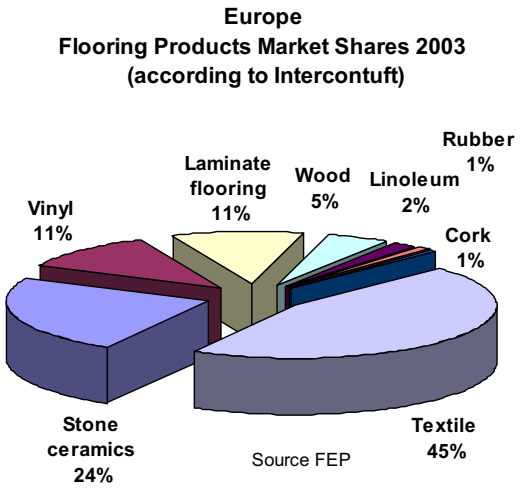
Market Drivers

Hygiene plays a major role when carpets are replaced by parquet, particularly in the private homes with children. Fashion is a major driver. Shorter working hours, thus more spare time gives the Do-It-Yourselfers more opportunity for home improvement. The easy-to-lay-down clic floating parquet lends itself to this trend.

Competition:

From Other Wood Products
Softwood parquet, mainly made from maritime pine in the Landes region, is losing market share. Although the price is very competitive compared with hardwood parquet, the traditional French preference for hardwoods plays its part in this respect. Parquet manufacturers in Les Landes, have been oversupplying the French market with pine products, including lower quality products at very low prices, giving the "Pine" products as such a low image.

Figure 2.8.9



From Other materials
Figure 2.8.9 shows the European market for flooring products, by materials groups:

- Textile = carpets, still represents 45% of the market, this is the market which is losing market share to hardwood parquet.
- Stone/ceramics – 24% of the market - is seeing rapid product development as tile manufacturers from Italy, Spain, and now also lower-cost producers, are competing for market share. Product quality and design is driving the tile market forward.
- Linoleum represents 2% of the market, a fading appeal.
- Rubber 1% of the market
- Cork 1% of the market.
- Vinyl – 11% of the market – is used for industrial use, whereas it is losing out in the private home sector.

Laminate flooring has grown to 11% of the market, and is the most direct competitor to the lower end of the parquet market. One manufacturer however, sees the laminate floor as an ally in those cases where the consumer who has a laminate floor wants "the real" thing, and changes "up" to real hardwood flooring as soon as he can afford it.

Factors affecting competitiveness of tropical timber in the parquet market.

- Quality
- Regularity of supply
- Fashion
- Price

Price is of relatively lower importance than quality, regularity of supply, and fashion. In multilayer parquet, the typical 2.5mm tropical timber face represents only 18% of the total 14mm wood volume. The cost of manufacturing, merchandising, marketing, promotion and logistics each represent an important share of the total cost price of the final product.

Once certified tropical parquet becomes available in sufficient volume for a manufacturer and/or distributor to be able to market on a regular basis "certified tropical species parquet", the trade expects that this will become the standard which other manufacturers and distributors will have to follow.

Tropical Parquet Consumption: Trends, perception and views

Competition is intense in the parquet market, on all levels

- between manufacturers of temperate hardwood parquet
- between manufacturers of tropical hardwood parquet
- between temperate and tropical parquet
- between importers
- between distributors
- between retailers.

Product development, quality, and design, are all benefiting from this competition. The development of "clic" systems facilitates the laying down of floating parquet.

As seen in the European production statistics above, some European manufacturers are finding it very difficult to survive in this intense competition. The dynamic and competent groups who ensure quality, product development, and who are strong in creating fashions which please the public, are convinced they have a bright future ahead of them.

Tropical timber use is increasing in the parquet market. The perception as to the future of tropical timber in the parquet market is practically unanimous: tropical timber can continue to grow in market share, provided the supply of the popular species is ensured in the specifications and quality required. The clients can pay an attractive price for such products.

The day certification becomes a must, it is imperative that sufficient supply be ensured.
The parquet manufacturer will be able to absorb a – reasonable – cost increase for certified tropical timber.

As the cost of introducing a new species is very high, at least 70,000 Euro, it is imperative that manufacturers, distributors, and retailers work together in a close collaboration in an environment of mutual confidence

2.9 Other SPWP[58]

Other SPWP – a very mixed group of products – imports of 450 million Euro annually

"Other Secondary Processed Wood Products" represent a very mixed group of products, both artisan's wares and industrially or semi-industrially manufactured products.

France's annual imports total some 450 million Euro, of which only some 35 million Euro's worth are bought from ITTO producer countries. Some of the product groups offer scope for ITTO producers to increase sales to France.

Tariffs

The tariffs applied in France are the EU tariffs as specified by TARIC

TARIC = Integrated Tariff of the European Communities [59]

The following tables and Figures show the import into France from each country of origin, of each product group, stated by nomenclature definition, expressed in Euro, for the years 2002, 2003 and 2004.

Nomenclature 44.14. "Wooden frames for paintings etc."Wooden frames for paintings, photographs, mirrors or similar objects"

Tariffs

44 14 00 10 "Wooden frames …. - of tropical wood" - 2.5%

44 14 00 90 " Wooden frames … - of other wood" - 0%.

Wooden frames fall into two main categories:

- bulk market, sold essentially on price, in super markets, etc
- specialty shops, up-market, the criteria are design and fashion more than price.

[58] Secondary Processed Wood Products

59 TARIC: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm

Table 2.9.1 : Wooden frames for paintings, photographs, mirrors or similar objects Of tropical wood, as specified in additional note 2 to this Chapter

Imports		EUR	**4414 00 10**
	2002	2003	2004
EU25_INTRA	1679381	1779396	1406411
EU15_INTRA	1679381	1779396	1333350
ITALY	925380	1279742	890143
EU15_EXTRA	160107	169037	551773
EU25_EXTRA	160107	169037	478712
CHINA (PEOPLE'S REPUBLIC OF)	50239	86330	436323
SPAIN	325346	67485	204363
PORTUGAL	77763	231091	125248
POLAND		:	73061
BELGIUM (and LUXBG -> 1998)	18326	54663	46938
NETHERLANDS	3761	66943	30514
GERMANY (incl DD from 1991)	306753	75780	25836
INDIA	2346	19687	12545
UNITED KINGDOM	21931	3692	10308
THAILAND	84484	51314	9842
INDONESIA (ID+TP from 77,excl. TP -> 2001)	8858	10489	9159
VIET-NAM (excl. NORTH -> 1976)		1217	4187
PERU		:	2717
OTHERS	14301		1849
Trop	**5 518 464**	**5 845 299**	**5 655 369**

Shows the import of “Wooden frames … of tropical wood”, as per 44 14 00 10, from all countries.

Table 2.9.2 : Wooden frames for paintings, photographs, mirrors or similar objects Of other wood

Imports	EUR		**44140090**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	6261647	6061717	6267977
MOROCCO	1479176	1434739	2102550
INDIA	400029	330832	481933
THAILAND	290928	350788	479822
VIET-NAM (excl. NORTH -> 1976)	202861	122721	134764
INDONESIA (ID+TP from 77,excl. TP -> 2001)	118645	88897	111691
PHILIPPINES	37621	18097	91449
MAURITIUS	8928	9443	18136
MADAGASCAR	54115	32872	11874
BRAZIL	1425	9295	10622
OTHERS	92159	91168:	11106
Trop	**8 947 534**	**8 550 569**	**9 721 924**

shows the import of “Wooden frames.. of other wood” as per ‘’ 44 14 00 90, from tropical countries and countries traditionally producing timber products made from tropical wood, for a total of almost 10 million Euro annually

Table 2.9.3 : Wooden frames for paintings, photographs, mirrors or similar objects Of other wood

EU25_EXTRA	10539254	10167736	12253838
EU25_INTRA	19895656	18448432	21448953
EU15_EXTRA	12328318	12139941	14152816
EU15_INTRA	18106592	16476227	19549975

Imports	EUR		**44140090**
		2003	2004
ITALY	7709828	6694992	8298662
CHINA (PEOPLE'S REPUBLIC OF)	6261647	6061717	6267977
BELGIUM (and LUXBG -> 1998)	3973831	3019073	4477425
SPAIN	2854966	3952694	4429644
MOROCCO	1479176	1434739	2102550
POLAND	1789064	1899815	1847136
ROMANIA	298062	514450	1297688
TUNISIA	1045254	992654	1173614
NETHERLANDS	492174	788071	998634
GERMANY (incl DD from 1991)	1280037	931981	769632
INDIA	400029	330832	481933
THAILAND	290928	350788	479822
UNITED KINGDOM	769940	442524	393394
VIET-NAM (excl. NORTH -> 1976)	202861	122721	134764
PORTUGAL	890786	546387	116617
INDONESIA (ID+TP from 77,excl. TP -> 2001)	118645	88897	111691
OTHERS	577682	443833	321608

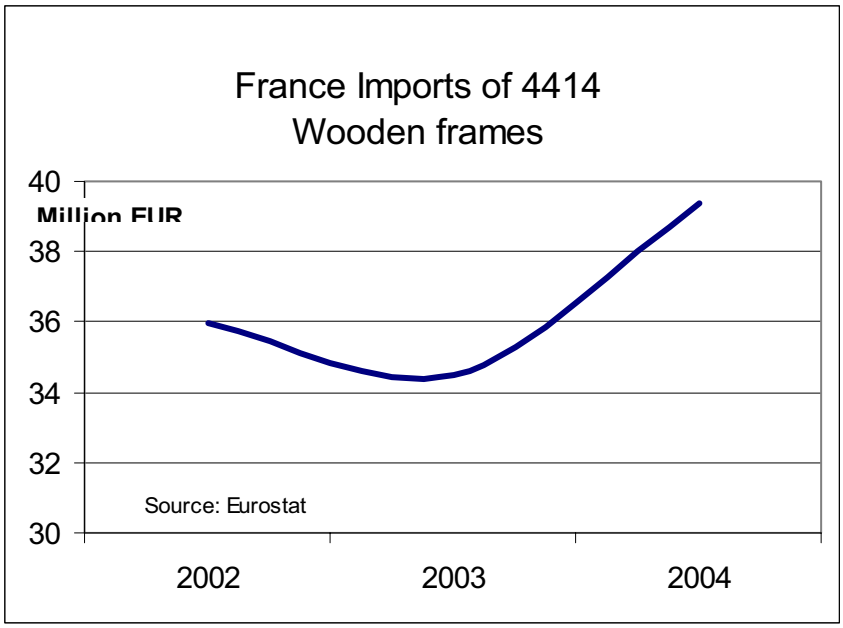
total	**30 434 910**	**28 616 168**	**33 702 791**
trop	8947534	8550569	9721924
non trop	21 487 376	20 065 599	23 980 867

shows the import of “wooden frames”.. of other woods” as per 44 14 00 90, from all countries.

It is interesting to note that out of a total import of almost 40 million Euro worth of “wooden frames.” under nomenclature 44 14, only 6 million Euro worth are imported under 44 14 00 10 – “tropical wood”, whilst 44 14 00 90 “wooden frames .. of other wood” represents some 35 million Euro – of which 10 million Euro worth from tropical countries and countries usually producing mainly wood products made from tropical wood.

There is scope for ITTO producers to take a larger share of this market, both the bulk market sold on price, as well as the up-market fashion-guided market.

Figure 2.9.1



shows the development 2002 – 2003 – 2004 of the value of imports into France of frames.

Nomenclature 44 15: Packing cases, boxes, crates, drums and similar packings; of wood, cable-drums or wood, pallets, box pallets and other load boards, of wood; pallet collars of wood.

Agreste in their 2000 "La forêt et les industries de bois" evaluate the French wood packaging industry to represent 7% of the entire packaging industry. It is a dispersed sector, of artisanal stature and type of operation, only 2 companies employ more than 250 persons.

10% of the companies have closed over the last decade; this is a low-margin activity with many bankruptcies.

Tariffs:

44 15 10 10: "Cases, boxes, crates, drums and similar packing, cable-drums" – 4%
44 15 10 90 "Cable drums" – 3%
44 15 20 20 " Flat pallets, pallet collars" – 3%
44 15 20 90 " .. – other" – 4%

By far the largest portion of this market is supplied by domestic manufacturers producing packaging material from low-grade, low-priced softwood, a smaller portion made from low-quality, low-priced hardwood.

The 100 million Euro a year market for imported packaging material of wood represents almost entirely low-priced softwood or low-quality hardwood products supplied from neighbouring countries. Provided the technical performance criteria are respected, the species and the appearance are of little importance. The prices for these products are generally so low that they can support only very limited transport cost. For this reason, this market offers only limited opportunity for ITTO producers.

Table 2.9.4 : Cases, boxes, crates, drums and similar packings; cable-drums

EU25_INTRA	23554717	29370157	28777150
EU15_INTRA	20349280	26233514	25865557
EU15_EXTRA	5770841	6313178	5604381
EU25_EXTRA	2565404	3176535	2692788

Imports	EUR		**441510**
	2002	2003	2004
SPAIN	7466175	11985866	9529255
GERMANY (incl DD from 1991)	2770161	3412954	4301149
PORTUGAL	2034272	2510609	2525233
UNITED KINGDOM	1457281	1120808	2406148
BELGIUM (and LUXBG -> 1998)	2494063	2451975	2386389
ITALY	1934692	1966856	2070031
NETHERLANDS	1578077	2208117	1306828
HUNGARY	1904778	2075946	1295839
TUNISIA	456581	790472	876950
CZECH REPUBLIC (CS->1992)	664647	646415	744936
AUSTRIA	15046	21850	530981
OTHERS	3344348	3354824	3496199
	26 120 121	**32 541 153**	**31 469 938**

CHINA (PEOPLE'S REPUBLIC OF)	218454	227579	335966
VIET-NAM (excl. NORTH -> 1976)	327432	442989	102031
TOGO	78856	18007	82929
BRAZIL	3008	23068	26710
INDONESIA (ID+TP from 77,excl. TP -> 2001)	33581	11061	20254
GHANA	:	:	19482
INDIA	25943	:	18431
MOROCCO	2644	41128	17842
CUBA	:	:	10773
THAILAND	914	:	8392
OTHERS	22105	45772:	10686
from trop countr	**712 937**	**809 604**	**653 496**
other	25 407 184	31 731 549	30 816 442

Shows the import of “cases, boxes, crates, cable-drums etc.” under nomenclature 44 15 10

Table 2.9.5 : Pallets, box pallets and other load boards; pallet collars

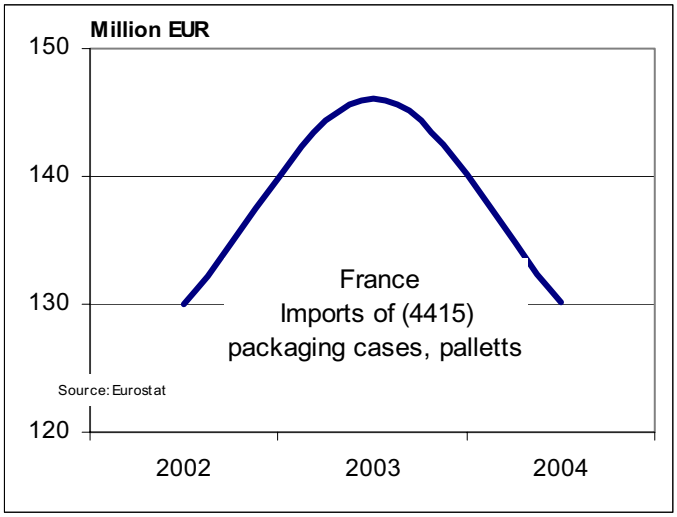
EU25_EXTRA	3 146 487	3 063 446	4 048 756
EU25_INTRA	100 797 525	110 580 516	94 683 117
EU15_INTRA	97 400 995	106 735 733	89 840 097
EU15_EXTRA	6 543 017	6 908 229	8 891 776

Imports	EUR		**441520**
	2 002	2 003	2 004
BELGIUM (and LUXBG -> 1998)	30 126 917	34 675 806	34 599 737
GERMANY (incl DD from 1991)	22 739 976	26 463 457	22 232 427
SPAIN	12 614 450	16 756 155	9 143 903
ITALY	12 558 797	10 639 746	8 454 646
NETHERLANDS	6 882 965	7 055 465	7 290 593
UNITED KINGDOM	5 831 267	2 444 331	2 541 180
BELARUS (BELORUSSIA)	1 368 401	1 583 299	2 297 671
PORTUGAL	1 102 798	4 823 786	2 071 607
POLAND	1 700 718	1 650 710	1 959 971
LATVIA	871 961	1 260 815	1 270 242
DENMARK	1 171 080	1 310 186	1 236 446
SWEDEN	2 893 970	1 657 105	1 204 324
LITHUANIA	246 211	629 853	1 162 762
SWITZERLAND (incl. LI->1994)	789 057	774 467	844 074
LUXEMBOURG	221 674	254 179	677 984
SLOVENIA	158 632	114 495	307 960
AUSTRIA	210 120	491 877	295 450
UNITED STATES	189 036	273 044	269 602
CZECH REPUBLIC (CS->1992)	379 063	93 785	226 242
OTHERS	1 824 176	655 236	616 109
	103 881 269	**113 598 161**	**98 702 930**

CHINA (PEOPLE'S REPUBLIC OF)	318 519	26 652	48 512
JAPAN	13 533	1 100	39 099
BRAZIL	:	1 522	19 194
OTHERS	26 212	25 634	21 009
Trop	**358 264**	**54 908**	**127 814**

Shows the import of “pallets etc.” under nomenclature 44 15 20.

Figure 2.9.2



Shows the development of imports into France 2002 – 2003 – 2004, of wood packaging materials.

Nomenclature 44 16"Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves.

Tariff:

44 16 - 0%

France is one of the world's major exporters of wine casks and staves for wine casks – from the highest quality white oak available. Exports have doubled in volume, tripled in value in less than a decade.

Table 2.9.6 : Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves

EU15_EXTRA	17816286	15211793	11421919
EU25_EXTRA	13014816	12961877	10298181
EU25_INTRA	9208195	6559426	4482033
EU15_INTRA	4406725	4309510	3358295

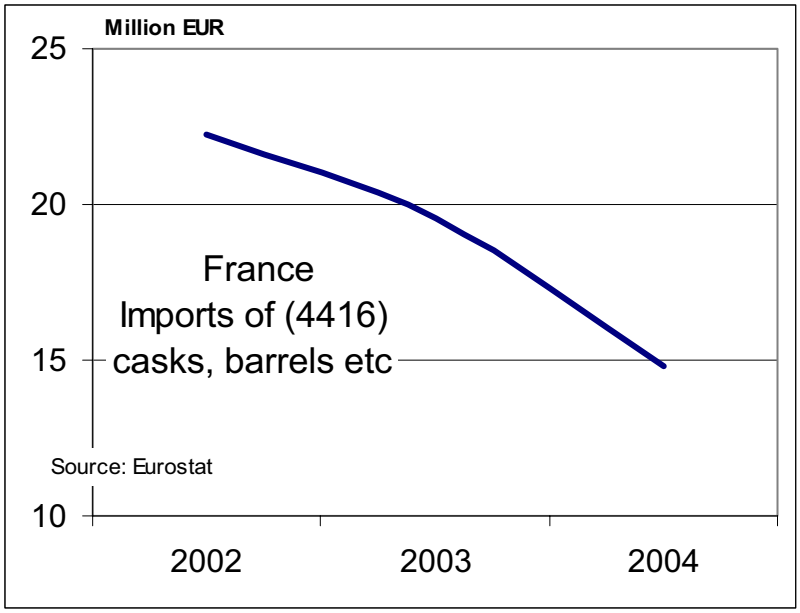
Imports	EUR		**4416**
	2002	2003	2004
UNITED STATES	8858245	9077436	7658964
SPAIN	2575553	2435541	2364335
HUNGARY	3134000	1402685	1045740
UKRAINE	901213	724343	767441
ROMANIA	2366017	1442549	623064
RUSSIAN FEDERATION (RUSSIA)	344116	583285	451006
PORTUGAL	727411	563377	413329
LUXEMBOURG	571235	463336	337267
NEW ZEALAND	27643	:	202821
GERMANY (incl DD from 1991)	104324	394820	186989
OTHERS	2613254	2433931	729258
	22 223 011	**19 521 303**	**14 780 214**

"Casks, barrels etc. " imports total some 15 million Euro annually, out of which imports from tropical countries are negligeable.

The market for barrels and casks for ageing wine and spirits, is increasingly demanding high-quality hardwoods with a high tanin content, today mainly oak, with a small consumption of "chataigner" = the true chestnut being used for certain purposes.

In this growth market, there is –to the best of the authors' knowledge- currently no tropical hardwood being used. It might be worthwhile to test a number of tropical hardwoods for their potential as wine- and spirit-ageing agents.

Figure 2.9.3



Shows the import into France the last three years of wooden barrels and casks.

Nomenclature 44 17 "Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood"

Tariff:

0%

Table 2.9.7 : Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood

EU25_INTRA	7155964	6750103	6439569
EU15_INTRA	7078411	6600171	6302502
EU15_EXTRA	3430953	3399932	3137491
EU25_EXTRA	3353400	3250000	3000424

Imports	EUR		**4417**
	2002	2003	2004
PORTUGAL	2097149	2005974	2330877
GERMANY (incl DD from 1991)	1352743	1400672	1405502
BELGIUM (and LUXBG -> 1998)	1599496	1385687	1142463
BRAZIL	597351	664008	818520
SWITZERLAND (incl. LI->1994)	771675	898162	653524
ITALY	997893	919154	621119
SLOVENIA	802777	643408	588632
SPAIN	768683	484069	478616
OTHERS	1424927	1561086	1400740
	10 509 364	**10 000 103**	**9 439 993**

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	439611	403697	273518
INDONESIA (ID+TP from 77,excl. TP -> 2001)	92963	109032	85373
TAIWAN	71922	88710	53036
OTHERS	93486	24039	39025
trop countr	**697 982**	**625 478**	**450 952**

Imports total 10 million Euro annually, out of which tropical countries and countries usually manufacturing products from tropical timber, represent half a million Euro.

Most of the supply comes from Europe. As the cost of manufacturing in Europe keeps increasing, there are undoubtedly opportunities for ITTO producers to increase their share in this market.

Nomenclature 44 19 Tableware and kitchenware of wood

Tariff:
0%.

Table 2.9.8 : Tableware and kitchenware Of tropical wood

EU25_INTRA	625269	495101	689377
EU15_INTRA	625269	495101	664806
EU15_EXTRA	175586	171976	240317
EU25_EXTRA	175586	171976	215746

Imports	EUR		**44 190 010**
	2002	2003	2004
ITALY	210454	324131	522890
CHINA (PEOPLE'S REPUBLIC OF)	97567	74551	131517
THAILAND	1166	10156	43480
SPAIN	46717	17992	40440
GERMANY (incl DD from 1991)	13731	28893	38550
BELGIUM (and LUXBG -> 1998)	41308	112505	28376
POLAND	:	:	24571
PORTUGAL	22574	:	17584
VIET-NAM (excl. NORTH -> 1976)	34105	1498	15282
OTHERS	333233	97351:	42433
Trop	**800 855**	**663 920**	**905 123**

Shows the import of tropical tableware and kitchenware, a total of 1 million Euro worth.

Table 2.9.9 : Tableware and kitchenware Of other wood

EU15_EXTRA	17359909	15494222	13348325
EU25_EXTRA	15498990	13867833	11922851
EU25_INTRA	11610715	12830799	11742156
EU15_INTRA	9749796	11204410	10316682

Imports	EUR		**44 190 090**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	6699222	7143007	5820254
BELGIUM (and LUXBG -> 1998)	3740685	4728796	3267163
SPAIN	811486	1346125	2285496
GERMANY (incl DD from 1991)	962087	1083192	1453956
POLAND	1751611	1563480	1247703
ROMANIA	873079	947631	1058338
THAILAND	2386388	1600682	970633
OTHERS	8832309	7126330	6457607
	26 056 867	**25 539 243**	**22 561 150**

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	6699222	7143007	5820254
THAILAND	2386388	1600682	970633
INDIA	412794	288983	341620
PHILIPPINES	365632	263737	293799
INDONESIA (ID+TP from 77,excl. TP -> 2001)	226053	114516	233282
TAIWAN	245269	270464	230054
BRAZIL	705553	223174	78687
OTHERS	322990	270108	203987
trop countr	**11 363 901**	**10 174 671**	**8 172 316**

Shows the import of tableware and kitchenware of other wood, for a total of 22 million Euro, of which 8 million Euro's worth from tropical countries and countries traditionally producing from tropical timber, with China representing 6 million Euro worth of exports.

Nomenclature 4420 "Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in chapter 94"

44 20 10 11 Statuettes and other ornaments of tropical wood

Tariff:

3%

Table 2.9.10 : Statuettes and other ornaments, of tropical wood

EU15_EXTRA	3147887	3019072	2743913
EU25_EXTRA	3135320	3019072	2743913
EU15_INTRA	639404	661143	742684
EU25_INTRA	651971	661143	742684

Imports	EUR		**44201011**
	2002	2003	2004
INDONESIA (ID+TP from 77,excl. TP -> 2001)	697711	881127	653091
BELGIUM (and LUXBG -> 1998)	543168	578650	616647
THAILAND	223310	426797	596932
CHINA (PEOPLE'S REPUBLIC OF)	489399	350310	277486
PHILIPPINES	84573	168998	221519
INDIA	350264	362965	177093
VIET-NAM (excl. NORTH -> 1976)	201962	153798	150703
OTHERS	1196904	757570	793126
Trop	**3 787 291**	**3 678 292**	**3 486 597**

Shows 4 million Euro worth or imports, Indonesia is the leading supplier

44 20 10 19 Statuettes and other ornaments of other wood

Tariff:

0%

Table 2.9.11 : Statuettes and other ornaments, of other wood

EU15_EXTRA	34314142	30399206	26264224
EU25_EXTRA	33947011	30191039	26172128
EU25_INTRA	9812452	7760565	10024105
EU15_INTRA	9445321	7552398	9932009

Imports	EUR		**44201019**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	11000311	9444921	8559965
BELGIUM (and LUXBG -> 1998)	6332538	4253707	6281810
INDONESIA (ID+TP from 77,excl. TP -> 2001)	4775103	4178371	4091595
SWITZERLAND (incl. LI->1994)	5314678	4772344	3528654
THAILAND	3291784	3106868	2293116
VIET-NAM (excl. NORTH -> 1976)	2215085	1691836	1991217
INDIA	2051134	2121995	1868910
ITALY	609980	836586	1287940
PHILIPPINES	1538144	1369592	1015483
OTHERS	6630706:	6175384:	5277543
	43 759 463	**37 951 604**	**36 196 233**

Shows total imports from all countries, of which,

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	11000311	9444921	8559965
INDONESIA (ID+TP from 77,excl. TP -> 2001)	4775103	4178371	4091595
THAILAND	3291784	3106868	2293116
VIET-NAM (excl. NORTH -> 1976)	2215085	1691836	1991217
INDIA	2051134	2121995	1868910
PHILIPPINES	1538144	1369592	1015483
OTHERS	2877272	2682733	2064224
trop countr	**27 748 833**	**24 596 316**	**21 884 510**

Tropical countries and countries usually manufacturing tropical wood products are the major suppliers.
China is leading with 9 million Euro.

44 20 90 10 Wood Marquettry.

Tariff:

4%

Table 2.9.12

EU15_EXTRA	132517	54919	97713
EU25_EXTRA	130226	54919	97713
EU15_INTRA	258172	133047	68811
EU25_INTRA	260463	133047	68811

Imports	EUR		**44209010**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	7866	2100	24839
ITALY	41669	30482	22546
SPAIN	30129	62901	22298
MADAGASCAR	1573	4873	21778
GERMANY (incl DD from 1991)	25247	23625	16818
INDIA	6392	32477	16772
BRAZIL	:	:	10708
OTHERS	277813	31508	30765
	390 689	**187 966**	**166 524**

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	7866	2100	24839
MADAGASCAR	1573	4873	21778
INDIA	6392	32477	16772
BRAZIL	:	:	10708
OTHERS	105323	11235	9706
trop countr	**121 154**	**50 685**	**83 803**

Shows a negligeable amount of import.

44 20 90 91: Cases .. of tropical wood

Tariff : 3%

Table 2.9.13: Cases and boxes of tropical wood

Imports	EUR		**44209091**
	2002	2003	2004
EU15_EXTRA	746697	674012	617760
EU25_EXTRA	720132	671188	612068
EU25_INTRA	401511	399028	587899
EU15_INTRA	374946	396204	582207
ITALY	274076	234992	352192
CHINA (PEOPLE'S REPUBLIC OF)	237218	173926	185015
BELGIUM (and LUXBG -> 1998)	50626	21387	123470
OTHERS	559723	639911	539290
Trop	**3 364 929**	**3 199 039**	**3 599 901**

Shows 3.5 million Euro worth of imports.

44 20 90 99 Cases … - of other wood”

Tariff:
0%

Table 2.9.14 : Caskets-cases for jewellery-cutlery other

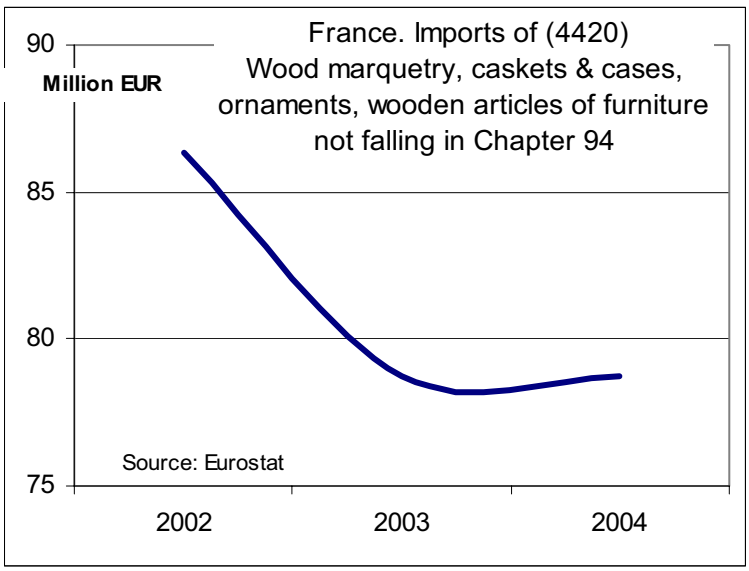
EU15_EXTRA	19845596	19764238	19034624
EU25_INTRA	12234386	11974771	14496608
EU25_EXTRA	15221156	14357126	13844136
EU15_INTRA	7609946	6567659	9306120

Imports	EUR		**44209099**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	7528783	6316601	6334070
POLAND	3820800	4432864	4190274
BELGIUM (and LUXBG -> 1998)	2547427	1991627	2882900
ITALY	1873797	1435419	1615209
SWITZERLAND (incl. LI->1994)	1103751	2106801	1488124
NETHERLANDS	1450571	920997	1393043
GERMANY (incl DD from 1991)	683903	1008027	1314812
ROMANIA	1189891	1219971	1053389
SPAIN	362422	580861	1026133
OTHERS	6894197	6318729	7042790
	27 455 542	**26 331 897**	**28 340 744**

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	7528783	6316601	6334070
THAILAND	866128	571713	936348
INDIA	577609	451352	592767
VIET-NAM (excl. NORTH -> 1976)	706061	420713	332499
TAIWAN	513031	633097	331397
INDONESIA (ID+TP from 77,excl. TP -> 2001)	550491	311233	268615
BRAZIL	17328	264924	209416
PHILIPPINES	284196	217097	168591
OTHERS	636607	540273	438460
trop countr	**11 680 234**	**9 727 003**	**9 612 163**

Shows 28 million Euro worth of imports of which 10 million Euro from tropical countries and countries traditionally producing from tropical timber; China alone represents 6 million out of these 10 million Euro.

Figure 2.9.4



Shows the import of marquettry and boxes the last three years.

Nomenclature 44 21 "Other articles of wood"

44 21 10 Clothes hangers

Tariff

0%

Table 2.9.15

EU15_EXTRA	5998520	3779474	4070953
EU25_EXTRA	5989746	3762122	4027825
EU25_INTRA	2779478	2745922	3311621
EU15_INTRA	2770704	2728570	3268493

Imports	EUR		**442110**
	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	5553706	3426419	3775336
SPAIN	127510	959562	1317442
BELGIUM (and LUXBG -> 1998)	1334763	429023	743497
GERMANY (incl DD from 1991)	544293	713026	724457
ITALY	496555	404551	305964
OTHERS	712397	575463	472750
	8 769 224	**6 506 622**	**7 339 446**

	2002	2003	2004
CHINA (PEOPLE'S REPUBLIC OF)	5553706	3426419	3775336
BRAZIL	:	:	42795
INDIA	13240	33168	16518
PHILIPPINES	4565	1670	7015
THAILAND	:	:	6290
OTHERS	74250	62671	9227
trop countr	**5 645 761**	**3 523 928**	**3 857 181**

Shows total imports of 7.3 million Euro, of which tropical countries and countries traditionally producing tropical wood products represent 3.9 million Euro out of which China alone ships for 3.8 million Euro worth of clothes hangers.
44 21 90 98 Other articles of other wood

Tariff:

0%

Table 2.9.16 : Other articles of wood

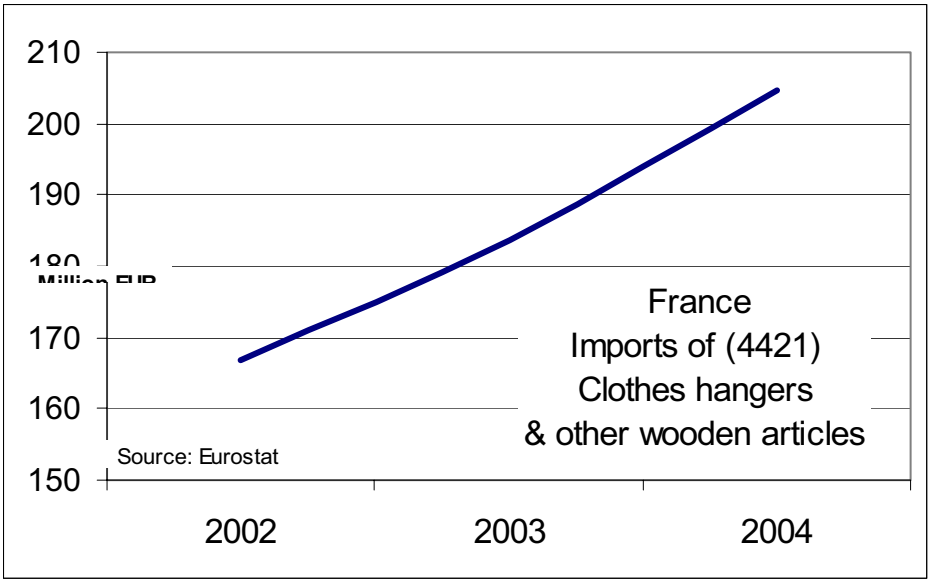
EU25_INTRA	1,14E+08	1,32E+08	1,43E+08
EU15_INTRA	74250437	91751717	1,02E+08
EU15_EXTRA	83835754	85386166	95445856
EU25_EXTRA	44396125	45359644	54643142

Imports	EUR		**44219098**
	2002	2003	2004
POLAND	29945170	29884475	29700658
BELGIUM (and LUXBG -> 1998)	15963648	23358291	27495741
CHINA (PEOPLE'S REPUBLIC OF)	16135418	16105243	18779063
GERMANY (incl DD from 1991)	11230298	19313050	18585830
ITALY	13985601	15867903	16620758
NETHERLANDS	13468529	13047372	12408951
ROMANIA	7135032	8364296	10371460
SPAIN	6636541	6778224	8373785
PORTUGAL	6347047	4958979	7152356
CZECH REPUBLIC (CS->1992)	2902034	2838233	5037078
UNITED KINGDOM	2009121	2405109	2887207
FINLAND	1367919	2339075	2798605
BELARUS (BELORUSSIA)	1596521	1715106	2707313
INDONESIA (ID+TP from 77,excl. TP -> 2001)	2116355	1819093	2636170
UNITED STATES	4502037	3053965	2595565
RUSSIAN FEDERATION (RUSSIA)	2132446	2771780	2595183
VIET-NAM (excl. NORTH -> 1976)	2455647	1783406	2334515
BRAZIL	419081	1143445	1989948
OTHERS	17737746	19590838	22234211
	158 086 191	**177 137 883**	**197 304 397**

CHINA (PEOPLE'S REPUBLIC OF)	16135418	16105243	18779063
INDONESIA (ID+TP from 77,excl. TP -> 2001)	2116355	1819093	2636170
VIET-NAM (excl. NORTH -> 1976)	2455647	1783406	2334515
BRAZIL	419081	1143445	1989948
ECUADOR	6358	:	899023
TAIWAN	399772	405880	677673
CAMEROON	210124	572746	655584
CONGO	106303	450094	646303
COTE D'IVOIRE	2570674	1395547	494105
THAILAND	168180	365458	398700
PHILIPPINES	423948	205210	254125
INDIA	172741	264306	239008
MALAYSIA	260574	277852	223301
OTHERS	1062518	1243236	1509097
trop countr	**26 507 693**	**26 031 516**	**31 736 615**

Shows 200 million Euro worth of imports of which 32 million Euro from tropical countries and countries traditionally producing tropical timber products. China leads with 19 million Euro worth of exports.

Figure 2.9.5



Shows the strong increase in imports over the last three years of "Other articles made from wood ".

Most of the products in this mixed group of articles do not attract the attention of environmental NGO's, and there is generally no pressure for certification – at this time.

Artisanally crafted "Other SPWP"as well as industrially and semi-industrially produced products represent an interesting export potential for some ITTO producers. A number of the products included in this group are labour-intensive, require artisan skills, and offer value-adding opportunities.

PART III

3.1 Summary of Recommendations to ITTO Producers: Challenges and Opportunities for tropical timber products in the French timber market

Recommendations to ITTO Producers:

- Participate in the work to promote simpler and clearer nomenclature. This will assist with respect to creating better access to the plywood market, amongst others
- Respect the standards, e.g. EC Markings
- Give maximum attention to all issues linked to environment, not least certification
- France offers many opportunities for finished and semi-finished products. Wood based furniture at this time represents the biggest item of import of all tropical woods, in value terms.

Popular species

Take full advantage of the inherent characteristics of the popular, primary species.
Each one of the popular, primary species of tropical timber that has its place in the French timber market owes its popularity to the inherent characteristics of that species, the technical characteristics as well as its aesthetical appeal.

Some examples:

Teak, Niangon, Merbau, Doussié, Dark Red Meranti, Palapi, cannot be equalled for stability, durability, workability, and appearance, for exterior joinery.
Ipé and Selangan Batu are very suitable for outdoor decking products.
Iroko is unequalled for a number of outdoor and indoor applications due to its durability, workability, and relative stability in big dimensions, and it is much appreciated for its aesthetic qualities.
The samba, wawa, ayous species are ideal for indoor applications such as mouldings, doors, sauna laths, due to their stability, light colour, workability.
Okoume is the world's preferred plywood species.
The list is very long.

Recommendation:

« Employ each species for the purposes/final products for which it is best suited and most appreciated. Listen to the market, and deliver

- *quality products*
- *which satisfy the client's real needs*
- *and obtain your price »*

This is true for all products: Industrial Roundwood, Sawnwood, Veneer, Plywood, Joinery, Mouldings, Parquet, Decking, Furniture, and other Processed Wood Products.

Lesser-known species

In most cases "lesser-known species" are less popular, or « secondary » for a number of technical and/or aesthetic reasons which can be related to difficulties of workability, drying, stability, finishing, durability, appearance, etc.

When these species are sold on the world market either without any transformation as industrial roundwood, or in the form of primary processed raw material, sawnwood or veneer, they fetch low delivered prices. These timbers will compete against a host of other species of tropical and temperate hard- and softwoods, as well as against other building/decorative materials.

With rising energy cost, the element of transportation cost (the single largest element of cost in the total cost price of most wood products) will absorb most of the value. The producer will be left with a very low contribution ex-logyard or ex-mill for such "secondary" species sold as industrial roundwood, veneer, or green/airdried sawnwood.

It is more profitable for tropical timber producers to transform these « secondary » species into finished/semi-finished wood products, such as plywood, furniture, joinery, mouldings, decking, and other secondary processed wood products.

Examples abound of species which were previously considered « lesser-known » or « secondary » which have become popular, fetching attractive prices to the producer, thanks to the producer having solved the most important technical problems. Some examples:

Philippine Dark Red Lauan
Brazilian Tauari
African Ayous, wawa, Samba

once **kiln-dried**, these species satisfy the client's real needs, and have become primary, popular sawnwoods, and valued secondary processed wood products, each in its field of service.

A host of « secondary » or « lesser-known » species that were previously left in the forest, without any demand for them, are now being utililized for making such products as **plywood** and **furniture**.

Seen with the user's eyes, provided the sheet of plywood and the piece of furniture are serviceable and satisfy the intended use, then the species from which these products are made, is not important.

The same is true of **mouldings,** for certain end-uses, as well as for a number of the products in the group of **"Other Secondary processed wood products".**

Some "lesser-known" or "secondary" species, are not known because the volume available is insufficient to arrange economic production runs, and insufficient to make an impact on the market.

These species often pose a problem for the producer/manufacturer in the country of origin, with respect to downstream manufacturing. The volume available of fresh logs is insufficient to make a production run in the sawmill, it is difficult to ensure proper kilndrying, and there is insufficient volume to make a production run in the moulding factory.

If a producer does manage to make a small production of such timber, he cannot guarantee his client/s a regular supply of a certain volume, due to its very modest presence in the forest.
The producer is thus tempted to either leave the tree standing in the forest, or to sell the log in log form, at whatever price he can obtain.
Sold as industrial roundwood, the producer is rarely able to obtain a satisfactory price for these species.

A number of these species can profitably be made into plywood, furniture, and other SPWP. Provided that the ITTO producer manufactures these species into finished products which satisfy the client's

technical and aesthetic requirements, the client is not concerned about the species used, nor if the species are mixed.

When a "lesser-known species" enjoys technical and/or aesthetic characteristics which are attractive to the market, but that species is available in insufficient quantities to each producer, the authors recommend to the producers in the same region to work together and exchange these rare species so that each producer gets enough raw material to be able to make economic production runs.

France: the world's most species flexible wood market.

Amongst the traditional timber importing countries, France is the most species flexible wood market. France has in less than one generation changed its primary joinery species 6 times, from African Sipo, to Philippine Lauan, to Malaysian and Indonesian Dark Red Meranti, to Malaysian White Seraya, to Brazilian Curupixa, and now Brazilian Tauari.
For other end-uses, mouldings, parquet, plywood, furniture, species and products have changed as well.
The French market is open to « new » species and products – on certain conditions, amongst which the most important are:

- regularity of delivered volume of supply
- quality of product, specification, and appearance
- competitive price relative to equivalent supply

Tropical Timber Producers seeking further information and recommendations about opportunities in the French timber market may contact ITTO who can refer to sources of information in France.

Specific recommendations for each product group:

Industrial Roundwood:
The ITTO producer who has an integrated operation of logging and downstream manufacturing will in most cases be faced with having to make choices about which species to convert into primary export products and which to convert into secondary processed wood products. From those countries where industrial roundwood can be exported, essentially the Congo basin countries, which species should be exported in the form of industrial roundwood?

The popular species Sipo and Iroko, as well as to some extent, Bosse, Frake, Ayous and a few others, are being employed by the artisans who make to order any joinery product which their client needs: a front door one day, a kitchen cabinet another, an outdoor table can be next. The artisan needs durable and stable timber that is easy to work. Long lengths and wide widths of timber are essential criteria of quality, in this respect.

It can be argued that, when a species is employed for such artisanal end-use, i.e. for one-off products, the industrial roundwood represents a number of advantages for the client, compared with primary processed timber.

Azobe used essentially for hydraulic timbers, is a good example of an end-use of non-standard dimensions/products, for which the client gets more out of a full log than out of sawn timber.

France, for instance, exports some of its highest quality Oak logs to other countries, because the clients in these countries get most out of having the full log to work with. This is the case for example, in China.

Sawnwood
ITTO producers find a ready market for tropical sawnwood in France, both shipping/air-dried and Kiln-dried. Apart from the above-stated cases of artisanal end-use, i.e. one-off products best made

from the log or the full product of the log (such as boules), sawnwood is the preferred product for the industrial manufacturer of SPWP. Most joinery, mouldings, parquet and other SPWP manufacturers employ sawnwood as their raw material.

In which cases will it be advantageous for the ITTO producer to supply sawnwood, and in which cases will it be more rewarding to supply dimension stock or SPWP, to his French clients?

One of the advantages of sawnwood in standard dimensions, of traditional export quality, is that the product addresses itself to a wide range of clients, usually many clients in the same country, and often in many different countries.

On the other hand, once the sawnwood is converted into a fixed dimension stock specification, the range of possible clients is more limited. An example: The wood window industry in France has lost market share from 80% to now 17%, more than 2 out of 3 wood window manufacturers have gone bankrupt over the last generation.

The ITTO manufacturer producing a fixed dimension window stock specifically for one client only is thus facing a high-risk market exposure.
The wood window market share is still declining in France, and there have been bankruptcies amongst French wood window manufacturers also in 2005. Exterior doors are also losing market share to PVC.

The major market segments in which tropical wood products enjoy steady or growth markets are

- staircases
- mouldings
- certain interior doors
- parquet
- decking

It is thus considered advisable for ITTO producers to concentrate supply of fixed dimension specification of sawnwood as well as dimension stock to these latter major market segments, naturally making a careful selection of their clients. If a market is considered doubtful, it is advisable to produce standard dimension, traditional export quality sawnwood. In case a problem arises, that sawnwood can be directed towards other clients.

Veneer – rotary peeled and Plywood.
This is one of the most suitable outlets for most light and medium density species, popular as well as "secondary". The authors recommend:
- Respect the European product norms, the CE label.
- Produce the specifications and qualities that the market requires.
- Remember: the standard plywood size in France is 153x305cm

Veneer – sliced
The European slicing industry is moving its factories to the producing countries.
ITTO producers in areas with suitable raw material of popular slicing species may consider manufacturing this product.

Furniture
France – like most other countries – is importing fast increasing quantities of furniture from tropical suppliers including China. Tropical countries including China now supply France with 500 million Euro worth of furniture annually, up from 350 million three years ago. These 500 million Euro worth of tropical furniture imports still represent only 13% of all imported furniture.

Furniture factories are closing in France, as they are in the rest of Europe and USA, the market share being taken by lower-cost producers, including ITTO Producers.
The potential for ITTO producers is exciting, see chapter 2.5 Furniture for details.

Apart from the lower-end of the market where furniture is sold on price, there is more rewarding specialty furniture market where quality, design and marketing play an important role.

Builders Joinery
Offers opportunities to ITTO producers in those regions where there is suitable joinery raw material, in terms of species, dimension and quality

Finished products and dimension stock is in demand, in selected species, for

- window frames (see above – make careful client selection)
- exterior doors, same comment as for window frames
- staircases – steady market for tropical timber
- shutters – market still in decline in terms of global volume, however, quality supply is scarce
- interior doors – steady market
- decking – strong demand.

Joinery products, like all other products that enter into construction in France, carry a ten-year guarantee. Quality of raw material and process is essential.

Mouldings
French moulding manufacturers and distributors are complaining about insufficient supply of competitive, suitable tropical timber mouldings, dimension stock, and sawnwood for mouldings.
The traditional moulding species (see chapter 2.7. Mouldings) enjoy good demand. Certain "Secondary" species can possibly be developed into moulding products. One of the essential characteristics of a good moulding timber is its stability.

Parquet
The market for parquet is in steady growth. The tropical hardwood parquet market share is growing, both for solid parquet and for multilayer. Demand is strong for parquet in the popular species (see chapter 2.8 Parquet). There is a potential for developing certain "secondary" species into parquet. The authors recommend careful species testing before commencing production. Launching of a new species of parquet on the French market costs 70,000 Euro – or more.

Whilst demand is good, competition is very keen, as many producers from around the world are competing for market share. Quality is the prerequisite for success. Manufacturers of multilayer parquet for clip-installation are now working in tolerances of $1/100^{th}$ of 1mm.

Other articles of wood
A number of both industrially manufactured, semi-industrial, and artisan's products offer interesting potential for ITTO producers. Total imports of this group of products have enjoyed strong growth over the last few years, and now represent a market approaching 500 million Euro annually. (See Chapter 2.9. Other Articles of wood). The following products/product groups offer ITTO producers scope for increased market share

- Wooden frames for paintings etc.
- Tools, tool bodies, tool handles, broom and brush handles, boot and shoe lasts
- Tableware and kitchenware
- Wood marquettry, cases, boxes for jewellery, cutlery etc., statuettes and ornaments
- Clothes hangers and "other articles". This latter, "other artilces", undefined group represents 200 million Euro imports a year. China ships 19 million Euro worth a year – other ITTO producers might learn from their Chinese colleagues about this market.

APPENDICES

Appendix I

Acronyms and Abbreviations

ATIBT	International Technical Tropical Timber Association
Boule	Sandwich-cut log (French: plot)
CFP	Certified Forest Product
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CN	Combined Nomenclature
DIY	Do-it-Yourself
EC	European Commission
ECE	Economic Commission for Europe
EEC	European Economic Community
EOS	European Organization of the Sawmill Industry
EPF	European Panel Federation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FEFPEB	European Federation of Pallet and Packaging Manufacturers
FEIC	Fédération Européenne de l'industrie du Contreplaqué
FEMIB	European building and joinery federation
FEP	European Federation of the Parquet Industry
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
ha	Hectare
INSEE	Institut National de la Statistique et des Etudes Economiques
ISO	International Organisation for Standardization
ITTO	International Tropical Timber Organization
KD	Kiln-dried
LCB	Le Commerce du Bois
OECD	Organization for Economic Co-operation and Development
PEFC	Programme for the Endorsement of Forest Certification Schemes
RWE	Round Wood Equivalent
S4S	Surfaced 4 Sides
SFM	Sustainable Forest Management
TARIC	Integrated Tariff of the European Communities
TC	UNECE Timber Committee
UCBD	Union pour le Commerce des Bois Durs
UCIP	Union pour le Commerce des Panneaux en Bois
UIB	Union des Industries du Bois
UK	United Kingdom
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
UNIFA	Union Nationale des Industries Françaises de l'Ameublement
WTO	World Trade Organization
WWF	Worldwide Fund for Nature

Appendix II

Reports and documentation consulted

AGRESTE

- La forêt et les industrie du bois, 2000
- Le bois en chiffres, MINEFI, 2004
- GraphAgri 2005
- Recolte de bois et production de sciages en 2003, Agreste Chiffres et Données, Agroalimentaire, No. 132, June 2005

CEI Bois

- EU Road Map http://www.cei-bois.org/frameset.html
- Memorandum of the woodworking industries to the European institutions, Brussels, 2004

CIRAD

- Le point sur la place des bois tropicaux dans le monde, Roda J-M Bois et forêts des tropiques, 2002, N° 274
- Nouvelles perspectives pour les filières forestières tropicales
- Etude de différents scénarios d'introduction d'une écoconditionalité dans les achats publics de bois tropicaux Roda J-M , 2004

CTBA

- Annual progress statement on standardization January 2005

DESCLOS

- Value Added Wood Products Trade UN / ECE Timber Committee 61st Session Geneva 2003 http://www.unece.org/trade/timber/docs/tc-sessions/tc-61/presentations/21-desclos.pdf
- Discussion paper on secondary processed wood products markets UN / ECE Timber Committee 61st Session Rome 2000 http://www.unece.org/trade/timber/docs/dp/dp-21-spwp.pdf
- Secondary Processed Wood products Markets UN / ECE Timber Committee 61st Session Rome 2000 http://www.unece.org/trade/timber/docs/rev-00/rev00.htm

EPF

- EPF Annual report 2004-2005

EUROPEAN UNION

- FLEGT - Note d'information , Brussels, 2004

FAO

- Markets for high-value tropical hardwoods in Europe, 2001

FEIC

- Annual report, 2004-2005

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- Annual report, 2004-2005

FNB

- Le marché du bois en France situation actuelle et perspectives a court terme, UNECE Meeting, September 2005

IPEA

- Meubloscope 2005

ISEMAR (Institut Supérieur d'Economie Maritime)

- Les ports français et les produits forestiers, 2005

ITTO

- Annual review and assessment of the world timber situation 2004
- Review of the Italian Timber Market – With Focus on Tropical Timber 2005
- ITTO Tropical market report

LCB

- Special bilan importations, Commerce international du bois, n°242, 2005
- Étude « distribution sciages en France » Yves Costrel, FNB Eric Boilley, LCB, 2004, Carrefour du Bois
- Etude de marché sur les terrasses bois en France, LCB AGM 17/6/2005, Commerce International du Bois

MINEFI

- Le bois en chiffres SESSI, Edition 2004 http://www.industrie.gouv.fr/sessi/
- Bois Papier SESSI, June 2005 http://www.industrie.gouv.fr/sessi/

UNECE

- European Forest Sector Outlook Study, United Nations, Geneva, 2005
- Forest products annual market review 2004-2005, United Nations, Geneva, 2005
- European Timber Markets: Developments and Challenges in 2004, Pepke, ITTO Market Discussions, 2004, Interlaken
- Trade of secondary processed wood and paper products 200-2003, 2004
- Forest products trade flow data, 200-2003, 2004

UNIBAL

- Etude sectorielle bois et dérivés 2002

Appendix III

Organizations, companies and persons interviewed.

1. Visits

A. Timber and Plywood Importers/Distributors.

1. Bois des 3 Ports, Wolseley Group, Nantes:
   Mr. Pascal Quetel, Director
2. Bois Nord Sud, Sète (F.J. Jammes Group):
   Mr. Jean-François Vial, Commercial Manager
3. Bois Tropicaux du Midi, Sète :
   Mr. Alain Baudrand, Owner-Partner
4. CIBM – Groupe Saint Gobain
   Mr. Guy Rossonne, Point P, Paris, Procurement Director
   M. Patrice Graff, Commercial Director, La Pallice/La Rochelle
   M. Falconnet, Procurement Manager for Tropical Timber.
5. CID, Nantes
   Mr. Dominik Mohr, C.E.O.
6. FEPCO, Nantes
   Mr. Alain Cochet, Manager.
7. Ets. Henry, Saint Hilary:
   Mr. Luc Henry, Owner-Manager
   Mr. Bruno Sirand, Director
8. Indubois S.A. Sète (DLH – Nordisk Group):
   Mr. Soren Strand Larsen, Managing Director,
   Mr. Hervé Le Coz, Commercial Manager,
   Mr. Laurent Peyraud, Procurement Manager.
9. Indubois – DLH-Nordisk Group, Nantes:
   Mr Michel Braud, Manager Nantes.
10. F.J. Jammes, Bordeaux
    Mr. Francis Jammes, Owner
    Mr. Thierry Meha, Manager.
11. Scierie de l'Atlantique, La Pallice/La Rochelle - Groupe Provost:
    M. Héritier, Managing Director
12. SINBPLA, Nantes
    Mr. Pascal Albert, Plywood Manager.
13. Tradelink, Nantes:
    Mr. Jorgen Hartz, Manager

B. Custom-cutting sawmills, cutting boules from Tropical Roundwood:
Scierie du Port:: Mr. Bonnefond, Owner-Manager.

C. Producer/Exporters of Tropical Timber
Tropical Timber France – Tropical Timber: Group, La Pallice/La Rochelle:
Mr. Christophe Mollard

D. Producer/exporter/Distributor – Nordic Softwood:
Stora Enso Bois, La Pallice/La Rochelle:
Mr. Jukka Herrala, Purchasing Manager
Mr. Bernard Guillemain, Sales Manager

E. Producer/Sawmiller, French Hardwoods, Importer/Distributor:

- Ets. Roturier, Fontenay-le-Compte:
  M. Jacques Roturier, Owner-Manager.
- Ets. Robert, Ardentes:
  M. Robert, Owner-Manager

F. Stevedores/warehousing/Transit Agents

Sea-Invest, Nantes:
Mr. Jean-Jacques Faure, Manager
CGMS
Mr. Dominique Charles

G. Joinery Manufacturer

Ets. Millet, Mauleon:
Mr. Bruno Guedon, Buyer.

H. Joinery Manufacturer, Retailer

Ets. Lapeyre – Saint Gobain Group:
Mr. Jean-Pierre Chèvreton, Procurement Director.

I. Parquet Manufacturer

- Ets. Parquetterie Berrichone:
  Mr. Eric Mantion, Commercial Manager
- Parquet Design:
  Mr. Joseph Panaget, C.E.O

J. Furniture Manufacturer

Groupe Forèges:
Mr. Jean-Yves Martin, CEO

K. Importer, Distributor, Retailer Tropical Wood Furniture, Decking etc.

Fratim, Marne-la-Vallée: Agent, Importer, Tropical sawnwood
Mr. Francis Lammens , Owner-Manager

L. French Trade Federations

- Le Commerce du Bois:
  Mr. Eric Boilley, Director
  Mr. Alain Cochet, Plywood committee
- ATIBT:
  Mr. Jean-Jacques Landrot, Secretary-General
  Mr. Paul-Emanuel Huet
  Mlle Christina Connolly

M. French Industry Associations / Federations

- FNB : Mr. Costrel, Director
- UFC: Mr. Chevaldonnet
- UFPP: Mr. Dominique Coutrot
- UFFEP
  Mr. Louis Borg, Président
  Mr. Dominique Millereux, General Secretary
- UNIFA and IPEA

N. Foreign Trade Federations

- UK – Timber Trade Federation
  Mr. Andy Roby

- The Danish Timber Trade Federation
  Mr. Morten Bjoerner
  Mr. Jakob Klaumann
- The Italian Timber Trade Federation Fedecomlegno
  Mr. Michele Alfano, President

O. Forestry, Sawmilling, Veneer and Plywood Manufacturers in Africa, Importers & Distributors in France :
Rougier Group:
Mr. Francis Rougier, President.
M. Marret, Commercial Manager.

P. Tropical producer / traders:
Precious woods:
Mr. Finn Knudsen, Sales Manager

Q. Ministry of Agriculture
- Paris
  Mr. Alain Chaudron, International Forestry
  Mme Caroline Merle
  Mme Véronique Joucla
- Toulouse
  Research – Statistics,
  Mr. Michel Morel

R. Research:
- CIRAD, Montpellier:
  Mr. Henri-Felix Maître
  Mr. Jean-Marc Roda,
  Dr. Santosh Rathi
  Dr. Jean Gérard
- CTBA, Paris:
  Documentation Center
  Mr. Claude Monnier, Parquet

S. University
ESB, Nantes
Mr. Claude Lefebvre, Président
Mr. Xavier Martin, Director

T. Forest Certification,
- PEFC, France, Paris:
  Sandra Zakine, Director's Assistant.
- Foret Ressources Management, Montpellier:
  Dr. Bernard Cassagne

U. Chamber of Commerce
Chambre de commerce et d'Industrie de Sète-Frontignant-Mèze:
Mr. Henri Cournon, Sète Port Authority

V. Customs – Statistics

- French Direction National Statistics , Toulouse
  M. Moulucou
  M. Jean-Louis Thouy
- European Statistics
  UCBD, UCIP, Bruxelles:
  M. Daelmans

W. Consultants, Africa

Stratégie Bois
M. Richard Garrigue

2 Telephone Interviews:

A. French Industry Associations / Federations

- SNFMI:
  Mr. Alain Tirot
- UNIBAL:
  Mr.Yves Rambaud
  Mr Remy Dassant

B. Laboratory, Labelling Authority:

CTBA, Bordeaux
Mr. Patrice Rancœur
Mr. Jean-Marie Gaillard

C. International Organizations

- European Union, Forestry, Brussels:
  Mr. John Bazill
- UNECE, Geneva,
  Dr.Edouard Pepke
  Mr. Alec Mc Kusker
- World Resources Institute, Washington D.C.:
  Mr. Pierre Méthot

D. Joinery Manufacturers

- Arbati (Doors, Windows) – Bruno Petit Group, 09 Ardennes
  Mr. Regnault, Managing Director
- Ets. Roziere,(Interior Doors) 12 Aveyron:
  Mr. Thurlat, Procurement
- Ets. Keller (Interior Doors), Florence:
  M. Santet, Managing Director
- France Portes (Interior Doors and Shutters):
  Mr. Froment, Owner-Manager
- Ets. Pasquet Menuiserie (Doors, Windows) International Trading Groups:
  Mr. Pasquet, President
- Mobois – Jura, Dowel Manufacturer
  Mr. Morel, Owner/Manager
- Ets. Fonmarty, Groupe Premdor: Door Manufacturer:
  M. Richard Fonmarty, Managing Director
- Ets. Sotrinbois, Moulding Manufacturer:
  M. Augry, Managing Director
- Ets. Moulu-Décor, Moulding Manufacturer:
  Mr. Michel Augeix, Managing Director

E. Plywood and Veneers Manufacturers

- Joubert
  Mr. Grosdisier
- Smurfitt Rolpin:
  Mr. Marc Vincent
- Essa Bois:
  Mr. Chalayer

F. Timber Importer / Distributor

CIBM – Point P, Chambéry:
M. Paressant, Director – Joinery.

G. Foreign Timber Companies

- DLH/Nordisk Copenhagen:
  Poul Leineweber, Asst. Division Mgr.
  Mr. Kim Axelsen, Softwood Manager
  Erik Albrechtsen, Environement Consultant
- Woodscape – International Plywood Trading Co, Belgium.:
  Mr. Peter Timm, Managing Director

H. Foreign Consulting Company

Canada Wood UK
Mr. John Park

Appendix IV

Fig. 1.18 - 1973

IMPORTS OF TROPICAL INDUSTRIAL ROUNDWOOD AND SAWNWOOD
INTO 7 EUROPEAN COUNTRIES
1973

	INDUSTRIAL ROUNDWOOD 1000^3				SAWNWOOD 1000M3						Grand Total I.R. Sawnwood + R.E.
	AFRICA	ASIA	SOUTH AMERICA	TOTAL	AFRICA	ASIA	SOUTH AMERICA	DIVERS	TOTAL	TOTAL M^3 RE*	GRAND TOTAL
Germany	1366	133	7	1506	90	309	13	33	444	799	2305
Netherlands	326	30	14	370	48	319	9		375	674	1044
Belgium	185	15	7	225	15	145	2	10	172	309	534
United Kingdom	365	8	6	386	244	464	39	24	770	1385	1771
Total 4 North European countries	**2242**	**186**	**34**	**2487**	**397**	**1237**	**63**	**67**	**1761**	**3167**	**5654**
France	2012	479	10	2523	73	290	6	8	376	676	3199
Spain	632	45	452	1130	20	16	9		45	81	1211
Italy	1506	392	26	1924	28	184	10		222	399	2323
Total 3 South European countries	**4150**	**916**	**488**	**5577**	**121**	**490**	**25**	**8**	**643**	**1156**	**6733**
Total 7 countries	**6392**	**1102**	**522**	**8064**	**518**	**1727**	**88**	**75**	**2404**	**4323**	**12387**

* R E =roundwood equivalent

UCBT/ UNION POUR LE COMMERCE DES BOIS TROPICAUX DE LA CEE

Conversion factors used in the comparison tables:

1 m3 of Roundwood =

0.555 m3 of sawnwood
0.525 m3 of veneers
0.435 m3 of plywood

Fig. 1.18 - 2003

IMPORTS OF TROPICAL INDUSTRIAL ROUNDWOOD AND SAWNWOOD
INTO 7 EUROPEAN COUNTRIES
2003

INDUSTRIAL ROUNDWOOD 1000 M^3	SAWNWOOD 1000 M^3	Grand Total I.R. + Sawnwood 1000m3 RE

	AFRICA	ASIA	SOUTH AMERICA	TOTAL	AFRICA	ASIA	SOUTH AMERICA	DIVERS	TOTAL	TOTAL RE*	GRAND TOTAL
Germany	126	9	1	136	64	55	3		122	220	356
Netherlands	23	1	5	29	67	212	86		365	656	685
Belgium	13	0	0	13	71	86	39		196	353	368
United Kingdom	7	3	0	10	73	60	23		156	281	291
Total 4 North European countries	**169**	**13**	**6**	**188**	**275**	**413**	**151**		**839**	**1510**	**1700**
France	530	2		532	159	49	143		351	631	1163
Spain	123	1		124	310	3	137		450	809	933
Italy	244	4	0	248	343	69	43		455	818	1066
Total 3 South European countries	**897**	**7**		**904**	**812**	**121**	**323**		**1256**	**2258**	**3162**
Total 7 countries	**1066**	**20**		**1092**	**1087**	**534**	**474**		**2095**	**3768**	**4862**

R E =roundwood equivalent

UCIP/UNION POUR LE COMMERCE DES PANNEAUX EN BOIS

UCBD/UNION POUR LE COMMERCE DES BOIS DURS DANS L'U E

Fig. 1.18 - Comparaison 1973/2003

COMPARAISON OF IMPORTS OF TROPICAL INDUSTRIAL ROUNDWOOD AND SAWNWOOD

	1973 roundwood 1000 m^3	1973 sawnwood 1000 $m^{3\ RE}$	Total 1973 1000 m^3 RE*	2003 roundwood 1000M^3	2003 sawnwood 1000 $m^{3\ RE}$	Total 2003 1000 m^3 RE*		2003 in % 1973 RE*
Germany	1506	799	2305	136	220	356		15%
Netherlands	370	674	1044	29	656	685		66%
Belgium	225	309	534	13	353	368		69%
United Kingdom	386	1385	1771	10	281	291		16%
Total 4 north european countries	**2487**	**3167**	**5654**	**188**	**1510**	**1700**		**30%**
France	2523	676	3199	532	631	1163		36%
Spain	1130	81	1211	124	809	933		77%
Italy	1924	399	2323	248	818	1056		46%
Total 3 south european countries	**5577**	**1156**	**6733**	**904**	**2258**	**3162**		**47%**
Grand total 7 european countries	**8064**	**4323**	**12387**	**1092**	**3768**	**4862**		**39%**

*RE = roundwood equivalent
Source : U.C.B.D.