CBI MARKET SURVEY

THE TIMBER AND TIMBER PRODUCTS MARKET IN FRANCE

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Report summary
This CBI market survey discusses the following highlights for the timber and timber products market in France:

- France accounts for 11% of EU15[1] consumption and for 28% of EU15 tropical timber consumption. France's industrial demand for round wood, sawn wood, veneer and plywood altogether decreased on average by 2% annually between 2001 and 2005, totalling 44 million m^3 in 2005.
- France is committed to the Programme for Endorsement of Forest Certification Schemes (PEFCS). Consequently Forest Stewardship Council (FSC) certified timber is hardly known among French consumers and the market share of FSC products is very small.
- France is one of the larger producers of timber and timber products in the EU and accounts for around 10% of EU25 production for the various timber products.
- France is the fourth largest importer of timber and timber products in the EU, accounting for 9% of EU25 imports. Imports increased on average by 4% annually between 2001 and 2005, totalling € 2.5 billion in the latter year.
- Developing countries account for 23% of French imports, which is higher than the EU average of 19%. Imports from developing countries remained stable in the period reviewed.

This survey provides exporters of timber and timber products with sector-specific market information related to gaining access to France. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The timber and timber products market in the EU', which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1 Market description: industrial demand and production

It should be noted that detailed statistical data on the certified timber market are scarce and that reliable figures are hard to obtain. Please be aware that the data discussed throughout the report do not differentiate between FSC-certified and non-certified timber. However, when information is available on certified timber and timber products, this is specifically mentioned.

Consumption data are derived from the International Tropical Timber Organization (ITTO), based on their most recent Annual Timber Review (2005). Note that ITTO's data are a derivative from its members, and therefore do not capture total French consumption of tropical timber. Nevertheless, its 59 members represent about 80% of the world's tropical forests and 90% of the global tropical timber trade, therefore almost resembling total French demand for tropical timber. ITTO's producing members[2] are equivalent to developing countries and ITTO's

[1] EU15 refers to the 15 countries in the European Union before the expansion on 1 May 2004 [1] EU25 refers to the composition of the EU as it was until January 2007 (without Bulgaria and Romania).

[2] ITTO producing countries are: Cameroon, Central African Republic, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Ghana, Liberia, Nigeria, Togo in Africa; Cambodia, Fiji, India, Indonesia, Malaysia, Myanmar, Papua New Guinea, Philippines, Thailand, Vanuatu in Asia & Pacific; Bolivia, Brazil, Colombia, Ecuador, Guatemala, Guyana, Honduras, Mexico, Panama, Peru, Suriname, Trinidad and Tobago, Venezuela in Latin America.

consuming members[3] embrace the Western economies. Production data is mainly derived from Foresstat, the Forest Division of Faostat.

Industrial demand

France is among the largest consumers of timber and timber products in the EU. In 2005, France accounted for 11% of EU15 consumption. France is a particularly large consumer of sawn wood, representing 14% of EU15 sawn wood consumption in 2005. France's industrial demand for round wood, sawn wood, veneer and plywood altogether decreased on average by 2% annually between 2001 and 2005, totalling 44 million m^3 in 2005. This is in contrast to EU15 market developments, where timber consumption of the four product groups increased on average by 3% between 2001 and 2005.

Table 1.1 French industrial demand for all timber, 2001-2005, 1,000 m^3

	2001	2003	2005	Annual change
Round wood	34,348	28,679	30,365	-3%
Sawn wood	12,529	11,679	12,359	0%
Veneer	183	166	170	-2%
Plywood	666	591	690	1%
Total	**47,726**	**41,115**	**43,584**	**-2%**

Source: ITTO, Timber annual review (2005)

Tropical timber consumption

A large part of France's consumption in Table 1.1 consists of non-tropical species and is covered by EU/French production. It is interesting for developing country suppliers to know what part of timber consumption consists of tropical timber as these species need to be imported.

France is a large consumer of tropical timber, totalling 1.5 million m^3 in 2005. France accounted for approximately 28% of EU15 tropical timber consumption in 2005. The country is a particularly large consumer of tropical round wood, accounting for approximately 41% of EU15 consumption. However, as was experienced in virtually every EU country in the period reviewed, consumption of tropical round wood decreased. In France this decrease averaged 7% annually. French consumption of tropical veneer decreased considerably during the five year period, on average by 47% annually.

In 2004, the share of tropical timber imports in total French imports was 24% for round wood, 11% for sawn wood, 62% for veneer and 25% for plywood. Compared to other EU countries, France relies strongly on tropical timber imports, in particular for its supplies of round wood and veneer.

Table 1.2 French industrial demand for tropical timber, 2001-2005, 1,000 m^3

	2001	2003	2005	Annual change
Round wood	707	551	525	-7%
Sawn wood	575	517	653	3%
Veneer	18	55	85	47%
Plywood	298	255	261	-3%
Total	**1,598**	**1,378**	**1,524**	**-1%**

Source: ITTO, Timber annual review (2005)

[3] ITTO consuming countries are: Australia, Canada, China, Egypt, the EU15, Japan, Nepal, New Zealand, Norway, Republic of Korea, Switzerland and the USA.

Certification
France is committed to the Programme for Endorsement of Forest Certification Schemes (PEFCS). Consequently, FSC certification is hardly known among the wood-based industries and French consumers. The market share of FSC products is therefore negligible.

Market segmentation
Comparable to most European countries, the construction sector is the most important market segment for timber and timber products and accounts for the lion share of timber consumed in France. Exact percentages are not known.

The DIY market segment is of less importance, although its market share in sales of timber and timber products is steadily increasing. The French DIY market is, after Germany and the UK, the most developed in the EU. DIY sales increased on average by 3% annually over the last couple of years. According to Euromonitor, the French show increased interest in DIY products, because of the implementation of the 35 hour working week, which gives the average Frenchman more leisure time. However, the primary driver of the market remains consumer willingness to save money on home improvement by carrying it out themselves, rather than contracting a professional. For more information on market segmentation, please refer to the EU market survey.

Trends
Although not visible in consumption data, French industry sources commented that consumer demand for wood is increasing, because of a large marketing campaign on the use of wood for architectural purposes. Especially the demand for sustainably produced wood has grown the past few years in France. Nevertheless, the market share of FSC timber products is still very small. Industry sources confirm that many French do not understand the need for FSC certification, as their domestic forests are sustainably managed.

Production
The European Commission on Forest-Based Industries (F-BI) recognises the following sectors of forest-based industries: forestry, woodworking, pulp and paper manufacturing and related activities (paper and board converting, printing).

Forestry
Forests are at the beginning of the value chain in the production process. Therefore, sustainable forest management is necessary to provide industries with the resources needed. France has one of the largest forest areas in the EU. 16 million hectares of forests cover about 29% of total French territory. Therefore, the French paper-pulp and cardboard industry is among the largest in the EU as pulp, derived from coniferous softwood, is the major raw material for paper making. Nevertheless, the availability of FSC-certified forest in France is relatively small. In 2006, France had 15 thousand hectares of FSC-certified forest. The reason is that France, has since 1927 been committed to the PEFC system of forest certification, while FSC certification is hardly known among the wood-based industries and French consumers. In 2006, 4,351 thousand hectares were certified according to the PEFC system.

Of the French harvested forest area, about 61% is hardwood species and 39% softwood. Oak is the most widespread species (5.5 million hectares). France is therefore the largest producer of oak in the EU. The second most widespread species is Beech (2.4 million hectares), especially in the northern half of France (http://www.frenchtimber.com).

Wood-working industries
The primary activities in the wood-working sector are divided over round wood, sawmilling and wood based panels. Secondary activities are joinery, carpentry and packaging. Sometimes the furniture industry is also included, but ‘pure’ woodworking excludes furniture production. The sector is represented on a European and international level by CEI-Bois, the European Confederation of Woodworking Industries. In France, the sector is represented by Federation

Nationale du Bois (French National Federation of Wood) and Union des Industries du Bois –UIB (Wood-based Industry Association).

Unfortunately, these organisations do not record the annual turnover of the wood-working sector very well and data is not up-to-date. In 2000, UIB recorded a total turnover of € 45.9 billion. This includes pulp, wood-based panels, builder's joinery and carpentry, packaging material and 'other' wood-based activities. Builder's joinery and carpentry are the most important sub-sectors (€ 13.9 billion), followed by the pulp industry (€ 10.5 billion).

The export ratio of the different sub sectors varies between 10% (for builder's joinery and carpentry) and 35% (for wood based panels). Compared to countries like Belgium, Italy and The Netherlands, the French wood working industry is not strongly dependent on international trade. France's main timber ports are located in Nautes and Sete. The highest concentration of individual companies is found in the Rhône-Alpes region, followed by Aquitaine and Ile-de-France. However, this distribution does not reflect the turnover share, which is dominated by the Ile-de-France region. Other regions with an important turnover in timber and related industries are Nord-Pas-de-Calais, Alsace, Lorraine and Pays-de-la-Loire (http://www.business-in-europe.com/).

Table 1.3 Production of selected timber and timber products in France, 2001-2005, in 1,000 m^3

	2001	2003	2005	Annual change	Share in EU27 production (2005)
Round wood	39,831	32,828	34,420	-4%	8%
Sawn wood	10,518	9,539	9,950	-1%	9%
Wood-based panels	5,487	5,589	6,398	4%	10%
Fiberboard	*994*	*1,190*	*1,310*	*7%*	*8%*
Particle board	*3,845*	*3,900*	*4,600*	*5%*	*11%*
Plywood	*509*	*415*	*430*	*-4%*	*10%*
Veneer sheets	*139*	*84*	*58*	*-20%*	*4%*
Paper and paperboard	9,625	9,939	10,332	2%	11%

Source: Foresstat (2007)

France is one of the larger producers of timber and timber products in the EU. In 2005, the country accounted for 11% of EU27 production of paper and paperboard as well as particle board. Also, France's contribution the EU wood based panels production is large. The country accounts for 10% of EU27 production. Only the country's production of veneer sheets is limited and has been decreasing by 20% annually in the period reviewed, totalling 58 thousand m^3 in 2005, or 4% of EU27 production.

Interesting players

- Scierie Eymard, large-scale softwood sawmill, located near Grenoble:http://www.scierie-eymard.fr/ (Website in French only)
- Breysse Scierie, softwood sawmill: http://www.scierie-breysse.com/ (Website in French only)
- Tarkett SA, producer and distributor of hardwood flooring: http://www.tarkett.com/

The above-mentioned producers and exporters can be competitors to developing country suppliers. However, at the same time, these companies can also import tropical timber species, making them a potential trade channel for developing country suppliers aiming to enter the French market. Depending on the product you can supply, companies could either be competitors, buyers, or are active in entirely different trade channels/industries. Please refer to chapter 2 for a more complete list on interesting players in the French timber market.

Opportunities and threats

\+ The French market is an interesting market for tropical timber suppliers, as France accounts for approximately 28% of EU15 tropical timber consumption.

+ The supply of veneer sheets could be an interesting niche market, as consumption of tropical veneer increased considerably, on average by 47% annually, while domestic veneer production is declining.
- Note that the French timber cut differs from the EU style, with regard to sizes in length, width and thickness of the sawn wood, wood-based panels and parquet. If a developing country supplier can comply with the high quality demanded, the “French- style cut'' and also offer certified wood, opportunities could exist.
- FSC does not play a major role in certification in France, as the country is dedicated to the PEFC system. Consequently, consumer awareness of FSC is low, and therefore FSC products would most probably not have the same marketing value as in countries such as The Netherlands and the UK.

Useful sources

- Federation Nationale du Bois (French National Federation of Wood), member of CEI-Bois: http://www.fnbois.com/ (in French only)
- Union des Industries du Bois (UIB), member of CEI-Bois: http://www.industriesdubois.com/ (in French only)
- Fédération Française du Négoce de Bois, member of the European Timber Trade Association : http://www.bois.tm.fr (in French only)
- Union Française des Fabricants et Entrepreneurs de parquet (French parquet industry association). Member of the European Federation for the Parquet Industry: http://www.uffep.org/ (in French only)
- French Timber, provides information with the purpose of promoting the use of French timber on a national as well as international level: http://www.frenchtimber.com/
- Syndicat National Des Fabricants De Palettes En Bois- SYPAL (National Trade Union of the Manufacturers of Wooden Pallets): http://www.sypal.fr/ (in French only)
- Union Nationale Des Industries Françaises De L'ameublement- UNIFA (National Union of French Furniture Industries). This website provides the addresses of furniture manufacturers in France: http://www.meublefrance.com/
- La Confédération du Négoce Bois-Matériaux, French affiliate of the European Timber Trade Association: http://www.cnbm.fr/ (in French only)
- Le Commerce du Bois, this website provides interesting information on wood trade and addresses of importers: http://www.lecommercedubois.fr/

2 Trade channels for market entry

Trade channels

The timber market is a rather conservative market and not very sensitive to trends. Also, trade channels do not differ much among European countries. rance’s trade channel resembles that of other Northern European countries. See the EU survey for more in–depth information on the EU timber trade channel and the differences between North and South European countries.

The most important trade channels for exporters in developing countries to enter the French market are through sales agents, importers/traders and importers/processors.
Characteristics and trends of the timber trade in France:

- Many companies are small-scale and family owned, however they are having a hard time, as the DIY market in France is also growing.
- Often, family companies have long-lasting relationships with suppliers from France’s former colonies and are very loyal in maintaining these relationships. Therefore, it is hard for new developing country suppliers to enter these trade channels.
- The use of intermediaries is more common in France, as in most Mediterranean countries.
- The timber trade is less organized and less transparent compared to Northern European countries.
- There are still relatively many small-scale producers of finished products in the French market. Consequently, the demand for smaller volumes of round wood and sawn wood is large. In Northern EU countries production of finished products is almost completely outsourced to lower-wage countries.

Certification

The market share of FSC timber is marginal to non-existent. Many opportunities could exist for developing countries suppliers to target the FSC conscious consumer in Southern European countries, but on the other hand, many bottlenecks exist, as well as the fact that the lobby for FSC timber is still in its infancy. France, for instance, has no national FSC organisations. Therefore, it is advisable to consult the Global Forest Trade Network company database (http://www.panda.org) to find Southern European countries which are involved in FSC timber trade. Also, it is wise to attend trade fairs, cooperate with national export development boards and look for assistance from trade promotion organisations, such as CBI.

It is important to note that demand for certified products does not exist for all product groups. Therefore, you need to determine whether your final products need to be certified or whether this is not essential. For example, to enter the French paper market, it is not really a necessity and therefore may not be profitable to grow trees under FSC certification. On the other hand, certification of tropical sawn wood is surely a competitive advantage.

Retail and DIY outlets

- The French retail market structure is concentrated on specialised chains which represented 64% of total sales in 2004. They have significantly increased their market penetration at the expense of small independent stores. According to Euromonitor, Leroy Merlin and Castorama dominate the market, accounting for almost half of total sales.
- Point P (http://www.pointp.fr) remains the DIY market leader, mainly because of their very competitive prices.
- The French DIY market remains less developed than its German and British counterparts, but sales have been steadily increasing at approximately 3% annually during the last five years. Euromonitor foresees that DIY sales should continue to increase to reach approximately € 20 billion in 2009.
- Because of the professionalization of the DIY market as well as the development of assistance provided by most large DIY retailers, French consumers show increased interests in renovating their home themselves.

Interesting players for exporters in developing countries

Traders
- BCP Import, importer: http://www.bcp-import.com/
- Henry Timber, exporter of French timber from their own forestry site and saw mill (FSC certified) and importer of timber from all over the world: http://www.henry-timber.com/
- Rougier S.A. is a vertically integrated timber company with forestry concessions and processing units in Cameroon, Gabon and Congo: http://www.rougier.fr/

Retail and DIY outlet
- Leroy Merlin:http://www.leroymerlin.fr/
- Castorama:http://www.castorama.fr
- A.R. Bois Commercial, Timber wholesaler: http://ar-bois.com

Brokers/agents
- Bruno Liabeuf (Basse-Normandie): http://www.fordaq.com/fordaq/srvCompanyPage.html?Company=liabeuf&RequestLang=En

Price structure

It is very difficult to present an overview of the different margins which apply throughout the various trade channels, as margins depend on species, quantity, quality and stage of processing. Also, transport costs vary, depending on the country of origin and destination, the proximity of the forest plantation and the saw mill to a port, the volume of the shipment, fuel prices etc. In general timber prices at the final consumer destination (DIY, wholesalers, garden centres) do not vary much across Europe. According to industry sources, one can say that

French importers, together with the Benelux countries, pay the lowest prices for tropical hardwood.

As shown in figure 2.1, European importers (generally also taken care of wholesale and distribution activities) acquire the largest price margin. Brokers and agents can be from the country of origin or have the European nationality. In the case of FSC certified timber, the brokers/ agents are normally Europeans, as FSC is still in its infancy in most developing countries.

Figure 2.1 Average price margins per trade channel

Trade channels	Average margin
Wood production	± 20%
Wood processing	± 20%
Brokers/agents	± 20%
Importers, wholesalers, distributers	± 40%
Wood finishing (joinery, furniture)	± 20%
DIY and retail	± 5-15%

Source: ProFound – Advisers in Development, in collaboration with consultants.

Selecting a suitable trading partner
There is a growing trend in the timber trade towards online sourcing of timber and timber products (E-commerce). The use of Internet reduces the trade chain by several links, cuts transaction costs and improves efficiency.

- *On-line company database* for finding companies working in the timber and timber products market are:
    - Europages, an online business directory, with full EU coverage. Wood and furniture are a separate product group and it is possible to include France in the search options: http://www.europages.com
    - Le Bois, also containing price information: http://www.le-bois.com/
- Furthermore, the European Panel Federation contains a country specific companies directory. Look at: http://www.europanels.org/

3 Trade: imports and exports

Imports
Bulgaria and Romania are not included as members of the EU in the analysis underneath. When the EU is mentioned, it should thus be interpreted as EU25.

Total imports
France is the fourth largest importer of timber and timber products in the EU, accounting for 9% of EU25 imports. Imports increased on average by 4% annually between 2001 and 2005 totalling € 2.5 billion / 6.5 million tonnes. Developing countries' import market share in France is higher than the EU average. About 19% of EU timber imports is sourced in developing countries. In France, timber imports from developing countries account for 23% of total imports. Imports from developing countries remained stable in the period reviewed.

France sources its timber in a wide variety of developing countries. The three most important EU supplying countries, as shown in table 3.1, were Germany, Belgium and Finland. Imports from the three countries analysed increased at average by 8, 6 and 2% annually respectively. The main developing country supplier was Brazil, followed closely by Gabon.

Countries which experienced the strongest relative growth in their supply of timber to France were Austria (+21% annually) totalling € 82 million, Poland (+26%) totalling € 58 million, China (+28%) totalling € 39 million and Congo (+51%) totalling € 20 million in 2005. Great losses were experienced by the USA and Canada; imports from these countries decreased on average by 19% and 10% annually respectively.

Table 3.1 Imports by and leading suppliers to France 2002 - 2005, share in % of value

Product	2001 € mln	2003 € mln	2005 € mln	Leading suppliers in 2005 Share in %	Share (%)
Timber and timber products	1,260	1,358	1,733	Intra-EU: Germany (17), Belgium (15), Finland (9), Sweden (6), Italy (4), Spain (4)	69
	305	280	195	Extra-EU ex DC*: Russia (3), Switzerland (2)	8
	566	495	576	DC*: Brazil (6), Gabon (5), Cameroon (2), Indonesia (2)	23
Fuel wood	25	29	38	Intra-EU: Germany (37), Belgium (33), Luxembourg (10), Spain (7) The Netherlands (3), Poland (2)	95
	1.6	2.1	1.8	Extra-EU ex DC*: Switzerland (2.9), USA (0.7)	4
	0.2	0.1	0.1	DC*: Malaysia (0.1)	0.3
Round wood	65	81	80	Intra-EU: Germany (16), Belgium (8), Spain (4)	34
	30	25	21	Extra-EU ex DC*: Switzerland (7), USA (1)	9
	184	142	133	DC*: Gabon (31), Congo (10), Central Africa (2), Cameroon (2)	57
Sawn wood	401	461	612	Intra-EU: Germany (17),Finland (16) Belgium (12), Sweden (12)	64
	180	162	122	Extra-EU ex DC*: Russia (7), Canada (2), USA (1)	13
	226	184	214	DC*: Brazil (10), Cameroon (4), Ghana (2), Malaysia (2)	23
Mouldings	72	76	96	Intra-EU: Germany (15), Italy (12), Belgium (10), Spain (5), Poland (5)	58
	11	9	3	Extra-EU ex DC*: Croatia (0.9)	2
	11	23	65	DC*: Brazil (23), China (5), Indonesia (4), Myanmar (3)	40
Wood based panels	495	526	651	Intra-EU: Belgium (23), Germany (21), Austria (7) Finland (7), Spain (6), Italy (5), Luxembourg (4)	84
	56	45	25	Extra-EU ex DC*: USA (1), Switzerland (1)	3
	100	100	102	DC*: Gabon (6), Indonesia (2), Brazil (1), China (0.9)	13
Densified wood	4.8	5.0	6.1	Intra-EU: Germany (39), Belgium (14), Spain (7), Lithuania (6), Poland (6), Austria (4)	86
	0.1	0.2	0.5	Extra-EU ex DC*: USA (3), Switzerland (2)	7
	0.2	0.1	0.5	DC*: Ecuador (2), Indonesia (1), Myanmar (1), Honduras (1), Thailand (0.9)	7
Wooden frames	18	18	19	Intra-EU: Italy (20),Spain (11),Belgium (10), Poland (5)	54
	3.4	2.6	2.0	Extra-EU ex DC*: Hong Kong (0.3)	5
	13	10	14	DC*: China (27), Morocco (7.0), Tunisia (2). Thailand (2)	41
Builders joinery	179	161	226	Intra-EU: Belgium (13),Germany (12), Poland (9), Denmark (7), Luxembourg (7), Italy (7) Sweden (6) Austria (5)	77
	23	36	19	Extra-EU ex DC*: Switzerland (3), Canada (0.6)	7
	32	34	46	DC*: China (4), Indonesia (4) Brazil (3), Malaysia (3)	16

Source: Eurostat (2006)
*Developing Countries

Imports by product group

Apart from round wood, imports of all different timber product groups increased between 2001 and 2005. Intra-EU imports increased for all product groups, while imports from developing countries only decreased for round wood (-25% annually) and slightly for sawn wood (-1% annually).

The bulk of French timber and timber product imports consists of sawn wood and wood-based panels. Imports of these two product groups account for approximately three quarters of total timber imports. France was the third largest importer of sawn wood, accounting for 10% of EU25 imports and the fourth largest importer of wood-based panels, representing 9% of EU imports. Imports of both product groups increased above the EU average by 4 and 5% annually respectively. Intra-EU imports of both product groups increased considerably by 11 and 7% annually, whilst imports from developing countries remained unchanged.

Between 2001 and 2005, France's imports of mouldings and densified wood increased well above the EU average, by 15% and 8% annually respectively.

Exports

France is a net importer of timber and timber products. The country is the sixth largest exporter of timber and timber products in the EU, representing a share of 6% in EU exports. Exports increased slightly by 1%, totalling € 1.7 billion / 7.3 million tonnes in 2005. Total EU exports increased at a faster rate by 5% annually in the period reviewed.

More than half of total timber exports are directed towards Spain (€ 307 million), Belgium (€ 274 million) and Germany (€ 225 million). A substantial amount of these exports consists of re-exports. However, exact quantities are not known. Exports to the USA increased the most by 19% annually, totalling € 76 million in 2005. In contrast, imports from the USA experienced the strongest losses.

France is the second largest exporter of round wood, although exports decreased by 9% annually in the period revised, totalling € 209 million in 2005. The country is also a large exporter of wood based panels, representing an EU25 export market share of 9%.

France is a rather small exporter of builder's joinery, with an EU25 export market share of 3%. Furthermore, France's export decreased by 11% annually in the period reviewed, down to € 134 million in 2005, whilst total EU25 exports of builder's joinery increased by 18% in the same period.

Opportunities and threats

+ France is an important trading country of timber and timber products, being the fourth largest importer and the sixth largest exporter of timber and timber products in the EU. Furthermore, the country could be an attractive market for developing country suppliers as France is a net importer of timber and its imports increased at a faster rate than its exports.

+ Developing countries account for an import market share of 23% which is higher than the EU average. Note however that imports from developing countries did not increase in the period reviewed.

+ Also interesting is that France sources its timber in a wide variety of developing country suppliers, Brazil and Gabon accounting for the largest import market share. China and Congo experienced the strongest growth in their imports; 28% and 16% annually respectively.

Exporters should note that a development or trend can be an opportunity for one exporter, while posing a threat to other exporters. Exporters should therefore analyse if the developments and trends discussed in the previous chapters provide opportunities or threats depending on their specific situation. Please refer to chapter 7 of the CBI market survey covering the EU market for an example of such an analysis.

Useful sources

- EU Expanding Exports Helpdesk

http://export-help.cec.eu.int/ ➔ go to: trade statistics

- Eurostat – official statistical office of the EU

http://epp.eurostat.cec.eu.int ➔ go to 'themes' on the left side of the home page ➔ go to 'external trade' ➔ go to 'data – full view' ➔ go to 'external trade - detailed data'

4 Price developments

In 2006, France experienced an increase in average timber prices. According to industry sources, this was due to increased demand for timber (because of successful marketing campaigns) combined with an overall EU shortage of timber because of storms in Scandinavia and the Baltic states and a shortage of supply of tropical hardwood. This is related to the import and export bans on logs and the increased demand from India, China and other emerging markets. Apart from weather conditions, fuel prices also greatly influence EU and world market prices.

Since the beginning of 2007, prices are stable in France and almost back to normal levels. It is expected by some industry sources that prices will remain at their normal level, because of growth in the domestic production of sustainable timber. Price premiums of FSC-certified timber are low to almost non-existent in South and East European countries. In France, certified timber is sold at the same outlets as non-certified timber and there is no price premium.

For more information on price developments, please refer to Chapter 5 of the CBI market survey covering the EU market.

5 Market access requirements

As a manufacturer in a developing country preparing to access France you should be aware of the market access requirements of your trading partners and the French government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select timber and France in the category search, click on the search button and click on market access requirements.

Additional information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packaging/packit.htm

Information on tariffs and quota can be found at http://export-help.cec.eu.int/

6 Doing business

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from http://www.cbi.eu/marketinfo -

go to search publications. Also, the Internet provides many sources on business practices and culture, such as http://www.kwintessential.co.uk/resources/global-etiquette/france-country-profile.html. Please keep in mind that these pages only give general remarks. Therefore, when conducting business, use your intuition and an understanding attitude.

Sales promotion
Common practices of trade promotion in France should not differ considerably from other Southern European countries. Not many inhabitants of France speak English and this situation is not changing much. In general, great care should be taken of existing contacts through prompt, constant and reliable communication. Letters of inquiry should always be replied to. Essential tools are detailed and up-to-date customer databases and websites proposing well-defined products, competitive advantages (e.g. USP, quality, cost reduction and delivery reliability) and client references to facilitate the building of trust.

Assistance with market entry can also be sought through local business support organisations, import promotion organisations such as CBI and branch organisations focussing on timber and timber products. Refer to chapter 1 for information on French industry associations.

Trade fairs
Trade fairs offer companies in developing countries the opportunity to establish contacts and a trustworthy image through several participations, promote their products and conduct EU market orientation. Major fairs of EU-wide significance are mentioned in the CBI document 'From survey to success: guidelines for exporting timber and timber products to the EU'. Trade fairs of interest in France are:

- The Carrefour International Du Bois, international timber trade fair. Every two years at Nantes, next event: 28-29-30 May 2008: http://www.timbershow.com
- EXPOBOIS: The World of Wood International Exhibition. EXPOBOIS addresses all aspects of the timber trade, including: machinery, equipment and products for forestry and wood harvesting, primary processed, semi-finished and finished wooden products. Every two years in France, Paris. Next event: November 2008: http://www.expobois.com.

Trade press
Trade press can function as a means for gaining insight into market developments and competition, but can also have a promotional function. This concerns finding potentially interesting companies, as well as promotion of your own activities and products. Major trade press of EU-wide significance is mentioned in the CBI document 'From survey to success: guidelines for exporting timber and timber products to the EU'. Trade press of interest in France is:

- Le Chêne de France gives important information and useful addresses regarding the timber industry in France: http://www.chenedefrance.info/APECF/index.html.
- Business in Europe, contains information on the timber industry in France and possible business opportunities in this sector:http://www.business-in-europe.com/.

This survey was compiled for CBI by ProFound - Advisers in Development
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