

C I N T R A F O R

Working Paper 44

[Back to Publications List](#)

The Challenge of Change, the Inertia of Tradition: A View of Opportunities in European wood Markets

Jay A. Johnson, Christine E. Dinsdale. 1993

Executive Summary

The objectives of this study were to identify and characterize high-value wood products manufacturers in Europe, to search for opportunities for possible delivery of North American wood to Europe, and to obtain a basic understanding of the legal resources utilized in typical agreements for US wood exports to Central Europe and Italy.

Five successful European manufacturing firms are briefly characterized as examples of European firms which provide high-quality wood products. All firms profiled used design--structural and aesthetic--as an important way to distinguish their products. Each firm adhered to exacting technical specifications. Several companies were vertically integrated to a greater degree than many North American wood manufacturers.

One market segment, European wood windows, was also examined. This is part of a larger joinery market which is in need of high-quality raw material. While there appear to be opportunities for semi-finished wood products in this area, particularly for laminated frame stock, contacts between European manufacturers and U.S. suppliers are apparently infrequent. The technical specifications required in Europe are demanding and are not necessarily North American. A mechanism for insuring compliance with such specifications is needed to assure that these seemingly mundane, but crucial, aspects of the export transaction are executed.

The European technical education system necessary to support high European technical manufacturing standards is discussed and several schools visited are described. This system appears to be providing a well-trained work force for the high-value wood manufacturing firms in Europe. Currently there appears to be no equivalent training available in the U.S.

A new waterway for transportation of bulk goods from the North Sea to the Black Sea has just opened in 1992: the Rhine-Main-Danube waterway. This system may offer the possibility of sending containerized semi-finished North American wood products deep into Central Europe.

Since Austria appears to be the emerging legal center for Central European trade, an overview of the Austrian legal system is provided. Profile interviews with legal and trade professionals in Austria, Hungary, and Italy provide more detailed information about doing business in these countries, and illustrate some socio-cultural requirements for successful legal transactions with European entities. The Europeans' successful use of a form contract developed for wood import-export transactions between Italy, Austria, and Scandinavia is explored, including the possibility for development of such a contract for use in US-European transactions.

At the present time, there is great social, political, and economic upheaval and reform in Europe. Undoubtedly, there are a number of opportunities for North American wood export; European markets are greatly affected by cultural and economic legacies, and these must be considered when searching for business opportunities. The most important lesson learned in this investigation was that Americans who want to do business in Europe must view Europe through European eyes.

Full Report \$20.00: [To Ordering Instructions](#)

[Back to Publications List](#)