

Expert Working Group for the Wood Panel Industry

For the first time, the Expert Working Group for the Wood Panel Industry has brought together Parliamentarians from the UK and devolved Parliaments (Westminster, Holyrood and the Senedd) in an effort for cross-border collaboration to bring a coherent and consistent approach to forestry policy and the needs of the Wood Panel Industry across mainland Great Britain.

The Fourth Edition of the Expert Working Group for the Wood Panel Industry is comprised of the following Parliamentarian and Industry Members.



Selaine Saxby MP

Conservative Member of Parliament for North Devon

Chair of the All-Party Parliamentary Group for the Wood Panel Industry



Fergus Ewing MSP

SNP Member of the Scottish Parliament for Inverness and Nairn

Convener of the Cross-Party Group in the Scottish Parliament on the Wood Panel Industry



Ken Skates MS

Labour Member of the Welsh Senedd for Clwyd South

Welsh Parliamentary Member of the Expert Working Group

Industry Members

Alastair Kerr, Director General of the Wood Panel Industries Federation (WPIF)

John Paterson, Public Affairs Manager, EGGER UK

Chris Emery, Timber Procurement Executive, Kronospan

Steve Roebuck, Director EHS at West Fraser (Formerly Norbord)



Rt Hon Brian Wilson CBE

Chair, Expert Working Group for the Wood Panel Industry

**WOOD
PANEL
INDUSTRIES
FEDERATION**

Established in 1995, the Wood Panel Industries Federation (WPIF) is a representative organisation giving voice to the industrial manufacturers in the United Kingdom and Ireland of Chipboard, Oriented Strand Board (OSB) and Medium Density Fibreboard (MDF).



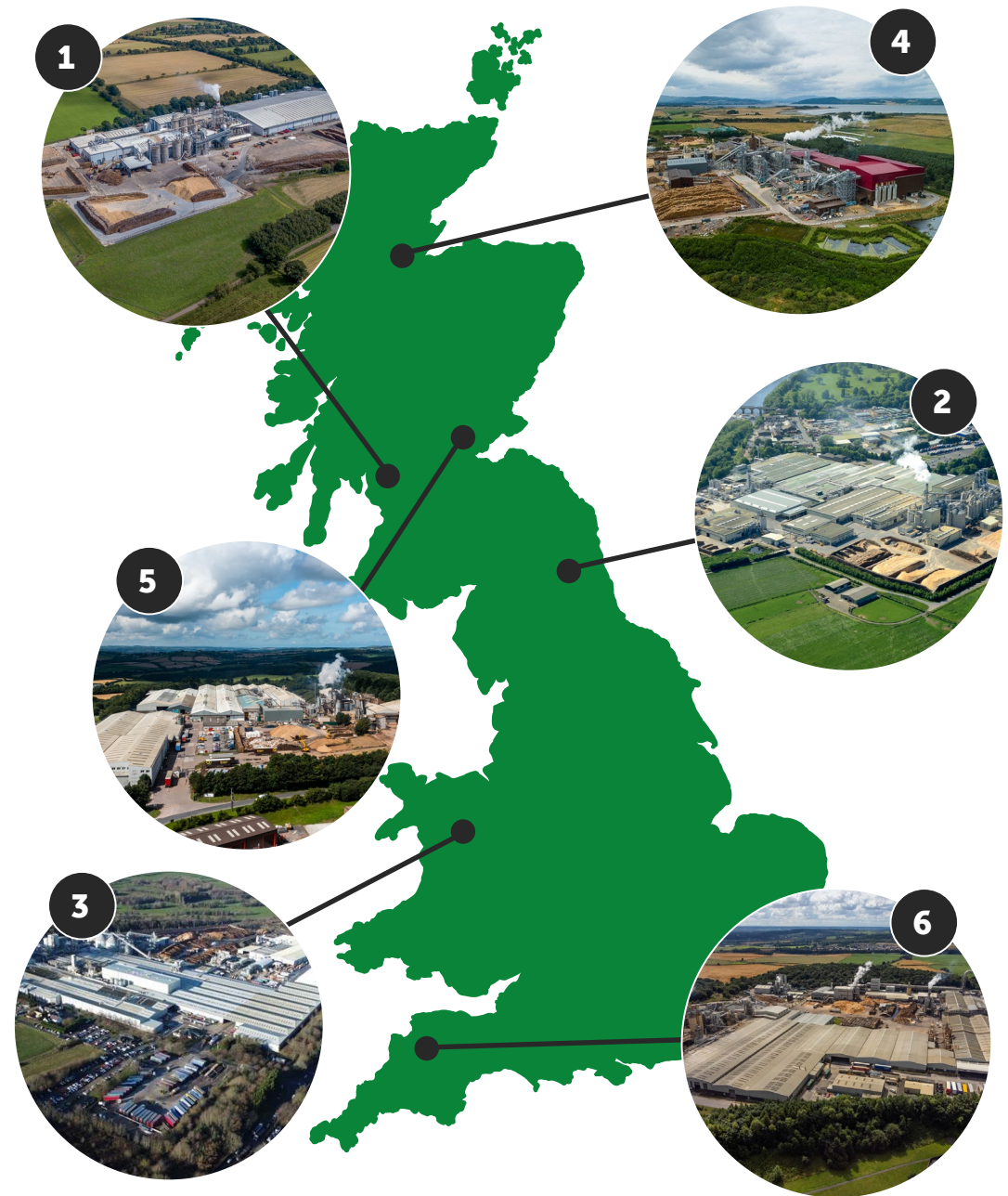
EGGER is an international manufacturer of wood-based materials. In the UK, EGGER produce approximately 1.2 million m³ of chipboard at our two production sites located in Barony, East Ayrshire and Hexham, Northumberland. We employ over 800 people across two sites, and since 2006, we have invested over £250 million into our UK operations.



Kronospan manufactures wood-based panels at more than 35 sites and is local in many countries. Kronospan manufactures and distributes wood-based panels. Globally we are one of the leading manufacturers of: Particleboard (PB), Medium density fibreboard (MDF), Laminate flooring, UF/ MUF and MF resins for wood-based panels and Oriented strand board (OSB) in Europe.



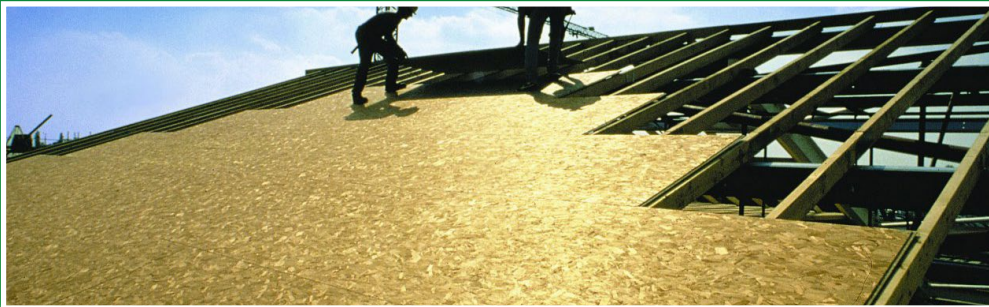
West Fraser is a diversified wood products company with more than 60 facilities in Canada, the United States and Europe. From responsibly sourced and sustainably managed forest resources, the company produces lumber, engineered wood (OSB, LVL, MDF, plywood, particleboard), and other products including pulp, newsprint, wood chips and renewable energy.



1. **EGGER Barony** – Barony Rd, Auchinleck, Cumnock KA18 2LL
2. **EGGER Hexham** – Anick Grange Road, Anick, Hexham NE46 4JS
3. **Kronospan Chirk** – Maesgwyn Farm, Wrexham LL14 5NT
4. **West Fraser Inverness** – Morayhill, Inverness IV2 7JQ
5. **West Fraser Cowie** – Station Rd, Cowie, Stirling FK7 7BQ
6. **West Fraser South Molton** – Hill Village, South Molton, Devon, EX36 4HP

Wood Panel Industry Products

Wood-based panels are versatile products with a wide variety of end uses and service a wide variety of downstream customers across multiple industries. From kitchen and bedroom units and worktops to flooring, sheathing, furniture and shopfitting to name just a few.



Construction

Wood panel products are widely used in the construction industry. The industry makes unique boards that are highly versatile for both load bearing and non load bearing, dry or humid conditions. There are numerous applications including floor and roof decking and wall sheathing. They are used as components within structural elements such as SIPs panels and I Beams. Non-structural items such as windowboards, architraves or door and window components commonly use wood panels.



Laminate Flooring

The industry produces strong and damage-resistant flooring for use in domestic and commercial flooring applications. With a core substrate of either Medium-Density Fibreboard (MDF) or High Density Fibreboard (HDF), flooring is produced by laminating the boards with the desired finish whether that be tile, wood or concrete effect. The resulting product is versatile, hard wearing and easy to install.



Kitchens & Bedrooms

The industry offers enhanced products widely used in kitchens and bedrooms. Cabinets are typically made using a face chipboard which is then engineered with a postformed edge where the laminate is profiled around the front edge for a seamless look. With superior machining and finishing properties, MDF will typically be used in cabinet door and drawer fronts as well as other decorative profiled parts.



Furniture & Interior Design

With their ability to be painted or to accept a laminate or foil overlay in a multitude of colour and design options, wood panels fulfil a multitude of interior (shops, offices, hotels or even concert halls) applications. Furniture is seen in its end form but beneath items we take for granted will invariably be a wood panel.

Wood Panel Industry Customers

The wood panel industry operates on a business to business (B2B) basis and works closely with all of the major timber and panel product distributors, merchant and DIY groups. As well as being delivered directly to building sites, a majority of products will go on to be incorporated and or further processed by hundreds of enterprises who will add value before final supply to the consumer.

House Builders/Construction



Persimmon
Together, we make your home



DONALDSON
TIMBER ENGINEERING

DIY Retailers



Transport



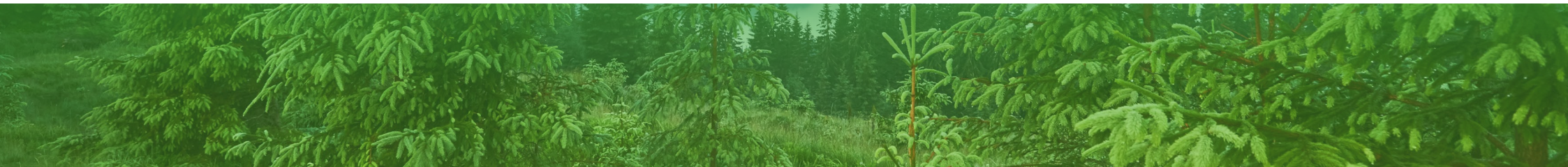
Kitchens



Retail



HADLEIGH
TIMBER GROUP



Economic and Environmental Benefits of the Industry

Economic Benefits

The industry makes a significant contribution to the UK economy by supporting local, regional and national employment and supply chains:

- » The average number of monthly directly employed persons was 2,113 in 2022.
- » The total number of jobs dependent on the industry — direct and indirect — is approximately 7,500.
 - » The average salary of those employed in the industry is £36,235.
- » The sector has a combined turnover of over £1 billion per annum, with direct taxes of around £75 million

Environmental Benefits

Wood panel products provide two distinct environmental benefits when utilised in the built environment; carbon storage and the displacement of high-carbon materials. Carbon is sequestered from the atmosphere during the growing process of trees which is then stored within that tree on felling and conversion into a wood product. Additionally, wood panel products not only store sequestered carbon but displaces high-carbon materials such as cement and steel.

In line with current UK and Devolved Government Net Zero targets, the sector is actively exploring several options to decarbonise towards 2050. From inception, wood panel manufacturing plants are designed to utilise their own process derived wood residues as fuel for heat generation, but as a large-scale manufacturing process, some of the energy requirements are still derived from fossil sources. Depending upon the regional decarbonisation of the gas grid and the degree to which offsetting is required, all sites would have the potential to help the UK meet Net Zero by 2045.



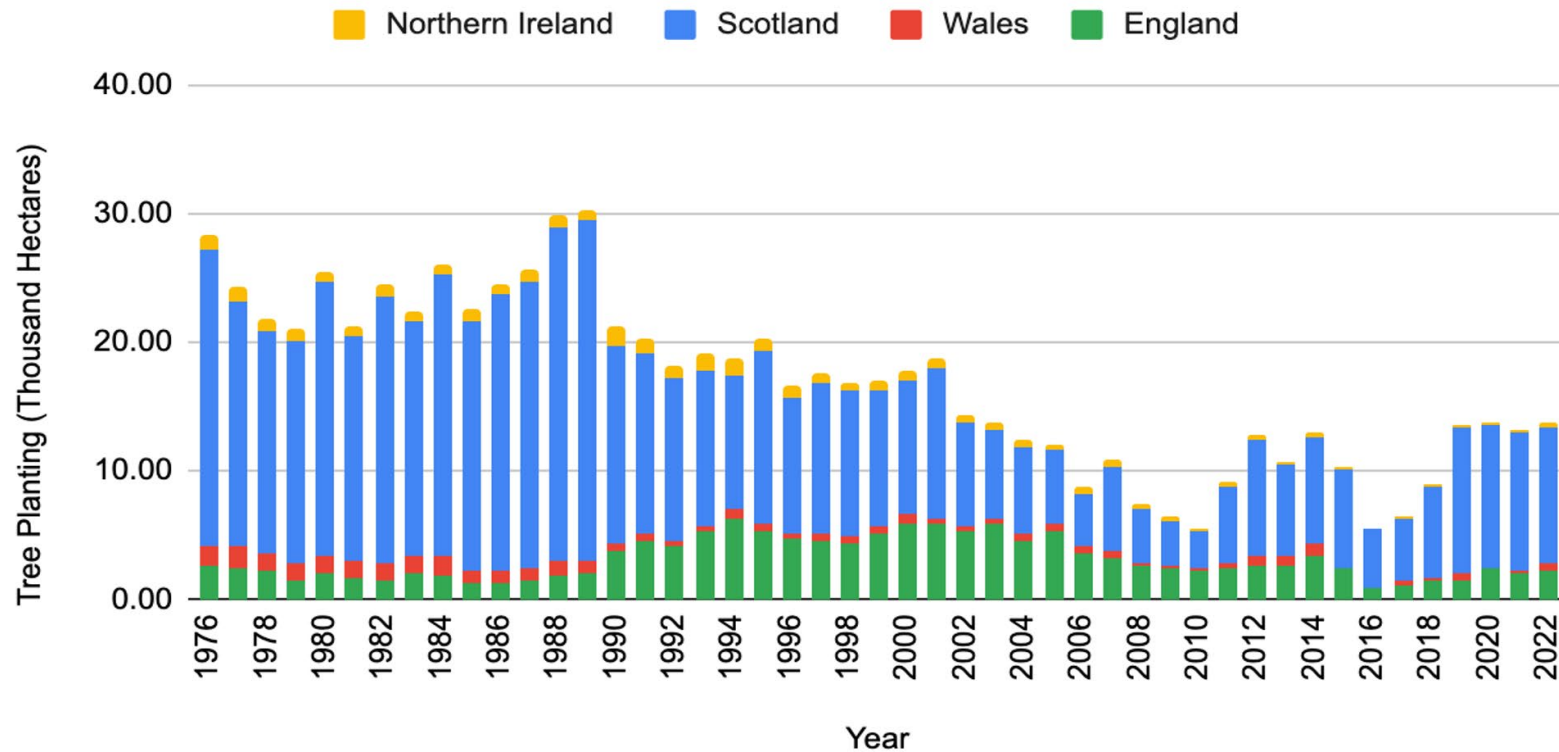
Policy Insights

Wood Supply

The wood panel industry currently supplies 65% of the UK's demand for wood panel products utilising 25% of the total roundwood harvest basket (11.2 million green tonnes in 2021).

The greatest constraint affecting the UK Wood Panel Industry is the lack of a secure and growing supply of British timber. Domestic forestry planting has been in decline since the 1970s and it is estimated that the UK will reach 'peak wood' in the 2030s. From 2035 onwards, the domestic virgin roundwood supply is forecasted to decline rapidly, which will reduce the wood materials available for domestic manufacturing and the domestic sawmill industry.

New Tree Planting Across the UK, 1976-2020



Policy Insights

It is clear that the biggest constraint affecting the wood panel industry is the lack of a secure and growing supply of productive British timber. Quite simply, the UK has less than half the forestry cover of most comparable developed countries, and consequently a static annual forestry basket.

Forestry Cover as a % of Land Area²³

Country	UK	France	Germany	Italy	Finland	Europe	World
Forestry Cover	13%	32%	33%	33%	74%	46%	31%

It is essential that the UK and devolved Governments hit their targets in order to ensure a secure supply and increased forestry basket and allow wood dependent industries to increase their output as a result. According to recent figures, around 14,000 hectares of newly created woodland were reported in the UK in 2021/22, meaning the UK will have to be planting nearly double in order to meet the target of 30,000 hectares a year by 2025.

Overall¹	30,000 hectares per year by 2024	
England²	Scotland³	Wales⁴
7,500 hectares per year by 2025	18,000 hectares per year by 2024-25	5,000 hectares per year until 2030
Climate Change Committee⁵	35,000 to 50,000 hectares by 2050	



Productive Forestry

Productive forestry yields considerably more timber than natural forests making productive forestry essential for the wood panel industry and the security of timber supply. However, Conifers, a key productive tree group, only account for around one-half (51%) of the UK woodland area, although this does vary by country with a portion of conifers being one-quarter (26%) in England and around three-quarters (73%) in Scotland.

Percentage Of Conifers Planted From Total New Planting By Country 2017/18 - 2021/22

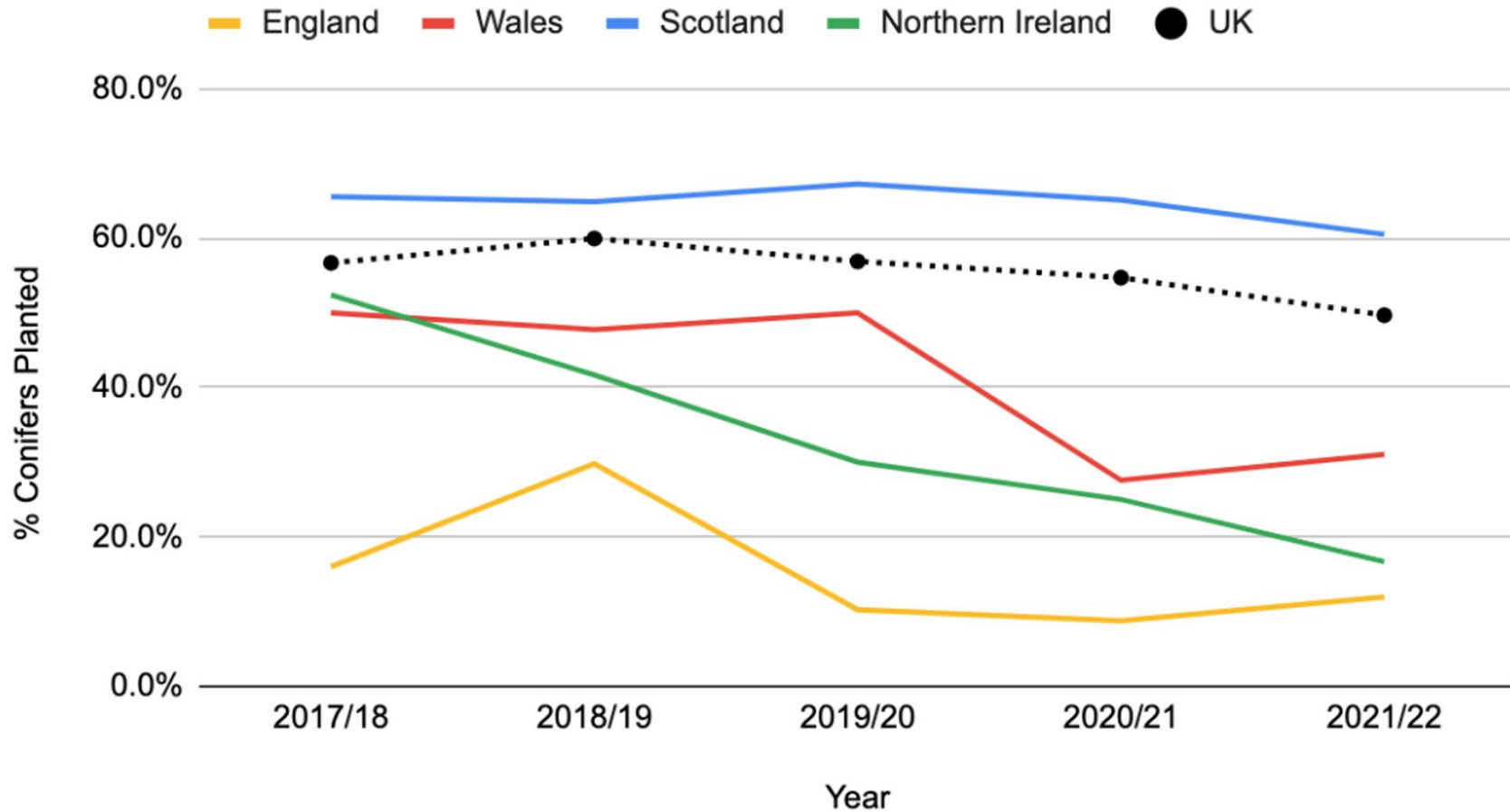
Year	England	Wales	Scotland	Northern Ireland	UK
2017/18	16.0%	50.0%	65.5%	52.4%	56.7%
2018/19	29.8%	47.8%	64.9%	41.7%	59.9%
2019/20	10.3%	50.0%	67.2%	30.0%	56.9%
2020/21	8.8%	27.6%	65.1%	25.0%	54.7%
2021/22	11.9%	31.0%	60.5%	16.7%	49.7%



Productive Forestry

In 2021/2022 Conifers accounted for 50% of the new planting area meaning the increase to 60% would be a modest but significant to help secure wood supply for wood-dependent industries.

New Planting Conifer Percentage 2017/18 - 2021/22



Recommendations

Based on the discussions with the Parliamentary Members and upon reviewing the evidence baseline, the Expert Working Group recommends the following actions be taken:

Forestry Policy

- 1. A Shared Approach Across the UK to Drive Delivery of all Forestry Targets**
- 2. Prioritise New Productive Forestry Planting**
- 3. Replace Productive Forestry as it is Felled**
- 4. Deliver Increased Forestry Cover**
- 5. Drive Investor Confidence with Long Term Grant Support**
- 6. Simplify the Regulatory Regime**
- 7. Encourage the Utilisation of Waste Wood**

Energy Policy

- 8. No New Tariff-based Incentivisation Schemes for Woody Biomass**