

Chirk factory workers protest over 'subsidy threat'

A factory in Wrexham closed for two hours in protest at what the firm and its 600 staff say is the risk to jobs caused by "unfair subsidies".

Around 125 workers left their shift at Kronospan to join a mass protest by wood panel plants across Europe.

The Chirk firm claims biomass subsidies encourage electricity generators to burn virgin wood rather old timber. The UK government said electricity generators using waste wood avoided the cost of paying landfill tax.

Kronospan makes wood-based panels and associated products for furniture, construction, distribution and DIY industries.

In the UK, the Wood Panel Industries Federation is calling for a reversal of the "consequences" of the UK's obligation to generate an increasing proportion of electricity from renewable sources.

Mike McKenna, director of Kronospan's Chirk factory, said the subsidies for electricity generators which use biomass encouraged them to take "the easy option" of burning freshly felled timber.

He told BBC Radio Wales: "The easy option for them is cutting down trees and burning them for electricity generation." "That's because the subsidies are worth more than twice the value of the wood." "If we pay £30 for a tonne of timber, the electricity generator will get a subsidy of about £70 for burning that timber to generate electricity." "So you can see, he can price this industry out of the market."

Clwyd South MP Susan Jones and North Wales AM Mark Isherwood attended the symbolic shutdown at the plant from 1100 BST to 1300 BST.

A spokesman for the Department of Energy and Climate Change (DECC) said: "Support through the Renewables Obligation for electricity from wood is based on the costs of generation. "In the case of waste wood, generators are avoiding paying for landfill and that is why support levels are lower."