

Chirk factory workers protest over 'subsidy threat'

More than 600 Wrexham factory workers are to protest at the risk to jobs caused by "unfair" subsidies.

Kronospan will close its Chirk wood panel production plant for two hours in a European-wide industry day of action.

They argue that current subsidies encourage biomass energy electricity generating plants to burn "virgin wood" rather than after wood has been used in industry and furniture.

North Wales Conservative AM Mark Isherwood is backing the action. He says the UK government should "sit up and listen". Kronospan and others say the subsidies have sparked an "unintended resource shortage" which could lead to a major timber shortfall in Europe by 2020.

Director Gavin Adkins said: "To protect the economy, environment and jobs, we felt it was absolutely vital to back this European day of action and help reverse the unintended consequences of this short-sighted policy."

Kronospan makes wood-based panels and associated products for furniture, construction, distribution and DIY industries. Its symbolic shutdown on Friday from 1100 BST to 1300 BST, is part of the European Panel Federation's day of action.

In the UK, the Wood Panel Industries Federation is lobbying the UK Government through its Make Wood Work campaign. It is calling for a reversal of the "consequences" of the Renewables Obligation Order - as part of a European Union Climate Change Directive - which places an obligation on licensed electricity suppliers in the UK to generate an increasing proportion of electricity from renewable sources.

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."

AM Mr Isherwood said: "The wood panel industry in the UK depends upon access to raw materials but, if largescale bio mass plants go ahead, they will not be able to acquire materials."