

## Kronospan workers down tools in protest at "unfair" biomass subsidies

[Oct 27 2010](#)



SIX hundred chipboard factory workers will down tools in protest at subsidies which it's feared will threaten the industry's future. The two-hour shutdown planned by workers at Kronospan on Friday is part of a European-wide coordinated protest against "unfair" subsidies for biomass energy. It is feared the imbalance could threaten the future of the Kronospan factory as well as millions of UK and European jobs in the wood panel and sawmill industry. The problem is caused because power generating companies are offered government subsidies to burn the same wood that is used in manufacturing. This is resulting in a shortage of timber.

Wood that has been used for making furniture, wood panels or used in the paper industry is now being sent to feed the new biomass-fired plants. Environmental groups also say there is not enough wood in the UK to supply the increasing demand for biomass. The result is a surge in timber demand from 20 million tonnes today – to 50 million tonnes by 2015 – requiring up to 30 million tonnes of imported timber.

On Friday politicians, including Susan Jones MP and Mark Isherwood AM and union chiefs will join company bosses and workers to show their concerns for the future of the industry.

Gavin Adkins, Director of Kronospan, said: "Paying subsidies to burn virgin timber rather than manufacture with it, damages wealth creation, the economy and the environment. "It's pushing up prices, creating a shortage in raw material and inevitably threatens millions of jobs. "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's symbolic shutdown supports the European Panel Federation's Day of Action, which will bring the European industry to a standstill on Friday.

In the UK, the Wood Panel Industries Federation has been lobbying the Government hard through its Make Wood Work ([www.makewoodwork.co.uk](http://www.makewoodwork.co.uk)) campaign to reverse the consequences of the Renewables Obligation Order, which is a result of European Union Climate Change Directives.

The Renewables Obligation Order places an obligation on licensed electricity suppliers in the UK to generate an increasing proportion of electricity from renewable sources. But protesters said this could lead to a shortage of up to 400 million cubic meters of timber by the year 2020. And it would create five times more direct CO<sub>2</sub> per tonne of timber than wood panel production. The worry is it will undermine the European wood working industry that currently has a turnover in excess of 270 billion Euros providing 2.4m jobs. The pressure on supply directly threatens not only Europe's wood panel manufacturing industry, critics said, but also all its associated customers, from furniture makers to the construction industry. The industry creates 25 times more employment and 10 times more wealth creation than biomass energy generation, according to global analysts Pöyry.

Mr Adkins who is also director of the Wood Panel Industry Federation added: "Since the Government started subsidising biomass power stations to burn timber the price of wood has increased by 30% over three years. "Inevitably this will have to be passed on to the consumer. "This could all be avoided if the Government decided to subsidise waste wood going to biomass burners instead of subsidising the clean timber that the manufacturing industry needs. " Kronospan UK is one of the top 10 manufacturing companies in Wales. The factory employs more than 600 people, 90% of whom live within 10 miles.