

## Join the protest against unfair biomass energy subsidies

The majority of European wood panel plants, including [Kronospan](#)'s UK operations, have just brought production to a halt to protest against the subsidies paid for producing energy from biomass that are strangling our industry.

The Action Day is just one part of a Europe-wide collaboration led by the [European Panel Federation \(EPF\)](#), the [Wood Panel Industries Federation's \(WPIF\)](#) Make Wood Work campaign to highlight the threat to our industries.

While more than 180 panel production plants across Europe recognise the direct threat from unfair subsidies, it's vital that the wider woodworking industry joins the EPF and WPIF to protest and lobby European and UK legislators.

The furniture industry is the largest end-user market for the wood panel industry, a sector worth €130bn and growing at a rate of 1.8% annually. Subsidies for biomass energy directly threaten its competitiveness, current supply and further growth.

With current incentives in place it is considerably more profitable to burn wood rather than use it for production purposes. Rapidly growing demand for wood from a subsidised biomass industry is already creating shortages.

Wood prices have risen considerably in recent years due to the distorted competition between the energy and manufacturing sectors. While the subsidies are allowed to remain they will lead to a shortage of 400 million m<sup>3</sup> of timber across Europe by the year 2020, putting at risk 2.4 million jobs and eroding one of Europe's most eco friendly and economically valuable industry sectors with a turnover in excess of €270bn.

Using wood as a biomass fuel is a sound and sustainable solution, but the priorities must be right. Wood should be used and re-used in as many cycles as possible before being turned into fuel at the end of its useful life. Our industry creates 25 times more employment and 10 times more wealth than biomass energy generation ever will, according to global analysts Pöyry. Furthermore biomass energy generates five times more direct CO<sub>2</sub> per tonne of timber than wood panel production.

There are no logical reasons for these ill conceived subsidies to remain in their current form. They indisputably put the whole of the woodworking industry in jeopardy and damage the environment, which means it is in everyone's interest to join the protests to bring about change to a disastrous [EU](#) policy.

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