

Wood Based Panel International 3 Nov 2010

Panel mills shut down in protest at biomass energy subsidies

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Panel mills across the UK and the rest of Europe staged an unprecedented shutdown on October 29, as part of a day of action organised by the European Panels Federation against subsidies granted to the biomass sector.

Wood panel manufacturers have seen wood prices being driven up by competition with the government subsidised biomass sector and are experiencing shortages of their primary raw material.

UK mills operated by Norbord, Kronospan and Sonae, as well as the Medite and Smartply mills in Ireland, staged symbolic limited shutdowns, together with most European mills. Egger organised an event with politicians and forestry officials to highlight the issue.

The EPF said the purpose of the protest was to "expose the unintended consequences of subsidies for the energy use of woody biomass, putting the wood based panel sector and the entire woodworking industries at risk."

The UK Wood Panel Industries Federation (WPIF) said studies had indicated there could be a shortage of up to 400 million m³ of wood in Europe by 2020 due to the demands of biomass, mainly in the large power station sector.

"Allowing wood to be burnt before the end of its useful life is a waste and risks damaging the environment," said WPIF director-general Alastair Kerr.