

Cynulliad Cenedlaethol Cymru Pwyllgor Amgylchedd a Chynaliadwyedd	National Assembly for Wales Environment and Sustainability Committee
Egwyddorion cyffredinol Bil yr Amgylchedd (Cymru)	General principals of the Environment (Wales) Bill
Ymateb gan Ffederasiwn y Diwydiant Paneli Pren	Response from Wood Panel Industries Federation (WPIF)
EB 06	EB 06



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National
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Wales

Response to Consultation on General Principles of the Environment (Wales) Bill from the Wood Panel Industries Federation

2) What are your views on the proposals for a National Natural Resource Policy? Is the Bill clear enough about what this will include?

1. The Wood Panel Industries Federation (WPIF) represents all UK manufacturers of wood panels. The industry is the second largest processor of UK-sourced wood, annually consuming some 4.5m tonnes. There are six manufacturing sites across the UK, including one in Chirk, north Wales, and the industry has a combined annual turnover of over £550m, directly employing approximately 2200 people.
2. As well as recovered wood the industry's principle wood inputs are small roundwood, sawmill residues and sawdust. The wood panel industry has evolved the technology to reengineer these sources into its products, meaning that no excess waste wood is produced. WPIF members produce Chipboard, Oriented Strand Board (OSB), and Medium Density Fibreboard (MDF), supplying approximately 60% of UK demand. Demand for these products is growing, and they have a key role to play within the green economy and efforts to support low carbon construction.
3. At present, the wood panel industry is under threat from large bio-energy generators, which, if sourcing even 10% of their wood domestically (the DECC estimate) would use up the entire UK wood basket in energy generation. As such, the replenishing of the wood basket and commercial forestry planning is an issue of significant concern to the wood panel industry, and others, such as the furniture industry, which rely on wood as a resource.
4. The industry requires fair access to the domestic wood basket in a market that is not skewed towards energy generators, and this must be supported by sustainable growth and good management in commercial forestry. The WPIF has concerns that the proposals for a National Natural Resource Policy, as found in the Environment (Wales) Bill, do not specifically address forestry and the need for a strategy to incentivise commercial planting. Without effective long-term planning, wood is far from being an infinite resource, with replenishment taking many years. The WPIF would like to see a plan to address this matter, and believes that Natural Resources Wales must engage with commercial stakeholders to ensure that plans for commercial forestry planting take into account the resources that industries which rely on the domestic wood basket really require.
5. Commercial forestry planting cannot be seen simply as an environmental issue, however. Planning for commercial forestry must take into account the fact that the availability of wood in Wales is directly impacted by the UK Government's development

of bioenergy policy. Forestry replenishment should be planned accordingly, taking into account that the impact of this bioenergy policy on Wales's natural resources needs to be mitigated. Forestry is also a business issue; the wood panel industry is just one of many industries that relies on wood as a resource, and is in danger of being priced out of the market for this resource. It is therefore essential both that a practical and long-term plan for commercial forestry planting is built into the new National Natural Resource Policy, and that this plan is a product of both collaboration with the industries that rely on forestry, and the understanding that environmental, energy, and business policies all feed directly into the issue of forestry.