

## **Plywood shortage looms in the UK**

After many months of limited forward buying, signs are that UK stocks of tropical hardwood plywood are now extremely low. With tight supplies and rising prices from all the main supply regions, concerns are mounting that significant shortages could emerge as consumption begins to pick up with rising construction activity in the spring. Meanwhile, suppliers of alternative new products are hoping to step into the void previously filled by tropical hardwoods.

Despite concerns of potential shortages and clear signs that recent price rises are likely to stick, UK buyers have been slow to re-enter the forward market. Various factors are to blame, including: the weakness of the UK pound on international currency markets; lack of credit; the generally risk-averse business culture that has emerged in the wake of the financial crises; and lingering uncertainty over the prospects for construction activity during the rest of 2010.

This last factor is particularly aggravated in the run up to the UK's parliamentary elections – likely to be held in early May – the outcome of which will impact on the timing and depth of reductions in public expenditure.

Many UK plywood importers have been holding out for lower prices from tropical suppliers but are finding that shippers are unwilling to compromise, particularly now that demand is picking up in domestic and regional markets. Production costs have also risen dramatically over the last 12 months on the back of rising log prices, labour shortages (particularly in China), and the volatile methanol market which has driven up glue prices.

The huge increase in freight rates over the last 6 months is another factor dampening demand for tropical plywood in the EU. This is encouraging some of the larger bulk importers of South East Asian plywood to shift away from to containers in favour of break bulk. Nevertheless, lack of containers on the Asia-Europe route may well aggravate supply problems in coming months.

## **Ecobuild features alternatives to tropical plywood**

Mounting problems in supply of tropical hardwood plywood, combined with continuing widespread misconceptions about the environmental credentials of tropical hardwoods, is seen as a major opportunity by alternative materials suppliers. These suppliers were out in force at the Ecobuild trade show held at Earl's Court in early March.

Having seen visitor numbers soar from less than 1000 in 2005 to over 42000 this year, Ecobuild has now overtaken Interbuild as the UK's leading construction industry fair. This rapid growth in Ecobuild, which showcases green building systems and materials, provides a very strong indication of the significance of sustainability issues in the UK construction sector.

The market position of hardwood plywood products was under assault from various directions at Ecobuild. A large crowd gathered at the Accsys Technologies stand, which owns the Accoya Wood brand, to see the launch of the world's first softwood-

based panel modified for exterior use. The Medite Tricoya panel was produced in Ireland and is the result of a partnership between Accsys and Coillte Panel Products. According to Accsys representatives, preliminary tests of the products suggest they could have a service life of many decades in exterior applications and could therefore replace hardwood products in cladding, fascias, soffits, counter tops, door skins, and exterior furniture.

Meanwhile, UK-based 2K Manufacturing was pushing its Ecosheet exterior plywood replacement product manufactured from recycled plastic. According to 2K, the product is tough, lighter than ply, impermeable to water, ideal for hoardings and concrete formworks and at the end of its useful life, 2K will come and pick it up, turn it into new boards and offer a rebate on future orders.

A wide variety of heat and chemically treated plantation softwoods products were on show specifically targeting market sectors currently occupied by tropical hardwoods. Norway-based Kebony had a particularly large presence. The company, which opened a 25,000 m<sup>3</sup> plant last year, is supplying Scotch and southern yellow pine and maple which is pressure treated with a sugar cane derived alcohol to increase hardness and durability. It is mainly aimed at the decking and cladding sectors.

On the other hand, other trends at Ecobuild point to new opportunities for tropical hardwoods. An increasing number of companies supplying both wood and non-wood products are emphasising life cycle analysis, carbon footprint and whole-life costing in their marketing. The few studies of this nature carried out on tropical hardwoods suggest that they perform well when subject to unbiased objective assessment. For example, tropical hardwood's natural durability means long life in use, greatly reducing the need for replacement and this goes hand-in-hand with lower financial and environmental costs across the entire life of the building.

In the run-up to the Ecobuild show, TRADA released a Construction Briefing calculating the carbon footprint of a range of wood products in the UK market including Iroko decking, Sitka spruce preservative treated cladding, Swedish redwood timber frame and a green oak timber frame. The results indicate not only that all the wood products assessed have a positive carbon balance (they absorb more CO<sub>2</sub> during growth than they release during processing and delivery), but that the iroko decking compared well against the domestic wood products.

TRADA highlight particularly that due to the relative energy efficiency of containerised shipping, the carbon emissions to transport wood products from Cameroon to the UK market make a relatively minor contribution to the overall carbon budget.

The TRADA Construction Briefing may be downloaded at:

<http://www.trada.co.uk/downloads/constructionBriefings/CO2%20Calculated%20Values.pdf?hl=carbon+footprinting%2Ccarbon%2Ccarbons%2Cfootprinting%2Cfootprintings>

### **Rising focus on end-of-life issues in the UK**

The mounting importance of waste management and recycling in the UK construction sector was reinforced in presentations by UK joinery manufacturers to the London Hardwood Club during March. Ian Purkis of Jeld-Wen UK and Pauline Kelly of EA Higginson & Co Ltd, told the meeting that joinery companies are anxious to reduce waste and recycle more to further improve their products' environmental profiles.

Wood product suppliers are increasingly required to express the environmental credentials of their products in terms of whole-life costing, thereby enabling comparison with competing products.

They noted that while emphasis has been placed on front-end issues such as forest certification, carbon footprint and responsible sourcing, further progress could be achieved by focusing on improving downstream elements of the life cycle – for example by developing products that may be more readily recycled and provision of recycling support services.

### **TTF tightens advice on palm core “plywood”**

The UK Timber Trade Federation (TTF) has tightened up its advice on palm core plywood by asking members not to refer to the product as “plywood” but as “palm composite board”. The decision to issue more stringent advice, taken at the TTF's recent National Panel Products Division (NPPD) meeting, follows mounting concern over the product's lack of testing for structural use and fears of a potential failure if used in such applications. Earlier advice issued by the NPPD advised plywood trader members to specify if their products contained a coconut or oil palm core.

The NPPD said “palm composite board” should be clearly marked on all packaging of palm-core products, until such time the panels can demonstrate they meet the European Standards for the definition of plywood. Furthermore, the NPPD said any documentation and packing should make no reference to the term plywood, The NPPD also said the products should not be used in construction (structural or non-structural) until they could demonstrate testing evidence that they were fit for purpose. (*Source: TTJ*)

### **France commits to increased wood use**

Despite the downturn in economic activity, some positive news is emerging from the French timber market. According to a recent article by Jean-François Guilbert of the French Timber organisation in the TTJ, both government and industry have bold plans for developing France's production and use of timber.

In May 2009, President Sarkozy announced that the building industry should increase wood consumption ten-fold. The construction sector already has to use a minimum of 2dm<sup>3</sup> of wood per m<sup>2</sup> built and this now rises to 20dm<sup>3</sup>/m<sup>2</sup>, taking into account all wood products in a building.

The move partly reflects the positive carbon benefits associated with increased wood use, and partly a desire to increase utilisation of France's large domestic forest resource. In support of these objectives, the president announced establishment of a

€100m strategic fund to help increase timber sector competitiveness and boost French wood production capacity.

Guilbert notes that “Despite the uncertain economic environment, the French wood industry, led by its many family businesses, is already responding to these ambitious targets. Companies have been investing in new capacity, new technology and product development. But there are still challenges ahead”.

Guilbert also reports that for the past six years, timber construction has been growing at 8% annually in France and wood’s sustainability credentials and image as a warm material have helped it gain market share for interior products.

But he also emphasises that these trends cannot be taken for granted, there is a continuing need to communicate the positive attributes of wood products and to overcome misconceptions about the link between timber and deforestation.

He warns that while tropical wood will still be used, “concerns over illegal logging, boosted by pressure from environmental NGOs, will lead to growing demand for alternatives. And, as they increase their use of wood modification processes, French and European producers will be able to meet it, with local species processed to match the characteristics of tropical varieties”.

He suggests that overcoming misconceptions and other barriers to market access will “require greater use of labelling and greater emphasis on environmental certification right the way through the production process to distribution, so end users are informed and their concerns dealt with”.

### **Carrefour International du Bois fully booked**

Meanwhile, French government commitment to increase wood use is already boosting interest in this year’s Carrefour International du Bois, France’s largest timber show. The show was fully booked three months in advance of the event. The exhibition to be held in Nantes 2-4 June 2010 will feature about 500 exhibitors in four halls and is expected to attract 10,000 trade visitors from 60 countries. Prospective visitors can now register to attend by visiting [www.timbershow.com](http://www.timbershow.com).

Show features include the Timber Techniques and Solutions Area, which will present timber solutions for collective and social housing, renovations and where hardwoods fit in within timber construction systems. Presentations explaining the progression of timber construction in France are also taking place. Carrefour will also see the second edition of Research and Innovation In Timber and the annual congress of the National Wood Energy Committee – focusing on Wood Energy in Industry.