



Egger has added more recycling sites to its business to recover further waste wood

As biomass continues to cause concern across the wood panel industry, **Tiffany Holland** speaks to Egger UK about what steps it is taking to secure its future

Burning issues

■ WITH THE EVER-STRENGTHENING FORCE OF BIOMASS ENERGY, INDUSTRIES THAT RELY ON the supply of waste wood are looking at ways to secure their future, knowing that competition for the raw material will soon be fierce.

Wood panel manufacturer Egger UK has recently done just that by investing more than £12m on new recycling sites to intercept waste wood that would usually go to landfill. It currently takes two million tonnes of wood fibre each year, of which 40% is waste wood.

Egger's joint managing director (commercial) Bob Livesey says the entire wood panel industry is nervous about the security of future wood supplies, while current supply quality is getting worse.

"Gate fees at recyclers' sites have been eroded because of the competition between companies for the material," he says. "Because of this, the value of collections has been reduced. We are finding that the quality of recycled wood is diminishing – we are receiving more C-grade material because those companies buying wood for biomass are taking the higher grade wood that we would usually use."

Egger is the only UK wood panel firm to have its own wood waste management company, Timberpak, which operates a collection and drop-off service mainly for the commercial and industrial sectors. This ensures Egger can fulfil its raw material supply. To keep the company fit for the future, it has invested £4m in acquiring two recycling sites at Washington in Tyne & Wear and Bellshill near Glasgow.

In addition, £8m was used at the Egger site in Barony, Scotland, and £4m invested in its Hexham site in 2009 to create a second recycling plant there. The strategic cash injection will mean the particleboard plants in Barony and Hexham will produce consistent recipes and quality in the products.

With poorer quality wood coming into yards, Egger has also had to buy equipment to clean it up.

"We have invested heavily in cleaning equipment so that we are able to take all sorts of wood, but this puts another cost on top of the rest of our production costs," Livesey explains. "We have seen the price of wood rise by 50% in the past couple of years.

"The support that biomass is getting from the Government through renewable obligation certificates alone is enough to pay two or three times the value for wood. To compete we have to pay similar prices, so we are seeing more of the cost being passed on to our customers. They are paying a lot more than they were in the past and this will continue."

Egger is a member of the Wood Panel Industry Federation, which is currently lobbying the Government to protect the wood panel industry from the biomass effect by encouraging the burning of wood only when it can no longer be re-used or recycled.

Livesey says: "The Government should not incentivise the biomass industry to buy wood domestically by outbidding competitors. Instead, support should be for utilising material sourced from overseas rather than in the domestic market."

According to WRAP, just 4.5 million tonnes of waste wood is available in the UK, but only a proportion of this is actually recovered and reprocessed. The biomass sector would need total wood fibre of potentially over 40 million tonnes by 2020 if all the currently proposed biomass facilities were to go ahead.

"We are not against biomass," says Livesey. "We have a small biomass energy plant at Hexham which produces 50MW/hour of heat and reduces the use of fossil fuel – more than 70% of energy requirement at Hexham plant comes from this plant. But we only burn the waste wood which has no further use [which is what should be done across the industry]."

AT A GLANCE

Egger explains how it is investing in its recycling division to secure more wood waste for panel board production

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