

Annual General Meeting
All Party Parliamentary Group for the Wood Panel Industry
Thursday 7th February 2019, 10.00am
Committee Room 18, House of Commons, London SW1A 0AA

Members Attending:

Stephen Kerr MP (Con, Stirling)	- Chair
Susan Elan Jones MP (Lab, Clywd South)	- Vice Chair
Jim Shannon MP (DUP, Strangford)	- Vice Chair
Rt Hon Sir Patrick McLoughlin MP (Con, Derbyshire Dales)	
Chris Green MP (Con, Bolton West & Atherton)	
Eddie Hughes MP (Con, Walsall North)	

Also in attendance:

Rt Hon Brian Wilson - Former UK Energy Minister
Alastair Kerr - Director General, WPIF
Steve Roebuck - Director, Norbord
Chris Emery - Timber Procurement Executive, Kronospan
Mark Cummings - Invicta Public Affairs
Iona Lamont - Invicta Public Affairs

Ian Tubby - Forestry Commission
Thomas Ashton - Office of John Stevenson MP (Con, Carlisle)
Matthew McPherson - Office of Guy Opperman MP (Con, Hexham)
David Walker - Senior Account Executive, Beattie Communications

Agenda

1. Introductions and Election of Office Bearers

Led by: Stephen Kerr, Chair of APPG and Expert Working Group

2. Update on the Wood Panel Industry

Supply and demand issues facing the industry, resulting from a lack of security surrounding domestic wood.

Led by: Alastair Kerr, Director-General of WPIF
Chris Emery - Timber Procurement Executive, Kronospan
Steve Roebuck - Director, Norbord

3. Discussions on Expert Working Group Policy Report

The impact of existing UK energy policy on the wood panel industry and policy options available to combat the unintended consequences of biomass subsidy:

- a) **Remove the subsidies** which cover woody biomass and create a competitive, free market for all wood users competing for a finite resource base
- b) **Restrict the total quantity of wood supply** that can be consumed as wood fuel by recipients of subsidy payments on an annual basis and/or restrict the type of wood that biomass plants in receipt of subsidies can use as fuel
- c) **Adopt a technology neutral approach** ensuring that renewables subsidies are equalised and biomass does not receive a higher rate than is justifiable based upon the available evidence.

Led by: Mark Cummings - Director, Invicta Public Affairs
Alastair Kerr - Director-General of WPIF

Rt Hon Brian Wilson - Former UK Energy Minister

Item 1.

The Chair opened the meeting and welcomed attendees to the AGM.

Previous office bearers were re-elected as follows:

Stephen Kerr MP (Con, Stirling) - Chair

Susan Elan Jones MP (Lab, Clywd South) - Vice-Chair

Bill Grant MP (Con, Ayr, Carrick & Cumnock) - Vice-Chair

Alan Brown MP (SNP, Kilmarnock and Loudoun) - Vice-Chair

John Stevenson MP (Con, Carlisle) - Vice-Chair

Drew Hendry MP (SNP, Inverness, Nairn, Badenoch and Strathspey) - Vice-Chair

Jim Shannon MP (DUP, Strangford) - Vice-Chair

Item 2.

The Chair opened discussion to attendees on behalf of the Wood Panel Industries Federation.

The Secretariat for the Group gave an update on the wood panel industry. The Secretariat highlighted that wood security within the UK is under considerable threat, a problem which has been exacerbated by UK Government renewable energy subsidies for wood burning technologies in recent years.

Representatives of the Wood Panel Industries Federation (WPIF) explained to attendees that the wood panel manufacturing industry depends upon current and future domestic softwood supply. However, the rise of the wood fuel sector has distorted the market and created shortages in UK wood supply. There is now an unsustainable demand for wood which cannot be met within the UK due to the policy context.

In this respect, attendees were directed to the Expert Working Group Policy Report, produced on behalf of the Wood Panel Industry. It was clarified that this report would be publicly disseminated following the AGM.

Item 3.

The Secretariat for the APPG explained that the Expert Report was produced to outline policy options for how the industry can meet UK demand for wood panel products and how the industry can coexist with wood processing and wood fuels sectors which also rely on a finite domestic wood supply.

It was highlighted by WPIF representatives that headroom between supply and demand is narrowing, particularly within the domestic softwood resource. In addition, peak wood is fast approaching within the next 10 years and there has been a steady decline in the amount of planting since the 1970s. Three key policy options must be considered to combat this, as detailed in the Expert Working Group Policy Report. These are: removing subsidies altogether, pursuing a technology neutral approach to subsidy, or restricting the quantity and/or type of wood which qualifies for subsidy.

Attendees asked to clarify the timeline for planting in respect of peak wood. It was confirmed that the thinning process is 15-20 years, whilst the final crop takes up to 30-40 years. It was highlighted that commercial planting in the UK is lower than ideal and that there is a tension with land being used for forestry. It was emphasised that the Forestry Commission do look for healthy competition to plant, but don't want prices competitive enough that manufacturers are struggling.

It was agreed that the key to moving forward with policy options is to push for Ministerial engagement on a continuous basis. Engagement with Ministers in devolved governments should also be prioritised.

The Chair confirmed that in this respect, Richard Harrington (Minister for Business and Industry) has agreed to meet, and that David Rutley MP (Minister for the Department of Environment, Food and Rural Affairs) is due to meet with APPG representatives on Tuesday 19th Feb 2019.

It was confirmed that the Policy Report was presented in draft format to Claire Perry MP (Minister for Energy and Clean Growth) in November 2018. Claire Perry has confirmed a site visit to EGGER, Hexham through the office of Guy Opperman MP (Local MP for EGGER, Hexham) for March 2019.

It was confirmed that the Policy Report would be disseminated to all UK Parliamentarians by the WPIF.

Actions to be taken forward by the APPG:

All members of APPG to submit a Westminster Hall Debate on the future of renewable subsidy mechanisms and implications that they have for industry, public health and the taxpayer.

All members of APPG to approach relevant Ministers for a meeting on behalf of APPG and WPIF.

All members of APPG to facilitate site visit with relevant Ministers to local WPIF member companies.