

CHAPTER

10

Forest Products Industries

Current Features

- 4.10.1** As previously indicated, forest output can be categorised into three log classes, viz. pulpwood (ie 14 cm in diameter), small sawlog (ie 14-20 cm) and large sawlog (ie 20 cm+). Pulpwood and low-grade small sawlog are generally used as raw material for the panel board industries. Sawlogs, both small and large, are essentially the raw material for the sawmilling industry. Small sawlogs are used for production of pallets, fencing and for non-structural sawn timber applications. Large sawlog is the main source of structural timber. Timber from broadleaved species is directed almost exclusively to uses in joinery and furniture-making.
- 4.10.2** Forest product industries in Ireland fall into the broad categories of primary (sawmilling), secondary (panel board) and tertiary (furniture and wood-craft). Other forest-based outputs include, for example, foliage, bark, nursery plants, Christmas trees, transmission poles etc. There are also points of interdependence between these categories, such as the use of sawmill residues by the panel board industries.
- 4.10.3** Total wood production from forests is currently 2.2 million m³ per annum from which some 0.7 million m³ of residues (chips, slabs, sawdust, bark) is produced.
- 4.10.4** Issues particular to the sawmill sub-sector, including pallet production, are dealt with in Chapter 9.
- 4.10.5** The panel board sub-sector comprises:
- Medite of Europe Limited in Clonmel, Co. Tipperary, which produces MDF. Current production is in the order of 230,000 m³ (1995 est.) and is scheduled to increase to approximately 300,000 m³;
 - Finsa Ltd in Scarriff, Co. Clare, which produces chipboard. Production in 1995 is estimated to have been in the order of 90,000 m³ per annum;
 - Louisiana Pacific Coillte Ireland Ltd. at Waterford Port, which produces OSB. Production has recently commenced and at full capacity the plant will produce 350,000 m³ of finished product per annum;
 - Masonite Corporation, Carrick-on-Shannon, Co. Leitrim, which will produce moulded door facings when brought into production in 1997. At full capacity the plant will produce 120,000 m³ of product per annum.

This sub-sector has grown rapidly in recent years. It converts low value forest output such as pulpwood and sawmill residues into high added-value products and is strongly positioned for product export growth. This sub-sector is complementary to other elements of Ireland's forestry sector and is a most valuable component in the development of the sector as a whole.

- 4.10.6** The furniture and joinery sub-sector is generally fragmented with a large number of small dual-purpose (furniture and joinery) firms and relatively few medium sized commercial firms. The sub-sector uses timber which is primarily from broadleaved species and, to a lesser extent, better quality conifers. However, imported timbers dominate in raw material supply to the sub-sector, not least because of difficulties in the sourcing, continuity of supply and quality assurance of native hardwoods.
- 4.10.7** Because of these difficulties and shortcomings in the areas of market research, design and business skills, the native hardwood and woodcraft industries are fragmented and underdeveloped.

Policy Considerations

- 4.10.8** Irish structural spruce timber tends to be somewhat weaker than certain imported softwoods. On the other hand, spruce pulp has inherent competitive qualities.
- 4.10.9** The volume of raw material available for forest-based industries will greatly increase over coming years as the estate matures and afforestation continues in pursuance of the Strategic Plan. In order to ensure that opportunities for industrial development, marketing etc. can be identified and pursued, it is important that volumes and trends in timber supply and demand are carefully monitored and that particular attention is paid to forecasts in this area.
- 4.10.10** The optimum economic return from Irish forestry requires the development of outlets for all forest output (ie thinnings, sawlogs, residues), both conifer and broadleaf. Wherever there are impediments, for example, in terms of supply arrangements, processing capability, quality assurance or marketing, to securing such outlets they must be effectively addressed.
- 4.10.11** There are increasing opportunities for added-value which can greatly enhance the national economic and social returns from forestry. This applies even in the case of low-value forest produce such as pulpwood.
- 4.10.12** The development of new products will increase the potential value of the industrial sector. Products for speciality or niche export markets can off-set the cost disadvantage of Ireland's peripheral geographic location.
- 4.10.13** Ireland's proximity to the UK, as a major timber importing economy, provides market opportunities. Within the context of fully developing the sector to greatest advantage it will be necessary for both processors and exporters to develop and maintain an effective level of market intelligence covering not only volumes but also standards and product requirements in key market areas.
- 4.10.14** The optimum development of Ireland's forest product industry and, in particular, success on exports markets, requires close co-operation between the various State and other interests involved. The long term success of the industry depends on adopting a market led approach and An Bord Trachtala has already commenced a close strategic relationship with key industry players to develop a sustainable long term strategy.

- 4.10.15 Current and planned capacity within the sawnwood and panel board industries will account for all available supplies into the second decade of the next century.
- 4.10.16 Paper production may become an option after 2015 as planned volumes of small-sized logs increase.
- 4.10.17 Production of timber products to standards which satisfy market demand for quality is a key developmental issue (see Chapter 11).

Policy Statement

Policy on forest products industries will be:

To promote the establishment and continued development, in line with expected wood supply and demand, of a range of complementary primary, secondary and tertiary (including non-wood) forest-based processing industries which provide outlets for all the output of Ireland's forests and to maximise the share of domestic and export markets which can be captured by such output.

Strategic Actions

- 4.10.18 The Department of Agriculture, Food and Forestry will keep the timber supply and demand position under review by monitoring production forecasts and trade statistics.
- 4.10.19 As timber volumes increase, Forbairt will identify and pursue, within the overall Strategic Plan, processing opportunities, including paper production, which will utilise available raw material supplies.
- 4.10.20 State agencies will promote measures to widen product ranges at the different levels of processing.
- 4.10.21 Sourcing, processing and marketing initiatives based on indigenous hardwoods will be supported where they address an identified need and can lead to the establishment of viable commercial industries.
- 4.10.22 State agencies will support added-value initiatives ancillary to current processing operations, such as the development of new products and manufacturing improvements in the sawmilling sub-sector.
- 4.10.23 State agencies will support low-volume, high-value initiatives, aimed at niche markets, through the provision of assistance for research, products and market development and, where appropriate, capital grants.
- 4.10.24 State agencies will support measures aimed at market identification and exploitation.
- 4.10.25 A Forest Industry Development Group, to be comprised of representatives of Government Departments, State Agencies and interests concerned particularly with the downstream end of the forestry sector in its broadest sense will meet annually for the purpose of reviewing and making recommendations to Government on any actions necessary for the development and marketing of Irish wood and non-wood forest products.