UNECE Timber Committee
Market Report for Ireland 2007

Compiled on behalf of COFORD / Forest Service

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1.0 Irish Economic Overview – General Economic Trends [1]

2006

- The Irish economy grew by 6.0 percent in 2006 when measured in real GDP terms.
- Real GNP grew by 7.4 percent.
- In 2006, the forestry sector accounted for 0.3% of GDP.
- The Irish Exchequer / Department of Finance recorded a surplus of over €2 billion.
- Consumer price inflation (CPI) for 2006 was 3.9 percent compared to 2.4 percent for 2005.
- Employment remained strong in 2006 with a growth rate of 4.4 percent.
    - 87,000 extra jobs were created in Ireland in 2006.
- The Irish rate of unemployment stood at 4.4% [2].
- Net immigration for 2006 was 70,000.
- Irish exports growth has been underpinned by strong demand in key export markets namely the UK, France, Belgium & Germany.
    - In 2006, Irish exports grew by 4.9 percent in volume terms and 7.0 percent in value terms.
    - Services exports grew by 18 percent.
    - Merchandise exports growth was significantly lower at 1.3 percent.
- Personal consumption grew by 9 percent in value terms and 6.2 percent in volume terms.
- In 2006, the Irish housing market was responsible for 15.5 percent of GNP.
- In late 2006, the Irish housing market slowed as the cycle of interest rate increases introduced by the European Central Bank (ECB) began to take effect.

[1] Quarterly Economic Commentary Summer - 2007, Economic and Social Research Institute (ESRI); ISBN/ISSN No: 0376-7191; www.esri.ie/irish_economy/

[2] As a percentage of the labour force

Irish Short Term Economic Forecast

- Irish GDP is expected to grow by 4.9 per cent in 2007, slowing to 3.7 per cent in 2008.
- GNP is expected to grow by 4.8 percent in 2007 and by 3.7 percent in 2008.
- A deficit of €622 million is forecast for 2007, rising to €1 billion in 2008.
- CPI inflation is projected to average 4.9 per cent in 2007 and 3.0 per cent in 2008.
- Employment growth of 2.9 percent is forecast for 2007, slowing to 1.2 per cent in 2008, driven by a deceleration in construction sector employment.
- The rate of unemployment in Ireland is forecast to rise to 4.7 percent in 2007 and to 5.0 percent in 2008.
- Net immigration is anticipated to fall to 50,000 in 2007 and to 25,000 in 2008.
- Irish exports are forecast to grow by 6.0 percent in 2007 and by 5.2 percent in 2008.
- Personal consumption is expected to grow by 7.8 percent in 2007 and by 4.5 percent in 2008.
- The Economic and Social Research Institute (ESRI)[3] forecast that investment in the Irish housing sector will fall by 4.7 percent in 2007 and by 6.1 percent in 2008.

[3] ESRI www.esri.ie

1.1 Market Drivers – Housing

Housing is a key driver of Irish timber sales, with residential construction responsible for 65 percent of Irish construction output. Timber frame housing now accounts for 30 percent of Irish house completions.

In 2006, 93,419 new homes were constructed in Ireland. This represents an increase of 15.4% on the output for 2005. Ireland's per capita housing output for 2006 was 21 houses per 1,000 of population, four times the European Union (EU) average.

Irish house completions have increased more than four-fold since 1990.

Table 1: House Completions in the Republic of Ireland 1990 - 2008

Year	**Total Completions**	**Growth Index 1990 = 100**
1990	19,539	100.00
1991	19,652	100.58
1992	22,464	114.97
1993	21,391	109.48
1994	26,863	137.48
1995	30,575	156.48
1996	33,725	172.60
1997	38,842	198.79
1998	42,349	216.74
1999	46,512	238.05
2000	49,812	254.94
2001	52,602	269.22
2002	57,695	295.28
2003	68,819	352.21
2004	76,954	393.85
2005	80,957	414.34
2006	93,419	478.12
2007 f	82,000	419.67
2008 f	76,000	388.97

Source: Department of the Environment, Heritage and Local Government www.environ.ie
Forecast supplied by the ESRI Quarterly Economic Commentary www.esri.ie

The Irish housing sector is dominated by private housing. This sector slowed in late 2006, a slowdown which has continued into 2007.

The Economic and Social Research Institute (ESRI)[4] forecasts that investment in the Irish housing sector will fall by 4.7 percent in 2007 and by 6.1 percent in 2008. This will see housing completions falling to 82,000 in 2007 and to 76,000 units in 2008. A recent report by Davy Stockbrokers[5] forecasts 75,000 house completions for 2007 and 55,000 for 2008. This represents a 12% reduction in residential investment for 2007 and a 21% reduction in 2008.

HomeBond[6] housing registrations for the first half of 2007 show a significant reduction on the same period in 2006.House starts fell by 14 percent year on year in quarter four 2006, by 28 percent year on year in quarter one 2007 and by 41% year on year in quarter two of this year.

The reduction in Irish house building will significantly reduce the market for construction timber and for wood based panels.

1.2 Market Drivers – Timber Frame

Timber frame is a key end user of structural lumber and panel products notably Oriented Strand Board (OSB).

Irish timber frame output has grown from a market share of 5% in 1992 to 30% in 2006.

Timber frame output slowed in the last quarter of 2006 and in the first half of 2007. This is a result of the reduction in Irish housing output.

[4] ESRI www.esri.ie
[5] www.davy.ie
[6] HomeBond is the national organisation which provides a structural guarantee scheme for new house developments. www.homebond.ie

1.3 Market Drivers – Repair, Maintenance and Improvement (RMI)

In 2006, the value of the Irish Repair, Maintenance and Improvement sector (RMI) was €7 billion. This is split as follows

Table 2: RMI Output in the Republic of Ireland 2006 – 2008

Sector	**2006**	**2007 f**	***2008 f***
Residential RMI € billion	€4.50	€5.00	*€5.22*
Non Residential RMI € billion	€2.50	€2.28	*€2.35*
Total RMI spend € billion	*€7.00*	*€7.28*	*€7.57*

Source: Construction Industry Federation www.cif.ie

- Investment in renovations and extensions to houses remains strong.
- Residential RMI spend is forecast to increase by 11% in 2007 and by 4.4% in 2008.
- Non residential RMI spend is forecast to grow by 4% in 2007 and 2008.

1.4 Market Drivers – Immigration

Over the period of a few short years Ireland has moved from being a country of emigration to one of immigration.

- Net immigration for 2006 was 70,000.
- Net immigration is anticipated to fall to 50,000 in 2007 and to 25,000 in 2008
- However, immigrants will continue to play an important role in alleviating labour supply bottlenecks in Ireland[7].
- The Enterprise Strategy Group Report (2004) estimates that demand for new workers over the period up to 2010 could be in the region of 420,000.
- Immigration is expected to account for almost half the increase in labour supply between 2005 and 2010, and for the majority after 2010[8].

New immigrants are a key driver of housing demand.

[7] OECD Policy Brief; Economic Survey of Ireland, 2006

[8] Occupational Employment Forecasts 2012; P. Lunn, N. Doyle & G. Hughes FÁS/ ESRI Manpower Forecasting Studies Report No. 12; ISBN/ISSN No: 0707002559; August 2007 www.esri.ie

2.0 Policy Measures

The following policy measures introduced in 2006 will influence the Irish forestry & forest products sector.

2.1 Support for Afforestation

New support measures introduced in 2006 include.

2.1.1 Forestry Environment Protection (Afforestation) [FEPS] [9] Scheme

This grant scheme was introduced in late 2006 / early 2007.

- It encourages farmers to combine the establishment of high nature-value woodland with their participation in the Rural Environment Protection Scheme (REPS).
  - For the first five years, the premium payable under this scheme exceeds that paid under the afforestation Scheme.
- Farmers planting under FEPS will have to adhere to enhanced environmental objectives, some of which will be mandatory.
- The new scheme will operate on a pilot basis during 2007 and is being introduced under the Rural Development Plan 2007-2013.

2.2 National Forest Inventory (NFI) [10]

- The first phase of the national forest inventory has been completed and shows a standing volume of 71 million cubic metres.
- Collection of field data for the NFI was completed in November 2006. It is the first statistical inventory of all forests in the Republic of Ireland.
- Final results from the current phase of the NFI are expected in November 2007.

[9] www.agriculture.gov.ie/forestry/files/FEPS_scheme/06-fep%20scheme.pdf
[10] www.agriculture.gov.ie/index.jsp?file=forestry/presentations/NFI_presentatoins.xml

2.3 Research, Technological Development and Innovation (RTDI) [11, 12]

In 2006, RTDI / Research spending within the Irish forest products sector averaged 2.0 percent.

Changes in RTDI policies which will affect the Irish forest and forest products sector include.

- The newly established Irish Energy Research Council will advise on priorities for Irish energy research to 2013 and for the longer term. The Council will coordinate existing energy Research Technological Development and Innovation (RTDI) activities and provide analysis and advice.

- Environment Research Sub-Programme
  - Some €93 million will be invested in environmental research over the period 2007 – 2013.

2.4 Forest Research

The Irish forest research programme is managed by COFORD[13]. Its key research objectives include.

- Climate change mitigation and adaptation in Irish forests.
- Development of dynamic yield models for conifers, broadleaves and mixtures.
- Development of efficient wood energy supply systems.
- Improving the uniformity and quality of broadleaf planting stock.
- Input into tree improvement processes.
- Managing for biodiversity in a range of Irish forest types.
- Reporting on carbon stock changes to Irish forests.
- Silviculture of new broadleaved plantations.

[11] Enterprise – Ireland
[12] Ireland National Development Plan 2007-2013; Government Publications. www.ndp.ie/viewdoc.asp?fn=/documents/NDP2007-2013/NDP-2007-2013-English.pdf
[13] www.coford.ie

2.5 The National Development Plan (NDP) 2007-2013

Over the next seven years, the Irish National Development Plan will invest €184 billion in the Irish economy. The areas in which the NDP will influence the Irish forestry and forest product sector include.

- Support for afforestation and for the integration of forestry with agriculture.
- The cultivation of fast-growing species, for the purposes of biomass production.
- Skills training for farm foresters.
- The mitigation of climate change.
- Funding for the continuation of the COFORD forest research programme.
- Investment in sustainable energy with a view to meeting the target of 15% of electricity production from renewable sources by 2010.
  - A target has been set to achieve 30% co-firing with biomass in the three peat fired power stations by 2015.
  - A target has been set for biomass to supply 12% of the renewable heat market by 2020.
  - For further information see.
    - Energy White Paper: Section 2.7 and
    - Bioenergy Action Plan: Section 2.8.
- The development of indigenous rural forestry enterprises.
- Support for downstream investment in the forestry sector.
- An investment of €54.7 billion in infrastructure projects.
  - €13.3 billion investment in national roads.
  - €4.3 billion investment in non-national roads.
  - €12.9 billion will be invested in public transport.
- An investment of €21.2 billion in social, affordable and voluntary housing schemes.

These projects will support the expansion of the forest estate, provide significant markets for forest products and will help to develop the Irish bioenergy sector.

2.6 Ireland National Climate Change Strategy 2007 – 2012 [14]

The Irish forestry sector has a key role to play in addressing climate change, through carbon sequestration and through the development of renewable energy resources. This includes.

- Forest areas established as a result of grant aid under the State / EU funded afforestation schemes since 1990 are expected to contribute an annual average emission reduction of 2.074 million tonnes of carbon dioxide (CO_2) over the Kyoto period.

- There is significant potential for wood fuel to displace fossil fuel, particularly in the generation of heat.
  - For further information see sections 2.7, 2.8 & 2.9 of this report.

- Support measures have been designed to assist the development of the supply. chain required to process and supply wood biomass to end-users.
  - For further information see sections 2.7, 2.8 & 2.9 of this report.

2.7 Irish Energy Policy – Energy White Paper [15]

In 2006, a Green Paper on energy policy was published by the Irish Government. Following a consultation process, a White Paper on energy policy was introduced in early 2007. This outlines Irish Government energy policy for the period 2007-2020. Its primary objectives are:

- Security of supply.
- Environmental sustainability and
- Economic competitiveness.

From a forestry perspective, the sustainable energy sub – programme details how the renewable energy sector is to be developed.

[14] www.environ.ie/en/PublicationsDocuments/FileDownLoad,1861,en.pdf
[15] www.dcmnr.gov.ie/Energy/Energy+Planning+Division/Energy+White+Paper.htm

2.7.1 Sustainable Energy Sub-Programme

At least €276 million will be invested in the Irish sustainable energy sector over the period of the NDP. This is in support of the targets for sustainable energy including the promotion of renewable energy, energy efficiency and innovation. Key objectives of this programme include.

- A commitment to delivering significant growth in the use of renewable energy in power generation.
- A target of 33% of electricity consumption from renewable sources by 2020.
  - The Irish Electricity Supply Board (ESB)[16] and Bord na Móna[17], its supplier of milled peat will work with the biomass sector to develop the potential of co-firing at the three State owned peat burning stations.
  - A target has been set to achieve 30% co-firing with biomass in the three peat fired power stations by 2015.
  - Biomass firing is set to commence at the Moneypoint generating station by 2010.
  - Biomass power generation projects will be supported through the Renewable Energy Feed-in Tariff (REFIT) scheme.
    - Under this scheme, the tariff price for biomass electricity is set at 7.2 c per kWh compared to 5.7 c per kWh for wind.
- The use of biomass in power generation will be supported by means of technology transfer, by investment in specific research & development programmes and by tackling supply issues.
- The need to develop Combined Heat and Power (CHP) and district heating schemes has been identified as an area where energy efficiency could be improved.
  - The White Paper sets the following targets for CHP output
    - 400MW of energy by 2010 and 800 MW by 2020.
    - Biomass energy supplying 12% of the Irish renewable heat market by 2020.

[16] www.esb.ie

[17] Bord na Móna supply milled peat to four thermal power plants, owned by the Electricity Supply Board and by Edenderry Power Ltd., for the generation of electricity. www.bnm.ie

2.8 BioEnergy Action Plan for Ireland [18]

The National Bioenergy Action Plan aims to increase the use of renewable energy in three key sectors: transport, heat and electricity. The objectives of this policy include

- By 2020, a third of all electricity consumed in Ireland will be generated from renewable sources.
- By 2015, all peat fired power generation stations will be co-fired with biomass. The biomass content will be 30%.
    - This will reduce Irish carbon dioxide (CO_2) emissions by 900,000 tonnes per year.
    - To encourage the development of biomass generated electricity, the tariff price for biomass electricity is set at 7.2 c per kWh compared to 5.7 c per kWh for wind.
- By 2020, 12% of the total heating (process, space, water, etc.) in all sectors to be provided by renewable sources
    - A target of 5% is set for 2010.
- Within twelve months, new regulations for the energy efficiency of buildings will be introduced.
- New energy efficient designs for schools will be piloted in 40 new schools.

From a forestry perspective key elements of this plan include

- The introduction of an additional 'top up' payments of €80 per hectare for energy crops. This is on top of the EU energy crops premium payment of €45 per hectare.
    - The additional payment of €80 will apply for three years
    - Scheme value: €6 m
- The introduction of a Bioenergy Scheme to encourage farmers to plant new energy crops such as miscanthus and willow.
    - Scheme value: €8 m.
- The Research Stimulus Fund Programme will fund research into biofuels and energy crops
    - Scheme value: €1.5 m.
- The introduction of a grant scheme for Wood Biomass Harvesting Machinery to include wood chippers and forest residue bundlers.
    - Scheme value: €1.2 m.
- The encouragement of a rate of afforestation that is sufficient to meet increased market demand for wood fibre in the medium to long term.
    - This will be supported by the introduction of a FEPS scheme to facilitate increased levels of afforestation.
        - For further details see section 2.1.1.
- Develop and support the wood energy chain to enable it to deliver quality wood fuel at a competitive price.

[18] www.dcmnr.gov.ie/NR/rdonlyres/4FFF6234-26CA-46B5-878AA04A7288DA4/0/FinalBioenergyReport.pdf

2.9 Promoting Wood Energy [19]

In 2006, the Irish Government introduced a five year capital programme to underpin the growth of the Irish renewable heat sector. The grant schemes for this programme have been developed in conjunction with Sustainable Energy Ireland (SEI). The total funding package for this programme is €89 million.

The grant schemes contained within this programme are detailed below

2.9.1 Greener Homes Scheme (GHS) [20]

This grant scheme was established in 2006. It allows householders to obtain grants for the installation of renewable heat technologies including wood pellet stoves, boilers, solar panels and geothermal heat pumps.

By August 2007, 16,000 grants to a value of €47 million were approved under the GHS. A second phase of this grant scheme is being introduced from October 2007.

2.9.2 ReHeat Programme [21]

This grant support scheme enables community groups, commercial sector, public sector and industrial sector organisations to obtain grants for the installation of wood chip and wood pellet boilers. Grant aid is up to 30% of overall cost.

By April 2007, 14 projects had been completed under this scheme with a total output of 8.355 megawatts.

2.9.3 Combined Heat and Power (CHP) Grant Scheme [22]

This programme provides grants for the installation of CHP units. It aims to develop small-scale CHP units (up to one mega watt) fired by fossil fuels, which can be deployed in buildings having a substantial heat requirement. A second strand, that is yet to be launched, covers grant aid for biomass fired CHP.

This programme aims to deliver 10 – 15 MWe Biomass CHP, and 10 – 20 MWe of electricity from small scale fossil fuel CHP. There is no limit on the size of installations that can be grant-aided if they are fuelled by biomass.

To date, no biomass CHP projects have been commissioned under this scheme. However, a number are in the early stages of development.

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[19] Sections 2.7, 2.8 & 2.9 provide details on the Irelands energy policy and the promotion of bioenergy / renewable energy.
[20] www.sei.ie/greenerhomes/
[21] www.sei.ie/reheat/
[22] www.sei.ie/chpgrants/

2.9.4 Forest Energy 2006 – COFORD [23]

In 2006, COFORD[24] (The National Council for Forest Research & Development) in collaboration with Teagasc[25] (the Agricultural Research & Development and Advisory service) undertook a series of wood energy demonstrations at forest sites across Ireland. These

- Demonstrated biomass harvesting systems under Irish forest conditions
- Established the productivity and costs for biomass harvesting systems &
- Evaluated the amount and quality of biomass fuel produced[26].

A follow on programme, Forest Energy 2007 [27] is currently underway. This seeks to

- Demonstrate and develop good practice in the harvesting and processing of biomass and
- Develop quality systems for the production of wood biomass.

See National Bioenergy Action Plan section 2.8.

2.10 Energy Performance of Buildings Directive (EPBD) [28]

The EU Directive on the Energy Performance of Buildings (EPBD) was transposed into Irish law on 4th January 2006. The directive will be implemented on a phased basis over the next three years.

As part of the EPBD, a Building Energy Rating (BER)[29] certificate will be required at the point of sale or rental of a building, or on completion of a new building, and will be implemented as follows:

- A BER is required for new dwellings constructed on or after 1st January 2007.
- A BER is required for new non-domestic buildings constructed on or after 1st July 2008.
- A BER is required for existing buildings when offered for sale or letting on or after 1st January 2009

A lead - in period is allowed for each of the above steps.

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[23] www.woodenergy.ie
[24] www.coford.ie
[25] www.teagasc.ie/
[26] Harvesting and Processing Forest Biomass for Energy Production in Ireland; The Forest Energy 2006 Programme; Pieter D. Kofman and Tom Kent; COFORD.
www.coford.ie/iopen24/pub/product_info.php?products_id=966605
[27] www.woodenergy.ie/iopen24/defaultarticle.php?cArticlePath=12_46
[28] www.sei.ie/epbd/
[29] Building Energy Rating (BER) is a requirement of the EU Directive on the Energy Performance of Buildings (2002/91/EC of 16th December 2002), which has now been transposed in Ireland by the European Communities (Energy Performance of Buildings) Regulations 2006 (S.I. No. 666 of 2006)

2.11 Standards for Timber & Forest Products

2.11.1 Timber Trussed Rafters – Irish Standard 193

A revision of Irish Standard (I.S.) 193: Timber Trussed Rafters was completed in November. In December 2006, the draft was sent for approval to the Board of the National Standards Authority of Ireland (NSAI).

2.11.2 Irish Timber Frame Standard

The NSAI has started work on developing an I.S. for Timber Frame Dwellings. Funding for this project has been provided by the Department of the Environment, Heritage and Local Government[30] and by the Irish Timber Frame Manufacturers Association (ITFMA)[31].

In January 2006, the Building Research Establishment (BRE)[32] were contracted to develop the technical content of the Irish timber frame standard. A first draft was produced in November 2006. Publication of the I.S. is expected in the third quarter of 2007/early 2008.

[30] www.environ.ie
[31] www.itfma.ie/
[32] www.bre.co.uk/

3.0 Developments in Forest Products Markets

Developments in the Irish forestry and forest products sector are outlined below.

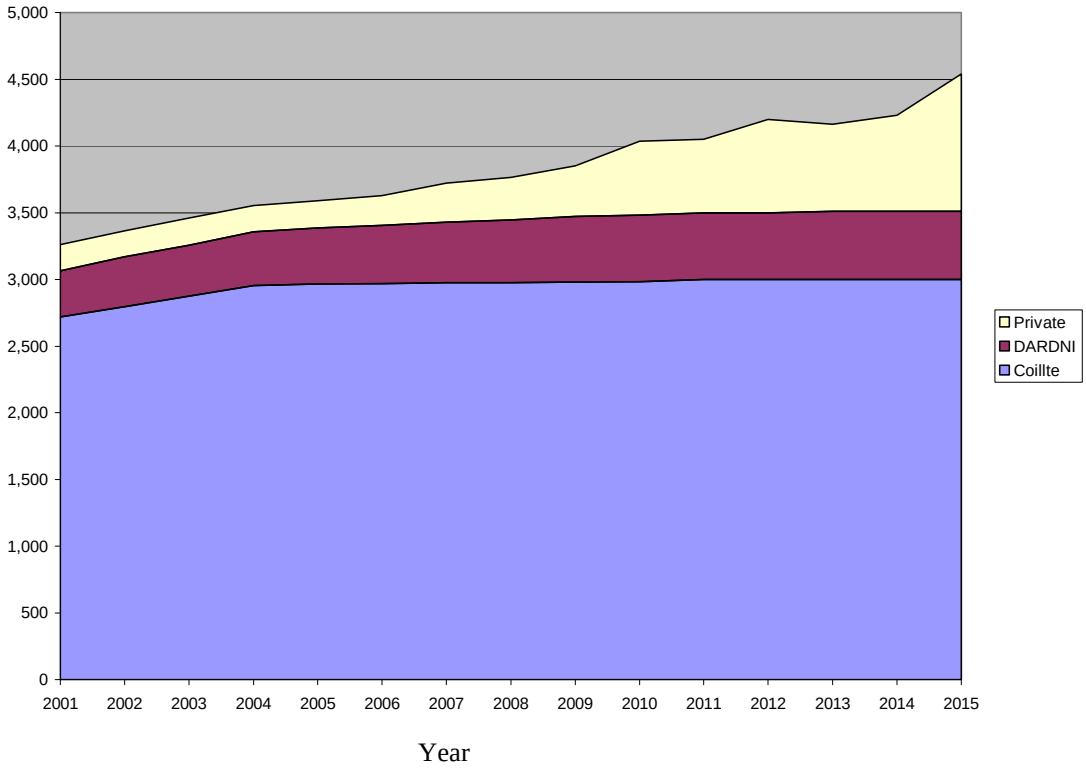
3.1 Irish Roundwood Harvest – 2006

- In 2006, there was strong demand for the roundwood harvested from Irish forests was strong. This demand increased from mid 2006 onwards.
  - Demand for pallet and sawlog was driven by a robust domestic construction sector and by strong UK demand for fencing and pallet products.
  - In 2006, the four wood based panel mills in the Republic of Ireland operated at close to capacity, driving demand for pulp and for wood residues.
- In 2006, roundwood production from forests in the Republic of Ireland totalled 2.671 million cubic metres (m^3) underbark.
  - A breakdown of this volume is shown in table 5.2.
- 92% of this volume was harvested by Coillte[33] (the Irish State Forestry Company), with the balance supplied by the private forest sector.
- Net roundwood imports for 2006 are estimated to be 194,340 cubic metres (m^3) underbark.

[33] www.coillte.ie

- A forecast of the roundwood harvest available in Irish forests over the period 2001 – 2015 is detailed below (this includes harvest output from the Northern Ireland Forest Service – DARDNI[34]).

Figure 1: Combined Roundwood Production Forecasts for Ireland[35] (2001-2015) in Underbark Cubic Metres (m^3)



Source: Forecast of Roundwood Production from the Forests of Ireland 2001-2015. Gallagher, G. and O'Connell, J. COFORD Dublin.

[34] www.dardni.gov.uk/

[35] This production forecast is in cubic metres underbark. It includes the timber harvest from forests in Northern Ireland.

3.2 Wood Residues

The wood residues arising within the Irish forest products sector are outlined below. These are primarily used as feedstock for sawmill kilns and for the wood based panel sector (WBP). Recovered wood fibre is increasingly being used for the manufacture of particleboard.

Table 3: Wood Residue Output for the Republic of Ireland for 2006

Wood Residue Type	Volume in Cubic Metres
Bark	218,000
Chips & Particles	606,000
Wood Residues	254,000
Recovered Wood	250,000
Total Residue Output	1,328,000

Source: EUROSTAT JFSQ for Ireland for 2007

3.3 Certification

3.3.1 Certified Forests

Since May 2001, Coillte's forests have been certified to the Forest Stewardship Council (FSC) scheme. In 2006, following a full audit of its forests, Coillte successfully retained its FSC certificate. A small of privately-owned forests have also been certified by FSC.

3.3.2 Certified Forest Products

All of the major sawmills and panel mills have chain-of-custody procedures. The demand for certified timber products in the Irish market is still relatively poor and there is no strongly developed public procurement policy for them.

3.4 Value Added Products – Furniture

- The Irish furniture market has grown in value by twenty five percent over the period 2002 – 2005.
- In 2006, the Irish furniture sector had a market value of €1.7 billion[36]
  - The household furniture market was worth €1.0 billion
  - The contract furniture market was worth €0.7 billion
- Irish companies have a thirty percent share of this market
- To compete on home and export markets, Irish furniture manufacturers have moved to outsource their production.

[36] Source: Enterprise – Ireland www.enterprise-ireland.com

3.5 Sawn Softwood

Demand for softwood remained very strong in 2006 driven by a buoyant Irish economy, and by high levels of construction activity.

- Fifty seven percent of this market is served by imports, with the balance supplied by Irish sawmills.

3.5.1 Irish Sawn Softwood Output for 2006 [37]

Irish sawmill output for 2006 is estimated at 1.091 million cubic metres of sawn softwood. The primary products produced include construction lumber, pallet and fencing products.

While Irish construction lumber is largely sold on the home market, pallet and fencing products make up the bulk of sawn timber exports. In 2006, there was strong UK demand for fencing and pallet products. This demand grew from mid year onwards.

- Irish sawmills supply forty three percent of the Irish softwood market.
- They exported 393,000 cubic metres of sawn softwood in 2006. This generated export earnings of €52 million.
- Fifty percent of pallet and fencing production is exported to the UK.

3.5.2 Sawn Softwood Imports

- Demand for softwood remained very strong in 2006 driven by a buoyant Irish economy, and by high levels of construction activity.
- In 2006, 910,916 cubic metres of sawn softwood lumber was imported into Ireland. This had a value of €225 million.
- Ninety two percent of this volume is supplied by the seven exporting countries detailed below.

Table 4: Countries Exporting Sawn Softwood to Ireland in 2006

Exporting Country	***Volume of Sawn Softwood Exported to Ireland in 2006 in Cubic Metres (m^3)***
Russia	*194,071*
Sweden	*178,935*
Finland	*141,475*
Latvia	*110,965*
Northern Ireland	*84,536*
UK	*79,869*
Germany	*50,718*

Source: CSO Trade Statistics www.cso.ie

[37] EUROSTAT / FAO Joint Forest Sector Questionnaire (JFSQ) for Ireland for 2007

3.5.3 Irish Sawn Softwood Market Size

In 2006, the Irish market consumed over 1.6 million cubic metres (m^3) of softwood lumber. This is detailed below.

Table 5: Irish Sawn Softwood Market Size in 2006

Sector	**Volume of Sawn Softwood in Cubic Metres (m^3)**
Domestic production	1,091,000
Exports	-393,000
Imports	910,916
Market Size in m^3	1,608,916

Source: CSO Trade Statistics www.cso.ie
EUROSTAT JFSQ for Ireland for 2007

3.6 Sawn Hardwood

- Domestic sawn hardwood production is small producing 3,435 cubic metres of sawn hardwood in 2006.
- Sawn hardwood imports for 2006 totalled 126,605 cubic metres to a value of €63 million.
- Ninety one percent of this volume is supplied by the eight countries detailed below.

Table 6: Countries Exporting Sawn Hardwood to Ireland in 2006

Exporting Country	***Volume of Sawn Hardwood Exported to Ireland in 2006 in Cubic Metres (m^3)***
Cameroon	*44,507*
USA	*24,151*
Ivory Coast	*11,156*
Northern Ireland	*9,282*
UK	*8,564*
China	*8,285*
Sweden	*5,155*
Canada	*4,151*

Source: CSO Trade Statistics www.cso.ie
EUROSTAT JFSQ for Ireland for 2007

3.7 Wood Based Panels (WBP) [38]

- In 2006, the Irish panel products sector had a combined output of 937,000 cubic metres. The sector is operating at close to capacity.
- In 2006, 384,430 cubic metres of wood based panels were imported into Ireland
- The estimated wood fibre requirement of WBP mills in the Irish Republic is 1.7 million cubic metres per annum.
- Products manufactured by the sector include Chipboard / Particleboard, Oriented Strand Board (OSB), Medium Density Fibreboard (MDF) and moulded door facings.
- The sector is export orientated, selling more than eighty eight percent of its product in overseas markets.
- Key export markets for Irish wood based panel producers are the UK, Northern Ireland, Belgium, the Netherlands, France and Germany.

3.7.1 Developments in the Irish WBP Sector

- In November 2006, Coillte[39] acquired Weyerhaeuser Europe Limited, the Clonmel based manufacturer of Medium Density Fibreboard (MDF). The business has been re-branded as Medite Europe Ltd.[40].

3.8 Pulp & Paper [41]

- All pulp and paper used in the Irish market is imported.
- Pulp & paper imports represent forty six percent of Irish forest product imports (by value).
- In 2006, 494,760 metric tonnes of pulp and paper products were imported into Ireland.
- These imports were worth €362 million.
- 444,000 tonnes of recovered paper was exported from Ireland for recycling.

[38] EUROSTAT / FAO Joint Forest Sector Questionnaire (JFSQ) for Ireland for 2007
[39] www.coillte.ie
[40] www.medite-europe.com/
[41] EUROSTAT / FAO JWEE Return for Ireland for 2006

4.0 Other Issues

4.1 Biomass / BioEnergy [42]

- There is growing interest in the Irish BioEnergy sector. This is being promoted by the SEI and COFORD schemes as detailed in section 2.6 of this report.
- The output[43] of the Irish biomass sector is currently dominated by the wood processing sector. In 2006,
  - The heat generated by the Irish Forest products sector for its own use is estimated to be 5,015 Tera Joules (TJ).
  - The electricity generated by the Irish Forest products sector for its own use is estimated to be 18.6 Giga Watt Hours (GWh).
  - The total energy produced by the Irish forest sector in 2006 is estimated at 121,375 Tonnes of Oil Equivalent (ToE).

4.2 Engineered Wood Products (EWP) [44]

Engineered wood products include I Beams, Glulam and Parallam. They are largely used by timber frame companies to replace large dimension lumber and steel. A recent COFORD[45] report found that

- The most commonly used EWP are I-joists.
  - Market information indicates that in 2004, timber frame manufactures used 0.7 million linear metres of I-joists.
  - The approximate price was €5 per linear metre. This is twice the price of a similar sized solid timber joist.
- Metal web joists are the only EWP being manufactured in any quantity in Ireland.
- Glulam use was widespread but volumes small.

[42] Harvesting and Processing Forest Biomass for Energy Production in Ireland; The Forest Energy 2006 Programme; Pieter D. Kofman and Tom Kent; COFORD. www.coford.ie/iopen24/pub/product_info.php?products_id=966605

[43] EUROSTAT / FAO Joint Forest Sector Questionnaire (JFSQ) for Ireland for 2007

[44] Engineered Wood Products Opportunities and Threats, COFORD Draft Report; ISBN 1 902696 58 1; www.coford.ie

[45] Engineered Wood Products Opportunities and Threats, COFORD Draft Report; ISBN 1 902696 58 1; www.coford.ie

5.0 Tables

5.1 Economic Indicators

5.1.1 An Economic Overview of the Irish Economy 2001 – 2008

Criteria / Year	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007 f**	***2008 f***
Output Real Annual Growth %								
▪ Government Spending	9.8	7.1	3.2	1.8	4.6	4.1	5.5	*3.5*
▪ Personal Consumption	5.4	3.8	3.2	3.8	6.6	6.2	7.8	*4.5*
▪ Exports	8.6	4.5	0.5	7.3	3.9	4.9	6.0	*5.2*
▪ Imports	7.2	2.4	(1.2)	8.6	6.5	5.3	6.9	*5.5*
▪ Consumer Price Index (CPI)	4.9	4.6	3.5	2.2	2.4	3.9	4.9	*3.0*
▪ Gross Domestic Product (GDP)	5.7	6.0	4.3	4.3	5.5	6.0	4.9	*3.7*
▪ Gross National Product (GNP)	3.8	2.8	5.5	3.9	5.3	7.4	4.8	*3.7*
Expenditure on Gross Domestic and Gross National Product								
▪ GDP at Market Prices € m	€116,800	€129,900	€138,900	€147,600	€161,163	€175,794	€188,782	*€200,522*
▪ GNP at Market Prices € m	€97,800	€106,200	€117,200	€124,400	€135,914	€150,281	€161,284	*€171,455*
Other Economic Variables								
▪ *Unemployment (As % of Labour force)*	*4.0*	*4.6*	*4.7*	*4.5*	*4.4*	*4.4*	*4.7*	*5.0*

Source: ESRI Quarterly Economic Commentary – Summer 2007 www.esri.ie
f: Figures for 2007 and 2008 are forecast

5.1.2 Irish Construction Output 2000 – 2006

Sector / Year	2000	2001	2002	2003	2004	2005	2006
Residential € billion	€9,497	€10,954	€11,928	€14,645	€18,055	€20,873	€23,400
Non-residential € billion	€3,820	€3,710	€2,962	€2,731	€2,958	€3,422	
Productive infrastructure € billion	€3,063	€3,745	€4,581	€4,762	€4,831	€5,234	
Social infrastructure € billion	€1,207	€1,517	€1,823	€1,684	€1,750	€2,027	
Total output € billion	€17,587	€19,926	€21,294	€23,820	€27,595	€31,556	€36,000
Percentage Residential	54%	55%	56%	61%	65%	66%	65%
Housing Construction % GNP	9.2%	9.8%	10.2%	11.8%	13.6%	15.4%	15.5%
Annual House Building Cost Index 1991 = 100	141.0	161.5	171.8	176.5	181.5	186.9	194.2
Increase on the previous year			6.4%	2.7%	2.8%	3.0%	3.9%

Source: Central Statistics Office www.cso.ie
ESRI Quarterly Economic Commentary - Summer 2007 www.esri.ie

5.2.1 Forest Products Production in Ireland 2005 – 2008

Category	Unit	2005	2006	2007 f	2008 f
Roundwood	1000 m^3	2,649	2,671	2,743	2,816
Coniferous	1000 m^3	2,630	2,654	2,718	2,786
Non-Coniferous	1000 m^3	19	17	25	30
Wood Fuel, Including Wood for Charcoal	1000 m^3	20	15	25	35
Coniferous	1000 m^3	5	5	10	15
Non-Coniferous	1000 m^3	14	11	15	20
Industrial Roundwood (Wood In the Rough)	1000 m^3	2,629	2,656	2,718	2,781
Coniferous	1000 m^3	2,625	2,650	2,708	2,771
Non-Coniferous	1000 m^3	4	6	10	10
Sawlogs and Veneer Logs	1000 m^3	1,763	1,789	1,827	1,869
Coniferous	1000 m^3	1,759	1,782	1,817	1,859
Non-Coniferous	1000 m^3	4	6	10	10
Pulpwood (Round & Split)	1000 m^3	759	760	780	800
Coniferous	1000 m^3	759	760	780	800
Non-Coniferous	1000 m^3	0	0	0	0
Other Industrial Roundwood	1000 m^3	107	107	111	112
Coniferous	1000 m^3	107	107	111	112
Non-Coniferous	1000 m^3	0	0	0	0
Wood Chips And Particles	1000 m^3	562	606	621	637
Wood Residues	1000 m^3	236	254	260	267
Sawnwood	1000 m^3	1,015	1,094	1,121	1,149
Coniferous	1000 m^3	1,014	1,091	1,116	1,142
Non-Coniferous	1000 m^3	1	3	5	7
Of which:Tropical	1000 m^3	0	0	0	0
Wood-Based Panels (WBP)	1000 m^3	875	937	965	965
Particle Board (Including OSB)	1000 m^3	435	436	455	455
Of Which:OSB	1000 m^3	307	308	325	325
Fibreboard	1000 m^3	440	501	510	510
Hardboard	1000 m^3	51	88	90	90
MDF (Medium Density Fibreboard)	1000 m^3	389	413	420	420
Insulating Board	1000 m^3	0	0	0	0
Recovered Paper	1000 mt	443	444	450	460
Paper and Paperboard	1000 mt	45	0	0	0
Packaging Materials	1000 mt	45	45	45	45
Case Materials	1000 mt	45	45	45	45

Source: EUROSTAT / Irish JQ1 Return for 2007
F: figures for 2007 & 2008 are forecast

5.2.2 Irish Timber Imports and Exports for 2006

Item	Unit of measurement	Import Volume	Import Value €000
Sawnwood	1,000 m^3	1,037.52	€288,000
Wood Based Panels (WBP)	1,000 m^3	384.43	€141,247
Pulp & Paper Products	1,000 mt	494.76	€361,845
Totals for 2006			€791,092
Item	**Unit of measurement**	**Export Volume**	**Export Value €000**
Sawnwood	1,000 m^3	392.59	€52,092
Wood Based Panels (WBP)	1,000 m^3	827.34	€240,108
Pulp & Paper Products	1,000 mt	67.07	€70,887
Totals for 2006			€363,087

Notes
Source: The Central Statistics Office (CSO) www.cso.ie
mt: metric tonnes
m^3: cubic metre

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