



Tropical Timber European/UK Buyer Perspectives

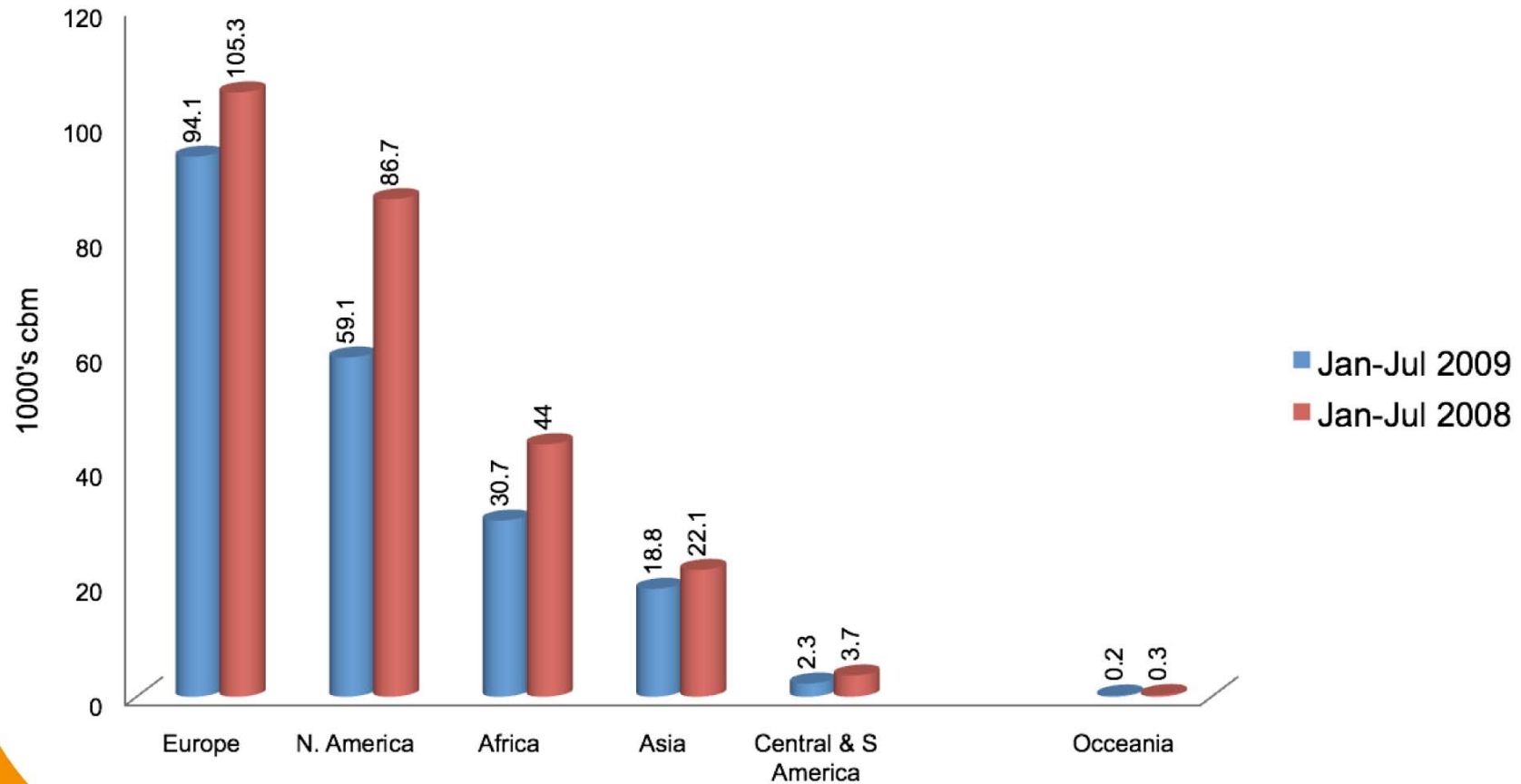
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European (EU) demand for tropical hardwoods 2008 (a re-cap)

- Hardwood logs ↓ 27%
- Sawn ↓ 23%
- Veneer ↓ 11%
- Plywood ↓ 14%

Current demand for hardwoods (temperate & tropical) in the UK



Future UK timber imports (TTF Oct 2009)

- 2008 ↓31% reduction in all wood imports
- 2009 ↓14%
- 2010 ↑ 14%

Drivers influencing tropical timber imports by Europe with focus on the UK

1. Current conditions in the construction sector
2. Requirements for responsibly sourced timber
3. Sustainability credentials of timber & its competitors
4. Construction Products Directive

Current condition of UK construction market

- UK Construction comprises
 - New build
 - Refurbishment
 - Repair & Maintenance
- Between 2003-2007 annual growth across these categories was between 5-12% annually
- 2008 valued at £116.5 billion with a modest growth of 2% growth over 2007
- 2009 will see an estimated fall of 4% to £111 billion
- Growth predicted to return by 2011 though predicted to be modest at 2%

Which construction sectors have been most affected in the UK?

- Privately financed new build projects have been most affected including:
 - Commercial
 - Residential (UK new starts ↓30% in 2008)
- Refurbishment works also affected
- Repair and Maintenance less affected



The role of the UK Government in supporting the construction industry

2009 - Fast tracked building programmes

- Schools (BSF)
- Hospitals
- Social Housing
- Olympics

Why is this important?

Need to play to UK Government rules with materials procurement!



Market requirements for responsibly sourced timber

- UK Government (national & local authority)
- European Governments

UK Government timber procurement policy

Central Government Departments, Government agencies and Public bodies must procure timber that is Legal and sustainable (certified: type A) or from FLEGT licensed source (type B).

UK Government consumes 20% of the countries timber & sets building codes = important influencer.

Some parts of local Government only recognise certified wood as suitable



EU Forest Law Enforcement, Governance & Trade Action Plan

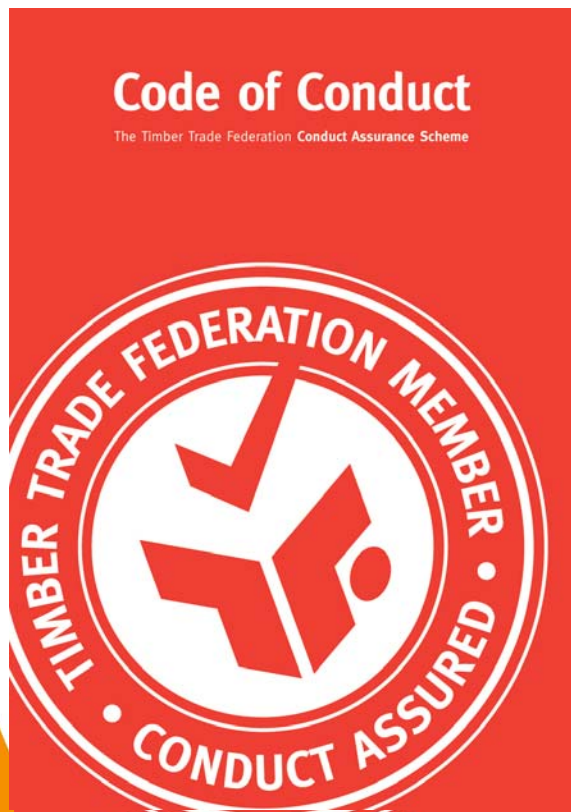
- Voluntary Partnership Agreements between EU & Producer countries to support better governance and legal licensing
 - Cameroon, Republic of Congo & Cameroon signed (Malaysia, Indonesia, Vietnam, Liberia all in discussions)
- Proposed legislation to address illegal imports Oct 08
- Funding private sector initiatives e.g. TTAP
- European Governments introducing Timber Procurement Policies with UK, Netherlands, Denmark most advanced



EU Proposed Legislation

- All first placers of timber in the EU (including domestic) to undertake a “due diligence” system to assess the risk of illegal timber.
- Wide support for the regulation but clarity is still needed and some unrest with domestic producers
- Currently legislation is under discussion by both the Parliament and Council to consider what the final regulation will be
 - Negotiation point is the introduction of an underlying prohibition making it an offence to place illegal timber on the EU market

UK and its Commitment: TTF New Code of Conduct



- Code of Conduct committed TTF members to implement a system of “due diligence” ahead of new EU legislation option
- Introduced in June 2008 for TTF members
- Members can develop their own system but must meet the agreed criteria



Responsible
Purchaser

Due Diligence Tool

- A voluntary tool introduced in 2004 provides
 - An “off the shelf” due diligence tool to assess the risk of timber products
 - Supports business in promoting good practice to customers and/or meeting policy requirements
 - Focus on uncertified products – certified or verified legal simply recorded
 - A stepwise approach to source legal & sustainable timber products
 - Preparing members to meet proposed future legislation



Other EU Developments influencing timber purchasing

- Green Public Procurement on products including construction products & furniture;
 - Requiring Certified or FLEGT licensed products
- Introduction of schemes to measure & rate the environmental impact of buildings or developments e.g. BREEAM (UK), CSH (UK) and CEN 350 (EU proposed under new Construction Products Regulation)
 - Credit responsible sourcing & lower environmental impacts
- CE Marking – passport to supply certain structural products to market

UK's Experience to date

- Certification & legally verified products are “de facto” becoming market requirements to prove legality & sustainability
- In the UK this only results in a 2-7% price premium on certified **hardwood** products
- Recent research demonstrates a 20% rise in demand for certified products
- Over 80% of the timber consumed in the UK is certified
- Climate change has generated significant interest in sustainable construction in UK using timber

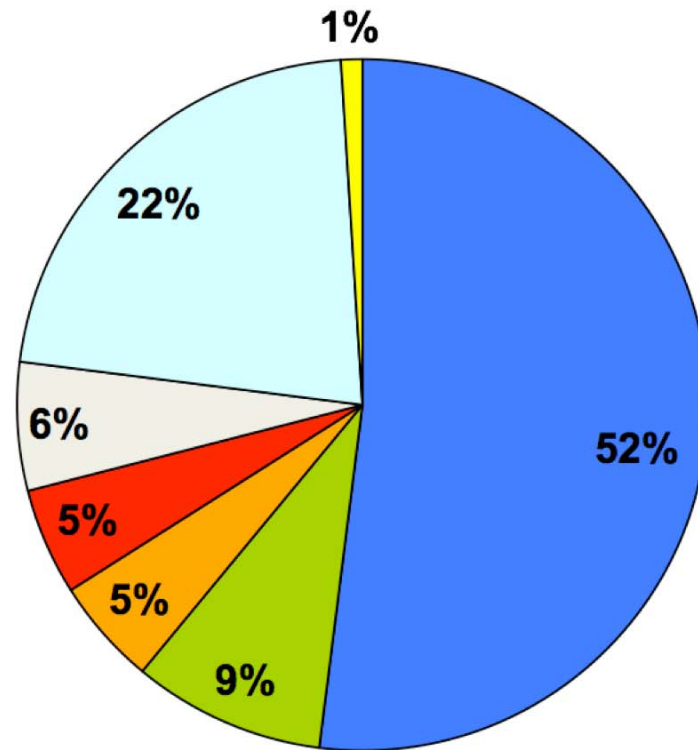


Sustainability credentials of timber

Carbon agenda

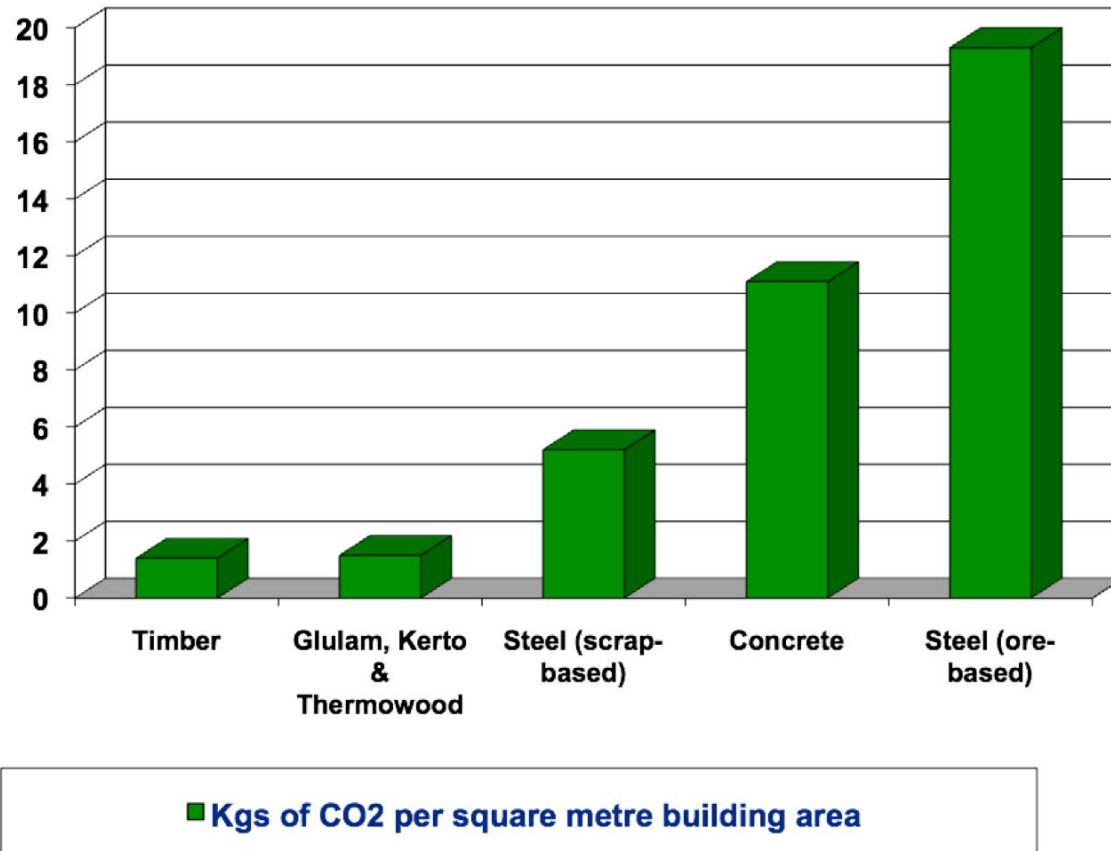


Construction's contribution to UK CO₂ emissions



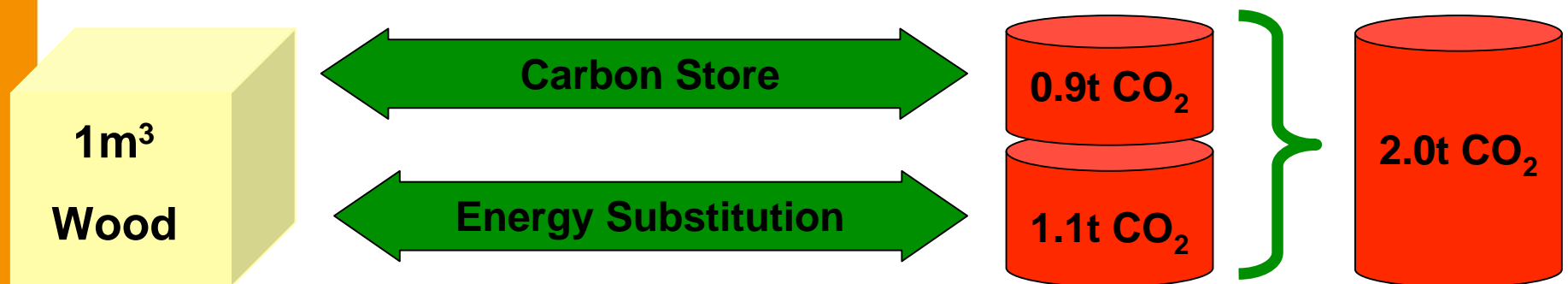
- Buildings
- Other Industry
- Industry - Building materials
- Transport - building materials
- Transport - other freight
- Transport - People
- Agriculture

CO₂ emissions from the manufacture of different materials



Carbon saved through substitution

- 0.9 tonnes of CO₂ stored in 1m³ of wood
- 1.1 tonnes less CO₂ emissions than the production of an equivalent amount of fossil fuel intensive materials, such as steel, concrete or plastics
- This amount, coupled to the 0.9 tonnes of CO₂ stored in the wood, means that every metre cube of wood substituting for fossil fuel-intensive materials saves a total of roughly 2 tonnes of CO₂



Wood & the Code for Sustainable Homes CSH (UK)

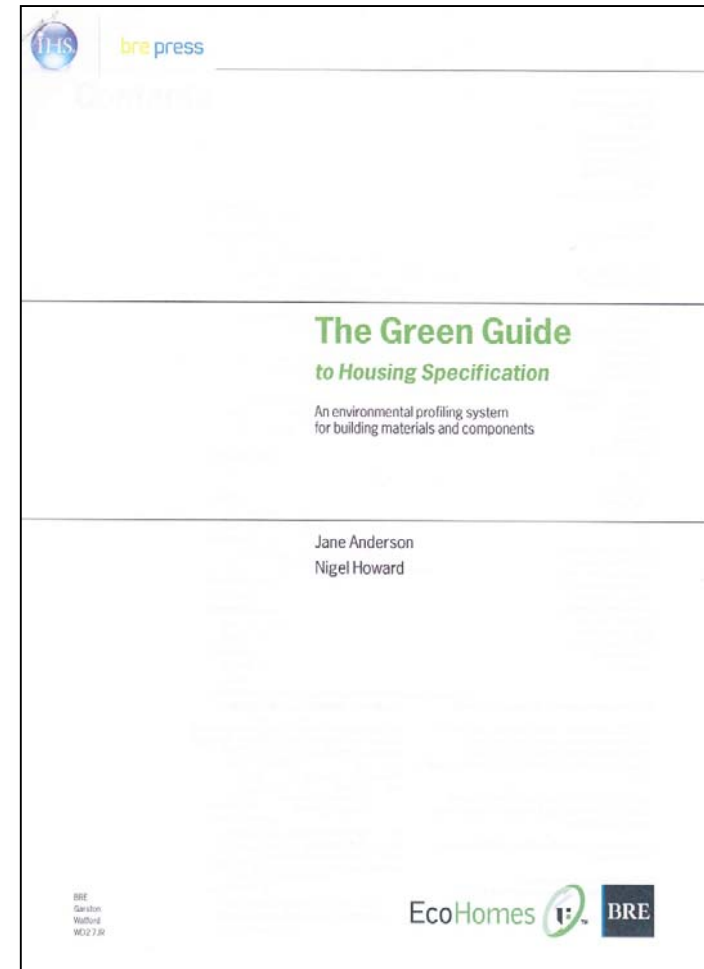
- Launched Dec 2006 = *Environmental Impact rating for housing, new standards for energy efficiency and sustainability.*
- Six levels, with level 6 = zero carbon
- Score points against nine categories
- April 2008 all Government funded homes (social) had to meet Code level 3
- May 2008 all new private homes had to publish their rating

CSH & Responsible sourcing

- By using responsibly sourced timber you gain max. points: needs to be FSC, PEFC, SFI, MTTC or CSA
- Next – *Code for Sustainable Buildings*
To apply to all commercial buildings where higher volumes of timber may be used

Helping specifiers & designers make environmental choices

- Discussed at length in the Green Guide
- Timber systems score very well - often A+



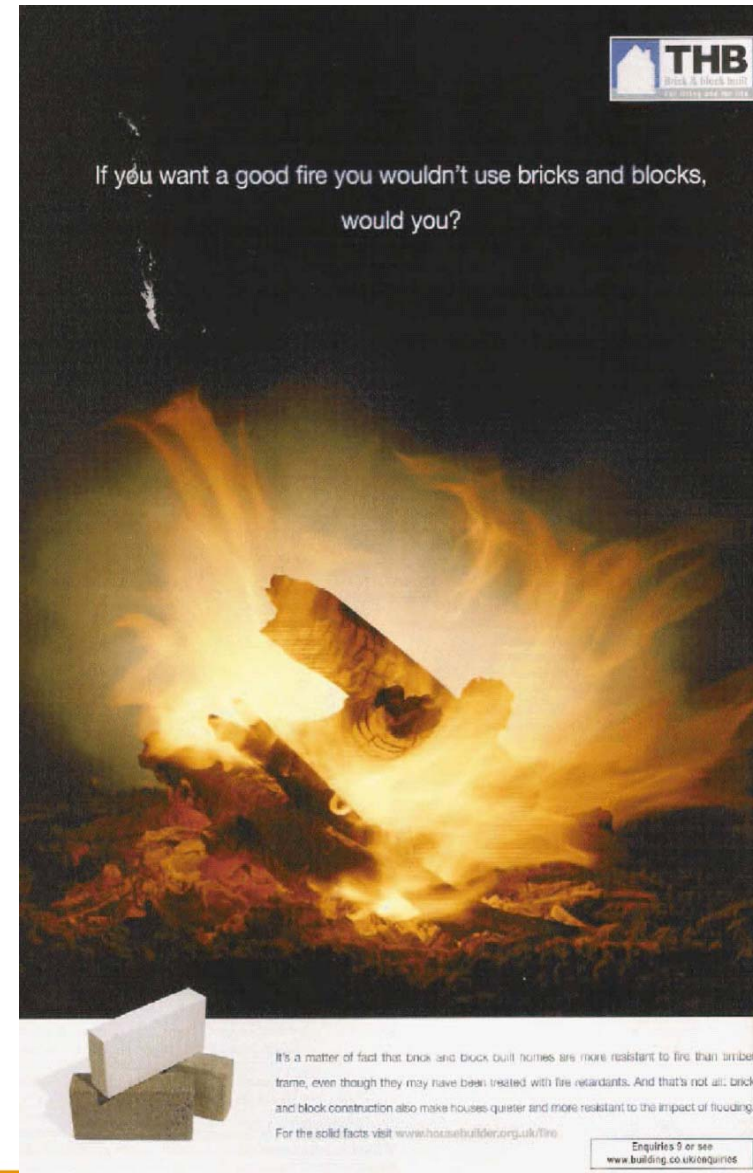
Timber can score well provided

- It can be shown to be sustainably sourced
- It provides a good service life
- It is recycled at end of life



Pressure on wood products

- Market demanding proof of lower environmental impact through methods such as LCA & Carbon foot printing
- Other sectors starting to badge their products as “responsibly sourced”
- Other materials use “illegality” against us!!!



The advertisement features a large, dramatic image of a fire with a log being consumed. In the top right corner, the THB logo is visible. The main text asks, "If you want a good fire you wouldn't use bricks and blocks, would you?". At the bottom left, there is a small image of a brick and a block. The bottom right contains a small text box with contact information and the DA TECHNOLOGY logo.

THB
The Timber House Builders

If you want a good fire you wouldn't use bricks and blocks, would you?

It's a matter of fact that brick and block built homes are more resistant to fire than timber frame, even though they may have been treated with fire retardants. And that's not all: brick and block construction also make houses quieter and more resistant to the impact of flooding. For the solid facts visit www.housebuilders.org.uk/fire

Enquiries 0 or see www.building.co.uk/enquiries

DA
TECHNOLOGY

Materials competing with tropical woods in the UK market

- Other materials
- Temperate woods for some applications

AggRegain

Your complete online guide to sustainable aggregates ...



Sustainable steel construction

The steel sector – comprising Corus, the British Constructional Steelwork Association (BCSA), and the Steel Construction Institute (SCI) – is delighted to be leading the way in developing a more sustainable construction industry for the UK.

**Housing group fits first recycled PVC windows –
Northwood Housing Association 2009**

What is Wood Modification?

Changing wood properties without
preservatives

Why modify wood?

1. *Improve durability* – achieve a 60 year service life
2. *Improve stability* – reduce cupping, checking, opening of joints & premature failure of coatings
3. *Improve mechanical properties* – strength & hardness
4. *Improve aesthetics*

Competes with tropical hardwoods

Commercialisation of wood modification

1. *Thermal*

ThermoWood® Plato® wood Retitech™
Bois Perdure© FLO.TERMO® Celloc®
MENZ HOLZ

2. *Chemical*

Accoya® Kebony® Belmadur®

3. *Impregnation technologies*

Osmose Indurite* Vecowood®

Modified softwoods - Accoya®



Kebony – teak substitute



Modified softwood - Vecowood®



Vecowood®



Upgrading low durability softwoods: ThermoWood® for exterior use



Upgrading low durability softwoods - Plato[®]Wood



Joining them: Upgrading low durability hardwoods i.e. Frake



Softwood Competition ThermoWood®: Villiers Hall, Leicester.



Changes to construction regulations

- EU Construction Products Directive (CPD) harmonises building regulations across EU products will be given a CE mark
- Already introduced for panels – once CE marked access across all EU markets
- Stability (strength) & fire performance important
- It will be a requirement of all wood products used in permanent structures

TRADA's role in helping tropical timber suppliers

- Independently assign strength classes to LUS graded to EU visual standards
- All LUS species tested are available as certified
- Allows LUS to be used by UK Government Agency



Questions?

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