

UNECE Forestry & Timber Market Report for Ireland 2018

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1.0 Irish economy-an overview

1.1 2017

The Irish economy saw significant growth in 2017 with improvements observable across a broad set of key indicators. Gross Domestic Product (GDP) and Gross National Product (GNP) increased by 7.2% and 4.4% respectively while unemployment fell to 6.7%¹.

In summary²:

- At market prices, Gross Domestic Product (GDP) in 2016 was €294 billion, an increase in value of 9.7% over 2016.
- At market prices, Gross National Product (GNP), increased by 3% over 2016 to €233 billion.
- Export growth has been strong, thanks partly to improved cost-competitiveness since 2009.
- In 2017, the volume of exports grew by 7.8% over 2016.
- At the end of 2017, unemployment stood at 6.7%.
- Inflation as measured by the Consumer Price Index (CPI) was 0.3% for 2017.
- In value terms, personal consumption, which accounts for nearly two thirds of domestic demand, grew by 3.1% while Government expenditure increased by 6.5% over 2016.
- Investment in the Irish house building sector was estimated to increase to €7.6 billion in 2017.
- 14,446 homes were completed in 2017, an increase of 52% over 2016.

1.2 2018-2019

The Irish economy continues to perform significantly better than most OECD economies and is once again likely to register the fastest growth rate in the Euro Area in 2018³.

However, Brexit continues to pose a substantial risk for the Irish economy. New estimates provided by the Irish Economic and Social Research Institute (ESRI) suggest that a hard Brexit could have significant implications for discretionary spending in annual government budgets.

In summary^{4,5,6}:

- Irish economic growth is projected to be robust and broadly based in 2018 and 2019.
- However, it is likely that Brexit will constrain Irish growth prospects in the short term.
- In the short-term, the key issues of concern include a slowdown in the UK economy and a further weakening of sterling.
- GDP is forecast to grow by 8.9% in 2018 and 4.5% in 2019. This assumes that a European Economic Agreement (EEA) will exist between the UK and the European Union (EU) after March 2019.
- GNP is forecast to grow by 8.9% in 2018 and by 7.9% in 2019.
- Exports are expected to remain strong. It is expected that the volume of exports of goods and services will increase by 7.5% in 2018 and by 5.2% in 2019¹⁰.
- The Programme for Government, which was published in May 2016, addresses a number of key policy challenges. A significant amount of attention is devoted to the housing issue with commitments given to produce 25,000 new housing units per annum up to 2020, with additional undertakings provided on the provision of social housing.
- The output of the Irish construction sector is forecast to increase by 8.1% in 2018.
- Investment in housing is forecast to increase to €9.0 billion, an increase in value of 19.2% over 2017.
- The total number of houses built in 2018 is expected that this will increase to 19,000 units.
- The rate of unemployment is set to decline to 5.7% in 2018 and 5.1% in 2019.
- Private consumer expenditure is forecast to rise by 2.9% in 2018 and 2.5% in 2019.
- Net public current expenditure is forecast to rise by 4.0% in 2018 and 4.5% in 2019.

¹ <https://www.esri.ie/pubs/QEC2018AUT.pdf>

² https://www.esri.ie/UserFiles/publications/QEC2015AUT_ES.pdf

³ <https://www.esri.ie/pubs/QEC2018AUT.pdf>

⁴ https://www.esri.ie/UserFiles/publications/QEC2015AUT_ES.pdf

⁵ <http://www.ntma.ie/business-areas/funding-and-debt-management/irish-economy/>

⁶ <https://www.friendsfirst.ie/wp-content/uploads/Economic-Outlook-Report-Aug.16-VF.pdf>

- Inflation as measured by the Consumer Price Index (CPI) is forecast to increase by 0.7% in 2018 and 1.1% in 2019.
- In 2017, the Government budget deficit is expected to fall to 0.3% of GDP and the debt/GDP ratio to 72%⁷.
- The actual and expected growth in the GDP contribution of Ireland's export markets is shown in Table 1⁸.

Table 1: Actual and estimated GDP growth in key markets (2013-2018f).

Region	2013	2014	2015	2016	2017	2018f
	Real annual growth %					
World	3.3	3.3	3.1	3.1	3.5	3.6
United States	1.9	2.6	3.0	1.6	2.3	2.5
Euro area	-0.5	0.8	1.5	1.7	1.7	1.6
EU28			0	2.	2.0	1.8
United Kingdom	1.7	2.6	2.2	1.8	2.0	1.5

1.3 Brexit

The UK is the key market for forest product exports from Ireland. As such, Brexit poses challenges for the Irish forest sector, as it is one of the most heavily dependent sectors on the UK market. It is still too early to assess the likely impact on the UK economy of its leaving the EU or the extent to which any possible fall in investment and a potentially softer housing market could impact employment and household spending. It is expected to take at least two years to conclude negotiations on the UK's exit from the EU. The uncertainty during this period and beyond could negatively impact the UK economy and reduce demand in the housing and repair, maintenance and improvement (RMI) sectors⁹.

Since June 2016, the Pound Sterling (GBP) has lost roughly 10% of its value relative to the Euro. This has increased the cost of imports and introduced significant inflationary pressure (2.5% inflation in July 2018)¹⁰.

The most substantial risk facing the Irish economy is the outcome of the Brexit negotiations. The summit of European Union leaders which was held in October may provide some clarity concerning the nature of the UK withdrawal. However, at this stage it is prudent to assume that a no-deal outcome is a real possibility¹¹.

The response of the forest products sector to Brexit is detailed in section 6.9 of this report.

2.0 Market drivers

2.1 Construction activity

The demand for forest products is closely related to the level of house building, including timber frame and to demand in key export markets¹². The investment climate for building and construction is increasingly positive. Residential building is leading the recovery, followed by civil engineering and non-residential building.

In 2017, the output of the Irish construction industry was €16.9 billion, an increase of 12.4% over 2016¹³. Over the same period, the output of the sector in volume terms increased by 17%.

However, even with these sizeable growth rates, the output in 2018 will still only be at 2001 levels and approximately half of the 2007 peak output of over €38 billion. While this peak output was unsustainably high, the predicted output level for 2017 represents just 7.5% of GNP, which is well below the recognised European sustainable level of between 10- 12%^{14,15}.

Recent analysis by the Economic and Social Research Institute (ESRI) has estimated that, in coming years, increases in population will result in the formation of at least 20,000 new households each year, each requiring a separate dwelling. In addition, a number of existing dwellings will disappear through redevelopment or

⁷ <https://www.esri.ie/pubs/QEC2018AUT.pdf>

⁸ https://www.esri.ie/pubs/QEC2017SUM_2.pdf

⁹ <http://www.graftonplc.com/~media/Files/G/Grafton/ANNUAL%20REPORT%202016%20-%20FINAL.pdf>

¹⁰ <https://www.esri.ie/pubs/QEC2018AUT.pdf>

¹¹ <https://www.esri.ie/pubs/QEC2018AUT.pdf>

¹² <http://www.coillte.ie/fileadmin/templates/pdfs/BaconReport.pdf>

¹³ <https://www.cso.ie/en/releasesandpublications/er/pbci/productioninbuildingandconstructionindexquarter42017/>

¹⁴ <http://kmcs.ie/kmcs-construction/>

¹⁵ <https://www.linesight.com/knowledge/2017/ireland/ireland-market-review-2017>

dilapidation. The results suggest an ongoing need for at least 25,000 new dwellings a year over the coming fourteen years¹⁶.

In addition, the Government has committed to achieving, by 2020, a 20% reduction in energy demand across the whole of the economy through energy efficiency measures. It is expected that the residential sector will contribute 35% of the targeted savings, thus generating opportunities for improving the energy efficiency of the residential building stock.

2.1.1 Irish housing output

In 2017, housing completions increased by 52% over 2016 to 14,446¹⁷. 3,526 houses were completed in the first quarter of 2018 (Table 2)¹⁸. However, the estimated annual demand for new housing was 25,000.

19,000 housing completions are forecast for 2018¹⁹.

Table 2: Actual and forecast house completions in the Republic of Ireland (2013-2018f).

Year	House completions	YoY change %
2013	4,575	
2014	5,518	126
2015	7,219	131
2016	9,515	132
2017	14,446	152
2018, Q1	3,526	
2018f	19,000	131f

In May 2014, the Government launched its Construction 2020 Strategy to address constraints on housing supply²⁰. This provides measures which aim to resolve the constraints currently facing the construction sector²¹.

The Irish Programme for Government also commits to delivering 25,000 new housing units per annum between now and 2020. There is also a renewed commitment to expedite the delivery of social housing units, with the pledge that 18,000 additional housing units will be supplied by 2017, and 17,000 additional housing units by the end of 2020. Overall, however, despite a number of initiatives cited in the programme, it is not clear how the supply of housing will be particularly accelerated from its present low base²².

2.1.2 Repair, Maintenance and Improvement (RMI)

In 2016, expenditure on RMI grew by 12.4% over 2015 to reach €4.8 billion, with 79% being spent in the residential sector (Table 3)^{23,24,25}.

Table 3: Output of the Repair, Maintenance and Improvement (RMI) sector (2012-2016).

Year	Residential	Private non residential	Social	Civil works	Total	% change year-on-year
	€ billion					
2012	2.80	0.08	0.23	0.57	3.68	
2013	2.75	0.09	0.24	0.46	3.54	-3.8
2014	2.94	0.10	0.26	0.50	3.80	+7.3
2015	3.31	0.11	0.29	0.56	4.27	+12.4
2016	3.77	0.10	0.34	0.59	4.80	+12.4

¹⁶ <http://www.merriestreet.ie/wp-content/uploads/2014/05/Construction-Strategy-14-May-20141.pdf>

¹⁷ This data is based on a new methodology. Connection to the ESB power supply is not used as a proxy for new house completions.

¹⁸ <https://www.cso.ie/en/releasesandpublications/ep/p-ndc/newdwellingcompletionsq12018/overview/#d.en.163733>

¹⁹ <https://cif.ie/2018/07/23/cif-blog-2018-housing-forecast-and-budget-2019-recommendation/>

²⁰ <http://www.merriestreet.ie/en/wp-content/uploads/2014/05/Construction-Strategy-14-May-20141.pdf>

²¹ http://www.taoiseach.gov.ie/eng/Publications/Publications_2014/Construction_Strategy_-_14_May_2014.pdf

²² <https://www.esri.ie/pubs/QEC2016SUM.pdf>

²³ https://www.scsi.ie/documents/get_lob?id=538&field=file

²⁴ http://dkm.ie/en/news/report_on_the_construction_industry_in_ireland

²⁵ At the time of writing, data for 2017 was not available.

2.1.3 Construction inflation

In 2017, the wholesale price index for building materials showed a 3.0 % increase on 2016 (Table 4)²⁶.

Table 4: Wholesale price index for building materials (2013-2017).

Item	2013	2014	2015	2016	2017
Index (2005 = 100)	123.6	126.3	127.6	128.5	132.4
% change year on year	0.8	2.2	1.0	0.7	3.0

2.2 UK construction market

The UK construction market is the key export outlet for forest products manufactured in Ireland. In 2017, house starts and completions in the UK increased by 13.3% and 6.1% over 2016 (Table 5)²⁷.

However, house building in the UK has been on a long term downward trend since 1970. The number of houses built across the UK, has fallen from 378,000 in 1969/70 to an average of 160,000 for the period 2014-2017 (Table 5).

Moreover, a recent report has shown that there is a continual need for new homes within the UK, with the UK Parliament stating a need for at least 300,000 homes a year to meet demand. At present the demands for housing outstrip the current levels of supply²⁸.

Activity levels in the UK housing RMI market are expected to remain subdued, sensitive to changes in housing transactions and consumer confidence and spending. House building is expected to remain strong supported by good underlying demand, the availability of mortgages and the Help to Buy Scheme²⁹.

Table 5: House starts and completions in the UK (2013-2017).

Year	Starts	1998 = 100	Completions	1998 = 100
2013	127,010	0.64	133,000	0.70
2014	162,100	0.82	138,350	0.73
2015	171,850	0.87	152,520	0.80
2016	174,520	0.88	168,600	0.89
2017	197,750	1.00	178,900	0.94

2.2.1 UK housing outlook

Over the period 1970-2014, housing completions in the UK have declined by 55% (Table 6).

Table 6: Annual housing completions in the UK (1970-2014).

1970s	1980s	1990s	2000s	2010-2014
000 completions				
314	217	189	191	140

However, over the period 2015-2019, construction output in the UK is forecast to grow by 2.7% per annum³⁰ (Table 7)³¹.

The UK's construction industry is expected to experience a moderate fall in 2018, following five years of consecutive growth. The Construction Products Association's summer forecasts anticipate growth for the whole of 2018 to decline by 0.6%, before accelerating to 2.3% in 2019 and 1.9% in 2020. House builders are the primary drivers of growth for the UK construction sector³².

²⁶ <https://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?Maintable=WPM28&Planguage=0>

²⁷ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

²⁸ <https://publications.parliament.uk/pa/ld201617/ldselect/ldconaf/20/20.pdf>

²⁹ <http://www.graftonplc.com/~media/Files/G/Grafton/result-centre/2018/annual-report-2017.pdf>

³⁰ <https://www.citb.co.uk/documents/research/csn%20reports%202015-2019/construction-skills-network-uk-2015-2019.pdf>

³¹ <https://www.gov.uk/government/organisations/departments-for-communities-and-local-government>

³² <https://www.constructionproducts.org.uk/news-media-events/news/2018/july/construction-output-to-fall-for-first-time-in-six-years/>

In private housing, first-time buyer demand, enabled by the government's Help to Buy scheme, continues to boost sentiment and encourage an increase in house building activity outside London. The sector's output is forecast to rise by 5% in 2018 and BY 2% in 2019.

Table 7: Estimated construction output in the UK (2014-2019f).

Construction type	2014	2015	2016	2017	2018f	2019f	2015-2019
	£ million 2010 prices	Forecast annual change%					Average annual %
Public housing	5,635	5	0	2	3	2	2.4
Private housing	20,121	10	5	3	3	2	4.6
Housing R & M ³³	21,862	3	1	3	2	1	2.0
Non housing R & M	23,621	2	3	2	1	1	1.7
Total	71,239						2.7

There is some recent evidence to suggest that the UK construction sector has experienced a slowdown over summer 2017, likely linked to a lack of new projects resulting in a seeming stagnation in commercial activity³⁴.

In addition, a number of indicators point to softening activity in the UK housing market in 2017. Mortgage approvals for house purchase have edged down to date in 2017 and are running below year-earlier levels. The Royal Institute of Chartered Surveyors (RICS) surveys report lacklustre market conditions, with a fall in new buyer enquiries recently and sales expected to be flat over the coming months³⁵.

Whilst the UK construction industry plays a vital role in driving sawn softwood consumption and imports, domestic producers play a dominant role in the pallets, packaging, fencing and outdoor products markets³⁶.

2.2.2 Demand for timber packaging in the UK

The UK timber packaging market is also showing signs of recovery. In 2016, the estimated number of new wood pallets manufactured in the UK was 42.5 million; an increase of 5.7% on 2015³⁷. The estimated number of wood pallets repaired was 41.4 million; an increase of 6.2% compared with 2015³⁸.

In 2016, it is estimated that the UK market for wooden packaging consumed 688,000 m³ of sawn timber for the production of new pallets. Of this, 71.9% was UK grown timber and 28.1% was imported. In total it is estimated that 1,024,600 cubic metres of timber grown in the UK was used in the manufacturing and repairs of pallets and in wooden packaging in the UK.

³³ R & M: repair and maintenance

³⁴ <https://www.markiteconomics.com/Survey/PressRelease.mvc/6f309877a6bb48249674b76204ae6b30>

³⁵ https://corporate-economy.bankofireland.com/wp-content/uploads/2017/07/BOI_UK_OUTLOOK_JULY_2017.pdf

³⁶ <http://www.unece.org/fileadmin/DAM/timber/country-info/statements/unitedkingdom2017.pdf>

³⁷ At the time of writing, data for 2017 was not available.

³⁸ www.timcon.org

2.2.3 The UK market for forest products

The UK is a significant importer of sawn timber and panel products. In 2017, 7.88 million m³ of sawn timber products were imported (Table 8)³⁹, an increase of 16% over 2016. Over the same period, imports of wood-based panels (WBP) increased by just 1%.

Over the period 2015-2017, Ireland was the largest exporter of fibreboard, including medium density fibreboard (MDF) to the UK⁴⁰.

Table 8: UK imports of sawn timber and wood-based panel products (2013-2017).

Year	Sawn timber imports	Panel imports	Total
	Thousand cubic metres/annum		
2013	5,500	2,962	8,462
2014	6,425	3,260	9,685
2015	6,323	3,217	9,540
2016	6,794	3,410	10,204
2017	7,883	3,443	11,326

Over the period 2007-2017, Ireland's share of the UK sawn softwood timber market has grown by more than 50%, from 3.3% in 2007 to 7.0% in 2017 (Table 9)⁴¹. In 2017, the Republic of Ireland was the fourth largest exporter of sawn softwood timber to the UK. Moreover, there are further opportunities for the Irish sawmilling sector to grow its market share in the UK. In 2017, only 35% of the UK market for sawn softwood was supplied domestically.

Table 9: Ireland's share of UK forest products imports by product type by volume (2013-2017).

Product	% of imports				
	2013	2014	2015	2016	2017
Sawn softwood	7	6	6	5	7
Particleboard including OSB	15	11	14	14	12
Fibreboard including MDF	34	47	35	32	29

2.3 €/\$ Exchange rate

Historic rates⁴² and forecast movements in the €/\$ exchange rate are shown in Table 10⁴³.

Table 10: Historic & forecasted €/\$ exchange rates by quarter (2017-2019f).

Historic	€/£	£/€	Forecast	€/£	£/€
2017-Q1	0.86	1.16	2018Q4	0.89	1.12
2017-Q2	0.86	1.16	2019-Q1	0.88	1.13
2017-Q3	0.90	1.11	2019-Q2	0.87	1.15
2017-Q4	0.89	1.13			
2018-Q1	0.88	1.13			
2018-Q2	0.88	1.13			
2018-Q3	0.89	1.12			

³⁹ <https://www.forestresearch.gov.uk/tools-and-resources/statistics/forestry-statistics/>

⁴⁰ <http://ec.europa.eu/eurostat>

⁴¹ <https://www.forestresearch.gov.uk/tools-and-resources/statistics/forestry-statistics/>

⁴² <https://www.centralbank.ie/statistics/interest-rates-exchange-rates/exchange-rates>

⁴³ <https://aib.ie/content/dam/aib/investorrelations/docs/economic-research/economic-forecast-tables/exchange-rate-forecast/Exchange%20Rate%20Forecast%20Table%20-%20September%202018.pdf>

2.4 Demographics

The number of immigrants to the State in the year to April 2017 is estimated to have increased by 2.8% from 82,300 to 84,600, while the number of emigrants declined over the same period, from 66,200 to 64,800. These combined changes have resulted in net inward migration for Ireland in 2017 (+19,800), the highest level of net inward migration since 2008⁴⁴. Over the same period, the population of Ireland is estimated at 4.8 million, an increase of 1.1% over 2016.

3.0 Policy measures

The following policy measures influence the Irish forest & forest products sector.

3.1 Forest research

The Irish forest research programme is managed by the Research Division of the Department of Agriculture, Food and the Marine (DAFM). The COFORD Council (an advisory body consisting of representatives from the forest sector) advises the Department on the scope of forest research and provides advice to DAFM on a range of other issues, including current and projected roundwood demand and supply.

Product and processing research and innovation within the forest products sector is supported by Enterprise Ireland⁴⁵.

3.2 Afforestation and forest expansion

In 2017, the private sector planted 5,536 ha of new forest in Ireland⁴⁶ (Table 11), bringing forest cover in Ireland to 770,020 hectares, some 11% of Ireland's land area⁴⁷.

Table 11: Area of new forests planted in the Republic of Ireland by area and by ownership (2013-2017).

Year	State	Private	Total
	ha		
2013	3	6,249	6,252
2014	0	6,156	6,156
2015	9	6,284	6,293
2016	0	6,500	6,500
2017	0	5,536	5,536

Afforestation in the Republic of Ireland is dominated by the private sector (Figure 1). Since 1990, 324,000 ha of forest have been added to Ireland's forest estate, 83% of which has been planted by the private sector⁴⁸. Over half (50.8%) of forests in the Republic of Ireland are in public ownership, with the remainder (49.2%) in private ownership. The share of private forests in the national forest estate has increased by over 6% since 2006⁴⁹.

Sitka spruce remains the predominant species used in Irish forestry. It has proven to be one of the most productive conifers in Ireland and is the mainstay in roundwood processing.

⁴⁴ <https://www.cso.ie/en/releasesandpublications/er/pme/populationandmigrationestimatesapril2017/>

⁴⁵ <http://www.enterprise-ireland.com/en/>

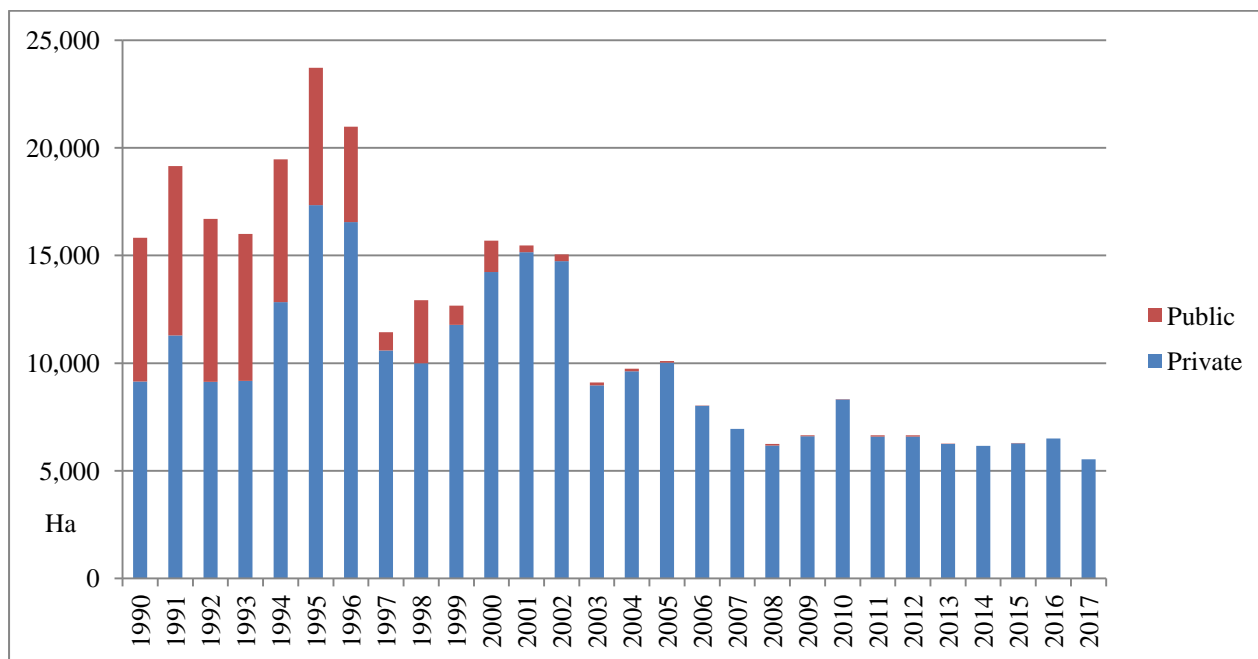
⁴⁶ <https://www.teagasc.ie/media/website/crops/forestry/advice/Forestry-Statistics-2017.pdf>

⁴⁷ <https://www.agriculture.gov.ie/nfi/nfithirdcycle2017/nationalforestinventorypublications2017/>

⁴⁸ <https://www.agriculture.gov.ie/forests-service/forests-service-general-information/forest-statistics-and-mapping/afforestation-statistics/>

⁴⁹ <https://www.agriculture.gov.ie/nfi/nfithirdcycle2017/nationalforestinventorypublications2017/>

Figure 1: Afforestation in the Republic of Ireland by ownership (1990-2017).



3.2.1 **Forestry Programme (2014-2020)**

The programme is 100% funded from the Irish Exchequer and has been granted State Aid approval by the European Commission⁵⁰. The programme provides for:

- An investment of €482 million in new forests over the programme period.
- The establishment of 44,000 ha of new forests by 2020.
- Building of 700 km of new forest roads by 2020.
- An increase of 20% in annual premium payments (paid over a period of 15 years) and a 5% increase in afforestation grants.
- A 14% increase in the grant aid for the building of forest roads.
- Increased premiums for range of different species.
- The promotion of the planting of native tree species.

3.2.2 **Native Woodland Scheme**

The Native Woodland Scheme⁵¹ is aimed at protecting and expanding Ireland's native woodland resource and associated biodiversity. It is a key biodiversity measure within Ireland's national forest policy. It also supports a wide range of other benefits and functions arising from native woodlands, relating to landscape, cultural heritage, wood and non-wood products and services, traditional woodland management techniques, environmental education and climate change mitigation.

3.2.3 **Forest Roads Scheme**

The forest roads scheme provides grant-aid to forest owners to improve access to forests and facilitate thinning. There is a once off payment of 100% of eligible costs to a maximum of €40/linear metre payable on satisfactory completion of the project

⁵⁰ <http://www.agriculture.gov.ie/press/pressreleases/2015/february/title.81095.en.html>

⁵¹ <http://www.agriculture.gov.ie/media/migration/forestry/publications/nativewoodlandschememanual/NativeWoodlandSchemeManual2008060911.pdf>

3.2.4 Land availability for afforestation

In January 2016, COFORD published its report *Land Availability for Afforestation, exploring opportunities for expanding Ireland's forest resource*⁵². This examined the factors surrounding land availability for afforestation in Ireland.

3.3 Sources & uses of wood fibre

Wood fibre sources for the processing and wood energy sectors and residue outturn are shown in Table 12; uses are in Table 13^{53,54}. Wood residues are primarily used as feedstock for sawmill kilns and for process heat in the manufacture of wood-based panels (WBP).

Table 12: Sources of softwood wood fibre (2013-2017).

Fibre source	2013	2014	2015	2016	2017
	000 m ³ OB RWE ⁵⁵				
Roundwood	2,851	2,949	3,063	3,102	3,224
Sawmill residues	897	925	949	1,007	1,142
Wood-based panel residues ⁵⁶	110	114	114	115	124
Residue imports	108	49	47	144	144
Harvest residues	30	60	60	60	60
Post-consumer recovered wood (PCRW)	250	300	300	300	300
TOTAL	4,246	4,397	4,533	4,728	4,994

In 2017, sawmill roundwood intake was 2.33 million m³, which was converted to 1.05 million m³ of sawn timber and 0.14 million m³ of round stakes (Table 13). In 2017, sawmill roundwood intake increased by 8.6% over 2016.

In 2017, 836,000 m³ of wood-based panels (WBP) were produced from an intake of 1.51 million m³ of wood fibre⁵⁷, an increase of 8% over 2016 (Table 13). A very high proportion (79%) of WBP manufacture was exported (660,000 m³) to a value of €224 million (Table 6). WBP exports mainly comprised oriented strand board (OSB) and medium density fibreboard (MDF), manufactured by Masonite, Medite and Smartply. Key export markets were the UK and the Benelux countries.

⁵² <http://www.coford.ie/media/coford/content/publications/cofordarticles/LandAvailabAfforestation130116.pdf>

⁵³ UNECE Joint Wood Energy Enquiry (2014-2018) and EUROSTAT Joint Forest Sector Questionnaire (2014-2018).

⁵⁴ Wood fibre that is reused is counted twice in this model.

⁵⁵ RWE: roundwood equivalent

⁵⁶ Includes bark (from the debarking lines at MEDITE & SMARTPLY and sawdust from the sanding of wood-based panels).

⁵⁷ This includes pulpwood, wood chips, sawdust and post-consumer recovered wood (PCRW).

Table 13: Uses of wood fibre (2013-2017).

Fibre use	2013	2014	2015	2016	2017
	000 m ³ OB RWE				
Sawmilling	1,710	1,815	1,867	1,977	2,178
Round stake	117	147	169	164	148
Wood-based panels	1,407	1,377	1,370	1,395	1,505
Wood for energy use by the power generation and forest products sector ⁵⁸	704	760	796	844	883
Other uses					
Horticultural bark mulch	50	40	30	30	30
Wood chip for heating ⁵⁹	100	100	114	117	49
Export of forest product residues	88	88	36	44	44
Pellet manufacture	70	70	151	106	106
Other uses including shavings and animal bedding				51	51
TOTAL	4,246	4,397	4,533	4,728	4,994

3.4 Energy policy and support measures

3.4.1 Draft Bioenergy Plan

In 2014, a draft bio-energy plan for Ireland was published by the Department of Communications, Climate Action and the Environment⁶⁰.

3.4.2 National Mitigation Plan

The National Mitigation Plan (2017) seeks to form a link between critical policy areas for Ireland, namely, renewable energy; agriculture; forestry; the environment; sustainability; and the growth potential of the green economy⁶¹.

3.5 Use of forest-based biomass for energy generation

3.5.1 Existing use of forest-based biomass for energy generation

In 2017, 42% of the roundwood used in the Republic of Ireland was used for energy generation, mainly within the forest products sector. Wood-biomass fuels used by the sector are shown in Table 14⁶².

In 2017, the output of the forest-based biomass energy sector grew by 12% over 2016 (Table 14). This increase was largely driven by a substantial increase in the use of wood biomass at Bord na Móna, Edenderry and by an increased output from both the wood-based panel (WBP) and sawmill sectors. However, over the same period, the volume of roundwood which was chipped in forest for wood-biomass energy use declined by 58%.

This resulted in greenhouse gas (GHG) emission saving of 0.99 million tonnes of carbon dioxide (CO₂)⁶³. Emission savings were up almost 30% on the 2016 level of 0.76 million tonnes (Table 15). As a comparison, total GHG emissions in 2015 were 59.9 million tonnes CO₂ equivalent⁶⁴.

⁵⁸ Wood biomass is used by the forest products sector for process drying, heating and for the generation of electricity (s including the use of wood biomass for co-firing by Bord na Móna at Edenderry).

⁵⁹ Primarily used for the production of space or production heat.

⁶⁰ <http://www.dccae.gov.ie/en-ie/Pages/default.aspx>

⁶¹ <http://www.dccae.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf>

⁶² UNECE Joint Wood Energy Enquiry (JWEE); 2013-2017

⁶³ UNECE Joint Wood Energy Enquiry (2014-2018)

⁶⁴ <http://www.epa.ie/pubs/reports/air/airemissions/ghgmissions/GHG%201990-2015%20April%202017.pdf>

In 2017, 239,000 m³ of firewood was used in the Republic of Ireland to a value of €35 million, which provides a good market for first thinnings (Table 16). A small proportion of the supply - 4,000 m³ - was imported. In addition, firewood is also harvested by forest owners for their own use. Wood-biomass fuels used by the sector are shown in Table 16⁶⁵.

Table 14: Use of forest-based biomass and as a proportion of total roundwood harvest (2013-2017).

Item	2013	2014	2015	2016	2017
	000 m ³				
Wood-biomass use by the energy ⁶⁶ and forest products industry	704	760	796	1,049	1,296
Roundwood chipped for primary energy use ⁶⁷	100	100	114	117	49
Household firewood use	230	235	237	237	239
Short rotation coppice (SRC)	5	5	5	20	20
Wood pellets and briquettes	161	150	154	160	175
Charcoal	1	1	1	1	1
TOTAL	1,201	1,251	1,307	1,584	1,780
Of which supplied from domestic resources	1,034	1,166	1,132	1,139	1,465
Roundwood available for processing	2,852	2,975	3,016	3,108	3,242
Firewood used	230	235	237	237	235
Total roundwood use ⁶⁸	3,082	3,210	3,253	3,345	3,477
Domestic wood-biomass use as a % of roundwood used	33.5	36.3	34.8	34.1	42.1

Table 15: Output use of forest-based biomass and associated greenhouse gas emissions mitigation (2013-2017).

Item	Unit	2013	2014	2015	2016	2017
		Output				
Heat	TJ	7,002	7,562	7,730	9,017	11,686
Electricity	TJ	491	530	446	932	1,208
TOTAL	TJ	7,493	8,092	8,176	9,949	12,894
CO ₂ emission savings	000 tonnes	573	619	625	761	986

Table 16: Volume and value of the domestic firewood market in the Republic of Ireland (2013-2017).

Year	000 m ³ OB	€ million
2013	230	33.33
2014	235	34.05
2015	237	34.34
2016	237	34.34
2017	239	34.63

3.6 Support Scheme for Renewable Heat (SSRH)

Under the 2009 Renewable Energy Directive, Ireland is committed to ensure that by 2020, 12% of our heating demand will come from renewable energy sources. Cleaner heat is part of Ireland's renewable energy policy objective and the introduction of the Support Scheme for Renewable Heat Incentive (SSRH) for Ireland is a commitment in White Paper on Energy and the Programme for Government. This will be the primary support mechanism in the heating sector designed to meet Ireland's renewable energy obligations.

A public consultation which closed in March 2017 invited submissions from interested parties on the design options and implementation of the SSRH in Ireland.

⁶⁵ drima market research study

⁶⁶ Includes co-firing of wood biomass at Edenderry Power; www.edenderrypower.ie

⁶⁷ Primarily used for space and process heating

⁶⁸ Roundwood use includes the use of domestically sourced and imported roundwood

The primary objective of the support scheme for renewable heat is to increase the level of renewable energy in the heat sector. This will contribute to meeting Ireland's 2020 renewable energy targets whilst also reducing greenhouse gas emissions. The government funded scheme will support the adoption of renewable heating systems by commercial, industrial, agricultural, district heating, public sector and other non-domestic heat users not covered by the emissions trading system⁶⁹.

There is a growing supply of forest-based biomass to become available over the period to 2035. However, it is highly unlikely that this demand will be met in the short-term from domestic resources and will require the importation of biomass. It is essential therefore that the most efficient use is made of domestic forest-based biomass, both from an emissions and a heating perspective. The Department of Agriculture, Food and the Marine (DAFM) thereby supports the use of minimum energy efficient eligibility criteria be applied to the renewable heat technologies that utilise forest-based biomass⁷⁰.

In addition, the proposed SSRH incentive scheme needs to take into account the effect of introducing an incentive for forest-based biomass will have on the existing forest products industry. Existing users of wood fibre for sawmills and the manufacture of wood-based panels could be displaced with potential impacts on jobs and carbon storage⁷¹.

It is anticipated that the ongoing operational support component of the Scheme will open for applications in late 2018 / early 2019. This is subject to state aid approval from the European Commission⁷².

3.7 Renewables and national renewable energy targets

3.7.1 Forest-based biomass outlook to 2020

The COFORD report *Mobilising Ireland's forest resource* estimates that by 2020, the demand for roundwood in the Republic of Ireland is set to increase to 4.67 M m³ (Table 17)⁷³. The forecast is currently under review by the COFORD Roundwood Production Forecasting and Wood Mobilisation Group and will be published in 2018.

Based on scenario modelling⁷⁴, the Sustainable Energy Authority of Ireland (SEAI) currently forecasts that by 2020, the demand for biomass for energy in the Republic of Ireland will be 53 PJ, equivalent to 1.87 million cubic metres⁷⁵. Forest-based biomass and waste resources could deliver about 9 PJ each, with agricultural residues having the potential to supply a further 8 PJ. The balance of supply is likely to comprise indigenous purpose-grown energy crops and imported biomass⁷⁶. The demand for forest-based biomass for energy in 2020 is an aggregate of the demand for combined heat & power (CHP), heat only and co-firing. The expected demand for forest-based biomass in 2020 by energy type is shown in Table 18⁷⁷. To meet the 2020 renewable energy target, the demand for forest-based biomass for energy production will need to double over the period 2011 to 2020. This is a challenging target. However, experience in Scotland and in Austria has shown that biomass use can grow to meet challenging renewable energy targets.

The COFORD mobilisation report⁷⁸ outlines measures to ensure wood mobilisation reaches forecast levels; (see section 3.9). These measures are currently being reviewed by the COFORD Roundwood Forecasting and Mobilisation Group. This report of this Group will be published by the end of 2018.

3.7.2 Contribution of renewables to heat and electricity demand

Renewable energy⁷⁹ contributing to Ireland's thermal energy requirements is dominated by industrial biomass use, in particular the use of waste wood to produce heat in the manufacture of wood-based panels, joineries and wood processing plants and the use of tallow from rendering plants for heat.

⁶⁹ <https://www.seai.ie/sustainable-solutions/support-scheme-renewable/>

⁷⁰ <https://www.dccae.gov.ie/en-ie/energy/consultations/Documents/21/submissions/Reply%20from%20Department%20of%20Agriculture,%20Food%20and%20the%20Marine.pdf>

⁷¹ <https://www.dccae.gov.ie/en-ie/energy/consultations/Documents/21/submissions/Reply%20from%20COFORD%20Council.pdf>

⁷² <https://www.seai.ie/sustainable-solutions/support-scheme-renewable/>

⁷³ <http://www.coford.ie/media/coford/content/publications/projectreports/Mobilising%20Irelands%20forest%20resources%20-%20Digital%20March2015.pdf>

⁷⁴ This is based on data available as of 2/11/2010.

⁷⁵ http://www.coford.ie/media/coford/content/publications/projectreports/roundwooddemand2011/COFORD_demand01Mar11.pdf

⁷⁶ This data is based on work which was undertaken by the COFORD Supply Group (2010).

⁷⁷ The expected demand for forest-based biomass to 2020 is based on a scenario model which was developed by SEAI; www.seai.ie. This is based on data available as of 2/11/2010.

⁷⁸ <http://www.coford.ie/media/coford/content/publications/projectreports/Mobilising%20Irelands%20forest%20resources%20-%20Digital%20March2015.pdf>

⁷⁹ http://www.seai.ie/Publications/Statistics_Publications/Renewable_Energy_in_Ireland/Renewable-Energy-in-Ireland-2012.pdf

The increasing activity in specific sub-sectors of industry, as well as some incentives and regulations for renewable systems in residential dwellings, has led to renewable energy use more than doubling, from 108 ktoe in 1990 to 287 ktoe in 2015 (a growth of 166%).

Ireland has a target to deliver 12% of final heat demand from renewable energy sources by 2020. While progress has been made in recent years on deployment of renewable heat technologies, energy forecast projections show that Ireland is likely to fall short of the renewable heat (RES-H) target⁸⁰.

In 2015, renewable thermal energy (RES-H) increased by 2.5% in absolute terms relative to 2014. However, as overall thermal energy consumption increased at a faster rate than renewable heat in 2015, the renewable share of thermal energy fell by 0.1 percentage points to 6.5% in 2015⁸¹.

A public consultation which closed on 3 March 2017 invited submissions from interested parties on the design options and implementation of the SSRH in Ireland. More than 200 submissions were received⁸². Subject to State Aid Approval from the European Commission, it is expected that the SSRH scheme will be launched by the end of 2018.

A speech by the Minister for Communications, Climate Action and Environment⁸³ stated ‘the SSRH scheme is envisaged as a tangible and viable measure to stimulate growth in the domestic biomass sector.

‘Crucially it will create new commercial opportunities for farmers in heat technologies including biomass boiler installations and new opportunities for foresters. It will also help us to meet our EU renewable energy targets⁸⁴.

Wind energy⁸⁵ dominates the renewable electricity sector (RES-E) sector. In 2016, it accounted for 27% of electricity generated and was the second largest source of electricity generation after natural gas⁸⁶.

3.7.3 Renewable energy targets

The national renewable energy targets for the Republic of Ireland and the progress towards meeting them are shown in Table 17^{87,88,89}.

Table 17: Renewable energy progress to targets (2010-2016).

Energy type	Progress towards targets by year						Targets	
	2010	2011	2012	2013	2014	2016	2010	2020
RES-E (normalised)	14.5	17.3	19.5	20.8	22.7	27.2	15	40
RES-T	2.4	3.8	4.0	4.9	5.2	5.0	3	10
RES-H	4.5	4.9	5.1	5.5	6.6	6.8	5	12
Directive (2009/29/EC)	5.6	6.5	7.1	7.6	8.6	9.5		16

3.8 Forecast of roundwood demand

An updated forecast of roundwood demand (2020-2025) is being prepared by the COFORD Roundwood Forecasting and Mobilisation Group. It is expected that this forecast will be published in late 2018.

⁸⁰ <https://www.seai.ie/resources/publications/Achieving-Ireland-s-2020-Renewable-Heat-Target.pdf>

⁸¹ <http://www.seai.ie/resources/publications/Energy-in-Ireland-1990-2015.pdf>

⁸² <http://www.dccae.gov.ie/en-ie/energy/consultations/Pages/Renewable-Heat-Incentive-Consultation.aspx>

⁸³ <https://www.teagasc.ie/news-events/news/2017/energy-in-agriculture.php>

⁸⁴ <http://www.dccae.gov.ie/en-ie/news-and-media/speeches/Pages/Speech-by-Denis-Naughten-T-D--Minister-of-Communications,-Climate-Action-and-Environment-at-Energy-in-Agriculture-2017-Even.aspx>

⁸⁵ http://www.seai.ie/Publications/Statistics_Publications/Renewable_Energy_in_Ireland/Renewable-Energy-in-Ireland-2012.pdf

⁸⁶ <https://www.seai.ie/resources/publications/Energy-in-Ireland-1990-2016-Full-report.pdf>

⁸⁷ At the time of publication, data for 2017 was not available.

⁸⁸ <https://www.seai.ie/resources/publications/Energy-in-Ireland-1990-2016-Full-report.pdf>

⁸⁹ http://www.mnag.ie/workshop_2010_7_2172276902.pdf

3.9 Mobilising roundwood supply – the COFORD wood mobilisation report

Recent work undertaken by COFORD shows that the following challenges need to be overcome if the forecast roundwood harvest from the Irish private forest estate is to be realised. These include:

- Improving the accessibility (for timber harvesting) of the Irish private forest estate;
- Continuing DAFM grant assistance for the development of forest roads;
- Developing a “standardised low cost” roundwood sales system which facilitates roundwood sales in the Irish private forest estate, and;
- The combination of private woodlots into larger sales units which can be harvested more economically.

The recommendations of this report are currently being reviewed by the COFORD Roundwood Forecasting and Mobilisation Group. It is expected that this report will be published in late 2018.

3.10 National climate change strategy

3.10.1 Climate Action and Low Carbon Development Act (2015)

The enactment of the Climate Action and Low Carbon Development Act 2015⁹⁰ was a landmark national milestone in the evolution of climate change policy in Ireland. The *Climate Action and Low Carbon Development Act 2015* provides the statutory basis for the national transition objective laid out in the national policy position. As provided for in the 2015 Act, in order to pursue and achieve the national transition objective, the Minister for Communications, Climate Action and Environment must make and submit to Government a series of successive National Mitigation Plans (NMPs)⁹¹ and National Adaptation Frameworks⁹² (NAFs).

Ireland's NMP shows that Ireland's forest sector, through afforestation and the use of forest-based biomass (FBB) and wood products, offers considerable scope for climate change mitigation, equivalent to 20-22% of agricultural emissions on an annual basis⁹³.

The National Adaptation Framework (NAF) sets out Ireland's first statutory strategy for the application of adaptation measures in different Government sectors, including the local authority sector to reduce the vulnerability of the State to the negative effects of climate change but also to avail of any positive effects that may occur.

In January 2018, Ireland's first statutory National Adaptation Framework (NAF)⁹⁴ was published by Minister Denis Naughten T.D. The NAF sets out the national strategy to reduce the vulnerability of the country to the negative effects of climate change and to avail of positive impacts. The NAF was developed under the Climate Action and Low Carbon Development Act 2015.

3.10.2 Irish forests and climate change

The Irish forestry and forest products sector, through afforestation, the use of forest-based biomass and wood products offers considerable scope for climate change mitigation and has a role to play in adaptation measures such as reducing flood risks⁹⁵.

According to the third NFI, Irish forests contained over 312 million tonnes of carbon in 2017. Put in perspective, this is equivalent to 24 times the greenhouse emissions that occurred in the same year. Due to the relatively young age of the forest estate the carbon store continues to accumulate. Latest estimates show that, excluding harvested wood pool and emissions from deforestation, 3.8 million tonnes of carbon dioxide (CO₂) were sequestered an average per year from the atmosphere over the period 2007-2016.

In 2016, 34% of the roundwood used in the Republic of Ireland was used for energy generation, mainly within the forest products sector. The use of wood biomass energy in Ireland results in greenhouse gas (GHG) emission savings from the displacement of fossil fuels. The saving in 2014 is estimated at over 0.5 million tonnes of carbon dioxide (CO₂), which compares with total emissions of 57.8 million tonnes of carbon dioxide (CO₂) in the same year.

⁹⁰ <http://www.irishstatutebook.ie/eli/2015/act/46/enacted/en/html>

⁹¹ <http://www.dccae.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf>

⁹² <http://www.dccae.gov.ie/en-ie/climate-action/topics/adapting-to-climate-change/national-adaptation-framework/Pages/default.aspx>

⁹³ <http://www.dccae.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf>

⁹⁴ [National Adaptation Framework \(NAF\)](#)

⁹⁵

<https://www.agriculture.gov.ie/media/migration/ruralenvironment/climatechange/ghgmitigation/AgriSectorMitigationPlanPublicConsult120215.pdf>

The Irish forest sector, through afforestation and the use of forest-based biomass (FBB) and wood products, offers considerable scope for climate change mitigation, equivalent to 20-22% of agricultural emissions on an annual basis.

Under the Effort Sharing Regulation (EU No 2018/842) adopted on the 30th May 2018, Ireland has the potential to account 26.8 Mt CO₂ equivalent of greenhouse gas removals over the 10 year period 2021-2030 from the LULUCF (land use, land-use change and forestry) sector following the accounting rules laid out in the EU LULUCF Regulation (EU No 2018/841) (This is based on a combined contribution of net afforestation (afforestation less any deforestation emissions) and managed forestland, cropland, grassland and wetland⁹⁶. It is anticipated that 22 million tonnes of CO₂ will be available from afforestation, net of deforestation, over the 10 year period with the balance coming from cropland and grassland. Managed forestland will be accounted against a forward looking baseline, a forest reference level that will be submitted to the European Commission by the end of 2018.

4.0 Developments in forest products markets

The Irish sawmilling and board manufacturing sector is competitive internationally and has developed major export markets over recent years in the UK and elsewhere. Demand for all wood products remains strong, further growth is anticipated in the years to come as overseas markets for Irish sawnwood and panel board products continue to expand⁹⁷.

4.1 Irish roundwood harvest

In 2017, 3.54 million m³ of roundwood was harvested in the Republic of Ireland (Table 18)⁹⁸, an increase of 5.6% over 2016, and represents a continuation of the trend for increased levels of harvest over the 2013-2017 period.

This increase in roundwood harvest was driven by the increase in the roundwood harvest from the private forest estate (Table 19).

Table 18: Total roundwood harvest (including firewood) in the Republic of Ireland (2013-2017).

Harvest type	2013	2014	2015	2016	2017
	000 m ³ OB				
Coillte	2,588	2,517	2,470	2,733	2,714
Private	448	597	780	622	828
TOTAL	3,036	3,114	3,250	3,355	3,542

In 2017, 3.24 million cubic metres of roundwood was available for processing in the Republic of Ireland⁹⁹, an increase of 4.3% on 2016. In 2017, the level of roundwood harvest in the private sector was 32% higher than in 2016 (Table 19).

Table 19: Roundwood available for processing in the Republic of Ireland (2013-2017).

Item	2013	2014	2015	2016	2017
	000 m ³ OB				
Commercial softwood					
Imports less exports	49	68	40	-16	-65
Coillte	2,474	2,434	2,377	2,600	2,613
Private sector	328	447	646	518	676
Commercial hardwood					
Imports less exports	1	0	0	0	0
Coillte	-2	6	3	5	7
Private sector	1	0	0	1	11
TOTAL	2,853	2,955	3,066	3,108	3,242

⁹⁶ <http://www.dcae.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf>

⁹⁷ <https://www.agriculture.gov.ie/media/migration/foodindustrydevelopmenttrademarks/foodwise2025/report/FoodWise2025.pdf>

⁹⁸ Historic harvest and trade data for the period 1961-2015 is on the FAOSTAT website: ⁹⁸ <http://faostat.fao.org/site/626/default.aspx#ancor>

⁹⁹ Firewood is excluded.

4.2 Sawn timber production, consumption, trade and promotion

4.2.1 Production

Eight companies supply over 90% of Irish sawmilling output and provide the main market for sawlog and stake wood harvested from Irish forests (Table 20)¹⁰⁰. The majority of the logs supplied to Irish sawmills are certified to the FSC^{101,102} and/or PEFC¹⁰³ standard. In addition, Irish sawmills have their own chain of custody (CoC) certification.

In June 2018, The GP Wood sawmill at Lissarda, Macroom, Co Cork was badly damaged by fire¹⁰⁴.

Table 20: Large and medium sized sawmills on the island of Ireland.

Size	Sawmill	Location(s)	Website
Large	Balcas Ltd.	Enniskillen, Co Fermanagh, Northern Ireland	www.balcas.com
Large	ECC Timber Products Ltd.	Corr na Móna, Co Galway	www.ecc.ie
Large	Glennon Brothers Ltd.	Longford, Co Longford Fermoy, Co Cork	www.glennonbrothers.ie
Large	GP Wood Ltd.	Enniskeane, Co Cork Macroom, Co Cork	www.gpwood.ie
Large	Murray Timber Group	Ballygar, Co Galway Ballon, Co Carlow	www.mtg.ie
Medium	Coolrain Sawmills Ltd.	Coolrain, Co Laois	www.gardendeckingfencing.ie
Medium	Laois Sawmills Ltd.	Portlaoise, Co Laois	www.laoissawmills.com
Medium	Woodfab Timber Ltd.	Aughrim, Co Wicklow	www.woodfabtimber.ie

In 2017, sawmill roundwood intake was 2.33 million m³, which was converted to 1.05 million m³ of sawn timber and 0.14 million m³ of round stakes. In 2017, sawmill roundwood intake increased by 8.6% over 2016.

Over the period 2016-2017, the production of wood residues increased by 10.1%. These include sawmill and wood-based panel residues (Table 21).

Table 21: Production of wood residues (2013-2017).

Residue type	2013	2014	2015	2016	2017
	000 m ³				
Bark	243	219	238	225	295
Wood chip	552	576	590	640	703
Sawdust	212	244	285	257	268
Post-consumer recovered wood (PCRW)	250	300	300	300	300
TOTAL	1,257	1,339	1,413	1,422	1,566

¹⁰⁰ Source: drima market research survey

¹⁰¹ FSC: Forest Stewardship Council; www.fsc.org

¹⁰² The Forest Stewardship Council (FSC) is an independent, non Governmental, not for profit organisation established to promote the responsible management of the world's forests; www.fsc.org

¹⁰³ www.pefc.org

¹⁰⁴ <https://www.eveningecho.ie/corknews/Fire-damaged-factory-in-Lissarda-to-be-rebuilt-by-owners-bcf2f190-6c16-4af2-a61e-398120a921c3-ds>

4.2.2 Trade

In 2017, exports of forest products from the Republic of Ireland were €423 million, an increase of 11.3% on 2016. Wood-based panels accounted for €224 million, the balance comprising paper and sawn timber exports (Table 22). Export volumes of WBP and sawn timber increased by 5.1% and 8.6% on 2016 (Table 22).

In 2017, forest products to the value of €608 million were imported into Ireland. This trade is dominated by the importation of pulp, paper and paper-board products, and they represented 63% of forest product imports.

In 2017, net imports of forest products to the Republic of Ireland were €185 million, largely driven by the import of pulp and paper products (Table 24).

Table 22: Primary forest products trade, volume and value (2013-2017).

Product	Imports									
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
	000 m ³					€ million				
Sawn timber	134	205	227	250	266	51	74	88	92	99
Wood-based panels	194	235	240	242	260	78	98	112	112	129
	000 tonnes									
Pulp products	50	46	51	46	45	41	42	53	45	45
Paper and paper-board products	428	404	427	417	407	340	340	359	337	335
TOTAL						510	554	612	586	608
	Exports									
	000 m ³					€ million				
Sawn timber ¹⁰⁵	601	718	701	806	875	81	122	121	122	129
Wood-based panels	665	662	610	628	660	179	199	190	206	224
	000 tonnes									
Pulp products	0	0	0	3	0	0	0	0	1	1
Paper and paper-board products	81	67	86	137	40	59	50	44	51	69
TOTAL						339	370	355	380	423

During 2017, consumption of sawn timber in the Republic of Ireland increased by 2.8% over 2016¹⁰⁶. In 2017, 43% of the Irish market for sawn softwood timber was supplied by domestic production with the balance being imported. However, over the same period, only 17% of the Irish market for sawn hardwood was supplied domestically (Table 23)¹⁰⁷.

Table 23: Self-sufficiency in sawnwood (2013-2017)^{108,109,110}.

Item	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
	Sawn softwood					Sawn hardwood				
	000 m ³									
Domestic production	824	904	929	985	1,049	1	3	2	3	9
Exports	601	718	700	803	873	0	1	1	3	2
Imports	108	175	194	215	232	26	30	33	36	34
TOTAL consumption ¹¹¹	331	361	423	397	408	27	32	34	36	41
% of sawn timber market which is supplied by domestic production	67	52	54	46	43	4	6	3	8	17

¹⁰⁵ In 2013-2014, the value of sawn timber exports grew by 51%, while volume grew 20%. The difference between value and volume may be due to a combination of changes in the euro/Sterling exchange rate and increases in product prices.

¹⁰⁶ This data is subject to further verification.

¹⁰⁷ Data on the import and export of sawn softwood is subject to final verification.

¹⁰⁸ Central Statistics Office; (www.cso.ie) & EUROSTAT Joint Forest Sector Questionnaire (2014-2018)

¹⁰⁹ Central Statistics Office; (www.cso.ie) & EUROSTAT Joint Forest Sector Questionnaire (2014-2018)

¹¹⁰ This data is subject to further verification.

¹¹¹ Total consumption is calculated as: domestic production + (imports-exports).

In value terms, Ireland became a net exporter of sawn timber in 2010 (Table 24). It marked the continuation of a trend apparent since 2008 (and more apparent in the case of export volumes) with the gap between the value of exports and imports closing due to the collapse of the domestic construction market and increased levels of exports, mainly to the UK.

Table 24: Balance of payments in the value of traded forest products (2013-2017).

Product	2013	2014	2015	2016	2017
	€ million				
Sawn timber	30	48	33	30	30
Wood-based panels	121	101	78	94	95
Pulp products	-41	-42	-53	-44	-44
Paper and paper-board products	-281	-290	-315	-286	-260
TOTAL	-171	-183	-257	-206	-185

4.2.3 Sawn softwood imports

In 2017, imports of sawn softwood were 232,000 m³, to a value of €71 million. The main suppliers to the Irish market for the period 2013-2017 are in Table 25¹¹².

Table 25: Main softwood exporters to Ireland (2013-2017).

Exporter	2013	2014	2015	2016 ¹¹³	2017
	000 m ³ UB				
Sweden	28	32	37	48	56
Latvia	22	44	44	49	46
Northern Ireland	17	29	21	18	12
Great Britain ¹¹⁴	9	14	19	27	27
Finland	8	13	21	20	28
Russian Federation	7	17	21	16	18
Germany	6	10	12	22	15
Netherlands	4	7	7	8	9
Estonia	3	3	5	3	7
France				4	3
Canada	1	1	1	1	1
Belgium	1	2	1	1	
New Zealand					1
Poland					2
% of total imports	97	97	97	100	97

¹¹² Source: Central Statistics Office (CSO); www.cso.ie

¹¹³ Due to rounding, the data for 2016 adds to more than the total of 215,000 m³.

¹¹⁴ Data on sawn timber which is imported from Northern Ireland is treated separately from that which is imported from Great Britain.

4.2.4 Sawn hardwood imports

In 2017, Ireland imported 34,000 m³ of sawn hardwood to a value €27.8 million, a decline 5.6% in volume on 2016. Over the same period, 16,000 m³ of tropical hardwoods were imported to a value of €11.4 million. This was a 11.6% decline on the volume of tropical hardwood imported in 2016. The main hardwood exporters to the Irish market for the period 2012-2016 are shown in Table 26¹¹⁵.

Table 26: Main exporters of sawn hardwood to Ireland (2013-2017).

Exporter	2013	2014	2015	2016	2017
	000 m ³ UB				
United States	9	11	10	11	10
Cameroon	7	12	14	15	13
Northern Ireland	5	2	2	2	3
China	1				
Congo				4	1
Congo Dem Rep					1
Canada	1	1	1	1	1
Great Britain ¹¹⁶	1	1	1	2	2
Ivory Coast		1	1	1	1
Germany		1	1	1	1
% of hardwood imports	92	95	91	94	93

4.3 Value added products - wooden furniture

In 2017, wooden furniture to the value of €229 million was imported into the Republic of Ireland. Over the period 2013-2017, net imports for wooden furniture increased by 40% (Table 27)¹¹⁷.

Table 27: The value of wooden furniture imports & exports to/from the Republic of Ireland (2013-2017).

Item	2013	2014	2015	2016	2017
	€ million				
Imports	163	195	224	206	229
Exports	34	37	48	54	48
Net imports	129	158	176	152	181

4.4 Wood-based panels (WBP)

In 2017, the production of wood-based panels in Europe increased by 1.6% in to 75 million m³, reflecting economic growth in the region. Production increased in all segments of the wood-based panel market except wet-process hardboard¹¹⁸.

Irish based wood-based panel manufacturers and the products which they manufacture are outlined in Table 28¹¹⁹.

Table 28: Wood-based panel manufacturer in the Republic of Ireland.

Manufacturer	Established	Product(s)	Location
Masonite Ireland	1997	Thin MDF/Moulded door facings	Drumsna, Co Leitrim
MEDITE-Europe	1983	Medium Density Fibreboard (MDF)	Clonmel, Co Tipperary
SMARTPLY Europe	1995	Oriented Strand Board (OSB)	Slieverue, Co Kilkenny

¹¹⁵ Sources: CSO Trade Statistics www.cso.ie & EUROSTAT JFSQ for Ireland (2014-2018)

¹¹⁶ Data on sawn timber which is imported from Northern Ireland is treated separately from that which is imported from Great Britain

¹¹⁷ Source: EUROSTAT JFSQ for Ireland (2013-2017).

¹¹⁸ www.unece.org

¹¹⁹ EUROSTAT/FAO Joint Forest Sector Questionnaire (JFSQ) for Ireland (2014-2018)

In 2017, 836,000 m³ of wood-based panels (WBP) were produced from an intake of 1.51 million m³ of wood fibre¹²⁰, an increase of 8% on 2016. A very high proportion (79%) of WBP manufacture was exported; 660,000 m³, to a value of €224 million (Table 29)¹²¹. WBP exports comprised mainly oriented strand board (OSB) door facings and medium density fibreboard (MDF); manufactured by Masonite, MEDITE and SMARTPLY. Key export markets were the UK and the Benelux countries.

Table 29: Production and exports of wood-based panels in and from the Republic of Ireland (2013-2017).

Item	Unit	2013	2014	2015	2016	2017
Production	000 m ³	739	773	769	774	836
Export volume	000 m ³	665	662	610	628	660
Export value	€ million	199	198	190	206	224

SMARTPLY's new OSB line was commissioned in April 2016. This allows the company to supply OSB panels to a broader customer range. This line is now fully operational.

4.5 Builders merchanting

The Grafton Group is Ireland's largest builders merchant. Its 2017 annual report stated that the merchant market benefitted from 'strong organic growth was reported by the merchanting and DIY businesses in Ireland'¹²².

It further states that 'the outlook for the Group's businesses in Ireland is favourable with balanced growth forecast to continue albeit at a more moderate rate than experienced in recent years. Demand in the merchanting and DIY markets should continue to benefit from increased consumer spending and investment in residential RMI, house building and non-residential construction'.

4.6 Voluntary forest certification

4.6.1 Schemes

To date, certification has not been a major issue for private forest owners. Currently, about 6,500 hectares of private forest is certified, which is less than 1% of all forests in the country. As the level of supply from the private sector increases, the lack of certification is likely to become a barrier to wood mobilisation. In fact many thousands of hectares of private woodland are approaching the stage of first and subsequent thinnings, resulting in a sharp increase in supply of logs from this source in the near future^{123**ref*}. There is a limit of uncertified material of 20 and 30% for the panel and saw mills and the supply of timber from private forests is now close to exceeding this figure.

Barriers to forest certification for private forest owners include the cost and perceived complexity of achieving this accreditation. The Department decided in 2016 that the best approach to addressing these barriers was as follows;

- a) To develop a template for certification to support forest owners and forest professionals in attaining certification
- b) To establish two certification groups where costs can be shared.

Both these objectives have now been completed. The next challenge in forest certification for private owners is to grow certification groups to a level where running costs can be sustained by the membership

¹²⁰ Includes pulpwood, wood chips, sawdust and post-consumer recovered wood (PCRW).

¹²¹ EUROSTAT Joint Forest Sector Questionnaire (2014-2018)

¹²² <http://www.graftonplc.com/~media/Files/G/Grafton/result-centre/2018/annual-report-2017.pdf>

¹²³ <http://www.coford.ie/toolservices/allirelandroundwoodproductionforecast2016-2035/>.

4.6.2 Forest Service certification initiative

The Forest Service, Department of Agriculture, Food and the Marine are currently undertaking a pilot forest certification project. This aims to develop voluntary certification within the private forest estate in Ireland. The North East Forestry Group¹²⁴ and the Forestry Owners Cooperative Society¹²⁵ are both taking part in a pilot project in which the template will be tested and two certification groups for private forest owners will be established. This project will lay the groundwork for future groups to emerge and will provide the tools for owners and forestry professionals to apply for voluntary forest certification¹²⁶.

In November 2016, the Minister of State at the Department of Agriculture, Food and the Marine, with responsibility for forestry, welcomed the development of a template for private forest owners to establish certification groups¹²⁷.

The certification contract is with an international consortium led by Commercial Forestry Services Ltd., in partnership with The Forestry Company, UK Forest Certification Ltd. and the Soil Association Certification Ltd. (UK). Key contributors to the project are Teagasc¹²⁸ and the two participating forestry groups, North East Forestry Group and Forest Owners Co-operative Society.

In April 2018, the Minister of State at the Department of Agriculture, Food and the Marine with responsibility for forestry, Andrew Doyle T.D., congratulated the North East Forestry Group and the Forest Owners Co-operative Society, on achieving Forest Stewardship Council (FSC) certification^{129,130}.

5.0 Irish forests and the environment

The Irish forest sector has strong environmental and non wood benefits. Sustainable forest management is implemented through national legislation, forest policy, guidelines and procedures¹³¹. New guidelines for afforestation are currently in preparation by the Department of Agriculture, Food and the Marine.

Ireland's forests and afforestation programme (see Section 3.2) provide for the conservation and enhancement of biodiversity at both a local and a national level.

It has been estimated that 18 million people visit Irish forests for recreation purposes each year. This activity has been valued at €97 million, which in turn generates €268 million in economic activities in rural communities¹³².

For Kyoto II (2013-2020), the net sink contribution of afforestation, reforestation and deforestation (ARD) is forecast to be 3.8 million tonnes of CO₂ per year. This includes harvested wood products (HWP)¹³³.

In 2018, Coillte, Ireland's state forest company has launched a new classification system that will allow for integrated planning and management of key biodiversity sites across its 440,000-hectare estate. Its 'BioClass' system has been designed to categorise key areas of its forest estate which are of ecological value. These range from moderate to very high. This will enable Coillte to ensure its biodiversity areas are properly managed and resourced¹³⁴.

¹²⁴ http://northeastforestrygroup.ie/North_East_Forestry_Group_Home.html

¹²⁵ <http://focs.ie/56/>

¹²⁶ <https://www.agriculture.gov.ie/press/pressreleases/2016/june/title.98416.en.html>

¹²⁷ <https://www.agriculture.gov.ie/press/pressreleases/2016/november/title.104151.en.html>

¹²⁸ <https://www.teagasc.ie/crops/forestry/advice/markets/timber-certification/>

¹²⁹ <https://www.agriculture.gov.ie/press/pressreleases/2018/april/title.116767.en.html>

¹³⁰ <http://www.groupcertification.ie/>

¹³¹ The Environmental Report on the Forest Policy Review can be found at:

<https://www.agriculture.gov.ie/media/migration/forestry/publicconsultation/forestpolicyreview/SEAForestPolicyReviewJune2013.pdf>

¹³² <http://www.coford.ie/publications/forestry2030/irishforestryandtheeconomy/>

¹³³ Hendrick E; Department of Agriculture, Food and the Marine; Stakeholder consultation on discussion document on GHG mitigation potential within the agriculture and forest sector (2015).

¹³⁴ <https://www.coillte.ie/coillte-host-biodiversity-breakfast-seminar/>

6.0 Recent developments

6.1 Forestry budget

The Department of Agriculture, Food and the Marine (DAFM) promotes afforestation as a viable land use for landowners through the provision of planting grants and payment of annual premiums. In 2017, €93.6 million of capital expenditure was invested in forestry development, 93% of which went towards afforestation grants and premiums. An additional €5.88 million was spent on other forestry support schemes for forestry and woodland reconstitution and development projects¹³⁵.

An allocation of €106 million (including a capital carryover) has been set aside for forestry development during 2018, according to the Department of Agriculture, Food and the Marine¹³⁶.

6.2 New Forestry Act

The Forestry Act (2014) was commenced on 24 May 2017, thereby replacing the Forestry Act (1946). New forestry regulations, which provide the regulatory basis for a number of forestry activities including the licensing of felling, aerial fertilisation, afforestation and forest road construction, also came into effect on that date. One of the main changes introduced by the Act and its associated regulations is the streamlining of the felling licensing system. From 24 May 2017, there is a single licence process for tree felling, extended duration of felling licences and an increased list of exempted trees which will not require a felling licence. The Act also introduces tougher penalties for illegal felling of trees with the aim of maintaining the area of existing forest and helping to prevent future deforestation¹³⁷.

6.3 Mid-term review

A midterm review (MTR) of measures introduced as part of the current Forestry Programme (2014 -2020) was undertaken in 2017. The aim of the MTR exercise was to compare targets against outturn, identify reasons where targets were not achieved and propose measures to help address barriers to achieving these targets¹³⁸.

The MTR showed that total afforestation figures for the years 2015 – 2017 show that overall planting is some 7% less than the cumulative target for these years. However, the shortfall in planting for native woodlands, agroforestry and forestry for fibre combined was much greater at 74%¹³⁹.

Following the MTR increases have been made to forestry grants¹⁴⁰. These include: A 7% increase in all broadleaves and diverse conifer grant categories, a 5% increase in all broadleaves and diverse conifer premium categories and a new deer fencing provision of €16.25/metre^{141,142}.

¹³⁵ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

¹³⁶ <https://www.agriland.ie/farming-news/budget-2018-allocations-for-forestry-organics-and-more/>

¹³⁷ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

¹³⁸ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

¹³⁹ <https://www.agriculture.gov.ie/media/migration/forestry/forests-service-general-information/2014-2020-midterm-review/MidTermReview210218.pdf>

¹⁴⁰ <https://www.teagasc.ie/crops/forestry/grants/establishment-grants/brief-overview-of-forestry-grant-rates/>

¹⁴¹ <https://merriestreet.ie/en/News-Room/Releases/Government-Approves-New-Measures-for-Irish-Forestry-Sector.html>

¹⁴² <https://www.agriculture.gov.ie/media/migration/forestry/forests-service-general-information/2014-2020-midterm-review/MidtermReviewExecSumm200218.pdf>

6.4 National Forest Inventory (NFI)

The third NFI cycle commenced in 2015 and was completed in 2018. This facilitates the monitoring of the national forest estate, including the assessment of standing roundwood stocks and annual increment as an input to the assessment of sustainable forest management at the national level¹⁴³. The new NFI also facilitates industry planning and development.

Nearly half of the stocked forest area is less than 20 years of age. The promotion of afforestation and the mobilisation of the private timber resource continue to be key objectives of the Department of Agriculture, Food and the Marine (DAFM)¹⁴⁴. Key findings of the NFI are outlined in Table 30.

Table 30: Key findings of Ireland's NFI as of 12/2017.

Item	Unit	Value
Area under forest	%	11%
Area under forest	000 ha	770
% of forest in public ownership	%	50.8
% of forest in private ownership	%	49.2
Area under conifers	%	71.2
Area under broadleaves	%	28.8
Total growing stock	M m ³	116
Forest carbon sink	M tonnes	312

6.5 Felling decision tool

In 2017, a web based felling decision tool designed for conifers tree species was launched by Mr Andrew Doyle T.D., Minister of State with responsibility for forestry. This is available on the Department of Agriculture, Food and the Marine website. It is designed to be used by foresters and non-foresters and only requires basic information to be inputted by the user (i.e. species, yield class, rotation type and thinning regime). The tool is designed to support a range of conifer species. These include: Sitka spruce, Norway spruce, European larch, Japanese larch, Douglas fir, lodgepole pine (north and south coastal) and Scots pine.

The tool aims to provide owners with information on their estimated timber revenues and crop parameters (volumes, top height, mean tree size). This information will assist them in deciding when to clearfell their crops. The tool will also show the implications of felling earlier or later than the recommended financial rotation age¹⁴⁵.

6.6 Forest fires

2017 saw a major increase in levels of fire activity¹⁴⁶ relative to preceding years. The bulk of fire activity occurred between April and May 2017 and corresponded with prolonged high fire risk in upland areas typically associated with fire activity¹⁴⁷.

In 2017, up to 1,500 ha of forest lands are known to have been damaged by fire in Ireland, mainly commercial forest holdings adjacent to fire prone upland areas.

6.7 Management of native woodlands

In September 2017, the Forest Service (Department of Agriculture, Food and the Marine) and National Parks & Wildlife Service (Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs) published *Management Guidelines for Ireland's Native Woodlands*¹⁴⁸. This publication is aimed at the owners of both existing and potential woodland sites and at ecologists, foresters and other practitioners involved in native woodland management. It is also aimed at statutory and non-statutory bodies with an interest in native woodlands from the perspective of wider nature conservation, water and soil protection, fisheries, climate change mitigation, rural development, landscape, amenity, and environmental education.

¹⁴³ <http://www.agriculture.gov.ie/media/migration/publications/2015/ARO201415230615.pdf>

¹⁴⁴ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

¹⁴⁵ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

¹⁴⁶ http://effis.jrc.ec.europa.eu/media/cms_page_media/40/Annual_Report_2017_final_pdf_uCckqee.pdf

¹⁴⁷ http://effis.jrc.ec.europa.eu/media/cms_page_media/40/Annual_Report_2017_final_pdf_uCckqee.pdf

¹⁴⁸ <https://www.agriculture.gov.ie/media/migration/forestry/publications/ManagementGuidelinesIrelandNativeWoodlands270917.pdf>

This provides two sets of management guidelines, the first addressing a range of specific topics (e.g. ‘area’, ‘grazing’, ‘products’) and the second covering specific native woodland types, such as Oak woodland, Hazel woodland and alluvial woodland.

6.8 Plant health

The Forest Service of the Department of Agriculture, Food and the Marine has regulatory responsibility for implementing the forestry aspects of the EU Plant Health Directive on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community. The Forest Service implements the provisions of the Directive relating to timber, wood packaging material (pallets, crates etc) and surveys of the national forest estate for quarantine pests and diseases¹⁴⁹.

Over the course of the first seven months of 2017, i.e. from 1st January to 31st July, findings of Ash Dieback Disease have been confirmed in a further 62 forestry plantations. These findings bring the current total of findings in forestry plantations to 384. All the new forestry plantation findings to date in 2017 are in counties where there have previously been confirmed findings in forestry plantations and as so, the number of counties with forests affected by Ash Dieback Disease remains unchanged at 24. Notable increases in the frequency of findings in forestry plantations were recorded in Counties Tipperary, Kilkenny, Wexford, Kildare, Meath, Cavan, and Clare¹⁵⁰.

6.9 Brexit Forum

UK exit from the EU will be particularly challenging for Irish business. As Ireland’s largest EU trading partner, the UK accounts for 14% of our total exports and 26% of imports¹⁵¹.

However, the Irish timber industry is uniquely exposed to Brexit, with almost 80% of its output, and 100% of future growth, dependent on ongoing access to the UK. Due to the physical properties of Ireland’s fast grown conifers, diversification into other markets is not a realistic option. The Timber Industry Brexit Forum (TIBF) was established when the principals of the 10 companies responsible for the export volume of the Irish timber industry came together to assess the risks of Brexit and to devise strategies to minimise negative impact on the industry¹⁵².

There are approximately 40,000 roll on/ off truck deliveries of Irish timber products to the UK per annum. Due to the relative size of each load relative to value, the imposition of new customs and logistics costs would effectively create an expensive tariff on the Irish timber into the UK. The ability to service the UK market in a just in time basis gives Irish timber a competitive advantage against non-EU timber, any port related delays would severely reduce this advantage.

6.10 Market for wood pellets

The price of wood pellets in Ireland varies depending on the size of delivery, but for a bulk, blown delivery of a minimum of 3 tonnes is in the range of 5 to 5.3 cent/kWh. For larger deliveries, this can drop to 4.6 cent/kWh¹⁵³.

Existing modelling which was undertaken to support the design of the renewable heat incentive (RHI) suggests that there is a potential for the delivery of up to an additional 1,200 GWh of heat from the installation of new boilers in the non-domestic, non-ETS sector. This would require about 1,500 GWh of biomass fuel. If supplied by wood pellets, this would require about 370,000 tonnes and if by wood chip between 370,000 and 430,000 tonnes (depending on moisture content). This new biomass demand could be met by additional wood fuels produced in Ireland and/or by imported biomass, probably in the form of pellets.

¹⁴⁹ <http://www.agriculture.gov.ie/media/migration/publications/2015/ARO201415230615.pdf>

¹⁵⁰ <https://www.agriculture.gov.ie/forests-service/treediseases/ashdiebackchalara/#FourthSurvey>

¹⁵¹ <http://www.cso.ie/en/media/csoie/newsevents/documents/pressreleases/PRBrexit.pdf> as accessed on 11/01/2017

¹⁵² <http://www.glennonbrothers.ie/press/TIBF.pdf>

¹⁵³ <https://www.seai.ie/resources/publications/Advice-on-biomass-price-Final-Issue-5-25-Oct-20-2017.pdf>

7.0 Research & innovation

7.1 Innovation in forest products and markets

Irish timber processors have continued to invest in innovation in processing and products¹⁵⁴.

- In 2016-2017, the Department of Agriculture, Food and the Marine funded a number of programmes at the National University Galway (NUIG). These include:
 - The commercialisation of Irish Cross-Laminated Timber (CLT)¹⁵⁵.
 - Impacts of faster growing forest on raw material properties with consideration of the potential effects of a changing climate on species choice.
- In 2016/2017 GP Wood invested €14 Million in improving its operations in Enniskeane¹⁵⁶. This investment which was completed in 2017, funded an enhanced product range, increased plant capacity and created an additional 27 direct and indirect jobs¹⁵⁷.
- In 2014/2015, Glennon Brothers invested €13 million in its new planing facility at its Fermoy sawmill.
- Over the past 3 years, Masonite Ireland has developed 2 new door facings. These have enabled it to develop new markets in India and continue to grow their export sales steadily.
- In April 2016, SMARTPLY commissioned its new €59 million OSB line. This line is now fully operational.
- In September 2017, MEDITE SMARTPLY announced that it was building a factory in Hull, UK to support the ongoing development of its outdoor MEDITE TRICOYA product¹⁵⁸.
- In 2017/2018 MEDITE SMARTPLY extended its product range to include:
 - Full press size OSB3 to support the use of OSB in offsite office construction.
 - SMARTPLY DRYBACKER, an innovative factory-prepared oriented strand board (OSB) is designed to greatly reduced the time spent on dry-lining contractor.
 - SMARTPLY PROPASSIV is a structural OSB panel with integrated vapour control and air barrier properties for use as structural sheathing in timber frame structures.

7.2 Innovation in wood mobilisation/Teagasc *Talking Timber* events

In June 2018, Teagasc, (the Agriculture and Food Development Authority) in association with the Forest Service and the Irish timber industry, held two regional timber marketing events in counties Galway and Wexford. Topics covered at the event included: knowing when your forest is ready for thinning; how to contact potential buyers; what is the best way to sell your timber and how to maximise timber value.

Both events were well attended. The forest and wood processing sector was strongly represented at both events enabling forest owners with roundwood for sale to contact buyers in their area.

¹⁵⁴ [http://www.ibec.ie/IBEC/Press/PressPublicationsdoelib3.nsf/vPages/Newsroom-forestry-sector-looks-to-export-market-for-growth-10-09-2012/\\$file/IFFPA+Report+2012+Final.pdf](http://www.ibec.ie/IBEC/Press/PressPublicationsdoelib3.nsf/vPages/Newsroom-forestry-sector-looks-to-export-market-for-growth-10-09-2012/$file/IFFPA+Report+2012+Final.pdf)

¹⁵⁵ <https://nuigalway.ie/terg/activeprojects/>

¹⁵⁶ <https://westcorktimes.com/gp-wood-announces-e14-million-capital-investment-in-enniskeane/>

¹⁵⁷ <http://www.ttjonline.com/news/gp-wood-in-14m-investment-5647258>

¹⁵⁸ <https://mdfosb.com/en/medite-tricoya-extreme/products>

7.3 New COFORD reports

In 2017, COFORD has published reports on “*Timber in Multi-storey Construction*¹⁵⁹” and on “*Growing the Irish Forest Bio-economy*¹⁶⁰”.

In 2018 a new publication The Structural Use of Timber - Handbook for Eurocode 5: Part 1-1 by Malcolm Jacob, James Harrington and Bill Robinson has recently been published under the COFORD banner¹⁶¹.

In addition to the existing COFORD Connects Notes¹⁶² other notes were published in 2018 including:

- Embedded energy in wood fuels, by Pieter D. Kofman and Glen Murphy¹⁶³ ..
- Timber preservative treatment and durability - solid timber - a background¹⁶⁴
- Irish standards on timber fencing - general information¹⁶⁵.
- Wooden joinery (windows and doors)¹⁶⁶.
- Plywood¹⁶⁷.

8.0 Irish forest outlook to 2035

Irish forests continue to supply increasing amounts of wood fibre for sawmilling, panel board mills and the wood energy markets. Significant increases in potential timber supply are forecast over the medium term to 2025 which will exclusively come from private forests. It is estimated that there will be a doubling of roundwood output on an all-Ireland basis from approximately 4 million m³ in 2017 to 7.86 million m³ by 2035. The Irish sawmilling sector is well placed to process this increased production in supply with the majority of products exported to markets in the UK and further afield. This increased production will require increased mobilisation of timber with significant increases required in the construction of forest roads. The lack of independent forest certification within the private forest estate must be addressed if this increased timber supply is to access existing markets both home and abroad. Initiatives by DAFM provide targeted funding to encourage forest certification and recently increased grant rates will facilitate forest road construction and mobilisation of timber. With over 21,000 individual forest owners with forest holdings averaging just 8.8 hectares, cooperative approaches such as knowledge transfer and timber producer groups will prove important¹⁶⁸.

¹⁵⁹ <http://www.coford.ie/media/coford/content/publications/projectreports/TimberMultiStoreyConstruction310717.pdf>

¹⁶⁰ <https://www.unece.org/fileadmin/DAM/timber/meetings/2018/20180618/COFORDBioeconomyReport290917.pdf>

¹⁶¹ <http://www.coford.ie/media/coford/content/publications/TimberHandbook5Part130418.pdf>

¹⁶² <http://www.coford.ie/publications/cofordconnects/>

¹⁶³ <http://www.coford.ie/media/coford/content/publications/2018/PP49EmbeddedEnergy160418.pdf>

¹⁶⁴ <http://www.coford.ie/media/coford/content/publications/2018/WTI06TimberPreservative230418.pdf>

¹⁶⁵ <http://www.coford.ie/media/coford/content/publications/2018/WTI%2007Fencing160418.pdf>

¹⁶⁶ <http://www.coford.ie/media/coford/content/publications/2018/WTI%2008SheetWindows160418.pdf>

¹⁶⁷ <http://www.coford.ie/media/coford/content/publications/2018/WTI%2009Plywood160418.pdf>

¹⁶⁸ <https://www.agriculture.gov.ie/media/migration/publications/2018/AnnualReviewandOutlook2018310818.pdf>

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