

FOR IMMEDIATE RELEASE APRIL 2009

## Wood Panels Market - UK 2009-2013

New AMA report provides a major review of the UK Wood Panels Market

"The market was estimated to be worth around £2billion in 2008, reflecting a decline of 9% in value terms from 2007. One of the key drivers for decline in market value has been significantly lower demand from the construction and housebuilding sectors, both key users of panel products such as OSB and plywood. The market has also been subject to volatile price pressures with raw material price inflation being a key factor in the market in 2006-07, followed by significant price reductions into H2 2008."

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd,  
Telephone 01242 235724 or e-mail at [sales@amaresearch.com](mailto:sales@amaresearch.com).

### **Editors Note:**

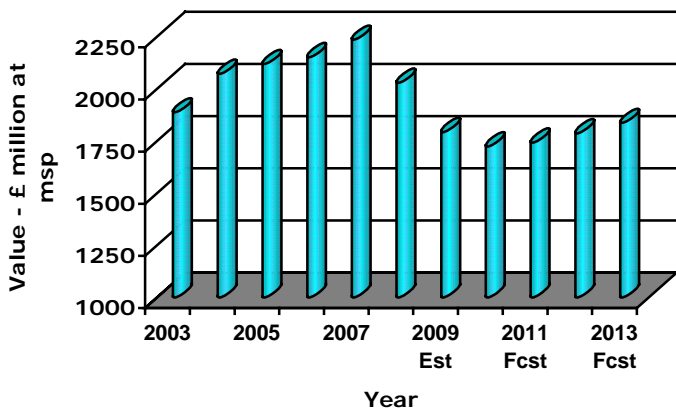
Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

AMA Research Ltd  
Montpellier House  
Montpellier Drive  
Cheltenham  
Gloucestershire GL50 1TY  
Tel: +44 (0)1242 235724  
Fax: +44 (0)1242 262948  
E-mail: [andrewhartley@amaresearch.co.uk](mailto:andrewhartley@amaresearch.co.uk)  
Website: [www.amaresearch.co.uk](http://www.amaresearch.co.uk)

## WOOD PANELS MARKET - UK 2009-2013



**UK Market for Wood-based Panel Products 2003-2013 By Value (£m at MSP)**

The UK wood-based panels market is heavily reliant on strong activity and output from the construction sector, in particular housebuilding, as well as furniture and fittings and shopfitting - all of which need to be underpinned by a strong economy, private sector confidence and levels of both private and public sector investment.

The chart, left, illustrates our estimates of market performance from 2003 with current forecasts of anticipated performance through to 2013.

Following relatively buoyant growth in 2007, the UK market for wood panels experienced value decline of around 9% in 2008, driven by decreasing demand from key end use sectors.

The market was estimated to be worth around £2billion in 2008, reflecting a decline of 9% in value terms from 2007. One of the key drivers for decline in market value has been significantly lower demand from the construction and housebuilding sectors, both key users of panel products such as OSB and plywood. The market has also been subject to volatile price pressures with raw materials price inflation being a key factor in the market in 2006-07, followed by significant price reductions into H2 2008.

Decorative panels still dominate the product mix in 2008 with value share estimated at around 35% of the market. However, the reduction in demand from the furniture sector in particular during 2008 has meant decline of around 8% in value terms for this sector. Plywood and OSB have been particularly vulnerable to the downturn in the construction sector, especially housebuilding in 2008. Particleboard has also experienced significant decline in demand during 2008 but still represents an estimated 29% value share of the market and, into the latter part of 2008, exports of particleboard have benefited from the fall in value of Sterling, particularly against the Dollar and Euro.

At the current time, it is extremely difficult to forecast the future performance of the wood panels market with any degree of certainty due to the continuing uncertainty in both the UK and wider global economies.

The wood panels market in particular is heavily influenced by global demand for timber products, with the majority of key suppliers to the UK market part of larger international operations whose focus tends to be on global or larger regional areas rather than country-specific markets.

Given the current climate, prospects for the wood panels market are not optimistic in 2009-10, with market recovery dependent on key sectors such as construction, furniture manufacturing and shopfitting. The housebuilding sector, a key user of materials such as plywood and OSB, has borne the brunt of the construction downturn in 2008 and the outlook for 2009 remains relatively pessimistic with continuing indications of lower planning approvals and on-site starts into Q1 2009, though this sector will recover in the medium term reflecting the underlying housing shortage.

AMA Research's report "**Wood Panels Market – UK 2009-2013**" is available in hard copy or electronic format for £650 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.