



## Wood chips for energy

An overview of the seaborne trade of wood chips used for energy generation

### **A multi-client study**

*Available immediately*



HAWKINS WRIGHT

## Why this report is needed

The global trade of wood chips grew to 36.3M BDMT in 2018. Over 90% of this trade serves the pulp and panelboard industries. However demand for wood chips for energy is growing rapidly in both Europe and Asia, driven by a new fleet of wood chip fired power, CHP and district heating plants which are under construction or in earlier-stage development. The scale of this new demand exceeds the volume of chips which is available locally, and energy buyers are therefore looking further afield for wood chip supply.

Until now this seaborne trade of wood chips for energy has been opaque and hard to track, due to it being overshadowed by the much larger traded volume of pulp chips. However, in this report, Hawkins Wright have used our unique expertise in both sectors to shed new light onto this growing market.

### Summary of the report's contents:

#### Introduction to the energy chip market

- Market structures and the current trade of wood chips for energy, pulp and panelboard. Wood chip specifications and how they vary by end-use sector. Legality and sustainability requirements in different geographic markets.

#### Seaborne energy chips demand in Europe and Asia

- Country profiles of key markets for wood chips for energy. Illustrating current and planned power/CHP/district heating plants >20MW using wood chips and their indicative fuel sourcing strategy (local v imported).
- The outlook for imported/seaborne wood chip demand in Europe and Asia, and how this compares in scale to the expected rise in demand for local chips.

#### Wood chip supply regions

- Profiles of key wood chip supply regions in North & South America, Asia, Oceania and Europe.
- Insights regarding forestry resources, logistics, economics, regulatory issues and current wood chip supply volumes.
- Names of major wood chip producers in each country and indicative production volumes.

#### Economics and competitiveness

- Indicative wood chip prices and how they differ between the energy and pulp/paper sectors.
- Biomass paying capability analysis, how much can energy buyers afford to pay for wood chips?
- Insights regarding the competition between energy and pulp/paper sectors, who can pay more?

### Who should read this report?

This report will be essential reading for all companies with exposure to the global wood chip trade. Including energy generators, wood chip suppliers, biomass traders, forestry/plantation owners and investors, non-energy wood chip buyers (e.g. pulp manufacturers), shipping companies, financial institutions, energy regulators and policy makers.

### Questions answered...

- » How does the market for energy chips compare in scale to that of pulp chips?
- » What does the pipeline of new wood chip fired power plants look like?
- » Where are potential supplies of wood chips for energy located?
- » What is the outlook for wood chip supply, given constraints on forestry resources and increased competition?
- » What sustainability and legal restrictions should wood chip suppliers be aware of?
- » Who are the most important wood chip supplying companies?
- » What is the outlook for wood chip demand in Europe and Asia?
- » How do the costs of wood chips for energy compare to other fuels, including pellets?
- » Can energy buyers compete with the pulp and paper industry for wood chips?



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