EU wood chip demand to double: Africa Renewables

London, 14 May (Argus) — European wood chip consumption for energy could double in the next six years, driven by an expanding market for combined heat and power (CHP), according to biomass producer Africa Renewables managing director Jean-Francois Guillon.

The pulp and paper market is gradually weakening, particularly in Sweden, Guillon said at the AEBIOM bioenergy conference in Brussels yesterday. But the CHP market is poised for growth. "The European CHP order book looks very healthy. There is increasing demand from small towns to secure their own production of heat and power from sustainable sources."

European wood chip consumption stands at 14.5mn t/yr, according to Guillon, with France the largest source of demand, with consumption of 4mn t/yr. France sources nearly 70pc of its wood chips locally with domestic production of 2.7mn t/yr. The country imports 1.3mn t/yr from Spain and Portugal. The country is on track to consume 7mn t/yr by 2020. Sweden, Finland and Denmark are on track to become even larger sources of wood chip demand.

Both the pulp and paper market and the CHP industry tend to source their biomass fuel from the local market or "immediately cross-border", such as Russia exporting wood chips to Finland, and Norway exporting to Sweden. But imports will need to increase to meet expected demand, Guillon said.

There are many large-scale power and CHP plants in the pipeline that will significantly boost consumption when they come on line, including plants in Provence, France, with estimated demand of 500,000 t/yr, Skaerbaek, Denmark, with an estimated demand of 500,000 t/yr, Vartan, Sweden, with an estimated demand of 1mn t/yr and Ghent, Belgium, with an estimated demand of 1mn t/yr.

Total projected demand for 2020 is 28mn t, Guillon said.