

A NATIONAL WOOD STRATEGY – DELIVERING IN SCOTLAND

An Economic Development Strategy for Scotland's Forest
and Wood-based Industries, 2025–2035





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This national wood strategy covering the period 2025 – 2035, prepared by the ILG sets out the sector's ambitions to increase its contribution to Scotland's economic and climate change targets, working in partnership with the Scottish Government

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FOREWORD

National Wood Strategy – Delivering for Scotland”.



Jim Fairlie

Minister for Agriculture, Marine and the Islands,
gov.scot

I am delighted to endorse *A National Wood Strategy – Delivering for Scotland*. This document marks the next phase in driving forward the development of inclusive and sustainable economic growth in Scotland's Forest and Wood-based Industries sector.

It reflects a mature, collegiate, end-to-end industry – from seed genetics and nurseries to forest management, harvesting, processing, biomass, wood fibre and biorefining. It is an industry supported by our sustainably managed forests and woodlands that deliver wood fibre, whilst helping us mitigate and adapt to a changing climate, address nature loss, and contribute to more resilient local communities.

Businesses make use of imported wood and wood products, while the increasing recycling of wood fibre contributes to the circular economy. The outputs of these industries harness Scotland's forests and woodlands as a natural powerhouse, contributing £1.1bn to Scotland's economy and supporting over 34,000 jobs, not least in rural areas. Scotland's forests are a net carbon sink, absorbing 7.5 million tonnes of carbon dioxide – equivalent to about 14% of Scotland's gross greenhouse gas (GHG) emissions – and are key to our Net Zero ambitions, as set out in the Scottish Government's Climate Change Plan 2026–2040.

This sector has invested heavily since the former *Roots for Further Growth* plan, embracing state-of-the-art technologies and automated processing to advance our world-class wood processing facilities. It continues to showcase innovation in mass timber and wood fibre technologies, off-site manufacturing and timber framed houses, and leads the revolution in retrofitting existing buildings to improve environmental performance.

The Scottish Government is committed to maximising the delivery of new woodland in Scotland using available resources and, via the *Routemap to Resilience* action plan, deploying climate adaptive species and silviculture to foster resilience to climate change risks, pests, biodiversity pressures and global market uncertainty.

I commend the sector for its progress and ambition and welcome this strategy as a platform for further growth, innovation and economic impact by 2035.

BACKGROUND

The strategy that the Scottish Forest and Wood-based Industries (SFWI) Industry Leadership Group (ILG) sets out in this document covers all Scotland's sources of wood fibre for the first time: from Scotland's forests, from imported wood fibre and from reusing and recycling wood fibre.



In the past the ILG has focused primarily on a strategy for the utilisation of the wood fibre from Scotland's forests and how it could be used to bring the greatest benefits to Scotland economically, environmentally and socially.

However, the Scottish Government (SG) has recently reaffirmed that the purpose of this ILG is to work in partnership with them to help grow the Scottish economy, create jobs, and to contribute to the Government's other environmental and social policies where possible.

Developing and implementing a strategy that only related to growth and utilisation of wood fibre grown in Scotland's forests would not fully reflect the scale of the economic contributions that all wood-based industries in Scotland are making, and could make, to the growth of the Scottish economy. This is because there are many wood-based companies that handle a significant amount of imported wood and wood products that are also contributing to the growth of the Scottish economy. Similarly it is important to recognise the contributions that companies involved in reusing and recycling also make to the Scottish economy.

Although the strategy formulated by the ILG given in this document now covers all forms of wood fibre, it has not been specifically shaped to take account of whether the wood fibre comes from Scotland's forests or from imports. When contributing to the circular economy by reusing and recycling wood fibre, it is seldom possible to identify where it has been sourced from originally.

Where the wood fibre that is used by Scotland's wood-based industries comes from often depends on exchange rates and government policies in exporting countries as well as technical product requirements. Using more wood fibre from trees grown in Scotland wherever possible helps with mitigating climate change; shortens supply chains; reduces risk and potentially increases the contributions to Scotland's economy.

There are a wide range of exciting opportunities for the domestic sector to grow over the next 15 years as forecast wood fibre availability in Scotland increases. As a result the contributions to the growth of the Scottish economy will also increase significantly. We will do this by seeking new ways of adding value and exploring opportunities for increasing processing and downstream manufacturing of wood-based products in Scotland.

However, we are very aware that after 2040, that same forecast is reporting a decrease in potential coniferous roundwood availability in Scotland over the following 20 years. Unless action is taken now to increase coniferous roundwood availability in Scotland through planting more commercially productive coniferous woodlands, and increasing the productivity of our existing ones, there will be job losses in Scotland's domestic forest industry and Scotland will become increasingly dependent on imports of wood and wood products. Therefore we will work tirelessly to make our forests in Scotland more productive and our operations more efficient and safe.

Over the last decade our sector has grown significantly, and we are determined to further increase our contributions to the Scottish economy over the next ten years. We believe investment in our people, our resources and innovation throughout the supply chain will drive added value resulting in increased productivity and manufacturing throughout the sector.

The potential of a sustainable natural material like wood fibre is an exciting one particularly in a low carbon future world offering opportunities to sequester and store carbon, substitute high-embodied energy products and even provide a feedstock to replace fossil fuel-derived products. All these outputs, and more, can provide significant economic, social and environmental benefits for the people of Scotland for decades to come.

Scottish Forest & Wood-based Industries Leadership Group

EXECUTIVE SUMMARY

This document, which has been prepared by the ILG, sets out a strategy and action plan for our sector in Scotland up to 2035.

The Gross Value Added (GVA) by forestry and wood-based industries in Scotland based on the latest figures was £1.3 billion and the sector employed 44,430 people. However, they exclude the economic contributions to the Scottish economy from importing and exporting activities as well as most activities involved in the reuse and recycling of secondary wood and wood products and biomass operations as these are not separately recorded in the SG statistics.

There are estimated to be over 2,862 companies¹ involved with forestry, and wood-based activities in Scotland. These businesses include very large publicly-owned international companies, large family-owned businesses with international operations, limited companies of all sizes, smaller corporate family businesses, partnerships and self-employed contractors. These companies are based in both rural and urban areas of Scotland with many connected through well integrated, complex, supply chains. The cumulative turnover of all the companies was £3.5 billion based on the latest available statistics² and they are estimated to have invested £400 million in capital expenditure and £50 million in research over the last five years.

Scotland does not have the growing conditions to produce the full range of species and qualities of roundwood required to manufacture products to meet all its needs. The most recently available statistics show that the total value of imports of wood and wood products, cork, paper and furniture was £1.198 billion and the value of exports was £217 million³.

In addition to the sector's economic contributions, the sector helped mitigate climate change, create more woodlands, improve biodiversity, expand community ownership of woodlands, manage Scotland's existing woodlands, harvest roundwood that was processed by companies in Scotland, restock felled woodlands, manufacture a variety of wood products from Scottish roundwood and imported wood products, reuse and recycle wood fibre and help widen Scotland's renewable energy mix through generating heat and power from biomass and used wood fibre.

The economic benefits and employment that come from supplying wood and wood products for use in housebuilding and construction activities in Scotland are encompassed by this ILG, but the economic and employment benefits that are generated from building houses and all other construction activities in Scotland fall within the remit of the Construction Leadership Forum (CLF) which has its own economic development strategy. However, we are very keen to collaborate further with the construction industry

¹ <https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/>

² <https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/>

³ Inflation Adjusted HMRC Regional Trade Statistics for Scotland Q4

Image courtesy of Glennon Brothers

Our vision is that in 2035 there will have been:

- The continued creation of up to 150,000 hectares of new UKFS compliant broadleaved and coniferous woodlands in Scotland in partnership with SG. An increase of just 7.7% in Scotland's woodland area. This will consist of some 90,000 hectares of high-yielding productive conifers and these woodlands will be well integrated with other land uses, such as farming, and will have taken into account SG's guidelines for creating new woodlands and practice guides such as deciding future management options for afforested deep peatland. This will then provide some longer term assurance of security of supply for Scotland's domestically based wood users to contribute to Scotland's economy.
- Advanced tree breeding techniques to improve productivity of some of our main commercial softwood and hardwood species to improve the efficacy and economic returns for production forestry in Scotland.
- Greater understanding of all types of wood products used in Scotland whether grown domestically or imported. As a result where Scotland can produce the products that are needed there will be a more closely integrated supply chain so that trees that have been grown in Scotland are used in Scotland wherever possible reducing unnecessary transport costs and the sector's overall carbon footprint.
- A real drive, supported by legislation where necessary, to make wood and wood products the products of choice in house building and construction in the UK, where appropriate, because wood is recognised as having very low-embodied energy compared with other building products. As a result Scottish-based timber frame companies will have increased market share across the UK by 50%.
- Adoption of an integrated model for the manufacture, assembly and delivery of buildings in the UK that significantly increased productivity and maximised the value added to Scottish-grown roundwood in Scotland.
- Actions, supported by marketing campaigns, that have successfully increased the reuse and recycling of wood and wood products and their ultimate recovery as biomass for production and heat. As a result there is a better public understanding of the value and sustainability of productive forests.
- New opportunities identified for the sector and the application of new technology as a result of close collaboration between companies and research organisations in the UK and overseas.
- Availability of appropriately educated and trained individuals who have been attracted to working in all parts of the sector because it is perceived as being a fair, inclusive and exciting sector to work in.



INTRODUCTION

Trees capture carbon from the atmosphere as they grow and they store the carbon in their stems. This process makes a very important contribution to mitigating climate change both in Scotland and globally.

This is a significant process because it is a natural one and does not require the development of new technology or finding places to store captured carbon. It is a process that has existed for thousands of years and is entirely natural. As a result trees can therefore be an important component of projects that are compliant with the Woodland Carbon Code and have entered the emerging carbon markets.

What is also significant is that trees are an important part of Scotland's ecosystem and its biodiversity, and trees, woods and forest can provide habitats for a wide range of Scotland's unique fauna and flora. The recent ideas for developing markets for Natural Capital are likely to mean that trees will become part of these projects as they develop.

Trees, woods and forests also provide a wide range of recreational and educational opportunities for people living in, and visiting Scotland and they can also help with integrating agricultural and forestry land uses and support farmers to reduce their carbon footprints. Trees in urban area also provide very important health and wellbeing benefits but these are indirect and therefore less easy to measure.

While trees are already making a major contribution to mitigating climate change as they grow, the environmental contribution is even greater when sustainably managed trees are harvested and the wood fibres in the stems of trees are made into wood and wood products. This is because the carbon captured from the atmosphere remains stored in these products throughout their lives which, when used in buildings for example, may be 100 years or more. This is storage in keeping with nature. Wood generally has low-embodied energy compared to materials like steel, brick or concrete, that require much more energy to produce. This makes wood products a more sustainable choice of material for construction and manufacturing.

The other remarkable feature about wood and wood products is their wood fibre can be reused and recycled, unlike many other products, and this increases the contribution that trees and wood products make to improving Scotland's environment. For example, reclaimed or secondary timber, when incorporated within the built environment, enables the above highlighted benefits to be leveraged over multiple lifecycles, facilitating centuries of carbon storage.

Wood fibre also has a part to play in Scotland's renewable energy mix particularly in relation to Combined Heat and Power (CHP) and the provision of industrial and domestic heat only systems.



THE SECTOR'S ECONOMIC CONTRIBUTIONS

The GVA by SFWI was £1.3 billion (at basic process) based on SG's latest Scottish Annual Business Statistics, and Scottish Forestry's (SF) more recent detailed study of the GVA⁴ from forestry activities in Scotland and its related supply chain activities. The total employment provided is estimated at 40,430 people

⁴ <https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/>



These figures cover Scotland's forests and domestic processing industry as well as the activities of businesses involved and connected with importing and exporting of wood and wood products into Scotland. This graph shows the GVA provided by different activities of the forest industry in Scotland. However, these numbers exclude the economic contributions to the Scottish economy from most activities involved in the reuse and recycling of secondary wood and wood products and biomass operations, as these are not separately recorded in SG statistics. However, the Wood Recyclers Association (WRA) estimate that the UK waste wood sector and its end markets of panel board, animal bedding and biomass employs 10,850 people and is worth £2.1 billion per annum.

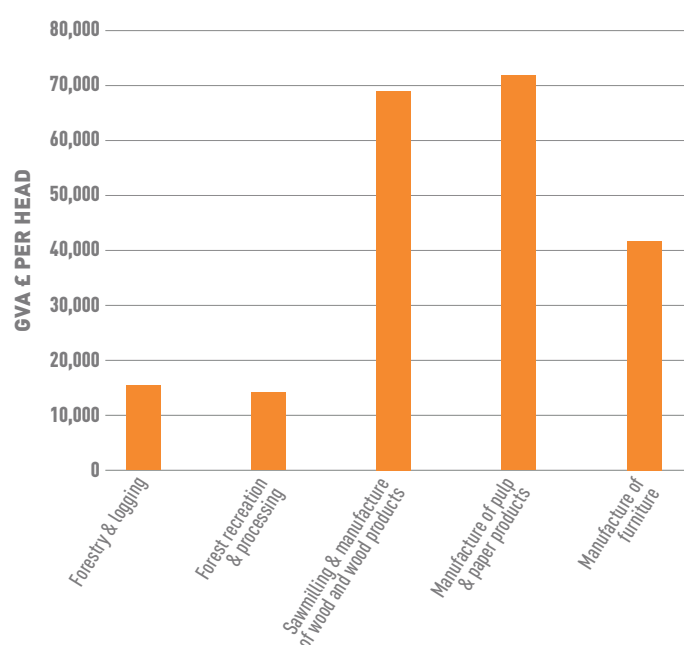
There are estimated to be over 2,860 companies⁵ involved with forestry, and wood-based activities in Scotland. These businesses include very large publicly owned international companies, large family-owned businesses with international operations, limited companies of all sizes, smaller corporate family businesses, partnerships and self-employed contractors. These companies are based in both rural and urban areas of Scotland with many connected through well integrated, complex, supply chains. The cumulative total turnover based on the latest statistics was £4.1 billion⁶.

It is estimated that wood-based industries have invested some £400 million in capital investments and £50 million in research over the last five years.

Scotland has approximately 1.5 million hectares of established forest and woodland of which some 830,000 hectares are coniferous. The economic activities associated with the establishment, management of these forests and woods and the harvesting, transport and much of the processing of the roundwood and other woodland products that they produce takes place in the rural areas of Scotland and so make a major contribution to Scotland's rural economy. The map overleaf shows where the sector contributes to Scotland's rural economy.

Small-scale processing of both coniferous and broadleaved logs, and the use of other non-timber forest products, often strengthens local economies through what can often be even more local circulation of money in rural areas. Wood and wood products are to be found in every home in Scotland and are an integral part of many aspects of Scotland's modern economy. Some of the wood and wood products are manufactured from trees grown in Scotland and some are manufactured from imported timber because Scotland does not produce the range of species and qualities of roundwood required to manufacture products to meet all its needs. In 2024 the total value of imports of wood and wood products, cork, paper and furniture was £1.198 billion and the value of exports was £217 million⁷.

GVA per head 2023



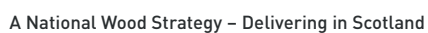
Companies involved in housebuilding and construction activities in Scotland are not included in these figures as the economic contributions and employment benefits that are generated from building houses and all other construction activities in Scotland fall within the remit of the CLF which has its own economic development strategy. However, there are obvious benefits for this ILG to work closely with the construction industry as we see the future as involving an integrated model for the manufacture, assembly and delivery of buildings. This is a process for which wood and wood products are particularly suited.

⁵ <https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/>

⁶ <https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/>

⁷ Inflation Adjusted HMRC Regional Trade Statistics for Scotland Q4 2024

Image courtesy of BSW Timber Group



WHAT WE'VE DONE

Over the last five years the sector has:

Mitigated Climate Change

Scotland's trees sequester approximately 7.6 million tonnes of CO² each year; the equivalent of 14% of Scotland's gross greenhouse gas emissions. Over the last five years, this amounts to approximately 38 million tonnes of CO².

Created More Woodlands & Forests

The private sector, with the financial support of SG through the grant system, has planted approximately 36 million new broadleaved trees and nearly 83 million conifer trees. This has created approximately 53,000 hectares of new woodland of which approximately 21,000 hectares is broadleaved. This has involved a total inward investment of about £188 million into Scotland's rural economy over the last five years.

Increased Biodiversity

More than 12,000 hectares of new native woodland was established under the Forestry Grant Scheme (FGS) between 1 April 2017 and 31 March 2020. This is over 40% of the 29,000 hectares of new woodland funded under the scheme and accounts for 81% of all new planting in Britain during this period. The FGS also funded approximately £4.6 million of work during the same period benefiting a range of priority habitats and species, as defined in the Scottish Biodiversity Strategy, under its *Habitat and Species* and *Species Conservation* options. Work included deadwood provision, rhododendron eradication, scarification to encourage natural regeneration, fencing to exclude stock, deer and/or rabbits, grey squirrel controls, and, control of predators on capercaillie and black grouse.

Expanded Community Ownership of Woods

The Community Woodlands Association estimate that there are now around 200 groups across Scotland, involved in or responsible for the management of thousands of hectares of woodland and open space. Just over half own their woodlands, the remainder lease or work through a variety of formal and informal partnership arrangements.

Sustainably-Managed Woodlands

The sector has sustainably managed over 1.5 million hectares of broadleaved and coniferous woodland in Scotland over the last five years and this has involved an investment of over £50 million in Scotland's rural areas.

Harvested Roundwood from Scotland's Woods & Forests

Over 30 million tonnes of coniferous and broadleaved roundwood have been harvested from Scotland's woods and forests over the last five years and have been delivered to wood-based industries predominantly in Scotland for further processing.

Area of Woodland Restocked

47,700 hectares have been restocked with the help of SG grants.

Manufactured a Variety of Wood Products

Construction is the major market for wood and wood products produced in Scotland. Approximately 39% of the sawn timber produced in Scotland and over 50% of the panel boards produced and used annually for construction in the UK are made using wood fibre from roundwood supplied from productive conifer forests in Scotland and Northern England.

Reused & Recycled Wood fibre

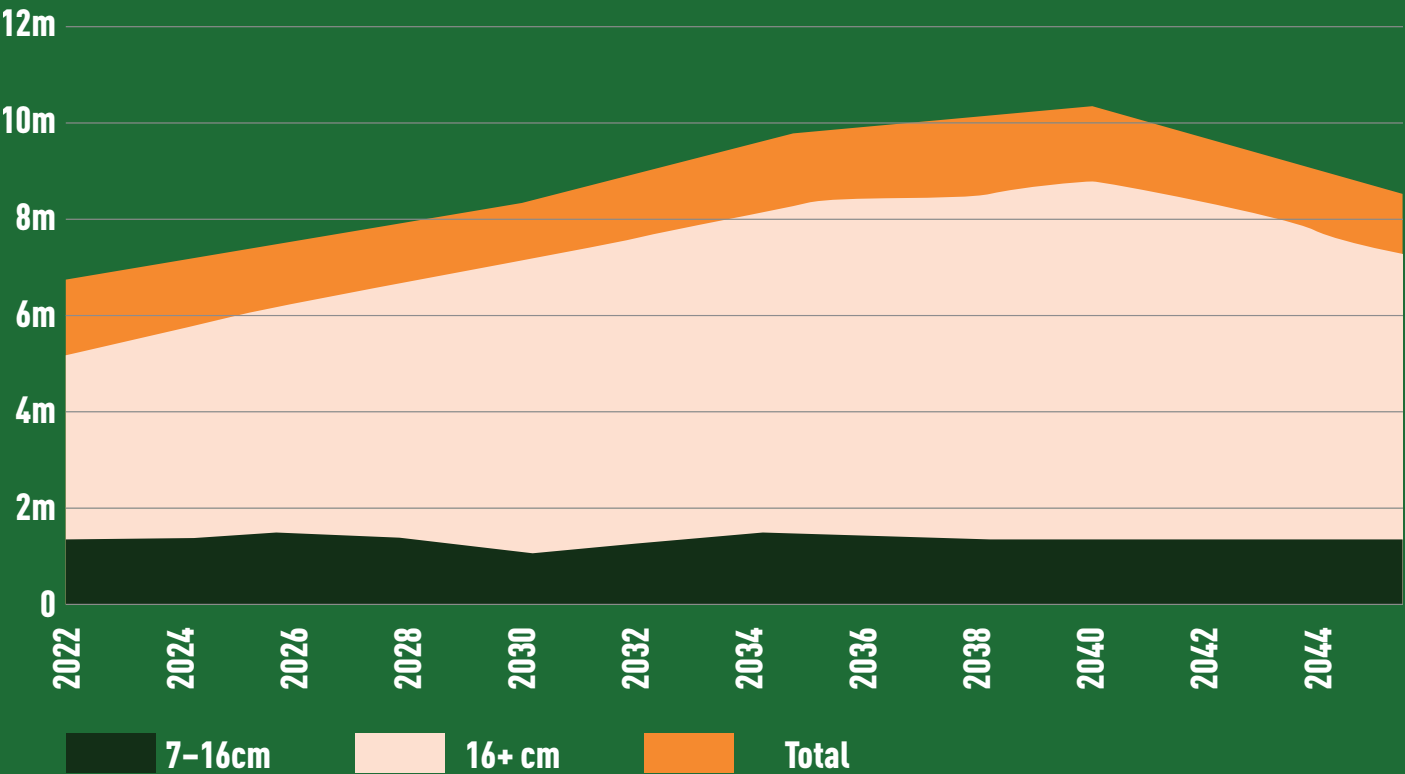
Over 250 million wooden pallets have been repaired and reused and this excludes those pallets that are owned by the pallet pool companies.

Over 22.5 million tonnes of wood fibre have been recycled and of this total over 5 million tonnes of waste wood has been recycled back to be used in making panel boards and animal bedding in the UK.

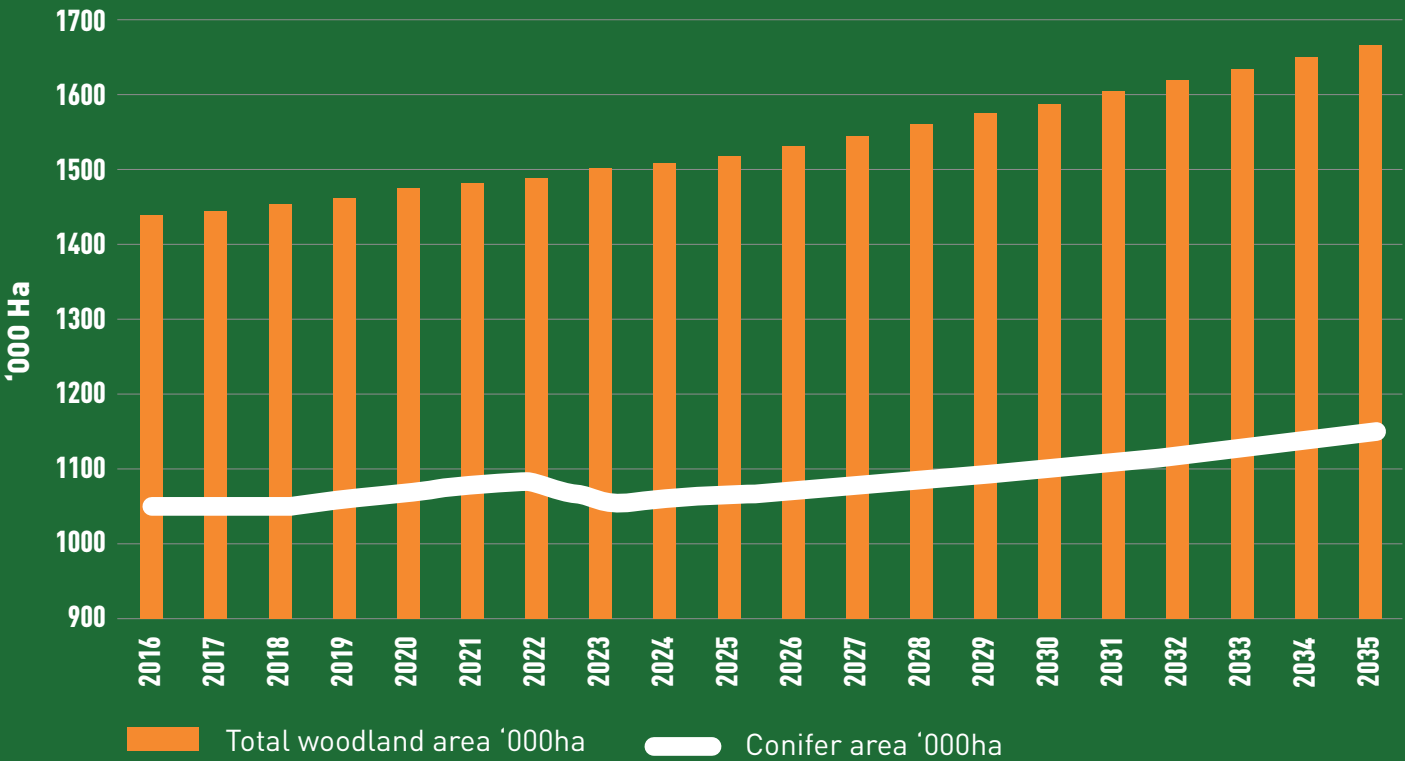
Produced Energy from Biomass

The sector supplies 8,362 biomass installations in Scotland reducing the use of fossil fuels. These installations have annually generated power equivalent to heating 1.38 million homes throughout the year in Scotland.

Forecast Coniferous Roundwood Production in Scotland 2024–2046



The Past Growth of Coniferous & Total Woodland Area in Scotland and our Vision for their Size in Future 2024–2035



Scottish-based timber frame companies will have increased market share across the UK by **50%**

The Forest Sector's Contribution to the Scottish Economy, excluding the contributions of companies that reuse and recycle of wood

£1,306bn



Total GVA

£1,045bn

from forestry and
timber processing

£252m

from forest recreation and tourism

40,430

Total Employment

22,300

from forestry and
timber processing

18,130

from forest recreation
and tourism

OUR VISION FOR THE SECTOR'S ECONOMIC CONTRIBUTIONS

Our sector is centred around, and focused on, both trees and the remarkable products that can be made from them. While our environmental contributions are very significant, we are also a dynamic and innovative part of Scotland's economy.

Huge opportunities exist for further economic growth, while we continue to deliver essential environmental and social benefits to Scotland and its people.

A significant increase in the forecast of wood fibre availability in Scotland over the next 12–15 years provides a great opportunity for the sector to grow, but we are very aware that after 2040, that same forecast is reporting a decrease in potential coniferous roundwood availability in Scotland over the following 20 years.

We will continue to work tirelessly to make our forests more productive, our operations more efficient and safe. We will seek new ways of adding value and explore opportunities for increasing processing and downstream manufacturing of wood-based products in Scotland. However, the economic contribution from the sector could be significantly reduced if the productive capacity of the current forest inventory is not maintained through timeous restocking and new woodland creation of commercially productive coniferous tree species.

The rate at which the sector can grow and embrace the opportunities open to it will also be influenced, to some degree, by the overall rate of economic growth in other sectors of the economy in Scotland, and in other countries, as the demand for most of our products is a derived one. Exchange rate movements will also be an ever-present risk for companies depending on where they are in their supply chain.

Our vision will therefore require clear long-term consistent SG policies on land ownership and land use and the availability of a constant or increasing volume of coniferous roundwood. This will give companies the confidence to invest in upgrading existing facilities or invest in new ones, adopt new technologies and enter new markets.

SG's SF Strategy 2019–2029 outlines a long-term vision for the sustainable management and expansion of forests and woodlands in Scotland.

We fully endorse this strategy, and this document sets out the SFWI's strategy and action plan for contributing to the growth of Scotland's economy until 2035. We will do this by utilising the wood fibre that Scotland's forests and woods produce, which in turn provides money to help owners with the costs of sustainably managing their forests and woods.

SFWI also welcome and support SG's Route Map to Resilience for Scotland's Forests and Woods, which was developed with input and cross-sector collaboration through the Adaptation and Resilience Steering Group, National Forestry Stakeholder Group and others.

We see enormous economic future potential for the sector, but we also acknowledge there are more and better ways that we can do what we have done, and what we are doing now, and we recognise that there may be potentially new uses for wood fibre in the future that may be commercially competitive and profitable.

Our vision is that in 2035 there will have been:

- The continued creation of up to 150,000 hectares of new UKFS compliant broadleaved and coniferous woodlands in Scotland in partnership with SG. An increase of just 7.7% in Scotland's woodland area. This will consist of some 90,000 hectares of high-yielding productive conifers and these woodlands will be well integrated with other land uses, such as farming, and will have taken into account and will have taken into account SG's guidelines for creating new woodlands and practice guides such as deciding future management options for afforested deep peatland. This will then provide some longer term assurance of security of supply for Scotland's domestically-based wood users to contribute to Scotland's economy.
- We will have adopted advanced tree breeding techniques to improve productivity of some of our main commercial softwood and hardwood species to improve the efficacy and economic returns for production forestry in Scotland.
- There will be a greater understanding, assisted by technology, of the provenances of all types of wood products used in Scotland whether grown domestically or imported. As a result, where Scotland can produce the products that are needed, there will be a more closely integrated supply chain so that trees that have been grown in Scotland are used in Scotland wherever possible reducing unnecessary transport costs and the sector's overall carbon footprint.
- A real drive, supported by legislation where necessary, to make wood and wood products the products of choice in house building and construction in the UK, where appropriate, because wood has a very low-embodied energy compared with other building products. As a result Scottish-based timber frame companies will have increased market share across the UK by 50%.

- The adoption of an integrated model for manufacturing, assembling and delivering of buildings in the UK that significantly increased productivity and maximised the value added to Scottish grown roundwood in Scotland.
- Marketing campaigns that have successfully driven awareness of the environmental benefits of reusing and recycling of wood and wood products and as a result there is more of both, and consequently there is a better public understanding of the value and sustainability of productive forests.
- New opportunities will have been identified for the sector through innovation and the application of new technology as a result of close collaboration between companies and research organisations in the UK and overseas.
- The availability of appropriately educated and trained men and women who have been attracted to working in all parts of the sector because it is perceived as being a fair, environmentally and exciting sector to work in.

We are however aware that there are other external influences that can impact on our vision and strategy. For example, as more wood is used in constructing buildings globally because of its environmental benefits, this may increase the global demand for wood with cost and supply implications, and it may influence how we use wood products in buildings in the UK.

The Scottish Government's Scottish Forestry Strategy 2019–2029 outlines a long-term vision for the sustainable management and expansion of forests and woodlands in Scotland.

Our markets and our sector's ability to grow may also be influenced by existing environmental and regulatory changes as well as new ones introduced by governments. Scottish Building Regulations, for example, prohibit the use of combustible materials on buildings over 11m in height. The sector is also facing a number of new regulations that are being discussed such as the replacement of CE/UKCA markings and Environmental Product Declarations (EPD), Digital Product Passports (DPP) if exporting to the EU, the UK Packaging Extended Producer Responsibility, the EU's Packaging and Packaging Waste Regulation 2025/40 and the EU's Regulation on Deforestation-free products.



Forest research estimates that on average forests store **81 tonnes** of carbon/ha. If we envisage planting 100,000 hectares over the next ten years that would amount to approx. **8 million** tonnes of carbon, and **16 million** tonnes of carbon if we envisage planting 200,000 hectares over ten years!

Scotland's Climate Change Plan: 2026–2040 details over 150 policies and proposals building on this progress, including:



Setting a target to decarbonise building heat systems by 2045



Phasing out new diesel and petrol cars by 2030



Increasing peatland restoration by 10% each year to 2030



Increasing woodland creation so that by 2029/30 18,000 hectares are planted every year, with 21% woodland cover in Scotland by 2032

Key themes for industry



Economic growth



Adding value



Innovation



Improving supply chain efficiency

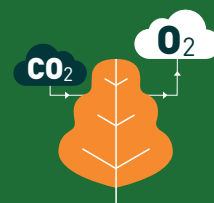


Maximising sustainable forest & fibre use



Skilled people

Key policy themes



Mitigating climate change – naturally



Contributing to Scotland's circular economy



OUR STRATEGY FOR ACHIEVING THAT VISION

Our view is that there are many exciting opportunities ahead of us – some opportunities exist already, and some will come further into the future.



We recognise that to achieve our vision we must continue to focus on:

1 Sustainable Forest Management and Expansion

- Invest in reforestation and afforestation programmes to ensure a sustainable supply of timber while meeting environmental goals.
- Work with other sectors such as agriculture and tourism.
- Support research into fast-growing tree species and improved cultivation techniques that are climate-resilient, high-yielding and of a suitable wood quality.
- Continue importing sustainably sourced wood and wood products that cannot be produced from wood and wood fibre from Scotland's forests and woods.

2 Boosting Domestic Processing Capacity

- Develop and modernise sawmills, wood processing plants, and other related infrastructure to add value to raw materials within Scotland.
- Encourage partnerships between public and private sectors to fund high-tech facilities and innovation in wood processing.

3 Innovation and Diversification

- Promote innovation in using wood for a variety of industries, such as construction (mass timber, wood fibre insulation, aerogels), packaging, and biochemicals.
- Support start-ups and SMEs (small and medium-sized enterprises) exploring novel uses of timber and wood by-products.

4 Workforce Development and Skills Enhancement

- Collaborate with educational institutions to create programmes focused on forestry, wood processing, and related industries.
- Establish apprenticeship schemes and continuous professional development opportunities in collaboration with industry stakeholders.
- Promote the sector to young people as an attractive and vibrant career option and also to those seeking career changes, as well as to existing workers seeking to upskill, and those in other industries seeking to reskill.

5 Improving Supply Chain Efficiency

- Optimise the transport and logistics networks for timber and wood products to reduce costs and increase competitiveness.
- Encourage collaboration between stakeholders in the supply chain to enhance coordination and reduce inefficiencies.
- Focus on a hierarchical use of wood fibres to extend their lives where possible.

6 Continued Focus on the Safety of People who work in the Sector

- Share best practice within the sector on ways to ensure the safety of the sector's work force.

7 Fostering Collaboration Across Industries

- Foster collaboration between forestry experts, environmental organisations, wood product manufacturers, and government bodies.
- Build partnerships with the construction, energy, and design sectors to incorporate wood as a key material.

8 Partnership with the Scottish Government

- Work in partnership with SG to find ways of growing Scotland's economy and delivering its climate change plan.

9 Promoting Public Awareness and Support

- Encourage campaigns to raise public awareness about economic importance of Scotland's wood industries and the environmental benefits of using wood and wood products.

Of the many ways that would help to achieve our vision we have agreed to focus on the following six immediate priorities because we think these are likely to result in maximising the sector's contribution to the growth of Scotland's economy:

- Maximising the sustainable use of Scotland's potential wood fibre availability.
- Improving the efficiency and safety of the wood fibre supply chain both for domestically-produced and imported wood and wood products.
- Expanding markets and adding value to domestically produced and imported wood and wood products.
- Developing a work force with skills for the future.
- Increasing the amounts of wood products and wood fibre that are reused and recycled.
- Working in partnership with SG to deliver ways of growing Scotland's economy, delivering its policies while increasing the contributions that Scotland's forest and wood using industries make to the Scottish economy.

We recognise that our vision and strategy needs to be publicised, promoted and supported by people who work in forestry, and the wood-based industries and other organisations who are involved in manufacturing, construction and research such as Built Environment – Smarter Transformation (BE-ST). to enhance stakeholder engagement and knowledge sharing.

We will do this through our existing links with all these companies, organisation and the Government and by continuing to hold our regional group meetings as these also provide a valuable sounding board for identifying strategic issues and opportunities for sector growth.

However, we are very aware of the importance of raising public awareness and changing perceptions about the economic importance of Scotland's forests and wood-based industries and the environmental benefits of using wood and wood products. We feel this is best done by working with other organisations and companies within the sector, who are already committed to doing this rather than making this a specific delivery action for the ILG.



10 Making the Most of Scotland's Sustainable Potential Wood Fibre Availability

Scotland meets its needs for wood and wood products from:

- Production of roundwood from Scotland's coniferous forests and converting it into products.
- Managing the estimated 57 million m³ of overdue coniferous timber in the next ten years.
- Importing the rest of its wood and wood products requirements from outside Scotland.
- Reusing and recycling wood fibre.
(This is covered in the section on Priority 5)
- Using Coniferous wood fibre from Scotland's Woods and Forests.

Scotland has 850,000 hectares of stocked coniferous woods and forests that provide approximately 5.7 million cubic metres of coniferous roundwood annually. This provides the raw materials or feedstock for many companies based in Scotland, but it is not sufficient to meet all Scotland's wood and wood product needs.

The size of the contribution that the companies using Scottish grown roundwood can make to the Scottish economy will ultimately be determined by the quantity of coniferous roundwood available from Scotland's forests in the future.

By 2040 the forecast⁸ potential annual availability of coniferous roundwood from our woods and forests in Scotland will be 2 million tonnes greater than now. This increased forecast production of virgin fibre will help companies to expand their activities and shorten the sector's supply chains. This will also increase their economic contributions to Scotland's economy, but after 2040 the potential availability of coniferous roundwood is forecast to fall which will limit the contributions that wood-using industries processing Scottish-grown coniferous roundwood can make to Scotland's economy.

It is vitally important to focus on increasing the area and maximising productivity of coniferous forests in Scotland, managing the forests we have and maximising the efficiency and productivity of the ways we use this virgin fibre resource. This will keep our supply chains as short as possible and increase the resilience of the Scottish economy and the contributions that the sector can make to Scotland's economy.

We will do this by:

- Endeavouring to ensure that the management of Scotland's existing coniferous and broadleaved forests and woodlands is of the highest quality, and in accordance with the UK Woodland Assurance Standard.
- Exploring and using new technologies and processes to gain a more accurate and cost-effective inventory of Scotland's existing forest resources and wood fibre availability such as the use of satellites both conventional ones and nano-satellites, LIDAR, remote sensing, and drones. This will allow us to plan our use of Scotland's virgin wood fibre better.
- Ensure the timeous restocking of areas that have been felled.
- We will work with others to improve the quality and quantity of wood fibre grown in Scotland through tree breeding research, given the limited area of Scotland's forests and woods, while recognising that our forests and woods are used for a multiplicity of purpose.
- We will work with SF to develop and implement their Routemap to Resilience for Scotland's Forests and Woodlands.
- Promote, encourage and deliver an increased area of productive new woods and forests in Scotland by planting coniferous trees as a matter of urgency to mitigate as far as possible the reduction in forecast availability of coniferous roundwood in Scotland after 2040 and mitigate against climate change by sequestering carbon quickly.

There are other ways that the trees, woods and forests are indirectly contributing to Scotland's economy and we expect them to grow as well in the future.

⁸ Forestry Commission National Forest Inventory Report. 25-year forecast on softwood availability, 2022
Image courtesy of Euroforest

Importing wood & wood products

Scotland imported £1.198 billion of wood and wood products in 2024. Many companies in Scotland have depended on importing primary and manufactured wood products for many years to supply specific markets.

Some wood and wood products that are imported could be produced in Scotland, but the balance very much depends on exchange rates and our future trade arrangements.

While Scotland has come to depend on imports of wood and wood products, there is an underlying assumption that these longer supply chains are robust, and that wood and wood products will always be available at prices and quantities that Scotland can afford and needs. Trade disruption and exchange rates could constrain availability and the increasing awareness of the environmental benefits of using wood and wood products globally is likely to increase global demand for them over the medium to long term while the area of global forests is limited.

Increasing Scotland's wood fibre self-sufficiency will potentially bring increased economic benefits to Scotland's economy in the future as well as shorter and more robust supply chains.

11 Improving the Efficiency & Safety of the Wood fibre Supply Chain

The harvesting, collection and transport of wood fibre sourced in Scotland can account for 30% to 45% of our wood fibre input costs. If the wood fibre is imported from outside the UK, the supply chain can be longer, and the costs may make a higher percentage of input costs depending on exchange rates.

It is therefore vitally important that we continue to find ways to reduce these costs, and the transport of processed wood products to customers.

We anticipate that we will do this by:

- Exploring new technologies and systems for maximising wood fibre recovery from our forests in a sustainable manner.
- Adopting new innovative ways of handling log and wood products, trucking, rail and shipping. This might include, for example, research into further developments that can reduce the impact of trucks on roads and whether it may be financially viable and practical to introduce alternative low carbon fuel powered trucks to reduce their environmental impact.
- Continue our focus on improving the health and safety standards of our work practices.
- Using remote sensing and real-time tracking of logs and wood products.
- Using innovative digital systems that integrate planning, operations, harvesting, transport and sales.
- Using advances in automated measurement, materials handling, packaging and distribution.
- Introducing new mobile communications and data transfer technologies for local operations and the use of 'big data' from these operations to improve operational efficiencies.
- Identifying opportunities to use robotics, automation, augmented and virtual reality, machine learning, and telematics.

Some of the ways we can do this will be unique to the sector, but many of the material handling, tracking and logistics costs using sensors and 'big data', as well as issues of operator safety along the wood chain, are ones that are of considerable importance to companies in other industries in Scotland and in other parts of the world and so there are potentially significant areas for cross-industry collaboration.



12 Expanding our Markets and Adding Value

Some of the more important present uses of wood and wood products in Scotland are shown in the table below. Some of the wood fibre comes from trees grown and manufactured in Scotland, some from recycled material and some from imports.

House building & construction: timber frames, panels & mass timber products	Internal fitments in houses such as furniture, kitchen worktops & flooring
Newspapers & magazines	Fencing & garden products
Horticultural products	Pallet making & packaging
Garden furniture and sheds	Playground furniture & surfaces
Wood chips & pellets for energy	Writing papers
Furniture making	Animal bedding

Expanding these markets and developing new ones will require:

- Further research about our customers so we better understand them, the technical standards they require of our products and their service requirements including increased collaboration with insurers, lenders and warranty providers.
- Fire safety and durability knowledge of timber products to safely expand the use of engineered mass timber buildings.
- Encouragement and support for continuing research to obtain the best possible technical information about wood and wood-based products that will allow professionals and consumers to compare them with alternative potentially competing products and to promote those findings, so the users have the information to make appropriate choices.
- Identifying ways to overcome any barriers to the uptake of products made from trees grown in Scotland and, in particular, overcoming any lack of technical information about their performance which might prevent or limit their use. This should include cultural/educational drives in areas such as design, engineering, and procurement to ensure construction professionals have the full suite of information required to specify timber.
- Exploring and creating new and innovative wood-based, value-added products, processes and markets for them, such as solid laminated products and processes, through working with organisations such as Edinburgh Napier University (ENU), BE-ST, Building Research Establishment (BRE) and through the Industrial Biotechnology and Life Sciences Scotland ILGs.

We expect the markets for all wood-based products to grow in the future because they are made from a renewable natural material that can also be recycled. Some markets, such as the printed media markets, have been declining because of the rapid increase in digital communications, but other uses have developed such as wood energy. Other new market opportunities are being explored globally⁹.

There are four markets which we think have the greatest potential to grow and therefore increase the economic contributions the sector makes to the Scottish economy up to 2035. Our strategy is therefore to focus most of our further research, innovation and investment on them.

House Building & the Construction Industry

At present the largest market for wood products is in new homes building and the construction industry where significant quantities of sawn timber, panel products and engineered wood products are used. A significant quantity of homegrown timber is also used in repairs, maintenance and improvements to our existing housing stock.

Our aim is that a majority of homes built in Scotland use Scottish timber to ensure Scotland derives the maximum economic, social and environmental benefits from the opportunities provided by Scotland’s commercial woodlands. This would have the added benefit of reducing the risks for Scotland from depending on overseas supply chains for wood and wood products.

There is a large house building and construction market in England for Scotland’s wood-based industries to supply. The recently published Timber in Construction Roadmap 2025 seeks to increase timber forms of construction in England with the Structural Timber Association aiming to achieve a market share of 40% by 2040 which would increase demand for C16 by around 1Mm³ and by around 0.5Mm³ of panel board. In supplying this market we are very keen to ensure that the maximum amount of Scottish-grown timber is used in Scotland’s processing and manufacturing facilities to maximise Scotland’s value adding opportunities.

9 Scotland’s Wood-based Bio-economy – Shaping the Future

We see significant potential to expand the new house building market because there is a large demand for new homes and buildings at present, and wood-based products will be increasingly used in them as their environmental credentials are recognised and requested. The low energy content of wood-based construction materials compared with other building materials means they can reduce the carbon footprint of buildings, and the fact that they can be recycled means that they perform well in Life Cycle Analyses. We will therefore continue to work to obtain robust data on the energy performance of wood products available to the construction industry. The introduction of the EU's Energy Performance of Buildings Directive by 2028 may have an impact in the UK. This will require the reporting of whole life carbon in buildings as is presently done in France, Finland and New Zealand as well as the opportunity for bringing in carbon finance to the construction and house building industries. The EU's proposed DPP is expected to lead to the introduction of building logbooks to store DPP at the project level enabling tracking of materials throughout a building's life and could be applied in the UK.

The integration of more wood and wood products can also bring increased energy efficiency and the improvement of air quality in buildings. Increasing the use of Scottish grown timber in these products will increase the contributions that the domestic industry can make to the Scottish economy.

We will therefore work with the construction industry to identify opportunities where the use of wood products such as timber, wood panel products and other wood fibre based products, such as wood-based insulation, may help to deliver energy efficient buildings, faster and more efficiently, with less waste. Producing these products, such as insulation and facade panels, using Scottish grown trees, both for new build and retrofit, would provide a growth opportunity for the domestic processing sector.

We also know that wood and wood products are well suited as components of Modern Methods of Construction such as volumetric modular technology and off-site construction, speeding up on-site erection of new buildings and in helping overcome skilled labour shortages in traditional trades. They are well suited to the provision of temporary accommodation for workers connected with large-scale construction activities. For example, in northern Scotland, there is an immediate requirement to find temporary accommodation for workers involved in large-scale renewable energy projects. Manufacturing the accommodation using local Scottish timber would open up a new market for Scottish timber, as well as adding value to it. After construction

activities have ended the units could be reused to help with the provision of rural housing across the north of Scotland.

More attention may also have to be given to the development of innovative material coatings for wood, for example, for fire and moisture protection as more wood is used in construction.

The increased use of wood-based construction materials will drive increased business activity, such as manufacturing, along our wood-chains and this in turn will increase the size of our contribution to Scotland's economy.

Furniture Market

The production of furniture for bedrooms, bathrooms, kitchens and other rooms in homes and offices is an important market for panel products and to a lesser extent sawn timber. The UK bedroom furniture is estimated to be valued at £3 billion in 2025 and the total fitted kitchen market at about £10 billion with over 1.3 million new kitchens installed during 2022. These markets, involving installations in new properties and refurbishing older properties, have been forecast to grow at over 2% per annum up to 2029.

Energy Products

We are committed to the circular hierarchy of wood fibre and to ensuring that the highest possible value (not just initial financial value) is achieved for all virgin fibre, but we also recognise that roundwood, forest residues and recycled wood have a major part to play in providing Scotland with a renewable natural source of energy. The sector presently supplies 8,362 biomass installations in Scotland thus reducing the use of fossil fuels. These installations annually generate power equivalent to heating 1.38 million homes throughout the year in Scotland. Using the latest technology biomass can provide a 96% reduction in carbon emissions compared with fossil fuels.

We expect wood-based biomass will continue to be a part of a matrix of ways Scotland will be delivering low carbon renewable energy and that the wood-fuel market will grow, although not as rapidly as it has done over the last ten years. Much will depend on the incentives offered by the Government and innovation.

Driving the increased use of wood-fuel will be the recognition that more needs to be done to mitigate climate change. There will be more companies producing and supplying firewood, wood chips, wood pellets and heat logs because they come from a renewable natural resource. Recently the Governments in Scotland, England and Wales have supported the use of modern wood-burning stoves using kiln-dried wood and briquettes in domestic properties. Producing and using firewood locally increases the economic, social and environmental benefits.

Many wood processing companies in Scotland already generate much of their heat and power for their processes using forest biomass which makes the use of wood-based products even more environmentally attractive.

Innovative New Products Made from Wood Fibre

There is a significant amount of research and development underway globally into understanding the chemistry of wood so over the next ten years or so we expect that the present end use markets for wood fibre in Scotland will inevitably be subject to competition from new products, such as chemicals, energy products, composite materials and textiles. We expect this research will lead to the development of potential new products that will move out of the laboratory to pilot scale plants or on to full-scale manufacturing.

At present we think the three most promising new research avenues for developing additional innovative new uses and markets for wood fibre in the foreseeable future are likely to be:

- Bio-refining covering biofuels and chemicals
- Converting recycled wood into chemicals and energy products
- Production of composite materials and textiles

These are described in more detail in the separate publication¹⁰.

We think research and innovation will continue to open up new market opportunities for us. We are optimistic about the growth of our existing markets, and about developing new ones, but it will be up to us to make the most of the opportunities before us. We may also need support from SG to bring new opportunities to commercial production.

13 Developing a Workforce with Skills for the Future

To achieve our vision in 2035 we have developed and published a Sector Skills Strategy and action plan with the purpose of ensuring we have an able and diverse workforce that meets the demands and aspirations of an ambitious and growing sector for now and in the future. It is important for us to use effective marketing and communication strategies to promote the sector as a vibrant and progressive industry rich with opportunities for challenging and rewarding careers.

We need talented people who are enterprising and ambitious, willing to learn and work hard to continuously improve our sector.

We must therefore work together with Skills Development Scotland (SDS), the Scottish Funding Council, schools, higher and further education establishments, training bodies and other skills organisations to keep our Sector Skills Strategy current and fit for purpose.

We will focus on: Talent Attraction; New Entrants; Workforce Development and Curriculum Review by:

- Identifying the number of people we need, what skills the sector will require in both the short and long terms, and establish what our training and qualification needs are likely to be.
- Encourage a gender balance in the workforce throughout the sector.
- Exploring ways of increasing the capacity of our businesses to retain and develop their existing workforce through providing training opportunities so that individuals can develop their own career opportunities.
- Support the continued focus on improving the health and safety standards of our work practices throughout the sector.
- Publicising the career opportunities in the sector through recognised mechanisms to attract young people into forest sector.
- Improving the availability of our entry-level training programmes, including modern apprenticeships, for a range of activities such as forest operations, management, research and training, drivers and machine operators in the forest, and in the sawmills and manufacturing plants.

We must avoid the temptation of relying on other organisations and companies to do the necessary education and training and then recruiting their employees.

¹⁰ Scotland's Wood-based Bio-economy – Shaping the Future
Image courtesy of Creel Maritime Ltd

14 Increasing the Amounts of Wood Products and Wood Fibre that are Reused and Recycled.

Scotland has only a limited availability of virgin wood fibre and it must therefore use the wood fibre it produces, or imports, as efficiently as possible. Wood fibre obtained from recovering, reusing and recycling wood and wood products is Scotland's Wood-based Industries third and very important source of wood fibre. It is vitally important that the right waste wood ends up in the correct end market and more waste wood is reused.

Wood-based Industries in Scotland have supply chains that cascade products down the value chain by reusing products initially, where possible, and then converting the wood fibre into other wood products. This brings significant environmental benefits.

The quantities of wood products that are reused in the form they are made is relatively limited at present. The most notable is the repair and reuse of over 50 million wooden pallets each year in the UK and the pallet and packaging sector are very keen to increase that number. Other examples of reusing products can be found in the second-hand furniture market.

Architects are also beginning to look at designing houses so that timber and other products can be used again when a building reaches the end of its life.

About 4.5 million tonnes of waste wood is collected in the UK each year, but there are costs to the collection and sorting of discarded wood and therefore there are limits as to the amounts that can be reused or recycled. The quality of the material, and the degree to which it can be separated and cleaned also determines the amounts. For some uses, such as animal bedding, the material must be of the highest quality because of its contact with animals. This market takes about 350,000 tonnes per annum of waste wood. The particle board manufacturers, who reuse approximately 1 million tonnes of waste wood each year would prefer the highest quality material as well, but they can and do use a slightly lower grade where necessary. Very small quantities of waste wood are also exported and imported.

Approximately 2.5 million tonnes of waste wood is burnt to generate electricity and heat in the UK. This is approximately 53% of the waste wood produced each year. Separate figures for Scotland are not available.



Approximately 50,000 tonnes per annum of waste wood is seriously contaminated through, for example, being in contact with chemicals and some paints, and may not be suitable for any use and therefore has to be burnt in special licenced plants. In Scotland it can no longer go to landfill.

Encouraging improved methods of sorting and segregating waste wood by businesses, particularly on construction sites, is needed to maximise the use of wood fibres. New technology also has the potential to identify and remove contaminants which could increase the amount of wood fibre that can be reused and this area of research is currently being developed.

15 Working in Partnership with the Scottish Government to deliver ways of growing Scotland's Economy and delivering its Policies

SFWI recognise the importance of working with SG to grow the contributions to Scotland's economy.

The delivery of the SFWI Vision for 2035 will very closely align with the following key plans, policies and strategies that SG has presently in place:

Scotland's National Strategy for Economic Transformation:

This focuses on creating a more prosperous, fairer, and greener economy. We can contribute to that strategy. We have increased our contributions to Scotland's economy and we have the potential to help grow Scotland's economy on a sustainable basis. The growing and processing of trees often takes place in rural areas where they can make an important contribution to the rural economy through the provision of jobs and the circulation of money locally.



Securing a Green Recovery on a Path to Net Zero:

This outlines Scotland's pathway to achieving ambitious targets set by the Climate Change Act 2019 with the aim for net zero emissions by 2045. Trees capture and store carbon in a very cost effective, long-term way and therefore they make a significant contribution to meeting the Government's climate change targets.

Climate change: Scottish National Adaptation Plan 2024–2029 Sets out the actions that SG and partners will take to respond to the impacts of climate change. Trees, woods and forests can provide nature-based solutions that are often more cost-effective, longer lasting, realise multiple benefits and contribute to the aims of a just transition than other possible technical solutions.

Energy Strategy and Just Transition Plan: This strategy focuses on transitioning to a net-zero energy system by 2045 while ensuring fairness and economic opportunities for all. It emphasizes renewable energy, energy efficiency, and reducing reliance on fossil fuels. Using wood fibre, or biomass as a wood fuel also helps with meeting climate change targets as it is a renewable natural fuel.

Housing to 2040: This sets out SG's long-term vision for housing in Scotland with the aim of ensuring everyone has access to safe, high-quality, and affordable homes that meet their needs. Trees are being converted into a range of renewable, natural, low carbon building products that also help health and well-being for those who occupy the buildings.

Zero Waste Plan: This plan aims to reduce waste, increase recycling, and minimize the amount of waste sent to landfill. By 2025, the goals include recycling 70% of waste and sending no more than 5% of remaining waste to landfill. Most of the products made from trees can be recycled at end-of-life, including Medium Density Fibreboard, rather than contributing to landfill.

Scotland Outlook 2030: Responsible Tourism for a Sustainable Future. SG launched this plan in March 2020 and aims to position Scotland as a world leader in 21st-century tourism. The strategy focuses on sustainability, community involvement, and enhancing the benefits of tourism for visitors, businesses, and the environment. Forest tourism plays an important part in providing a vibrant and successful infrastructure in the rural economy that continues to attract increasing numbers of visitors.



A NATIONAL WOOD STRATEGY – DELIVERING IN SCOTLAND

Action Plan for 2025–2035



This National Wood Strategy charts a route for SFWI to achieve a vision for 2035 that will impact on the sector's contribution, resources, products, markets, our people and other industries. Action must be taken in each and every one of these areas, to maximise competitiveness in wood fibre production, primary processing and manufacturing, and to ensure the industry will be capable of contributing to the delivery of Scotland's National Strategy for Economic Transformation and delivering benefits for the wider society.

The following is an action plan containing a list of potential and on-going projects that will help deliver the strategic priorities of a National Wood Strategy in Scotland. The expectation is that the actions will be taken forward through collaboration with industry, public sector and other bodies with an interest in the forest and wood-based Industries in Scotland.

It is anticipated that industry will lead the delivery of the strategy through the ILG with support from the public sector.

Key public sector partners in delivering the strategy are SF, Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), SDS and the South of Scotland Economic partnership (SOSE). Others that may be involved are Zero Waste Scotland (ZWS), Architecture and Design Scotland and BE-ST.

Working groups will be tasked with identifying, initiating and/or supporting projects for each specific strategic priority. They will also be tasked to review and revise actions annually.

KEY									
ADS	Architecture and Design Scotland	CLF's MMC	Construction Leadership Forum's Modern Methods of Construction's Working Group	IbiolC	Industrial Biotechnology Innovation Centre	SE	Scottish Enterprise	SOSE	South of Scotland Economic partnership
BE-ST	Built Environment – Smarter Transition	ENU	Edinburgh Napier University	ILG	Industry Leadership Group	SF	Scottish Forestry	TiC	Timber in Construction Working Group
CWA	Community Woodland Association	FR	Forest Research	RDA	Regional Development Authorities	SG	Scottish Government	TTF	Timber Transport Forum
Confor	Confederation of Forest Industries	FLS	Forestry and Land Scotland	SDA	Scottish Development Agencies	SLE	Scottish Land and Estates	WRA	Wood Recyclers Association
CTI	Confederation of Timber Industries	HIE	Highlands and Islands Enterprise	SDI	Scottish Development International	SDS	Skills Development Scotland	ZWS	Zero Waste Scotland

STRATEGIC PRIORITY 1

Making the Most of Scotland's Potential Sustainable Wood Fibre Availability

ACTION AND PROJECT PROPOSALS	Lead/partners/action
1 Support the Identification and implementation of viable technologies and processes to gain a more accurate and cost-effective wood fibre availability forecast from Scotland's forests: • Support of remote sensing developments. • Forest Research mensuration and inventory models. • Periodic wood fibre availability forecasts. • Improved models and programmes to enable quicker impact analysis of new policies on future timber supplies.	FR, SF, Industry
2 Carry out an analysis of the forthcoming 50-year softwood forecast against future demand, highlighting its potential impact on future growth of Scotland's wood-based industries Identify mitigating actions to optimise the sector's contribution to Scotland's economic and net zero targets.	ILG, SF, Confor, Industry
3 Continue to explore and publish the opportunities for wood fibre as a feedstock for new low carbon, high value products such as wood fibre insulation manufacture and biorefining in Scotland	SF, Industry, SDA, ZWS, IBioIC, BE-ST
4 Develop a proposal to carry out a study to explore opportunities for growth and additional investment in Forest Tourism in Scotland	SF, SLE, FLS, HIE, SOSE, ILG
5 Continue to support innovation, research and development with an aim to increase wood fibre production and improve quality and resilience of our current forest resource: • Forest Research Tree Breeding and Timber Properties Programme. • Conifer Breeding Co-operative. • Strategic Integrated Research in Timber	Future Trees Trust, SF, FR, Industry collaboration
6 Identify and disseminate knowledge and best practice about commercial opportunities potentially open to communities with their own woods	HIE, SOSE lead with support from CWA and SF
7 Identification and development of local niche and added value markets for woodland products and the identification of new markets for communities that own their own woods	HIE, SOSE lead with SF support
8 Post-Brexit, maintain links with European transnational projects involved with innovation and adding value in forestry and wood-based industries	SF, FR

STRATEGIC PRIORITY 2

Improving the Efficiency and Safety of the Wood fibre Supply Chain

ACTION AND PROJECT PROPOSALS	Lead/partners/action
9 Investigate the opportunities for maximising the use of presently available data and the opportunities for using AI systems in optimising timber transport, planning harvesting, and monitoring tree health	SF, Industry, RDAs and FLS
10 Support innovation, research and development with aim to increase wood fibre recovery from our harvesting operations	SF, Industry, RDAs and FLS
11 Explore how we can maximise the use of data from harvester heads to significantly improve the accuracy of our forest inventory and provide accurate information on the quality of the crop harvested to growers and buyers	FR, SF, Industry
12 Explore opportunities to introduce automation, robotics, augmented and virtual reality to our wood supply chains, such as remote-controlled harvesters and loaders	Industry lead with FLS, SF and BE-ST
13 Explore new technologies and systems to increase efficiencies and to minimise environmental impacts of transportation of roundwood and wood products on road infrastructure	SF, TTF, Industry
14 Explore new technologies and opportunities to reduce supply chain costs, increase productivity and increase operator safety within forest operations	ILG, FISA, Confor and others

STRATEGIC PRIORITY 3

Expanding Our Markets and Adding Value

ACTION AND PROJECT PROPOSALS	Lead/partners/action
15 Work with construction industry professionals and others to identify opportunities to increase the use of wood products in UK buildings, such as: • Work closely with the UK Timber in Construction Roadmap secretariat to identify and exploit opportunities to increase the use of wood based products and systems processed and manufactured in Scotland across the UK	Confor, CTI BE-ST, SF, ENU and others.
16 Work with others to develop and promote changes to building regulations to recognise and encourage the use of lower carbon building materials, e.g. the adoption of Part Z	BE-ST, CTI and others
17 Further explore the opportunities for expanding the use of off-site manufacturing through the CLF's MMC	ILG lead with SF, ENU and BE-ST involvement in delivery along with a representative of ILG and CLF's MMC
18 Through innovation and R&D develop existing and identify new markets suitable for supply by home-grown timber and timber products, such as • Design and manufacture of solid and engineered timber products and systems in Scotland. • Development of new products incorporating lower-grade and under-utilised wood. • Manufacture of timber-rich retrofit products. • Designing timber products for manufacture and assembly, and deconstruction and re-utilisation in future buildings. • New designs for timber rich houses/buildings for all markets.	BE-ST, Industry, ENU and SF
19 Encourage the inclusion of data on timber projects within the Built Environment Carbon Database, to enable improved benchmarking and information sharing on the carbon performance of timber construction projects	SFWI to work with TiC, SF, ENU and BE-ST
20 Improve the quality of timber EPDs by 2028 including through creation of a new, free-to-use timber EPD database being developed by Timber Development UK	SFWI to work TiC, SF, ENU and BE-ST involvement
21 Explore the opportunities for using more wood products in new Government buildings and retrofitting existing ones through SG procurement policies and procedures	ILG, SG and BE-ST

ACTION AND PROJECT PROPOSALS	Lead/partners/action
22 Explore and develop new and innovative wood-based value-added products, processes and services, and encourage new downstream manufacturing activity utilising home grown timber, such as: • Wood fibre insulation. • From biorefinery products such as nanocellulose and lignin.	SFWI to work with TiC, SF, ENU and BE-ST
23 Support the Fire Safety Hub web platform and other durability-related information sources to promote data sharing and best practice guidance on timber manufacturing, construction, and maintenance, in alignment with building regulations	SFWI to work with TiC, SF, ENU and BE-ST involvement
24 Work with Construction industry professionals, academic partners, and other stakeholders to identify opportunities to increase the use of wood products in UK buildings	ILG, SG and BE-ST
25 Work with partners to develop new educational content for both early-stage and experienced professionals to enable those designing, engineering, and specifying structural construction products to fully understand the capabilities and benefits of timber, particularly home-grown	ILG lead with SF, HIE, SOSE and BE-ST support
26 Explore and support opportunities for increased international trading within our wood supply chains	ILG lead with SF and BE-ST support



STRATEGIC PRIORITY 4

Workforce with Skills for the Future

ACTION AND PROJECT PROPOSALS	Lead/partners/action
27 Continue to support and contribute to our Sector Skills Group Work closely with others on implementing our Sector Skills Action Plan 2024-2027 that focuses on three strategic priorities; talent attraction, workforce support and development and developing the education and training offer, developing the workforce and curriculum review.	ILG Skills Group, SF, Lantra Scotland, SDS, and various relevant stakeholder organisations
28 Proactively engage with and support education and training providers to ensure the sector needs are clearly understood and met	ILG Skills Group, SF, Chief Forester, education and training establishments
29 Proactively engage with relevant The Scottish Government agencies and initiatives to raise the sectors profile as a vibrant and progressive industry offering rewarding career opportunities	ILG Skills Group, SF, Chief Forester, SDS, Lantra Scotland and others



Image courtesy of Glennon Brothers

STRATEGIC PRIORITY 5

Increasing the amount of wood products and wood fibre that is reused and recycled

ACTION AND PROJECT PROPOSALS		Lead/partners/action
30 Carry out a study to understand the economic and environmental outputs from various wood flows in the Scottish/UK wood supply chain to better inform wood cascading		SF, Industry, FR and ZWS
31 Identify and support innovation and new technologies to ensure maximum value and circularity through the reuse of wood fibre along the wood supply chain and downstream industries		SF, Industry, FR and ZWS



STRATEGIC PRIORITY 6

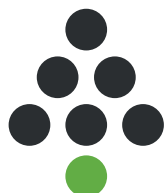
Working in partnership with SG to deliver ways of growing Scotland’s economy and delivering its policies

ACTION AND PROJECT PROPOSALS		Lead/partners/action
32 Co-chair of the SFWI ILG to attend meetings of the Scottish Business Forum chaired by the Cabinet Secretary for Economy, Tourism and Transport		ILG
33 Promote and implement this new strategy document		ILG, SF, SoSE, HIE, SDS, BE-ST, Confor, WRA, FLS, ENU and others
34 Support regional industry groups to disseminate outputs and activities of the ILG, and SF to a much wider range of key industry players than can be reached through general ILG meeting. To also act as a sounding board to identify strategic issues and opportunities for sector growth		SF, ILG and Confor
35 Ensure sector website is fully up-to-date with sector information and ensure website is managed to promote the sector as a vibrant and progressive industry in which to work		ILG



Image courtesy of Komatsu Forestry





Scottish
Forest &
Wood-based
Industries

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