

## PRESS RELEASE

January 6<sup>th</sup>, 2017

### **Sector surveys show impact of raw material price rise on wooden pallets and packaging**

The increasing cost of inputs, especially nails and wood, is causing a rise in the price of pallets and packaging, according to two recent surveys of the UK market.

The monthly Markit/CIPS report, released at the beginning of January 2017, indicates that the price of nails rose for the seventh consecutive month; pallet timber increased for the fifth consecutive month; while other timber/wood categories are also showing ongoing monthly increases. The report shows that the prices of both new and used pallets have now increased.

The recently published Quarter 4 *Pöyry Packaging and Pallet Timber Index* confirms the movements in price of both home grown and Baltic timber. Home grown has risen for the third consecutive quarter and Baltic and for the second consecutive quarter (Q3 up 8 per cent; Q4 up 3 per cent).

Stuart Hex, general secretary of the Timber Packaging and Pallet Confederation (TIMCON), said: "The cost of imported raw materials for pallets and packaging is rising. As there is no nail manufacturing in the UK, members source these products from Europe, and following the Brexit vote the fall in the value of the pound has had an impact. There has been similar inflation on imported timber - notably in quarter 3 - while the price of home-grown timber is also rising in line with the market for timber for competing products.

"As nails and timber account for at least 70 per cent of the cost of manufacturing timber pallets, these rises are unavoidably going to have to be passed on to the price of the finished products. We are confident that pallet users will work together with our members to absorb these increases.

"Wood remains by far the most economic material for pallets and transit packaging - not to mention the most re-useable, repairable, recyclable and all round most environmentally sustainable option."

## Notes to Editors:

- The Timber Packaging & Pallet Confederation (TIMCON) has an ongoing campaign to communicate with media and politicians about the issues affecting the sector
- For more on TIMCON, please visit: [www.timcon.org](http://www.timcon.org)

**For further information or images, please contact:**



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