

UTIPULP

LISBON - MARCH 25th, 1993

GENERAL MEETING

MINUTES

UTIPULP

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List of Participants

BELGIUM :

Mr Joao	FERNANDES	PWA MABELPA S.A
Mr Ward	JANSSENS	SCOTT CONTINENTAL

DENMARK :

Mr Eilif	LADEGAARD	PAPYRUS FORENEDE PAPIR
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FRANCE :

Mr Dominique	BINET (Chairman)	ARJO WIGGINS APPLETON plc
Mr François	LATOUR	AUSSEDAT REY
Mr Christian	SIBILLE	SIBILLE DALLE

GERMANY :

Dr Klaus-Dieter	KIBAT	V.D.P.
Dr Hannes	MEIDENBAUER	FPB Holding A.G.
Mr Peter	WINKLER	HAINDL PAPIER GmbH

ITALY :

Mr Alessandro	FEDRIGONI	Cartiere FEDRIGONI & C s.p.a.
Mrs Gloria	RICCIONI	Cartiere BURGO

NETHERLANDS :

Mr Martien	K. LAAN	INKOOP COMBINATIE "DE EENDRAGT"
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PORTUGAL :

Mr José Manuel	BYRNE	PAPEIS INAPA S.A
Mr Joao A.	LANCA RODRIGUES FAPEL	
Mr Antonio	SIMAO	RENOVA

UNITED KINGDOM :

Mr Bryan	BATEMAN	BPBIF
Mr Richard	BAXENDALE	SAPPI (U.K) Limited
Mr James	DAGLISH	TULLIS RUSSELL

SECRETARY :

Mr Jean-François	BOISSON	UTIPATES
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ALSO TOOK PART :

Mr Manuel Gil	MATA	SOPORCEL
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UTIPULP

General Meeting

LISBON, MARCH 26th, 1993

- AGENDA -

- I - APPROVAL OF THE AGENDA

- II - APPROVAL OF THE PREVIOUS MEETING'S MINUTES
 - The previous meeting was held in Copenhagen on September 29th, 1992
 - Minutes were circulated on October 15th, 1992

- III - STATISTICS
 - Analysis of the last available statistics
 - Report on the reliability of the statistics
 - Discussion on the Secretary's memorandum

- IV - REVIEW OF THE WOOD-PULP MARKET AND ENVIRONMENTAL ISSUES

- V - REVISION OF STATUTES
 - Final discussion and adoption of UTIPULP statutes

- VI - FORMAL CONSTITUTION OF UTIPULP
 - Election of the Executive Committee
 - Formal election of the President, Vice-President, Secretary
 - Signature of the statutes

- VII - MEMBERSHIP
 - Spain
 - Membership extension : results

- VIII - UTIPULP ACCOUNTS - UP DATE

- IX - MISCELLANEOUS

- X - DATE AND LOCATION OF NEXT MEETING

- MINUTES -

Mr Dominique BINET, Chairman of UTIPULP, opens the meeting at 9.00 a.m.

He welcomes the participants and reports upon the apologies for absence. In particular Mr DAUSCHA who was unable to attend due to a serious illness.

Mr BINET proposes to write a letter to Mr DAUSCHA to express the best wishes for a prompt recovery. This is unanimously accepted. The letter should be written as soon as possible.

Mr BINET welcomes Mr Joao FERNANDES (MABELPAP) who takes part in the meeting for the first time, and also to Mr LANCA RODRIGUES (FAPEL), to whom he expresses his warmest thanks on behalf of the Association, for receiving UTIPULP members so well in Lisbon.

Having made sure that the draft agenda is accepted without amendment, the Chairman proceeds to the first item.

I - APPROVAL OF THE PREVIOUS MEETING'S MINUTES

The previous meeting of UTIPULP was held in COPENHAGEN on September 29th, 1992.

Minutes were circulated on October 15th, 1992.

Mr MEIDENBAUER suggested a few amendments on page 4, § IV "Environmental issues". The amended page 4 is attached to these minutes. The amendments were unanimously accepted.

II - STATISTICS

1. Discussion on the Secretary's report

At Mr BINET'S request, Mr BOISSON commented the report he made for the members of UTIPULP further to their request made during the meeting in Copenhagen (see attached).

. Reliability :

Mr WINKLER stated that he had insisted a lot when he was Chairman of UTIPULP on the definition, and clearly repeated it. He therefore did not understand why it is said in the memorandum that declarants were aware not of the definition.

It is agreed that this distortion is due to a lack of communication between the executives who take part to the UTIPULP meetings, and the persons in charge of compiling and editing statistics in the respective companies.

In order to avoid such a distortion in the future and also to have a liaison for the implementation of the decisions of the current meeting, it was decided that one person per association member of UTIPULP would be nominated. The following names were given :

FRANCE	.....	Mr LATOUR
HOLLAND	.....	Mr LAAN
BELGIUM	.....	Mr JANSSENS
DANEMARK	.....	Mr LADEGAARD
ITALY	.....	Mrs RICCONI & Mr FEDRIGONI
UK	.....	Mr BAXENDALE
PORTUGAL	.....	Mr LANCA RODRIGUES
GERMANY	.....	Dr KIBAT

It was agreed that those persons should start to check as soon as possible, whether the statistics made by their National Associations really correspond to the reality, and make the necessary changes in case of need.

It was also agreed that changing data for the passed years would require too much work, and that a foot-note in the tables should mention that from 01/01/93 onwards, all statistics would correspond to the definition.

Mr BINET insisted that an estimate was better than no figure at all and that estimates should therefore be sent to the Secretariat when actual figures can not be available, in order to have UTIPULP statistics produced merely three weeks after the end of a quarter.

. Accuracy :

Everyone agreed to say that to have the statistics on a monthly basis would be ideal and would make UTIPULP statistics a real tool. However, it was decided for the time being to postpone the implementation of such a basis and keep on working on a quarterly basis.

. Comprehensiveness :

Participants unanimously agreed that an exchange of statistics should be set up with the American and the Japanese Associations for consumption figures and with CEPI-PULP for NON-NORSCAN figures.

They asked the Secretary to check which definition was used by each of them and insisted that such an exchange should be done on a strict reciprocal basis.

It was decided that the exchange should be set up even though the UTIPULP statistics are still not fully reliable. Improvements should come further to the decision taken during the meeting.

Participants also asked the Secretary to approach Canadian users (CPPA) for an exchange of statistics, on the same basis as for the other countries.

Figures of US consumption were distributed, as well as forecast for investments in chemical bleached pulp.

2. Norscan statistics

Further to a letter of Mr WINKLER and Mr TARANTO (ASSOCARTA) to the Chairman, suggesting that UTIPULP should react to the fact that Swedish and Finish figures for pulp inventories will be published on a quarterly instead of a monthly basis, it was decided that Mr BINET would approach Swedish and Finish pulp producers to express UTIPULP's concern about such a decision. The approach should be done informally.

3. Proposal of Germany regarding INTRASTAT

Dr KIBAT explained the assembly that due to a lack of efficiency, INTRASTAT statistics, supposed to replace the former custom import/export trade statistics, were still not in operation. In addition, once they will be ready, a lot of information will be missing. He therefore suggested to implement a new questionnaire in this respect, in order to have the same data available.

After discussion, it was agreed that custom figures was a matter which concerned more National Associations than UTIPULP. It was therefore decided that Mr BINET should write a letter to the National Associations to rise this concern and suggest some work be carried out

in this respect. The draft letter should be circulated among UTIPULP members for approval before being sent.

4. Analysis of 1992 STATISTICS

1992 statistics for UTIPULP were briefly analysed.

Consumption was 2 % higher than in 1991 reaching (all grades aggregated) 11 787 000 tons. Stocks have increased a lot more (+23 %) with an average of 860 000 tons at the end of each quarter. The tendency was a reduction of stocks since the end of the second quarter 1992 which showed a peak.

Days of consumption is now 26, whereas it was 22 in 1991.

It is the highest figure since 1989.

III - REVIEW OF WOODPULP MARKET

At Mr BINET'S request, national delegates shortly reported upon the pulp and paper situation in their own countries.

1 - Germany :

- The paper market in Germany is a little bit depressed, although this is even more true for the Printing & Writing market. Paper for packaging market slightly better.

Woodfree uncoated and woodfree coated are the grades which suffer the most from over capacities.

Newsprint is doing fairly well, thanks to the attitude of Canadians. The main problem remains the devaluation of the northern Europe countries' currencies.

It is probably the worst situation since World War II. Consumption is low and turnovers have dropped dramatically. The average net cash flow is estimated to be only 2 to 3 %.

- Pulp consumption should remain very stable in 1993. The bottom of the cycle is thought to have just been reached, but it will probably take a lot of time before the market comes back to a normal shape. Short-fibers will however probably see their prices increase more successfully.
- The woodfree sector is using more and more TCF pulp. Any pulp which is not TCF is now to a very large extent ECF in Germany. There is no premium on TCF pulp anymore. No statistics on the proportion of ECF/TCF used in Germany is available.
- Recycled pulp remains expensive and of a poor quality.
- Mr TÖPFER's project on a graphic paper directive similar to the packaging one is postponed. There are little chances that the Government forces the industry to have a minimum percentage of recycled fibers in graphic papers.

2 - UK

- 1992 was very difficult for the British economy, with a GDP below 0. There has been signs of changes for a few weeks but nothing is certain at all.
- The general attitude is a "cautious optimism". Graphic papers are surprisnly lively. Consumption of wood-pulp gained 1 % in 1992, and stocks rose by 17 %. The pulp market collapsed unexpectedly over Christmas, which was a very bad piece of news since price drops on raw material have necessarily the same effect on final products.
- The situation remains a bit blurt though, since unless one is actually buying pulp, it is very difficult to determine the actual price.
- TCF pulp remains very small in the UK.
It is " in the air", but nothing compared to what the situation is in Germany.
A majority of people are using ECF. There are still very high premiums on TCF.
- Recycled pulp is still of a poor quality.
Russian white waste is being massively imported in to the UK.

3 - Holland

- The situation is very similar to the one in Germany.
Eucalyptus producers have already showed signs of price increase.
- There is more TCF pulp than in 1992.
For other grades, the trend is to ECF but not only (especially when one considers hardwood pulps from the US). There is no premium on TCF.
- Recycling has always been an important concern in Holland. Consumers and authorities are seriously studying the possibility to include more post consumer waste fibers in woodfree papers (for copy paper for instance).

4 - Denmark

- The situation is very much like Germany and the Netherlands. There are big pressures from Sweden and Finland.
A paper machine has been stopped.
- Pulp prices have reached the bottom, and eucalyptus has already started to rise.

5 - Belgium

- The situation is very much like in Germany and Holland.
The paper market is flat and depressed.
- Paper companies will have to use recycled fibers to manufacturers papers by two - three years. Green parties are very active but no one knows what will happen, whether they will be laminated like in France during the previous elections.

- The eco-tax project has been voted three times and is very political. The project is currently postponed.

6 - Italy

- Italy had a 6 % increase in paper consumption in 1992, but with a disastrous second semester. Recession is to last a long time. The inflation is low which means a low consumption and low spendings.
- Devaluation has been little useful to the industry because the European market is flat.
- Woodfree is in a terrible situation. Packaging and tissue are doing better.
- Pulp market : same remarks as for the other countries. The bottom has been reached, but it will take time to recover.
- TCF is still not an important issue in Italy. TCF is manufactured for the German speaking countries only. There is more and more ECF and CTMP on the market.

7 - France

- The situation is similar to those of the other european countries. Difficulties are mainly due to overcapacity and to the devaluation of currencies in Europe. Packaging is in a better position than printing and writing.
- The Parlement elections will most probably show a clean victory of the Right Parties. No one really knows what will come out of it. One element of these elections is fact that the GREENS have lost a lot of influence (only 8 % of the votes). This will have an impact on the political choices in the future.
- As far as pulp market is concerned, a change in the attitude of sellers has been noticed in the passed few weeks. This is probably due to a psychologic change in the US due to a better situation. There is a difference between hardwood and softwood.
- There is still very little TCF in France and it is mainly produced for export to German speaking countries. Most of the pulp used is conventional.
- Demand in recycled pulp is increasing but has not reached the printing & writing sector yet.

8 - Portugal

- The paper and board industry has suffered from the devaluations of the Spanish pesetas. Overcapacity is latent. The trade balance is fairly good.
- There are still uncertainties as to the future of pulps market in Portugal. It is very likely that short fibers will increase whereas long fibers will remain at low prices for a long time.
- ECF/TCF is not an issue in Portugal.

The French Printing and Writing Statement on the definition of "chlorine free" was circulated.

IV - REVISION OF STATUTES

Mr BINET informed the participants that COBELPA had finally agreed that UTIPULP would have the same legal address as COBELPA. Thanks have been expressed in this respect.

Mr BOISSON presented the final statutes, which had to be slightly modified in order to fulfil the requirements of the Belgian Ministry of Justice.

Those changes are minor. They do not modify the powers of the General Assembly. They require that the powers of the Chairman are shared with an Executive Committee.

Mr BATEMAN said he had noticed a few details which he finds odd. They might be due to the translation, since the original statutes have to be in French. He will be in contact with the Secretary in order to check those details and make sure the text is logical and relevant.

Once this will be done, the statutes and Rules of Application will be circulated and signed by one representative per country and return to the Secretary.

The following members have been appointed to sign the statutes on behalf of their countries :

UK	.....	Mr BATEMAN
GERMANY	.....	Dr KIBAT
DANEMARK	.....	Mr LADEGAARD
BELGIUM	.....	Mr JANSSENS
PORTUGAL	.....	Mr ROLO
FRANCE	.....	Mr SIBILLE
ITALY	.....	Mrs RICCIONI
NETHERLANDS	.....	Mr LAAN

Before they are signed, the Statutes need to be approved by each National Association. The above mentioned delegates are in charge of presenting the final version to their respective National Association for approval.

Also, besides Mr BINET (Chairman), Mr LAAN (Vice-Chairman) and Mr BOISSON (Secretary), members of the Executive Committee were appointed.

The Executive Committee will therefore be composed of :

Chairman	:	Mr BINET
Vice-Chairman	:	Mr LAAN
Belgian member	:	Mr JANSSENS
	+	Mr BAXENDALE
		Mr WINKLER

This decision were taken unanimously.

V - MEMBERSHIP

The various answers received from the National Associations not members of UTIPULP and contacted last summer were given.

Answers were received from Sweden, Swiss and Austria, and all of them were a refusal.

As far as Spain is concerned it was decided to wait until the situation stabilizes in this country, before approaching them again, may be by the end of 1993.

VI - UTIPULP ACCOUNTS

Mr BOISSON briefly commented UTIPULP accounts as they stood on March 20th 1993. The details are attached to the minutes.

The accounts and the proposal of scheme of expenses was approved unanimously.

It was proposed that a member of the Executive Committee should be appointed as Treasurer to supervise the expenses.

VII - MISCELLANEOUS

1. Eco-label

Mr BATEMAN gave a few information to his colleagues about the process of eco-label in Europe.

Further to the Danish proposal there has been very little agreement among member countries. Eco-label is only concentrating on tissue (June 93) and participants to the Conference have managed to obtain that copy-paper be included "later".

A working group has been formed at CEPI in order to propose other solution to the community.

There is indeed a broad demand for an organized system but which would not be concentrated on process only. The idea is to have a "green certification" (ISO 9000) for each mill, which would take into account the differences between mills and countries.

The "eco-audit" proposal is very likely not to be accepted and there are little chances that one can change what has been drafted.

2. Speakers

Mr WINKLER suggested that Mr Maldwyn THOMAS, representative of the Canadian paper industry in Europe, would come to a UTIPULP meeting to talk for half an hour of what he is doing, and of the position of the Canadians (forestry practices and lobbying in Brussels).

This proposal was unanimously agreed, and also that such a guest would be received at each UTIPULP meeting in the future.

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It was decided that the Secretariat should contact him and invite him to come to the UTIPULP meeting in September.

3. Other matters

It was also said that a German consultant was currently carrying out a survey on some sort of eco-tax in Europe for companies not including recycled fibers in their products. The CEPI Waste Paper Committee is informed.

It was decided that every time an important issue pertaining to UTIPULP was known by any member of UTIPULP, it should be immediately passed on to the secretary who would in turn dispatch it as soon as possible to the other members.

4. List of members

The finalized list of members was circulated, as requested during the last UTIPULP meeting.

VIII - NEXT MEETING

The next meeting of UTIPULP will be held in BRUSSELS on :

**FRIDAY, OCTOBER 1st, 1993
at 9 : 00 am.**

The official dinner will be arranged on the preceding evening.

The secretariat will be in contact with the Belgian delegation for practical arrangements.

Having gone through all the items of the agenda, the Chairman thanked the participants and closed the meeting at 12 : 15 pm.