

UTIPULP

ROMA – OCTOBER 14th, 1994

GENERAL MEETING

MINUTES

UTIPULP

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- ATTENDEES -

AUSTRIA :

M.	Paul	BARTMANN	NEUSIEDLER Aktiengesellschaft
M.	Helmut	MEISL	KNP LEYKAM

BELGIUM :

M.	Joao	FERNANDES	PWA MABELPAP S.A.
M.	Firmin	FRANCOIS	COBELPA
Mr	P.	MULKENS	SCOTT CONTINENTAL
Mr	F.	VAN DEN KEYBUS	DENAEYER PAPIER N.V.

FRANCE :

M.	Dominique	BINET	ARJO WIGGINS
M.	François	LATOURE	AUSSEDAT-REY

GERMANY :

M.	Robert	INÄBNIT	ZANDERS FEINPAPIER AG
M.	Klaus-Dieter	KIBAT	V.D.P.
M.	Wolfgang	URBAN	STORA PURCHASING AND TRANSPORT GmbH
M.	Peter	WINKLER	HAINDL PAPIER GmbH

ITALY :

Mme	Gloria	RICCIONI	CARTIERE BURGO
M.	Roberto	TARANTO	ASSOCARTA

NETHERLANDS :

M.	Martien K.	LAAN	Inkoop-combinatie De EENDRAGT b.v.
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PORTUGAL :

M.	José Manuel	BYRNE	PAPEIS INAPA S.A
M.	Joao A.	LANCA RODRIGUES	CELPA
M.	Antonio	SIMAO	RENOVA

UNITED KINGDOM :

M.	Bryan	BATEMAN	THE PAPER FEDERATION OF GREAT BRITAIN
M.	Richard L.	BAXENDALE	SAPPI (U.K) Limited
M.	James	DAGLISH	TULLIS RUSSELL
M.	C.J.	DEEVEY	UK PAPER Plc

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- AGENDA -

- I - APPROVAL OF THE AGENDA

- II - NEW MEMBERSHIP : AUSTRIA

- III - APPROVAL OF THE PREVIOUS MEETING'S MINUTES
 - The previous meeting was held in Nice on April 20th, 1994.
 - Minutes were circulated on May 27th, 1994.

- IV - STATISTICS
 - Analysis and comments of the last available statistics.
 - Monthly statistics.
 - Other matters.

- V - REVIEW OF THE WOOD-PULP MARKET AND ENVIRONMENTAL ISSUES IN EACH COUNTRY :
 - Demand for paper.
 - Market pulp situation.
 - Chlorine issue.
 - Recycling issue.
 - Forestry issue.

- VI - ELECTIONS
 - Chairman
 - Vice-Chairman
 - Belgian Member of the Executive Committee

- VII - MISCELLANEOUS

- VIII - DATE AND LOCATION OF NEXT MEETING

NB. : During the first half hour of the Meeting our Association shall hear Mr WARDLE, FAO, who shall present his organisation's point of view on pulp and forestry issues, as well as answer your questions.

- MINUTES -

Mr BINET, Chairman of UTIPULP, opens the meeting at 8:00 announced that Mr BOISSON, Secretary of UTIPULP, was unable to attend the meeting and offers apologies on his behalf.

I - APPROVAL OF THE AGENDA

The agenda is unanimously accepted.

II - NEW MEMBERSHIP : AUSTRIA

Mr BARTMANN expressed that, as yet, there is no united opinion as to whether Austria wants to become a member of UTIPULP and that the Austrian Association is now in a process of examining what the group is like, to formulate its decision.

III - APPROVAL OF THE PREVIOUS MEETING'S MINUTES

Mr BINET invites comments on previous meeting's minutes. None are offered and the previous meeting's minutes are approved.

IV - STATISTICS

4.1 Analysis and comments of the latest available statistics.

Mr BINET mentions that the Japanese and American Associations have provided figures for stocks in Europe.

Statistics documents are distributed and reviewed.

Mr BINET notes that in 2nd quarter statistics we see an increase difference 1.8-1.6 and that purchase side consumption is higher in 2nd quarter compared to the 1st quarter, then asks group members if the figures look reliable.

Richard BAXENDALE of UK comments that the increase of softwood does not seem realistic.

Germany responds that everything is possible and comments that there are 27 or 28 companies and that they are looking at an aggregate figure with no general trend. Germany also mentions that where it concerns consumption growth it is important to look back from 1994 to 1992 for there is only a 1% difference.

France says that softwood figures are no surprise and that the mix out looks high.

Mrs RICCIONE of Italy says that the figures reflect the 3rd quarter, but that the situation is changing now. Italy's situation is similar to Germany's in that some company's supply figures well and others not. She adds that there is no very high stock anywhere.

Austria says the softwood figures look too high and the hardwood figures normal, and that the fourth quarter will be worse than the third.

Portugal says the supplying of hardwood is tighter than softwood and that the stock figures should be lower, 36 is too high.

Belgium fully supports the idea that the situation is different from the company to company, and adds that it is important to remember this, when interpreting the statistics.

Mr BINET invites questions or comments then moves meeting to the subject of monthly v.s. quarterly statistics.

4.2 Montly statistics

Mr BINET reminds the group that the French and British have begun keeping monthly statistics, which are more actual than quarterly statistics, and that they have agreed to exchange, their results. UTIPULP has not been able to achieve this amongst all its members, but the idea includes a bi-lateral base any county that can produce monthly statistics can receive the monthly statistics of the other counties.

Germany says that as yet, it is unable to give monthly statistics. Last quarter they have been in the process of testing their methods for monthly statistics. They hope to have monthly statistics available starting from Jan 1995.

Mr BINET suggests that the French and British send their's to Germany in advance, if the British agree.

4.3 Principal of confidentiality

Mr BINET shares that UTIPULP recently received a letter from a paper company which mistakenly thought UTIPULP is a commercial venture and asked how much they must pay for UTIPULP statistics.

Mr LAAN, Netherlands comments that the members of UTIPULP must agree in principle as to what they are prepared to do or not do when outside companies seek this information.

Germany comments that the information should be considered confidential, although it costs a lot of money to gather the information, it should be agreed to be used solely by members of UTIPULP.

Mr BINET suggests that a list is kept of who receives the information outside of the UTIPULP group and by this it can be checked that there are no other receivers of the information.

It is agreed upon by all members of UTIPULP that the statistics information is to be considered confidential and not sold or shared to outside suppliers.

V - TRADE REVIEW

An overview of some of the concerns and developments shared at the meeting by members of UTIPULP regarding paper demand, market pulp situation, chlorine, recycling, forestry and Green movement issues.

Germany comments that it is mainly a softwood pulp user.

It's general economy situation has been improving with an export growth of 2-5% and that a good export business is expected.

In the paper market there is a strong demand for Newsprint and light-weight coated grades. Consumption is good, S.C. is alive, not a dying grade and lightweight coated is doing good export. Companies are lagging in price development. The price of raw materials grows.

Britain says that despite the government being in difficult times, inflation is at an all time low of 2%, and that there is reasonable growth. Unemployment is falling, expecting 2 to 2,5% growth. The position of the industry is strong with 7% growth and all grades going towards a 10% figure. Like in Germany, margins for paper companies are under pressure because of the combined effect of price recovery and increase in pulp prices. As concerns forestry ; hardwood, eucalyptus and others are in short supply and it is commented that Indonesian hardwood is having an impact on global supply and demand.

France contributes that demand was extremely good for wood free papers in the first half of 1994 and that now the demand is slowing down for some of the grades and that environment and forestry are not present issue.

Moreover the order back log is still high.

Holland says that like the UK and Germany demand is good and supply is good.

Austria says that the TCF sector is flattening out. There is a good demand for paper products. No comment on forestry and recycling.

Italy comments that on the paper side, demand was good the first half of the year and that more stability is needed in pulp trends. In wastepaper the market was overheated and is beginning to cool down now. The situation with Russian supply is deteriorating more and more. Italy contributes that for paper products, production increased 7% and that consumption increased 8%. Imports are up from last year and production will near 10% at the end of the year.

Greepeace recently met with the board of ASSOCARTA in Italy and is pushing the industry to adopt TCF.

Portugal says that pulp prices there have increased on everywhere and that the eucalyptus and wood pulp supply situation is tight. The internal paper market is weak and exports very strong. The first 1/2 of the year was much stronger in Portugal but the economy now is extremely weak with the recession still an issue.

Belgium says that the hardwood supply is tight, same as Portugal. Paper production activity was reported as good and there is a forecasted increased use of wastepaper for 1995. On forestry, the issue of certification commented upon as a major concern for pulp importers, and the latest developments on eco-taxes in Belgium were reported.

VI - ELECTIONS

Mr BINET explains to the meeting that election of the new chairman of UTIPULP for two years takes place by the vice chairman moving to the chairman's position. This proposition is unanimously accepted by the UTIPULP members. He therefore offers his congratulations and confidence to Mr Martien LAAN of Netherlands, as new chairman.

A review of accomplishments and improvements made in the past two years of UTIPULP is provided by Mr BINET.

Mr LAAN thanks Mr BINET for his confidence and introduction.

Mr BINET reminds the meeting of the need to elect a new vice chairman for the next two years and recommends Mr Richard BAXENDALE of the UK. This proposition is unanimously accepted by the members and his election is confirmed.

Mr BINET offers him congratulations on behalf of all members of UTIPULP and Mr BAXENDALE thanks the group.

The Belgian Delegation presents Mr VAN DER KEYBUS a successor to Mr JANSSENS. Mr VAN DER KEYBUS will from now on be the Belgian Member of the Executive Committee.

This proposal was unanimously accepted by UTIPULP members.

VII - MISCELLANEOUS

During the meeting Mr BINET introduces and gives thanks to Mr WARDLE from FAO for accepting UTIPULP's invitation to present his organisation's point of view on pulp and forestry issues. Mr WARDLE gives a slide show and talk and welcomes discussion based on FAO's executive summary, 'Pulp and Paper Toward 2010', copies of which were distributed to all the members.

The presentation is followed by a question and answer period with the delegates referring to the figures and trends presented.

VIII - DATE AND LOCATION OF NEXT MEETING

The next UTIPULP Meeting shall be held in London on Friday, **April 7th**, 1995.

An official dinner will be offered by the British Delegation on Thursday, April 6th 1995.

Further details will be forwarded to UTIPULP members in due course.