

# **UTIPULP**

**AMSTERDAM - OCTOBER 6<sup>th</sup>, 1995**

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**GENERAL MEETING**

**MINUTES**

# UTIPULP

AMSTERDAM - OCTOBER 6<sup>th</sup>, 1995

## - ATTENDEES TO THE MEETING -

### AUSTRIA :

Mr Paul	BARTMANN	NEUSIEDLER Aktiengesellschaft
Mr Helmut	MEISL	KNP

### BELGIUM :

Mr Joao	FERNANDES	PWA MABELPAP
Mr Fred	VAN DEN KEYBUS	DENAEYER PAPIER N.V.

### DENMARK :

Mr Eilif	LADEGAARD	STORA PAPYRUS A/S
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### FRANCE :

Mr Dominique	BINET	ARJO WIGGINS
Mr François	LATOUR	AUSSEDAT-REY
Mr Christian	SIBILLE	SIBILLE-DALLE S.A.

### GERMANY :

Mr Rüdiger	BÄCKER	HANNOVERSCHE PAPIERFABRIKEN
Mr Wolfgang	URBAN	STORA PURCHASING AND TRANSPORT GmbH
Mr Peter	WINKLER	HAINDL PAPIER GmbH

### ITALY :

Mrs Gloria	RICCIONI	CARTIERE BURGO
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### NETHERLANDS :

Mr Enrico	BROUWER	V.N.P.
Mr Martien K.	LAAN	Inkoop-combinatie De EENDRAGT b.v.
Mr Gerard	DE VRIES LENTSCH	V.N.P.

### PORTUGAL :

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

### SPAIN :

Mr Luis Rios	HERNANDEZ	TORRASPAPEL SA
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### UNITED KINGDOM :

Mr Bryan	BATEMAN	THE PAPER FEDERATION OF GREAT BRITAIN
Mr Richard L.	BAXENDALE	SAPPI EUROPE WOLVERCOTE PAPER MILL
Mr James	DAGLISH	TULLIS RUSSELL
Mr Chris	DEEVEY	UK PAPER Plc
Mr Georges	MANDL	THOMAS & GREEN Ltd

### SECRETARY :

Mr Jean-François	BOISSON	UTIPATES
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# UTIPULP

## General Meeting

AMSTERDAM, OCTOBER 6th, 1995

### - AGENDA -

- I - APPROVAL OF THE AGENDA
- II - APPROVAL OF THE PREVIOUS MEETING'S MINUTES
  - The previous meeting was held in London on April 7th, 1995.
  - Minutes were circulated on June 6th, 1995.
- III - GENERAL ISSUES
  - a) Spain membership
  - b) Utipulp statistics
    - Exchange with EPIS
    - Discussion on the compilation of DIP-statistics
    - Analysis of UTIPULP statistics
  - c) Date and location of next meeting
- IV - ANALYSIS OF THE PULP AND PAPER MARKETS AND PROSPECTS FOR 1996
- V - ENVIRONMENTAL ISSUES
  - Forestry (report from Messers KIBAT, FRANÇOIS and BATEMAN)
  - Tropical pulp
  - Chlorine-free
  - Eco-labeling of paper
- VI - MISCELLANEOUS

- MINUTES -

Mr LAAN, Chairman of UTIPULP, opens the meeting at 8 : 30 a.m. He welcomes the participants, with a special address to :

- Messers de VRIES LENTSCH and BROUWER, representative of the Dutch Paper Association (VNP),
- Mr BÄCKER (HANNOVERSCHE PAPIERFABRIKEN), who takes part in the meeting for the first time.

And also presents the apologies for absents :

Mr FEDRIGONI	(CARTIERE FEDRIGONI)	Mr KIBAT	(V.D.P.)
Mr FORGO	(AUSTROPAPIER)	Mr KRIEG	(PAPIERFABRIK SCHEUFELEN
Mr FRANCOIS	(COBELPA)	Mr TARANTO	(ASSOCARTA)
Mr GAI	(BOSSOCARTE SPECIALI SPA)	Mr DE WARREN	(JEAND'HEURS S.A)
Mr GONZALEZ	(GRUPO PAPELERO TORRAS)		

**I - APPROVAL OF THE AGENDA**

The agenda was approved.

**II - APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

The minutes were unanimously approved.

### **III - GENERAL ISSUES**

#### **1. Spain membership :**

Mr BOISSON reported the various contacts he had had with Mr RIOS of TORRAS PAPEL, regarding the joining of Spain. The idea was to comply as much as possible with the statutes, but Spain had also to be accepted one way or an other.

Three options were then proposed to TORRAS :

- to join UTIPULP through ASPAPEL, the Spanish Association,
- to join UTIPULP through an association of Spanish pulp users,
- to find an other solution, should the two first ones happen to be not possible.

The first option did not proved to be successful, and TORRAS is currently trying to establish a co-operation with other Spanish pulp-users companies, in order to form an independant association of Spanish pulp users. The outcome was not known at the time of the meeting.

Mr RIOS said his company was very eager to join UTIPULP and that they were putting substantial efforts in this way.

Mr LAAN concluded by hoping that Spain would eventually be full member for our next meeting.

#### **2. Request of Austria :**

AUSTROPAPIER, the Austrian Association recently sent a request to UTIPULP Secretariat, presenting the name of a new Austrian representative : SCA LAAKIRCHEN. This request being perfectly valid considering the number of seats granted to Austria, Dr Rudolf SEELMANN, is most welcome within UTIPULP. The Secretary was asked to proceed with usual paperworks.

#### **3. Italy's representatives :**

UTIPULP members were informed that Italy had nominated a new representative : Mr GAI (CARTIERE BOSSO), who unfortunately could not attend.

#### **4. Statistics :**

- **Exchange with EPIS :**

Mr LAAN reported the discussions he had with Mr STENBERG from EPIS. The decision to discontinue the exchange was actually taken by the Board of EPIS, further to the impression of EPIS members that UTIPULP Secretariat was manipulating the figures.

On the principle, EPIS is now not opposed anymore to the resuming of the exchange. However, they have consulted lawyers to make sure that the compilation, the exchange and the comments on such statistics were lawful. There is therefore nothing else to do, but to wait.

Participants said that lawyers could generally speaking never agree on this issue. One damageable consequence could be the discontinuation of NORSCAN statistics, which would cast uncertainties on the market.

- **Discussion on the compilation of DIP-statistics and CTMP :**

Mr BOISSON reported that further to the London meeting, when the decision to compile DIP and CTMP monthly statistics was taken, he had sent out a questionnaire aiming at having the confirmation from National Association that these decisions were technically possible to implement.

The answers were :

- for CTMP, unanimously yes.

It was therefore decided that from 01.01.96 onwards, UTIPULP statistics should include an additional line for CTMP (hardwood and softwood together) for consumption and inventories).

- for DIP, it appeared that three countries could apparently not comply.

After discussion, Mr WINKLER said he would convince VDP to join the exchange as well. Same for France and Portugal, even if consumption and stocks are zero. It was stressed that it concerns market DIP only. It should start from 1996 onwards.

- **Analysis of UTIPULP quarterly statistics :**

First of all, it was stressed that the trends shown in UTIPULP four-country monthly exchange and the quarterly trends were consistent.

There were few discussions on the figures because the second quarter was already way behind. It was noted though to see the transfert of stock in Japan (which are breaking records) from trade-houses to companies.

## **5. Date and location of next meeting :**

Further to a proposal made by the Executive Committee, the next UTIPULP meeting should take place in Berlin (Germany) on Friday, March 29th, 1996, with the official dinner on the evening of the 28th.

The German Delegation will work out a program shortly.

#### **IV - ANALYSIS AND PROSPECTS**

At Mr LAAN's request, each delegation presented its view on the recent and future market developments.

The conclusions can be summarised as follows :

- There are significant curtailments in production of paper and board throughout Europe. Those curtailments are due to the overstocking situation which prevails at merchants' and converters. The actual market growth is still fair (4 - 5 %). The only buoyant market is that of newsprint and wood containing grades generally speaking.
- Because there is too much paper on the market, demand is weak and therefore demand for market pulp is weak as well. Most of UTIPULP participants stated that their needs in market pulp would be slim in October.
- It was reckoned that an average 20 to 30 % drop in consumption, compared to 1994 at the same time, should be experienced during the 4th quarter, in Europe.
- Concern was raised regarding the profitability of paper companies as so far the \$ 100 increase in pulp prices, since June 1995, has not been compensated (and is still far from being) by paper price increase.
- This phenomenon of disconnection between pulp and paper, also applies to pulp grades, which are used to moving in phase. CTMP and DIP should be under some pressure as demand is strong but supply limited.  
A delegate mentioned the attitude of Southern Pine producers, which will probably lower their prices rather than take downtimes, which will widen the gap with NBSK and may be induce some substitution effects.
- Iberic pulp users mentioned that Eucalyptus supplies are scarce, which is not the case in other European countries. This is mainly due to maintenance and low stocks.
- Inventories will very soon shift from users' to suppliers.
- It will be very interesting to see the DIP's consumption development, now that waste-paper prices are going down.
- A comparison was made to the situation in 1990, which was very similar to that of Septembre 1995.

Also to 1992, when prices went up for a couple of months, after falling again until end 1993. This time, it would be a symmetrical situation, with a six-month down before going up again.

## V - ENVIRONMENTAL ISSUES

### 1. Forestry :

Mr BATEMAN (United Kingdom), also very much involved in European working group on Forestry Certification, reported on the situation, based on a document compiled for UTIPULP members. He said that the European Paper Industry is under pressure and should be extremely careful in its decisions.

The idea of the green movements is to ensure that wood used for pulping is cut from well-managed forests. Two major groups are working in this direction (WWF and FSC) and have established ten principles for measuring sustainability.

Those groups have thoroughly lobbied consumer's organisations and national legislations are on the process of being ignored.

European wood-chain people are pushing for establishing an independant organisation for scruting and validation, and ISO certification is one of the ways.

### 2. Tropical pulp :

Now that ships are getting to Europe, the issue might start to be of some significance. It is however important to recognise that wood grown in a tropical area is not necessarily tropical wood.

It was agreed that Greenpeace seems to have other priorities for the time being.

### 3. Chlorine-free paper :

It was agreed that because the market had so far been under-supplied and tensed, TCF and ECF did not really matter for pulp buyers. Yet, now that it seems that conditions are less tough, eco-marketing might well come back and the TCF / ECF issue with it.

In the United Kingdom, SÖDRA has been sued by the Advertising Standard Authority for overstatement in their recent advertisement.

TEF seems more popular tough, but has not yet developped yet.

### 4. Eco-labelling :

It was reported that not a single tissue manufacturer in Europe had applied for it (even though the eco-label has been available for some time now). This, in addition to the discontinuation of the eco-label on copy-papers (partly under US pressure) goes in the direction defended by the European Paper Industry : eco-audit.

Having gone through all the items of the agenda, Mr LAAN closed the meeting at 12 : 15 p.m.