

UTIPULP

BERLIN - MARCH 29th, 1996

GENERAL MEETING

MINUTES

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- ATTENDEES TO THE MEETING -

AUSTRIA :

M. Paul	BARTMANN	NEUSIEDLER Aktiengesellschaft
M. Helmut	MEISL	KNP

BELGIUM :

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

DENMARK :

M. Eilif	LADEGAARD	STORA POPYRUS A/S
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FRANCE :

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

GERMANY :

M. Rüdiger	BÄCKER	HANNOVERSCHE PAPIERFABRIKEN
M. Klaus	KRIEG	PAPIERFABRIK SCHEUFELN GmbH & Co.KG
M. Peter	WINKLER	HAINDL PAPIER GmbH

ITALY :

M. Alessandro	FEDRIGONI	CARTIERE FEDRIGONI & C s.p.a
Mme Gloria	RICCIONI	CARTIERE BURGO

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

SWITZERLAND :

M. Nicolas	MÜHLEMANN	PAPIERFABRIK BIBERIST & UTZENSTORF
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UNITED KINGDOM :

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

SECRETARY :

Mr Jean-François	BOISSON	UTIPATES
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- AGENDA -

- I - APPROVAL OF THE AGENDA

- II - APPROVAL OF THE PREVIOUS MEETING'S MINUTES
 - The previous meeting was held in Amsterdam on October 6th, 1995.
 - Minutes were circulated on November 14th, 1995.

- III - GENERAL ISSUES
 - a) Spain and Switzerland membership

 - b) Utipulp statistics
 - Exchange with EPIS
 - Analysis of UTIPULP statistics
 - Other issue(s)

 - c) Budget 96 and 95 UTIPULP accounts

 - d) Date and location of next meeting

- IV - ANALYSIS OF THE PULP AND PAPER MARKETS

- V - ENVIRONMENTAL ISSUES
 - Forest certification
 - Other environmental issues

- 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 :

- Mr KRIEG (PAPIERFABRIK SCHEUFELN GmbH & Co.KG), who takes part for the first time in an UTIPULP meeting,
- M. Nicolas MÜHLEMANN (PAPIERFABRIK BIBERIST & UTZENSTORF) from SWITZERLAND, who attends the meeting as an observer in view of the joining of the Swiss Federation.

Mr LAAN said he would welcome the joining of the Swiss Federation, and he is confident that

Mr MÜHLEMANN will make a positive report further to the meeting.

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 and Switzerland membership :

- Mr BOISSON reported that he had had several contacts with the Spanish Paper and Board Federation and the Spanish Printing & Writing Federation, which both had turned down the proposal for joining. He had recently sent to Mr RIOS the requirements for statistical exchange, but has had no reply so far, and Mr RIOS was unable to attend the meeting.
- Switzerland has also shown some interest in joining UTIPULP, which is the reason for the participation of Mr MÜHLEMANN. Mr BOISSON has approached Mr HÄBERLI (ZKP) in this respect and there should be, at first sight, some opportunities.

2• Statistics :

- Mr LAAN informed the participants that further to lengthy discussion with the Chairman of EPIS, Mr EKLUND, EPIS members agreed to resume the exchange of statistics. This should be in place shortly.
- During the discussion with EPIS, it appeared that pulp producers would favour a monthly exchange rather than a quarterly. This request has also come from the AFPA (USA) with which a bilateral exchange has been set up.
After some discussion, it was agreed that all delegations would do their best to switch from quarterly to monthly within the delay requirements. At this time, 4 countries (UK, France, Germany and Austria) are exchanging on a monthly basis, and are fully satisfied with the statistics. The Secretary should arrange with representatives from each country.
- Further to the publication of UTIPULP figures in PPI (end of March) a discussion went on as to the confidentiality of the figures compiled. It was generally admitted that full secrecy is nowadays difficult to achieve. Moreover key actors on the market have all interest in having access to the largest number of sources of information. Transparency is therefore useful to pulp buyers as well as to pulp sellers, within the limits of the law of course. UTIPULP members therefore are in favour of statistical exchange with other organisation, within the limits of the law and on a reciprocal basis.

3• Budget 96 and 95 UTIPULP accounts

- Mr BOISSON presented the 1995 UTIPULP accounts. They show a profit of 2.180,35 FF. The 1995 accounts were unanimously approved by the participants.
- The 1996 budget was also proposed. There are little changes compared to 1995, with contributions amounting to 95.000,00 FF (same as in 1995). The table for sharing of expenses was approved unanimously, and Mr BOISSON was asked to send the invoices to all members.

4• Next meeting :

It was decided that the next UTIPULP shall take place in Wien (AUSTRIA). The Austrian members of UTIPULP were thanked for the invitations.

The meeting should take place on Friday, September 27th, 1996, with an official dinner on the 26th.

IV - ANALYSIS OF THE PULP AND PAPER MARKET

1• Paper markets :

- Most delegates agreed that the destocking operations initiated in April 1995 are now over, and that customers now have very low levels of stocks.
However, demand remains weak as paper and board purchasers are hoping every day that they will be offered a better price tomorrow. Delivery notices are very short, and therefore order books are almost empty.
- Coated papers (WF) are in a worse situation than uncoated woodfrees, although volumes are not so bad altogether.
LWC is not good at all but for seasonal reasons and serious downtimes are scheduled for August.
Finally packaging is not any better than graphic grades. A severe drop in food consumption could explain most of the decrease.
- It was reported that US markets for CWF and LWC were not satisfying at all.
- Finally the economy in Europe is not buoyant, which has a significant impact on paper consumption.
- Logically, as supply exceeds demand, paper prices are falling.

2• Pulp markets :

- The situation is very confusing, with little visibility if any. It was noted that pulp consumption remains fair (February 95 is 95 % of that of February 94 which was a buoyant period).
Stocks are high, with a special note for Portugal in EKP. It was noted that stocks were high both at sellers and at buyers.
- The only possibility to regulate the market is to curtail production of pulp, but it was acknowledged that the reduction of production should be significant and widespread to have any effect.

- Some discussions went on between participants. It was generally agreed that the bottom had more or less been reached, now that cash-costs have been reached. A recovery should come before the end of the year, but no one could say whether it would be June or September and whether it should bear a "U" or a "V" form...

V - ENVIRONMENTAL ISSUES

1• Forest certification :

- Brian BATEMAN reported on the issue stating that this issue was of growing importance. The latest meeting on that subject took place in London (UK) February 28-29th/March 1st 1996, where it was agreed (against the opinion of green movements) that there is a role for ISO in forest certification.
- Some South-African forests are already certified ISO 14000.
- Brian BATEMAN also mentioned the following elements :
 - important customers (publishing companies) have threatened their suppliers not to buy from them should they fail to produce an ISO 14000 certificate (which is going against the European regulation on competition),
 - a data base has been started in the UK in order to provide customers with information on the sourcing of raw-materials for a given pulp.
 - CEPI has issued a statement saying they would support the ISO solution but some internal difficulties make the actual weight of such a position not so effective.
- A quick discussion around the table showed that all participants are highly interested in this issue, although the worse case remains the UK.
The general feeling was that the system as it is nowadays is too complex to be applied like it is. A regional certification is anyway the only option (especially in Southern Europe) as it would be impossible to certify down to the smallest sub-entity.
- See documents from Brian BATEMAN attached.

2• Chlorine-free paper:

It was reported that an interview of a Canadian TCF producing company complaining that the TCF market was declining, had been passed on to the Chairman of Greenpeace in Germany. This could be the revival of the chlorine-free issue in sight.

VI - MISCELLANEOUS

- Mr WINKLER proposed his colleagues to agree on new trade practices and to decide, with pulp sellers, to work from now on on a price-on-arrival basis. In his opinion, given the shipping delay required to get pulp from British Columbia for instance (6 weeks) compared to that taken from Scandinavia, it would correspond better to the reality on the market, when pulp actually becomes a good owned by the buyer.
- After discussion and although the idea was said to be valuable, it was agreed that each country should keep its business practice.

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