

UTIPULP

GENERAL ASSEMBLY

ROME – April 11th, 2014 (8h30 - 12h30)

Minutes

Attendees:

Mr	Victor	KAMM (Chairman)	SAPPI EUROPE SA
Mr	Luigi	ASTENGO	BURGO Group
Mr	Paul	BARTMANN (Vice-Chairman)	MONDI
Mr	Bernhard	BECK	MUNKSJO
Mr	Gerrald	BLOUW	COLDENHOVE PAPIER BV
Mr	Diego	BORELLO	AHLSTROM
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Brian	DILLON	SCA HYGIENE PRODUCTS
Mr	Joerg	DITOMBEE	MITSUBISHI
Mr	Peter	DONNABAUER	DELFORT Group
Mr	Martin	DREWS	VDP
Mr	Steve	FREEMAN	CONFEDERATION OF PAPER INDUSTRY
Mrs	Ute	GIERDEN	KANZAN SPEZIALPAPIERE GmbH
Mr	Armando	GOES	CELPA
Mr	John	GOVIER	ARJOWIGGINS Ltd
Mr	Burckhard	KRUECKE	WEPA PAPIERFABRIK
Mr.	Massimo	MEDUGNO	ASSOCARTA
Mr.	Stéphane	MOZDYNIEWICZ	PAPETERIES DE CLAIREFONTAINE
Mr	Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr	Giovanni	PELIS	GRUPPOCORDENONS SPA
Mr	Andrea	PIAZZOLLA	SOFIDEL SPA
Mr	Norman	SNEL	Inkoop-combinatie De EENDRAGT b.v.
Mr	Pierre	UZUREAU	SMURFIT KAPPA CELLULOSE DU PIN
Mr	Vitaliano	VANTINI	FEDRIGONI CARTIERE
Mr	Paul-Antoine	LACOUR	UTIPULP

Excused:

Mr	Enrico	BROUWER	VNP
Mr	Firmin	FRANCOIS	COBELPA
Mr	Miguel	GOENAGA	CLARIANA, S.A
Mr	Patrick	MADER	AUSTROPAPIER
Mr	Pierre	MARNEFFE	IDEM PAPERS
Mr	Manuel	MOREIRA DOS SANTOS	SOPORCEL
Mr	Carlos	REINOSO	ASPAPEL
Mr	Andre	RIEGERT	LECTA
Mr	Martin	WERNER	SCHOELLER TECHNOCELL

1. Welcome and apologies

The Chairman welcomes all the participants, reminds safety procedures as well as the Guidelines pertaining to the competition laws have been sent prior to the meeting, and that participants have strictly to comply with.

The chairman then warmly thanked ASSOCARTA for its excellent organization of the social part of the meeting the day before, as well as for having sponsored it.

2. Remembrance of Mr. Jean-Olivier ROUSSAT

The chairman reminds that Mr Jean-Olivier Roussat, Director General of Papeteries de Clairefontaine, suddenly passed away on 18 February 2014. He said that some UTIPULP representatives were at the funeral, and that Jean-Olivier will be remembered as a very active, joyful and professional member of UTIPULP.

He then asked one minute of silence in remembrance of Jean-Olivier.

3. Approval of the minutes of September 20th, 2013 (Barcelona)

The minutes have been approved without amendments.

4. UTIPULP Management

- Executive Committee members

The Chairman informs the participants that the list of Executive Committee members, as decided by the General Assembly in Nice (September 2012), is unchanged.

As Mr. ROUSSAT passed away in February, France will have to propose a representative within the Executive Committee at a next General Assembly.

- Composition of the National Delegations

The National Associations members of UTIPULP will keep on informing the Secretariat about any change of their representatives.

- Draft Covenant between COPACEL and UTIPULP

The Executive Committee members have approved the covenant between UTIPULP and COPAPCEL. The document has been signed by the Chairman and the Secretary. The chairman recalls that this covenant aims to secure, on a legal point of view, the reimbursement of costs supported by COPACEL in order to carry out the Secretariat of UTIPULP. This covenant does not introduce anything new with respect to the current situation.

5. Financial matters

Accounts 2013

The Secretary presents the accounts for 2013 which have been approved by the Executive Committee members. Expenditure amounts to 24 289.97 Euros, and revenues to 3 291.72 Euros, which results a net credit of 3 291.72 Euros. This net credit will be affected to the reserves.

Budget 2014

The chairman informs the members that the Budget for 2014 has been approved by the Executive Committee members. He invites the Secretary to give some details.

Expected expenditures amount to 26 350 Euros. In this total, the Secretary stresses that 2 500 Euros have been reserved in case of payment of a consultant or a lawyer on topics of interest to UTIPULP.

Expected revenues amount to 27 580, which is the same level as in 2013.

A positive result of 1 230 Euros is therefore expected.

6. General Trade Rules (GTR)

Norman Snel presents the main differences between the « old » and the « new » version of the GTR. (see slides sent by e-mail after the meeting). He reminds that parties are free to introduce changes to the GTR, provided there is an agreement. It is also noticed that some suppliers already refer to the new GTR, even if it formally enters into force as of 1st May 2014 only.

Norman Snel then mentions that an agreement will be signed between EPIS and UTIPULP on how to proceed regarding future updates of the general trade rules for wood pulp. It is agreed that both parties will contact each other before introducing any change in the future GTR.

UTIPULP members warmly thank Norman Snel and all other UTIPULP contributors for the great achievement that represent the new GTR.

Agreed: The new GTR will be put on the public part of the UTIPULP website.

7. PIX index

Paul Bartmann and John Govier report on the discussion they had with other Parties (EPIS, FOEX) involved in the discussion on PIX index .

Main issues they reported upon are the following:

- Market has evolved, index has not
- Reporting procedure are not clear even for native English speakers. As procedures descriptions are difficult to understand, every user adapt them to its own usage and understanding
- No audit exist of the reporting procedures

Subsidiary points are also presented:

- Retroactive pricing
- Minimum quantities
- No weighting so far

It is added that FOEX has been bought recently by RISI, which raises concerns on the real implementation of a Chinese wall between the staff members of RISI in charge of PIX and those responsible for other activities (consulting/economics,...).

It is also reported that UTIPULP, EPIS and FOEX agree on the need:

- to make PIX more easy to read (in particular thanks to a translation in different languages) ;
- to keep on a diffusion of the Index on a weekly basis.

UTIPULP members have common views on all issues discussed above, with one exception regarding the introduction a weighting of declared prices.

Agreed:

- **UTIPULP delegates have the mandate to keep discussions with other parties on the PIX index**
- **They should nonetheless for the moment refrain to take a position on the use (or not) of a weighting**
- **Paul Bartmann will circulate to the members a short memo presenting how the PIX index is currently calculated. Members will give feed-back on the questions raised in this memo.**

8. Other dossiers

8.1. EU Timber Regulation

After an introduction of the topic (see presentation) by the Secretary, one German delegate reports that his company has been controlled by the administration in order to assess its fulfillment with the requirements of the EU Timber Regulation.

It appeared that :

- The German civil servants in charge of the control were at the beginning of their learning process and spent a large part of their time to learnt about the basics of papermaking and woodpulp supply ;
- The control took one day and a half ;
- The control took place after a notice of two weeks ;
- During this period, three woodpulp shipments have been controlled ;

- Controls have been made also on the invoicing of customers ;
- The control went well, but it's likely that they will become more stringent in the future. It seems that another German paper company has been controlled after a much shorter notice.

One member added that PEFC (and FSC) have included in their procedures means to fulfill the EUTR.

8.2. FSC Online Claim Platform (OCP)

The Secretary introduces the issue (see presentation) and stresses that the CEPI Board on 27 November 2013, has recommended pulp and paper companies to refrain from testing the tool proposed by FSC.

Agreed: The Secretariat will keep on informing UTIPULP members on the developments of this dossier.

8.3. ISO standard on Chain of Custody

ISO (PC 287) has started to develop an International Standard whose objective is to specify requirements for the establishment of a chain of custody (CoC) of wood based products. Next Meeting of ISO PC 287 will take place in Berlin on 19 and 20 May. Practical consequences for pulp users are not easy to identify yet. The standard might enable, in the future, if PEFC and FSC CoC fulfill the ISO standard, to have only one CoC (but a labelling on products both for FSC and PEFC).

Agreed: The Secretariat will keep on informing UTIPULP members on the developments of this dossier.

9. Statistics

The Secretary presents the new template for the monthly report, whose objective is to be clearer and shorter (without losing important information) than the current one.

Agreed: UTIPULP members approve the new template with some minor comments regarding the wording of certain tables.

Nota: after the meeting, one delegate suggests that the "y axis" does not start at "zero" but at a higher value, so that monthly variations appear more clearly . This proposal will be discussed at the next meeting (September), and UTIPULP Secretary will send a revised template before it.

Statistics/country reports

Delegates provide a short presentation of the situation of their own countries regarding economic situation and pulp markets (see synthesis circulated before the meeting).

These presentations make it clear:

- A continuing decrease of graphic paper demand;
- A relatively good situation of other grades (particularly tissue and specialties);
- A major attention paid by several delegates on energy markets and costs (in particular in connection with the Ukraine crisis and its impact on gas supply)

10. Date and place of the next meetings

The next common seminar with EUROPULP will take place on **Thursday 18th and Friday 19th of September, 2014** in Barcelona.

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