

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

BARCELONA – September 18th, 2015

Minutes

Attendees:

Mr	Paul	BARTMANN (Chairman)	MONDI
Mr	Steve	ABDULLA	SCA Hygiene products
Mr	Luis	ARRUE	Papelera del ORIA SA
Mr	Romain	BALDI	Munksjö Labelpack
Mr	Bernhard	BECK (Vice-Chairman)	Munksjö
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Jörg	DITTOMBEE	MITSUBISHI
Mr	Peter	DONNABAUER	DELFORT Group
Mr	Martin	DREWS	VDP
Mrs	Ute	GIERDEN	KANZAN SPEZIALPAPIERE GmbH
Mr	Armando	GOES	CELPA
Mr	John	GOVIER	ARJOWIGGINS Ltd
Mr	Victor	KAMM	SAPPI EUROPE SA
Mr	Stéphane	MOZDYNIWICZ	PAPETERIES DE CLAIREFONTAINE
Mr	Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr	Giovanni	PELIS	GRUPPOCORDENONS SPA
Mr	Andrea	PIAZZOLLA	SOFIDEL SPA
Mr	André	RIEGERT	LECTA
Mr	Carlos	REINOSO	ASPAPEL
Mr	Norman	SNEL	SAPPI EUROPE SA
Mr	Joep	STEVENS	Inkoop-combinatie De EENDRAGT b.v.
Mr	Pierre	UZUREAU	SMURFIT KAPPA CELLULOSE DU PIN
Mr	Paul-Antoine	LACOUR	UTIPULP

Excused:

Mr	Gerrald	BLOUW	COLDENHOVE PAPIER BV
Mr	Diego	BORELLO	AHLSTROM
Mr	Brian	DILLON	SCA HYGIENE PRODUCTS
Mr	Firmin	FRANCOIS	COBELPA
Mr	Steve	FREEMAN	CONFEDERATION OF PAPER INDUSTRY
Mr	Miguel	GOENAGA	CLARIANA, S.A
Mr	Burckhard	KRUECKE	WEPA PAPIERFABRIK
Mr	Patrick	MADER	AUSTROPAPIER
Mr	Pierre	MARNEFFE	IDEM PAPERS
Mr	Lorenzo	MARZOTTO	BURGO Group
Mr	Vitaliano	VANTINI	FEDRIGONI CARTIERE
Mr	Martin	WERNER	SCHOELLER TECHNOCELL

1. Introduction

1.1 – 1.3 Welcome, Safety and Legal guidelines for attending UTIPULP meetings

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

Andrea PIAZZOLA presents, on behalf of ASSOCARTA, the apologies of Lorenzo MARZOTTO. He adds that Lorenzo MARZOTTO, due to changes in his company, is not able any longer to represent ASSOCARTA within the Excom, but that ASSOCARTA will propose at the next General Assembly a delegate for the Excom.

1.4. New delegates

The Secretary mentions there is no new delegate. The Chairman raises the issue of contacting pulp and paper associations of Eastern Europe in order to introduce UTIPULP and explore their wish to join the Association. The Secretary says these national associations have limited resources and, with the exception of Poland, rarely participate in CEPI meetings. After discussion, delegates consider it is of interest to contact them.

Agreed:

- **The Chairman and the Secretary will contact national pulp and paper associations of Eastern Europe (including Turkey),**
- **They will report on their contacts at the next General Assembly (acceptance of new members is subject to the approval of the General Assembly).**

1.5. Approval of the minutes of the last meeting (Dresden, April 17th, 2015)

The minutes are approved without amendments.

2. Special Subject Dossiers

2.1 Follow-up Discussions with EUROPULP and EPIS

The Chairman expresses satisfaction that the Europulp/Utulp Seminar attracts more and more persons, and asks delegates if they share this view. This perception is shared by participants, who believe that the timing and the location of the event is very good, and that there is no need to change them. The Chairman also questions if there is a need to advertise more widely the event.

Agreed:

- **During the future discussions with Europulp, the Chairman will confirm there is no wish of UTIPULP to change the place and date of the Seminar,**
- **There is no need to advertise the Seminar more than what has been done so far,**
- **In order to ease the invoicing, the names of people invited by UTIPULP delegates will be given to the UTIPULP Secretariat (and not directly to the Europulp Secretariat).**

2.2 PIX/FOEX

John GOVIER and the Chairman share some reflexions with the participants. They mention that:

- setting up an index like PIX is a complicated thing and we cannot expect it is a perfect tool, although some improvements have been made,
- the index is clearly “looking backward” and is intrinsically higher than the market,
- despite these drawbacks, if the buyers do not provide the prices to FOEX, the result would be that the index overstates the market,
- it is therefore desirable to send prices in a consistent way months after months, without spending too much time.

These introductory remarks are followed by a debate where some participants express concerns and questions:

- How are taken into account the exchange rates when prices are declared in Euros?
- Do we really need such an index (some members give a positive answer to this question, as a situation of “blindness” would favour the large players on the markets, who are mostly the sellers),
- Is FOEX matching, for the same volumes, the prices declared by buyers and sellers? (answer is no),
- How are taken into account the prices of the different eucalyptus species?
- How is taken into account the fact that, for hardwood pulp, prices are different for birch and eucalyptus?

Agreed:

- **Although diverse views remain on the usefulness of sending prices to FOEX, a majority of the delegates consider it is serving the buyer’s interest to do so.**

2.1. Brazilian statistics

The Secretary reminds the participants of the past development of the dossier (see presentation). He mentions in particular that:

- IBA declared that it will send to CEPI a letter explaining why they consider to stop releasing on a monthly basis hardwood pulp production statistics,
- due to the numerous companies that decided in August and September not to send their statistics of consumption of pulp (leading some national associations to be unable to deliver to UTIPULP corresponding aggregated figures), UTIPULP cannot mention anything else than “not available”.

After this presentation, some participants consider that:

- The explanation orally given by IBA (and Brazilian sellers) of an alleged problem with national competition regulation law is seen as an excuse,
- The real reason is certainly more the wish to “hide” to the market information like growing inventories.

The “retaliation strategy” is then discussed, some members considering that statistics of consumption should be unveiled whatever is the decision of IBA (as they are useful for buyers), but other consider that a more determined position should be taken.

Agreed:

- Regarding the position to take vis à vis IBA, it is decided to wait for the letter that should be received now shortly,
- Regarding the processing of the statistics by UTIPULP, participants agree that all companies should send again their data to their national association, so that UTIPULP is able again to aggregate them,
- The participants will inform within their national association of this decision so that all companies report their consumption figures,
- All statistics (HW and SW) will be sent on a monthly basis (as in the past) but to the members only. The monthly public summary will not contain figures pertaining to hardwood. Only quarterly reports will contain HW figures,
- The compliance with EU regulation for disclosing information as mentioned above will be analysed by a lawyer.

2.2. GTR: list of laboratories for measuring air-dry content

The Secretary presents the issue (see slides) that is twofold. Firstly, is there a value added for UTIPULP companies to have a list (agreed upon with Europulp) of laboratories able to carry-out the measurement of air-dry content of pulp? Secondly, is there a need to identify a method for assessing the air-dry content of pulp that is easy to put in place?

Agreed:

- After discussion, the delegates consider there is no need to put in place jointly with Europulp a list of laboratories,
- Regarding an “easy way” to measure the air-dry content of pulp, Victor KAMM will check whether an instrument designed to determine the moisture of wood could also be used for pulp. Martin DREWS will investigate if the instrument AP500 of the company EMCO could also be used with the same objective (if yes, this company could be invited at the next meeting).

3. Special Subject Dossiers (trade)

3.1 Genetically modified trees (P.A. Lacour)

The Secretary briefly presents some outlines of a set of slides made by FuturaGene. He adds that FuturaGene, but also IBA, have a worldwide lobbying activity in order to foster the acceptance of GM trees (and pulp) by authorities, customers and certification schemes. He adds that this issue is closely followed by CEPI, and that a consultant will be appointed to make a mapping of the situation.

Agreed:

- The Secretary will keep on reporting on this issue.

3.2 Product Environmental Footprint (PEF)

The Secretary makes a quick presentation of this project of the European Commission (see slides). If papermaking companies, in the future, use the PEF approach, the environmental features of pulp will be a key in the determination of the environmental footprint of paper.

3.3 FSC / PEFC / EU Timber Regulation

The Secretary makes an update of these different dossiers (see slides).

4. Association Topics

4.1. Finance and Administration

The Secretary mentions that the change of address is underway (new COBELPA address). He also informs the participants that the expenses and revenues are in line with the 2015 budget and that a surplus is very likely.

4.2. New UTIPULP website

The Secretary reminds that a new website is in place and that all remarks for improvement are welcomed.

Agreed:

- **The Secretary will give the members a new password.**

4.3. Statistics

John GOVIER recalls that the data for UK have been aggregated with those of the Netherlands and Belgium for confidentiality reasons (too few companies are no purchasing pulp in the UK after Tullis Russel stopped production).

Agreed:

- **With the purpose to increase the quality of the data, UTIPULP will, as of October 2015, prepare a table presenting the dates of transmission of the figures by national associations.**

4.4. Member countries: special items and tour de table

Delegates present the key features impacting the market pulp business in their country.

5. Any other business

5.1 Presentation of CEPI

Due to the lack of time, this item has not been addressed.

Agreed:

- **The Secretary will present CEPI during the next meeting.**

5.2 Eligibility of delegates

John GOVIER questions whether there are criteria to be considered by a national association when appointing a delegate who works with a company that has a business as seller of market pulp.

The Chairman answers that if such a situation occurs, eligibility criteria can be determined.

6. Close out

6.1. New date & location

The Dutch Association (VNP) kindly invites UTIPULP to have its next General Assembly in the Netherlands (venue to be confirmed). The General Assembly will take place on **22 April, 2016** with the Excom on the eve.

The Chairman also mentions that the Europulp/Utipulp Seminar in 2016 will take place on **15 September 2016**, and will be followed by the UTIPULP General Assembly on **16 September 2016**.

6.2. Closing

As no further question is raised, the Chairman closes the meeting.