

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

VIENNA – April 20th, 2018

8h30 – 12h30

Minutes

Attendees:

Mr	Bernhard	BECK (Chairman)	AHLSTROM-MUNKSJÖ
Mr	Steve	ABDULLA	ESSITY
Mr	Paul	BARTMANN	MONDI
Mr	Gerrald	BLOUW	NEENAH COLDENHOVE
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Jörg	DITTOMBEE	MITSUBISHI
Mr	Peter	DONNABAUER	DELFORT Group
Mr	Martin	DREWS	VDP
Mr	Steve	FREEMAN	CONFEDERATION OF PAPER INDUSTRY
Mrs	Ute	GIERDEN	KANZAN SPEZIALPAPIERE GmbH
Mr	Victor	KAMM	SAPPI EUROPE SA
Mr	Burckhard	KRUECKE	WEPA Hygieneprodukte GmbH
Mr	Patrick	MADER	AUSTROPAPIER
Mr	Ivo	MAZZURANA	BURGO Group
Mr	Stéphane	MOZDYNIEWICZ	PAPETERIES DE CLAIREFONTAINE
Mr	Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr	Andrea	PIAZZOLLA	SOFIDEL
Mr	Norman	SNEL	SAPPI
Mr	Joep	STEVENS	Inkoop-combinatie De EENDRAGT b.v.
Mrs	Charo	VIEJO	LECTA
Mr	Mustapha	ZAUG	ARJOWIGGINS
Mr	Paul-Antoine	LACOUR	UTIPULP

Speaker:

Mrs	Franziska	BELTZ	EMCO GmbH (partly)
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1. Introduction

1.1 Welcome and apologies

The Chairman welcomes all the participants and thanks the Austrian association (AUSTROPAPIER) and Patrick MADER for having kindly sponsored and organised the sightseeing tour of the historic Vienna and the dinner that took place on the eve.

He also thanks MONDI and Paul BARTMANN for having kindly offered to host the meeting in their premises.

He then gives the floor to Mustapha ZAOUG, who attends for the first time the General Assembly. Mustapha ZAOUG introduces himself and mentions that he is with Arjowiggins and has succeeded to John GOVIER.

1.2 and 1.3 Safety and Legal guidelines

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

1.4. New Member

The Secretary informs the members that the Polish Paper Association (SPP) has confirmed its interest to join UTIPULP. The representative of SPP, Mr Jacek Los, from Artic Paper, was not able to join for this meeting but plans to come during the Barcelona meeting.

1.5. Approval of the minutes of the last meeting (Barcelona, September 15th, 2017)

The minutes are approved without amendments.

2. Special Subject Dossiers

2.1 Compliance to the competition regulation by pulp seller

The Secretary reminds that, during the meeting that took place in Barcelona (September 15th 2017) it was agreed that the companies that likely infringed the competition regulation will receive a letter alerting them on their public statements.

After internal discussions, it was agreed that the good level of contacts are the paper Association of Brazil and Indonesia and not the companies themselves. It was also agreed that the letter should be sent by CEPI and not UTIPULP because (i) the topic goes beyond the issue of market pulp (ii) CEPI is known by the Brazilian Association.

The Secretary mentions that these letters had little effect: there has been no answer from the Brazilian Association, and the Indonesian association sent an answer mentioning that they do not see real problems but will nonetheless ask APP to be cautious in its statements.

Following this presentation, the members discuss on the possible next steps.

Agreed:

- **Delegates consider that the file is closed and that UTIPULP does not have to carry out any new action.**
- **The Secretariat will circulate to the members the letter received from the Indonesian pulp and paper association (APKI).**

2.2 Potential impact of mergers among pulp sellers

The Secretary presents the memo that has been sent prior to the meeting pertaining to the merger between Suzano and Fibria.

The Secretary also added that the contacts he had recently with the Directors General of the paper associations of Japan, South-Africa and the US, do not indicate that these associations (or their member companies) will undertake specific actions.

Following this presentation, delegates have a discussion on the possible actions. This discussion makes the Chairman decide that, so that all the national associations and pulp purchasing companies they represent are comfortable with the conclusions of the discussion, a formal vote should take place.

National Associations are then asked to vote on the following question: "Do you think that UTIPULP should alert the European Commission on the potential negative effects of the merger between Suzano and Fibria?"

This vote leads to a positive answer from all the national associations taking part to the General Assembly: Austria, Belgium, France, Germany, Italy, Spain, The Netherlands, UK.

Agreed:

- **UTIPULP will send a letter alerting the DG Competition of the European Commission on the risks resulting from the merger between Suzano and Fibria,**
- **This letter will stress that (i) the Eucalyptus pulp market is the relevant market (ii) the increases of the Eucalyptus pulp prices will affect the prices of many grades of paper, and then ultimately the European consumers,**
- **This letter will be prepared jointly with a lawyer in order to present the arguments in the proper way,**
- **The General Assembly gives mandate to the EXCOM to approve the letter,**
- **A delegation of UTIPULP representatives will present the letter during a meeting if there is a request of the European Commission,**
- **Any other action of UTIPULP will be subject to a new decision of the General Assembly.**

3. Special Subject Dossiers

3.1. Safety of bales dewiring

Victor KAMM reports that it has been difficult to make progress on this dossier. He nonetheless mentions that he does not see the real changes in the short term in the way the bales are wired and concludes that the key issue is to secure how the dewiring is made in the mills.

Agreed:

- **The Group is kept active so that Victor KAMM and Romain BALDI can keep the General Assembly informed if there are new developments.**

3.2. EU Timber Regulation

Delegates do not report difficulties linked to the EU Timber Regulation.

3.3. FSC/PEFC/ISO

The Secretary reminds that one ISO Committee (PC287) aims to set a Standard specifying how a Chain of Custody has to be designed. As a major difference to the CoC of the certification schemes, this Standard will be able to monitor any type of “specified” product (eg: pulp from a designated area). This Standard will be most likely finalized in 2018.

Regarding FSC, the Secretary stresses that companies importing FSC certified pulp must now have put in force the new Standard pertaining to the Chain of Custody (FSC-STD-40-004 V3). He adds that one important topic for the paper industry is the preparation of a workshop that FSC international will organize in June about the Controlled Wood Standard. It's indeed important for the paper industry that this Standard is maintained (and not made too difficult) as it would otherwise drastically increase the competition for FSC 100 % pulp and also give an advantage to the plantations (versus European forests), that are more easily 100 % FSC. He finally mentions that Greenpeace has decided to leave FSC, which will surely lead this NGO to raise more criticisms about FSC.

4. Measurement of Moisture content

4.1 Reports on the topic

Jörg DITTOMBEE and Charo VIEJO report on the contact they had with EPIS and Europulp. These contacts do not result in new methods of measuring the moisture.

4.2 Presentation Franziska BELTZ (EMCO) on “Moisture measurement of pulp with emco AP 500”

Franziska BELTZ, from the society EMCO, presents several devices used to measure the moisture content of pulp (see slides circulated after the meeting).

Agreed: Norman SNEL will inform Jörg DITTOMBEE and Charo VIEJO of the device of (MALCAM) another company than EMCO. If this device is operational, Jörg DITTOMBEE and Charo VIEJO will collect information and brief the members during the next meeting.

5. Association Topics

5.1. Fee of the EUROPULP/UTIPULP Seminar

The Chairman mentions that EUROPULP has approached him regarding the fee paid by UTIPULP delegates during the Seminar in September. Until now, the fees for EUROPULP guests are higher than for UTIPULP (55 € vs. 95 € for EUROPULP sponsors or guests).

The Chairman mentions that there has been a discussion in EUROPULP about this differentiation. Some were in favour of equal fees for all while others compared it with London where suppliers invite buyers.

The EXCOM has discussed the topic and made a proposal agreed by the General Assembly.

Agreed:

- **The Chairman will inform EUROPULP that the principle is now to share the cost of the Seminar and dinner (individual fee is total cost divided by the number of attendees),**
- **If EUROPULP or UTIPULP have guests, these associations pay for their respective guests,**
- **The principle of cost sharing means that UTIPULP will be informed about the expenses,**
- **For practical reasons, the fee for the non-delegates will have to be known in advance (so that people can register).**

5.2. Budget 2017

Taking into account expenses and revenues, the 2017 accounts show a positive result of 1 385.39 euros.

Total expenses amount to 26 262.15 euros and are below the estimated budget of 27 330 euros (-4.1%) and the expenses of 2016 (-1.1%). This decrease is essentially due to lower meeting expenses (3 467.21 euros) as location and social program in Manchester had been offered partly by the British confederation. However, an expense for legal advice (2 040.00 euros), which had not been foreseen in the budget, decreases the savings made for meeting expenses. Expenses for secretariat costs are in line with the estimated budget. It can also be noted that the memo received from the lawyer concluded that no VAT has to be paid by UTIPULP in order to cover the costs of the Secretariat.

Revenues in 2017 amount to 27 647 euros and are equal to the foreseen budget.

5.3. Budget 2018

The Secretary presents the budget for 2018. He mentions that this budget is very comparable to 2017, with three exceptions:

- The number of man/days of the Secretariat is increased in order to cover the extra time connected to the “merger file” (3 000 €),
- The cost for a lawyer is estimated at 3 000 €,
- The “extra-costs” resulting of the EUROPULP/UTIPULP Seminar (1 500 €) are added to the budget.

He also mentions that the EXCOM proposes to maintain the contributions of the member associations at the same level (27 560 €). As a consequence, the result for 2018 is expected to be around -7 600 €, that will be taken from the reserves. End of 2018, the reserves would then amount to 12 609 €.

UTIPULP - 2017 BUDGET /2018 BUDGET

DEBIT	2017 BUDGET	2018 BUDGET	DIFFERENCE <i>Euros</i>	DIFFERENCE %
MEETING EXPENSES	9 900,00	11 400,00	1 500,00	15,2%
- Meeting room, accommodation	9 000,00	9 000,00	-	-
- Invitation of an expert	900,00	900,00	-	-
- extra costs of the Barcelona Seminar		1 500,00		
SECRETARIAT	17 300,00	20 400,00	3 100,00	17,9%
Salaries	15 500,00	18 500,00	-	-
Stationery	200,00	200,00	-	-
Accounting	1 600,00	1 700,00	100,00	6,3%
LEGAL ADVICE	0,00	3 000,00	-	-
TRANSACTION EXPENSES	130,00	130,00	0,00	0,0%
TOTAL	27 330,00	34 930,00	7 600,00	27,8%
CREDIT	2017 BUDGET	2018 BUDGET	DIFFERENCE <i>Euros</i>	DIFFERENCE %
CONTRIBUTIONS	27 560,00	27 560,00	0,00	0,0%
INTEREST	0,00	0,00		-
TOTAL	27 560,00	27 560,00	0,00	0,0%
RESULT	230,00	-7 370,00	-7 600,00	

Agreed: The 2018 budget is approved by the General Assembly.

5.4. Excom members

The Excom members are unchanged in 2018 and are:

Bernhard BECK	Chairman
Andrea PIAZZOLLA	Vice Chairman
Steve ABDULLA	
Paul BARTMANN	
Stéphane MOZDYNIEWICZ	
Norman SNEL	

5.5. Statistics

The Secretary mentions that, as agreed during the last General Assembly, UTIPULP Secretariat has modernized the statistical system. As of June, the statisticians of the National Associations will upload directly the figures used for the monthly report

5.6. New password

As of May 1st 2018, the new password is nicepulp4u!

5.7. Member countries: special items

The delegates make a short presentation of the key items in their country affecting pulp production and consumption.

6. Any other business

Delegates do not raise other business.

7. Close out

7.1 New date & location

The next meeting will take place on **September 13th and 14th, 2018 in Barcelona.**

The April meeting in 2019 will take place in Belgium (date and venue not yet decided). Like always, the date will take into account the date of Easter.

7.2 Close

The Chairman thanks the participants and closes the meeting.
