

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

September 16th, 2021

9h00 – 11h30

Webinar (Teams)

Minutes

Attendees:

Mr	Andrea	PIAZZOLLA (Chairman)	SOFIDEL
Mr	Paul	BARTMANN	MONDI
Mr	Andrea	BETTIN	BURGO
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Jörg	DITTOMBEE	MITSUBISHI PAPER
Mr	Peter	DONNABAUER	DELFORT GROUP
Mr	Martin	DREWS	VDP
Mrs	Ana	FERNANDES	CELPA
Mr	Steve	FREEMAN	CONFEDERATION OF PAPER INDUSTRIES
Mrs	Ute	GIERDEN	KANZAN SPEZIALPAPIERE GmbH
Mr	Antonio	HITA-MARTINEZ	GRUPO MIQUEL Y COSTAS
Mr	Victor	KAMM	SAPPI
Mr	Klaus	KRIEG	KOEHLER PAPER
Mr	Burkhard	KRUECKE	WEPA
Mr	Jacek	LOS	ARCTIC PAPER
Mr	Stephane	MOZDYNIEWICZ	CLAIREFONTAINE
Mr	Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr	Lorenzo	PASQUINI	LUCART SpA
Mr	Laurent	POUYET	SMURFIT KAPPA FRANCE
Mr	Andrea	RIPLEY	JAMES CROPPER
Mr	Norman	SNEL	SAPPI
Mr	Janusz	TURSKI	Association of Polish Papermakers
Mrs	Charo	VIEJO	LECTA
Mr	Martin	WERNER	SCHOELLER TECHNOCELL
Mr	Mustapha	ZAUG	PPG
Mr	Paul-Antoine	LACOUR	UTIPULP

1. Introduction

1.1 – 1.2. Welcome, Safety and Legal guidelines for attending UTIPULP meetings

The Chairman welcomes all the participants.

He then reminds that the Guidelines pertaining to the competition laws have been sent prior to the meeting and insists on the fact that participants have strictly to comply with them.

1.3. Approval of the minutes of the last meeting (webinar, June 25th, 2021)

The minutes are approved without amendments.

2. Market analysis / Report from the National Association delegates

2.1. Synthesis of the questionnaire pertaining to pulp supplies

PA LACOUR presents the outcome of the questionnaire sent before the meeting:

- 17 answers have been received (15 companies and 2 national associations).
- For 8 respondents, in comparison to June, the situation has improved regarding pulp supply. This positive perception must be nuanced, because in most cases, the improvement of availability is perceived as limited. Remaining problems are restrictions and logistic matters. One respondent answered that the situation has improved only to a small extent for HW, but more substantially for SW (no other comments between HW/SW than this one).
- For 5 respondents, the situation is unchanged and for 1, the situation is worse.
- Regarding the forecast, all the respondents see an improvement for T1 2022. These improvements are related to both volumes and prices.
- Reasons for these improvements are twofold, and very similar to those that have been mentioned in June: (i) the peak in China is over, and it is expected that volumes shift from Asia to Europe (ii) new capacities will come on stream (Bracel, Arauco MAPA,...). Nonetheless, logistic issues (shipping constraints) could delay this improvement (remaining bottlenecks). The lack of truck drivers is also seen by one delegate as a matter of concern.
- No comments regarding the demand trends in Europe for the different paper grades.

2.2. CEPI initiative regarding freight costs

PA LACOUR mentions that, on 6 September, CEPI, several pulp & paper companies and national associations (and a law firm to secure the full compliance with EU competition rules) discussed the rising cost of containers freight, the impact on trade, as well as the issue of competition.

During this meeting, CEPI reminded that its initiative aims at examining shipping companies' recent behaviour against EU competition law. On a practical level, CEPI wishes to collect data from companies. Data will be collected via an on-line survey (open until beginning of October).

The benefits to participating companies are, in particular: (i) the full version of the report and analysis of the collected data; (ii) the initiative shall trigger the opening of a formal investigation by the

European Commission, DG Competition, into the container shipping market and the practices of the container shipping companies.

Companies which want to join this initiative or get more information about it should contact CEPI trade Director (Bernard Lombard): b.lombard@cepi.org

2.3. Report from the National Associations

Following this presentation, the chairman invites the delegates to report on the key features impacting the pulp market in their respective countries.

Agreed: The report will start with another Association than the one starting with “A” (Austropapier).

3. Statistics

PA LACOUR reminds that EUROPULP asked UTIPULP to split the inventories of the companies between data corresponding to the volume in the harbors and volumes corresponding to other locations (mills, warehouses, ...).

During the meeting that took place on 25 June, PA LACOUR reported that the feed-back he had from National Associations proof the split is unlikely to be done, for practical reasons.

As the difficulties have been confirmed, the EXCOM proposes to stick to the current definition of the inventories (ports + other locations). The EXCOM also proposes that UTIPULP informs EUROPULP of the need to keep reliable data, and therefore to keep the current method to calculate inventories.

Agreed: UTIPULP will inform EUROPULP of the need to keep reliable data, and therefore to keep the current method to calculate inventories.

4. Certification (FSC request)

PA LACOUR reminds that one member alerted one year ago that FSC wishes to put in force a new license agreement. This new license agreement would result in severe penalties in case FSC considers a company has made a “false claim”. This draft license agreement has led to a reaction from CEPI. Because of this, FSC and CEPI started to discuss the provisions of this document.

As discussions are still going on, FSC has not put in force its new contract. This “stand-by” situation is confirmed by the fact that no UTIPULP member has reported any difficulty.

5. Any other business

5.1. Communication – web site

It was agreed during the last meeting that UTIPULP will rejuvenate its website, now a bit « old-fashioned ». As the communication manager who would have to take care of that is on maternity leave, this topic has been postponed to Q4 2021.

In order to illustrate the website, members are invited to send to the UTIPULP Secretariat pictures of pulp warehouses, bales handling etc.

Agreed: members are invited to send high quality pictures with no copyrights. Company names on the picture will be erased.

5.2. Diffusion list

To facilitate the mutual knowledge of the members, the EXCOM proposes that the diffusion list is now in CC and not in BCC anymore.

Agreed: the diffusion list will be sent in CC.

6. Close out

6.1. New date & location – UTIPULP GA meeting in April 2022 in Nice:

The next UTIPULP meetings will take place in Nice with the following program:

- Wednesday 27 April: EXCOM (14:30/15:45) & social event (16:00/18:00) + dinner
- Thursday 28 April: General Assembly (8:30/12:30) + lunch

6.2. Close

The Chairman thanks the participants and closes the meeting.
