

Utipulp

Group of European Market Wood Pulp Users

GENERAL ASSEMBLY

12 September 2024 (8:30 – 12:45)
Hotel Balmes – Barcelona (Spain)

Minutes

Attendees:

Mustapha	ZAUG	PPG (President)
Andrea	BETTIN	BURGO
Manuel	DOMINGUEZ	ASPAPPEL
Peter	DONNABAUER	DELFORT
Steve	FREEMAN	CONFEDERATION PAPER INDUSTRIES
Daniel	GARCAR	MONDI
Ute	GIERDEN	KANZAN SPEZIALPAPIERE
Alberto	GIOVANNELLI	SOFIDEL
Klaus	KRIEG	PAPIERFABRIK AUGUST KOEHLER
Paul-Antoine	LACOUR	UTIPULP
Jacek I.	LOS	ARCTIC PAPER
Gregory	MEZIERE	SWM
Stéphane	MOZDYNIEWICZ	PAPETERIE DE CLAIREFONTAINE
Peter	OFFNER	BRIGL & BERGMEISTER
Lorenzo	PASQUINI	LUCART
Luis Fernando	RUIZ ARRUE	PAPELERA DEL ORIA
Mariusz	RUPIK	VELVET CARE
Norman	SNEL	SAPPI
Andrew	SOUTHWELL	HOLMEN
Joep	STEVENS	ALLIANCELL
Martin	WERNER	FELIX SCHOELLER
 <u>Guest</u>		
François	BRUNETAUD	ALLIANCELL
Appie	EDDAHDAH	ALLIANCELL
Burkhard	KRÜCKE	LECTA
Luciano	MASIERO	SOFIDEL
Anna Maija	WESSMAN	EPIS (partly, as of 12:00)
Kirsi	SEPPÄLÄINEN	EPIS/Stora Enso (partly, as of 12:00)

1. Introduction (Chairman)

1.1 Welcome/new delegates

Mustapha ZAOUG welcomes all the participants, and particularly Andrew SOUTHWELL (HOLMEN) who is invited to introduce himself. The President mentions that Christoph SCHLINKMANN (WEPA) is also a new member, who was not able to join the General Assembly.

The President also welcomes several guests: François BRUNETAUD, Appie EDDAHDAH, Burkhard KRÜCKE, and Luciano MASIERO. The guests are then invited to introduce themselves.

The President presents the safety procedure to follow in case of emergency.

1.2 Legal guidelines for attending UTIPULP meetings

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

1.3. Approval of the minutes of the last meeting (Lisbon, 18 April 2024)

The minutes are approved without amendments.

2. Market analysis

2.1. Synthesis of the questionnaire pertaining to pulp supply

19 answers have been received (17 companies, 2 national associations). Compared to April 2024, respondents have experienced a strong improvement of the pulp supply conditions (the index moved up from 34 to 87). The situation is also seen as better compared to last year at the same period.

As regards the forecasts, respondents anticipate an improvement of the pulp supply conditions. Answers are a little more optimistic compared to April 2024, but with no real difference (index at 64 in April and 67 in Septembre).

As in April, there is a broad consensus that new capacities in Lat. Am. (and Asia) will ramp up (or have already started) and improve the market conditions (especially for short fibers). One question mark is whether Chinese demand will increase significantly (will the Chinese buyers enter a new cycle of restocking; how will evolve the low internal Chinese pulp consumption?).

Respondents do not anticipate substantial changes in capacities of paper mills in Europe. There are, nevertheless, some exceptions, as two new tissues machines are expected to start up in Poland and in Italy and two others in the UK. Some other changes in paper capacities are expected to have less impact on the pulp market.

2.2. Report from the National Association delegates

On some markets, the improvement of the order books during the first half of 2024 seems to slow down during the end of the year. The weakening of inflation is seen as a good trend, but paper demand is all in all not really picking up (even if some grades like tissue are on a good trend).

Several delegates report on investments made in their respective countries, but more targeted toward decarbonization than capacities increase.

3. Special Subject Dossiers

3.1 EPIS request on the standardization of sustainability questionnaires

EPIS did not come back to UTIPULP on this matter. The Excom nonetheless considers it is valuable to comment the draft questionnaire received from EPIS (and prepared by UPM).

Agreed:

- **UTIPULP Secretariat will resent to the delegates the draft questionnaire prepared by EPIS, so that comments on this document are sent back by the end of March.**
- **The comments will be discussed during the UTIPULP meeting of May 2025.**

3.2 UTIPULP request on the standardization of the Technical Data Sheets

During the UTIPULP General Assembly that took place in Lisbon on April 18th, 2024, it was decided to ask EPIS to “standardize” the technical data sheets (TDS). In May 2024, EPIS answered that *“There was no consensus reached on the topic as it was felt that the TDS is a marketing tool.”*

Epis added that *“we are very eager to learn what information the pulp customers would like to have on a technical data sheet?”*

In order to answer to EPIS’s request, the UTIPULP Secretariat has analyzed the TDS of 4 pulp companies and identified the commonalities (and differences). Based on this presentation, the following has been agreed.

Agreed:

- **UTIPULP Secretariat will send to all the delegates a form presenting all the key parameters used to specify pulp.**
- **Delegates will be asked to select 6 parameters out of the list.**
- **The list of the “top 6”, after approval by the Excom, will be sent to EPIS, with a request to have them systematically on all the TD (and use the same standards for the measurement and the same units).**
- **This request will be presented to EPIS representatives (who will join the meeting at 12:00).**

4. EUDR Developments

4.1 Status of the file

PA LACOUR presents the status of the file, both regarding the information still missing and the positions of the EU Members states, non-EU countries and trade information (see slide show).

According to some newspapers, the EU will release during the week of 16 September a new version of the Frequently Asked Questions (FAQ).

Despite the very the substantial missing information and the hurdles in the implementation of the regulation, the European Commission is adamant that the EUDR will not be revised, and that no postponement is foreseen.

4.2 Opportunity to update the General Trade Rules

PA LACOUR recalls that, in 2014, EPIS and UTIPULP released a document, the so-called “General Trade Rules (GTR)”, with the objective to ease the trade relations between market pulp buyers and sellers. Some UTIPULP delegates consider that it might be useful to update the GTR, with the objective to embed in this document the obligations derived from the EUDR. Such an update of the EUDR would notably prevent the multiplication of EUDR requirements in the various contracts.

The issue has been discussed by the Excom who concluded that, with the current GTR, the topic of EUDR is already covered. Indeed, the paragraph 12 of the GTR states that “*both the seller and the buyer shall at all times act in in full compliance (...) with the applicable laws*”.

Agreed: There is currently no need to modify the General Trade Rules in order to cover the requirements from the EUDR.

Nota: Following the statement of the EPIS representatives (see paragraph 6), the GTR has ceased to be recognized by the pulp sellers.

5. Association Topics/EXCOM composition

The Excom composition is currently the following:

- | | | |
|-----------------------|-----------|----------------|
| – Mustapha ZAOUG | President | (COPACEL) |
| – Peter DONNABAUER | Member | (AUSTROPAPIER) |
| – Alberto GIOVANNELLI | Member | (ASSOCARTA) |
| – Norman SNEL | Member | (VNP) |

The German Association will soon propose a candidate for the Excom.

6. Discussion on the Technical Data Sheets with EPIS

PA LACOUR had invited EPIS to join the General Assembly in order to give them a direct feedback about the discussion on the TDS (see paragraph 3.2).

Anna-Maija Wessman (EPIS Secretary General) and Kirsi Seppäläinen from Stora Enso, are invited to join the meeting.

PA LACOUR presents to the EPIS representatives the decision regarding the TDS (see paragraph 3.2). EPIS representatives mention that each individual company will have the liberty to follow (or not) the requirements made by UTIPULP regarding the parameters.

During the discussion, Anna-Maija Wessman mentions that:

- EPIS had a board meeting earlier today. During this meeting, some companies have expressed that, based on legal advice, they consider that the General Trade Rules are not compliant with the competition rules.
- Consequently, EPIS has decided to stop to acknowledge the GTR has a valid document.

UTIPULP delegates expressed their surprise of such a decision considering that:

- the reference to a “legal advice” seems to be an excuse, as such a document exists on the market of paper, with no opposition from the companies,
- a company that feels “insecure” with the GTR always has the possibility not to use it,
- the decision of EPIS seems to be with immediate effect, with no possibility to enter a discussion phase between the parties (EPIS and UTIPULP).
- There has been no prior notification.

Agreed: after the departure of the EPIS representatives, once UTIPULP will be informed in written from the decision of EPIS, UTIPULP secretariat will circulate a version of the GTR with no reference to EPIS. The document will aim at helping companies that would like to refer to part or the whole document.

7. Any other business

No other issue is raised by the delegates.

8. Close out

7.1 Date & location

During the **Milan Pulp week**, the conference will take place on **15 May afternoon**.

Wednesday 14 May 2025:

EXCOM (15:30/16:45) with social program afterwards.

Thursday 15 May 2025:

General Assembly (8:30/12:30) followed by a lunch.

Nota: during the Europulp conference that took place on 12 September afternoon, it was mentioned that the next event of this association will be organised on Thursday 18 September 2025
