

# **UTIPUL**

## **GENERAL MEETING**

**MONTECATINI – September 18th, 2009**

### **MINUTES**

#### **- ATTENDEES -**

##### **UTIPUL Chairman**

Mr John	GOVIER	ARJO WIGGINS Ltd
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##### **UTIPUL Secretary**

Mr Jérôme	RUPIED	UTIPUL
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##### **AUSTRIA (AUSTROPAPIER)**

Mr Peter	DONNABAUER	Dr FRANZ FEURSTEIN
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##### **FRANCE (UTIPATES)**

Mr Henri	GILBERT	SMURFIT KAPPA
Mr Mikko	MERILUOTO	AHLSTROM
Mr Jean-Olivier	ROUSSAT	PAP. CLAIREFONTAINE

##### **GERMANY (VERBAND DEUTSCHER PAPIERFABRIKEN )**

Mrs Ute	JOHNEN	KANZAN SPEZIALPAPIERE Gmbh
Mr Klaus Dieter	KIBAT	VDP
Mr Vladimir	MAIER	GLATFELTER GERNSBACH Gmbh
Mr Franz-Josef	OHLE	STORA ENSO INTERNATIONAL Ltd
Mr Oliver	SODER	MYLLYKOSKI CONTINENTAL

##### **ITALY (ASSOCARTA)**

Mr Lasse	AHTINEN	CARTIERE BURGO
Mrs Cinzia	CARADINI	ASSOCARTA
Mr Luigi	LAZZARESCHI	DELICARTA SPA
Mr Massimo	MEDUGNO	ASSOCARTA
Mr Giovanni	PELIS	GRUPPOCORDERONS SPA
Mr Vitaliano	VANTINI	FEDRIGONI CARTIERE SPA

**NETHERLANDS (VERENIGING VAN NEDERLANDSE)**

Mr	Victor	KAMM	SAPPI EUROPE
Mr	Norman	SNEL	Inkoop-combinatie De EENDRAGT b.v.

**SWITZERLAND (ZPK)**

Mr	Jorg	BITTERLI	KIMBERLY CLARK
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**UNITED KINGDOM (CONFEDERATION OF PAPER INDUSTRIES)**

Mr	Brian	DILLON	SCA
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**- EXCUSED -****AUSTRIA (AUSTROPAPIER)**

Mr	Patrick	MADER	AUSTROPAPIER
Mr	Rudolf	SEELMANN	SCA GRAPHIC LAAKIRCHEN

**BELGIUM (COBELPA)**

Mr	Jacky	DECHAMPS	SCA HYGIENE PRODUCTS
Mr	Firmin	FRANCOIS	COBELPA

**FRANCE (UTIPATES)**

Mr	Patrice	BISSIERE	VIZILLE
Mr	Andre	RIEGERT	CONDAT

**NETHERLANDS (VERENIGING VAN NEDERLANDSE)**

Mr	Enrico	BROUWER	V.N.P.
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**PORTUGAL (CELPA)**

Mr	Joao Gorjao	CLARA	RENOVA
Mr	Manuel	DOS SANTOS	SOPORCEL
Mr	Armando	GOES	CELPA

**SPAIN (ASPAPPEL)**

Mr	Carlos	REINOSO	ASPAPPEL
Mr	Luis	RIOS	TORRASPAPPEL
Mr	Rubén	SIMARRO	CLARIANA, S.A

**SWITZERLAND (ZPK)**

Mr	Martin	HAEBERLI	ZPK
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**UNITED KINGDOM (CONFEDERATION OF PAPER INDUSTRIES)**

Mr	David	MORGAN	CONFEDERATION OF PAPER INDUSTRIES
Mr	Joep	STEVENS	GEORGIA PACIFIC

## **AGENDA**

### **I - WELCOME & APOLOGIES**

### **II - APPROVAL OF THE AGENDA**

### **III - APPROVAL OF THE PREVIOUS MEETING'S MINUTES**

- The previous meeting was held in Brussels on April 17<sup>th</sup>, 2009

### **IV - GENERAL ISSUES**

- Executive Committee members
- Composition of the National Delegations
- Communication : UTIPULP website

### **V - COMMENTS**

- Keypoints of the paper industry in the member countries
- UTIPULP statistics

### **VI - DEBATE**

- Instability of the pulp prices
- Consolidation of the supply side

### **VII - OTHER ISSUES**

- Next meetings

## **I – WELCOME AND APOLOGIES**

Mr. John GOVIER, UTIPULP Chairman, opens the meeting at 9 a.m. He welcomes all the participants. He welcomes Mr. Brian DILLON, member of the British delegation, for his first participation in a UTIPULP meeting.

The Secretary communicates the apologies of the absent delegates.

The Chairman reminds that the meetings are organised with a view to gather all the members and he emphasizes the importance of their participation. He regrets that COBELPA (Belgium), CELPA (Portugal) and ASPAPEL (Spain) were not able to be represented in this Assembly.

Mr. Henri GILBERT informs that UTIPATES activities have been strongly reduced during the last months. A change in the organisation is being prepared; the statistical works and the relation to UTIPULP might be completed by the national association of the pulp, paper and board producers, COPACEL.

The following documents have been put on the UTIPULP website before the meeting :

- Agenda of the meetings, previous meeting minutes, list of the Executive Committee members, composition of the national delegations
- Keypoints of the pulp and paper industries, economic situation in the member countries

The Backer & Mc Kenzie report, the articles of association, and the rules of application are permanently available on the UTIPULP website.

## **2 – APPROVAL OF THE AGENDA**

The Chairman reminds the conclusions of the debate during the General Assembly on April 17<sup>th</sup> 2009, as to the UTIPULP's role and mission.

The first UTIPULP's role is to provide accurate and timely statistics about the market pulp situation, what should be done regularly.

A second essential role is to create value through debates on points of interest for the industry and the pulp purchasers. These debates should provide the opportunity to exchange on professional topics.

The Chairman reads the agenda of the meeting. It has been prepared by the Executive Committee with the aim to develop the debate on topics proposed by the members. These topics, which will be opened by delegates , are the following :

- the instability of the pulp prices
- the supply consolidation

Before the debate, the opportunity will be given to the members to express their national concerns.

The Chairman underlines that the challenge will be to debate on the topics with respect to the competition compliance rules, which forbid any exchange about sensitive points. The members must apply the conclusions of the competition compliance audit established by Baker and McKenzie.

The agenda is approved by all the members.

### **3 – APPROVAL OF THE PREVIOUS MEETINGS MINUTES**

The previous meeting was held in Brussels on April 17<sup>th</sup>, 2009.

The Chairman asks whether members wish to present remarks or ask for modifications of the minutes. In the absence of remarks or demands of modification, the minutes are approved.

### **4 – GENERAL ISSUES**

#### **4.1 Executive Committee members**

The composition of the Executive Committee after the Assembly in Brussels was as follows :

- Mr. John GOVIER, Chairman
- Mr. Norman SNEL, vice-Chairman (VNP – Netherlands)
- Mr. Jorg BITTERLI (ZPK – Switzerland)
- Mr. Franz Josef OHLE (VDP – Germany)

According to the Articles of Association, the Executive Committee is composed of 5 members. Both Mr Henri GILBERT, representing the French Association, and Mr Luigi LAZZARESCHI, representing ASSOCARTA (Italy), applied for the vacant seat. Mr Henri GILBERT stresses the necessity that the French Association is represented in the Executive Committee since France holds UTIPULP' Secretary. He indicates that he will retire at the end of the year, but he is preparing to find a successor rapidly.

Mr Franz Joseph OHLE informs the Assembly that he will retire at the end of the year and that VDP (Germany) will ask to be represented in the Executive Committee as before.

The Chairman emphasizes that the main pulp users, i.e France, Germany, Italy, should be represented in the Executive Committee. Therefore he proposes that the size of the Executive Committee should be extended by one.

The Assembly agrees to fix the maximum size of the Executive Committee at 6 members.

The Chairman proposes that Mr. Henri GILBERT (French Association), Mr Luigi LAZZARESCHI (ASSOCARTA) and Mr Oliver SÖDER (VDP) become Executive Committee members. The Assembly agrees for each of them.

Therefore the new composition of the Executive Committee is as follows :

Chairman	Mr John GOVIER
vice-Chairman,VNP	Mr Norman SNEL,
French Association	Mr Henri GILBERT
ASSOCARTA	Mr Luigi LAZZARESCHI
VDP	Mr Oliver SOEDER
ZPK	Mr Joerg BITTERLI

#### 4.2 Composition of the national delegations

The Secretary indicates the following changes in the national delegations.

- Mr. Brian DILLON is a new member of the British delegation.
- UTIPULP has been informed that Mr. Jurg KAUER would no longer represent Switzerland.

The Chairman underlines that Mr Brian DILLON's participation is a good news with respect to the difficulty to find new delegates.

The rules of application of the articles of association (art. 4) indicate that the composition of the General Assembly should be as follows :

#### National organisations :

France, Germany, Italy and the United Kingdom : 4 delegates each  
Spain, Portugal, Belgium, Netherlands and Austria : 3 delegates each  
Denmark, others countries : 2 delegates each

The Secretary indicates that delegates are still missing in some delegations :

- COBELPA (Belgium) : 1 delegate
- Denmark : 2 delegates
- C P I (UK) : 1 delegate

#### 4.3 Communication : UTIPULP website

It is reminded that the members have a restricted access to the UTIPULP data detailed country per country on the members'pages of the UTIPULP website. The new login and password are communicated to the members.

The Secretary comments the statistics relative to the visits of the website over the period April 15<sup>th</sup> 2008 to September 11<sup>th</sup> 2009. The visits are numerous in both members and public points, especially, of course, when new UTIPULP statistics are available.

The Secretary asks whether the members wish to express remarks upon the website. The members do not express any remark.

## **5 – COMMENTS**

### **5.1 Keypoints of the paper industry in the member countries**

The documents relative to the economical or statistical aspects of the situation in the member countries have been available on the website before the meeting. Therefore the Chairman proposes that the members focus their presentations on some keypoints of the paper industry.

The delegates present the current difficulties of the paper industry in their countries, resulting largely from the sad global economic situation. The paper and board production has been strongly reduced in 2009 for the graphic and packaging grades in most of the countries. Only for the speciality papers and the hygiene papers, the situation is correct in several countries.

Several delegates express concern about the recent closures or the stops of paper mills. The effect of both national and European energy regulations which are still to come is underlined, as to the industrial costs and the competitiveness. Otherwise bio-energy projects are quoted in several countries.

As to raw materials the importance of the Chinese purchases in 2009 is underlined for recovered paper and pulp. A growing request for FSC certificate is noted.

### **5.2 UTIPULP statistics**

The Chairman underlines the necessity that UTIPULP provides accurate statistics about the market pulp situation.

The Secretary comments the statistical data which are provided every month by the UTIPULP members. He indicates that the transmitted figures should be established on the basis of a high percentage of real figures, what limits the part of estimation. This real basis exists for most of the figures sent to UTIPULP. However the members have to be attentive to this point, and to contact the companies which do not participate in the statistical survey.

As to the information provided by other sources, PPPC confirmed that updated data relative to pulp inventories in tons are not available. Otherwise, new statistical sources are searched concerning the Chinese market pulp consumption and the Brazilian pulp production.

## **6 – DEBATE**

The Chairman proposes that the delegates exchange their views about the pulp market situations, in accordance with the competition rules.

## 6.1 Instability of the pulp prices

Mr. Lasse AHTINEN comments the past evolution of the pulp prices. He notes the instability of the prices which have increased or decreased significantly over the last years. According to UTIPULP statistics, the NBSK prices in US dollars were reduced in February 2009 at their level of September 2005, i.e. 590 USD / ton. On the same period, the prices in euros have been particularly instable, and they dropped finally. During the last months, the pulp prices in both currencies have been again on an upward orientation.

The members exchange about the causes of these evolutions. They comment the past changes of the pulp demand in Europe and throughout the world. Recently, while the pulp demand was strongly reducing in Europe, the deliveries were increasing drastically to China, apparently out of proportion with the Chinese industrial capacities.

## 6.2 Consolidation of the supply side

Mr. Norman SNEL comments briefly the past changes in the pulp production activity in Europe, and throughout the world. He underlines the reinforcement of the pulp producers in some areas as Latin America.

The members debate on this point ; they underline that some pulp mills, which had been stopped are now again fully operational. The capacities of other pulp mills have been changed; e.g. the Celbi mill in Portugal has been doubled and the Portucel's pulp production is now integrated on the paper production.

The Chairman thanks Mr. Lasse AHTINEN, Mr. Norman SNEL, and the members for their participation in the debate in accordance with the rules.

# 7 – OTHER ISSUES

## Next meetings

### 7.1 Agenda

The Chairman thinks that the evolution of the agenda for the UTIPULP meeting has been positive. He thinks that the next meetings should continue the reflexions and debates about professional questions. The Executive Committee members will be in charge of preparing the agenda of the next meetings.

All the present UTIPULP members approve this suggestion.

The Chairman asks whether the members agree that the UTIPULP's participation in the annual EUROPULP Seminar will be renewed.

All the present UTIPULP members give their agreement on this point.



## 7.2 Date and place

The next UTIPULP meeting will be organised on **April 16<sup>th</sup> 2010** with a social program the day before. In accordance with the rules adopted by the UTIPULP Assembly in Madrid on April 18<sup>th</sup>, 2008, the cost of the whole event except bedrooms will be charged to UTIPULP.

The next EUROPULP Seminar will be organised in September 2010. The Chairman specifies that the European town of the venue should be easily reached by means of transport, and cost effective.

Regarding the place of the meetings, both organisations in United Kingdom and in the Netherlands will be considered.

Having gone through the agenda, the Chairman closed the meeting at 1.00 p.m.

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