

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

DRESDEN – April 17th, 2015

Minutes

Attendees:

Mr Paul	BARTMANN (Chairman)	MONDI
Mr Bernhard	BECK (Vice-Chairman)	MUNKSJÖ
Mr Gerrald	BLOUW	COLDENHOVE PAPIER BV
Mr Diego	BORELLO	AHLSTROM
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 Armando	GOES	CELPA
Mr John	GOVIER	ARJOWIGGINS Ltd.
Mr Victor	KAMM	SAPPI EUROPE SA
Mr Burckhard	KRUECKE	WEPA PAPIERFABRIK
Mr Stéphane	MOZDYNIEWICZ	PAPETERIES DE CLAIREFONTAINE
Mr Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr Giovanni	PELIS	GRUPPO CORDENONS SPA
Mr Andrea	PIAZZOLLA	SOFIDEL SPA
Mr Norman	SNEL	SAPPI
Mr Joep	STEVENS	Inkoop-combinatie De EENDRAGT b.v.
Mr Paul-Antoine	LACOUR	UTIPULP

Excused:

Mr Romain	BALDI	MUNKSJÖ LABELPACK
Mr Brian	DILLON	SCA HYGIENE PRODUCTS
Mr Firmin	FRANCOIS	COBELPA
Mr Miguel	GOENAGA	CLARIANA, S.A
Mr Patrick	MADER	AUSTROPAPIER
Mr Pierre	MARNEFFE	IDEM PAPERS
Mr Lorenzo	MARZOTTO	BURGO Group
Mr Carlos	REINOSO	ASPAPEL
Mr Pierre	UZUREAU	SMURFIT KAPPA CELLULOSE DU PIN
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 and warmly thanks Victor KAMM who chaired UTIPULP with a great commitment during the past two years.

He then thanks VDP for the interesting visit and the friendly dinner that took place on 16th April afternoon and evening.

He then 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. He mentions in particular that guidelines forbid strictly any discussions on prices, but also regarding capacity closures, unless the information is in the public domain.

1.4. New members

The Chairman welcomes a new member appointed by VNP, Joep STEVENS, working with Inkoop-combinatie De EENDRAGT b.v. Joep STEVENS introduces himself and mentions that he has succeeded to Norman SNEL as head of this company.

1.5. Approval of the minutes of the last meeting (Barcelona, 19th September, 2014)

The minutes are approved without amendments. Nonetheless, the Chairman makes the two following remarks related to the “agreed” paragraph:

- in 2.2, it's up to FOEX to circulate any new document pertaining to the PIX index,
- in 2.6, V. KAMM had invited SUZANO to come to the today's General Assembly, but no representative of this company was able to come.

2. Special Subject Dossiers

2.1-2.2 Follow-up Discussions with EUROPULP and EPIS

The Chairman and Victor KAMM mention that it's worth discussing with EUROPULP, but that it's also of great value to keep on discussing with EPIS, as the latter represents the producers, and have therefore more “power” than the agents (represented by EUROPULP) to alter things (statistics...).

The Chairman mentions that Victor KAMM and himself will meet EPIS representatives at a meeting to take place during the Pulp Week in Vancouver (3-6 May). They intend to address the following issues:

- Share questions on the PIX index,
- Discuss on Europulp statistics,
- Share concerns about the quality of the statistics released in North and South America.

Agreed: members agree that UTIPULP representatives discuss with EPIS on the three issues mentioned above.

One member questioned if progress has been made about the potential set up with EUROPULP of a common environmental database. The Chairman answers that this issue is obviously sensitive for producers, and that he cannot report any new step on this dossier. The Secretary adds that any discussion on an environmental database should consider on-going discussions undertaken within CEPI in the frame of the EU initiative called "Product Environmental Footprint (PEF)".

Agreed:

- **The Secretary will inform members on the "Product Environmental Footprint (PEF)" project during the next General Assembly,**
- **In order to give a broader picture of the CEPI reorganization, the Secretary will make a presentation during the next General Assembly.**

2.1. GTR difficulties in implementation?

No member report difficulties as regards the implementation of the "new" General Trade Rules. Some members nonetheless mention that some sellers are still not really aware of this document.

2.2. PIX/FOEX

John GOVIER mentions that, on 19th March 2015, FOEX made a presentation to EPIS members on their first experience of putting the new PIX reporting rules into practice (see the FOEX presentation, circulated before the General Assembly).

General observations made by John GOVIER (summarized in the slide show used for the General Assembly) feeds an active discussion and shows concerns from the UTIPULP members.

Consensual routes for improvement are the following:

- UTIPULP has to keep on monitoring the reliability of PIX index, especially to avoid the north American situation, where this index is seen as being the market price,
- It could be worthwhile that FOEX keeps on educating buyers and sellers (eg: via meetings, conf tel, webinars...),
- UTIPULP members do not exclude that, in the future, an alternative index is put into practice (not with the objective to have an instrument more "accurate" than the PIX, but at least not to leave the latter in a situation of monopoly),
- An alternative option could be also that buyers send the figures they submit to FOEX to an independent party, so that the latter aggregates them, enabling therefore to check the PIX index.

Agreed: UTIPULP will keep on monitoring this issue.

2.3. Genetically Modified (GM) Trees

The Secretary introduces the topic and reminds that SUZANO and its' fully owned subsidiary FuturaGene have unveiled on 9th April 2015 a press release mentioning that the Brazilian Technical Commission on Biosafety has approved the commercial use of genetically modified eucalyptus. This stage means that market pulp made of GM tree will be available on the market in the coming years.

He adds that, in order to help company representatives to have consistent positions, some general statements have been prepared by CEPI (see slide show).

The Portuguese delegate mentions that it's important that buyers do not consider that all eucalyptus will be genetically modified, as FuturaGene has improved the yield of varieties not grown in Europe.

Agreed: UTIPULP will follow this issue, and invite at the next General Assembly a representative of SUZANO or Futura Gene.

2.4. EU Timber Regulation

The Secretary mentions that the implementation of the EU Timber Regulation has not resulted in real difficulties for the European pulp and paper companies (see summary on the slide show).

2.5. FSC/PEFC/ISO

The Secretary presents the status of revision of the FSC Chain of Custody, and says that the evolution of the Standard is positive.

Regarding the Online Claims Platform (OCP), although the system is not compulsory any longer, some members express doubts and fear that it may pop up again via "the back door".

Agreed: UTIPULP will follow the development of the FSC OCP and inform members if anything hazardous is identified.

3. Presentation of Dr. Henry Goecke (Institute of the German Economy in Köln)

Pr Goecke presents the file "Current situation and outlook of the USD/€ parity" (see slide show).

This presentation, although describing well the reasons explaining the depreciation of the Euro vis-à-vis USD, doesn't really give clear forecast for the coming months.

4. Association Topics

4.1 Removal of the Registered Office location

The Secretary mentions that, due to the removal of COBELPA (which is so far hosting the postal address of UTIPULP), UTIPULP will have to reconsider if it takes a new location (e.g: CEPI or COPACEL), or if it follows COBELPA.

Following the discussions that have taken place in the Excom, the Chairman proposes to the General Assembly to move to the future COBELPA address:

p/a InDufed
Boulevard de la Plaine, 5 Pleinlaan
Bruxelles 1050 Brussel

Agreed: members approve to move the UTIPULP address at the future COBELPA address, as soon as COBELPA will have settled down (2nd July).

4.1 Finance/Budget

The Secretary presents the accounts 2014, as well as the budget for 2015. Regarding the budget for 2015, he stresses that the total revenues are proposed to be the same as in 2014 (27 560 Euros).

Agreed: members approve the 2015 budget.

4.3 Excom members

Norman SNEL mentions that he has recently joined SAPPI, and that two members of the Excom are consequently belonging to the same company. In order to avoid this situation, Norman SNEL says he resigns from the Excom, as of date of the current General Assembly. The Chairman thanks him for his involvement within the Excom.

The Chairman reminds that, according to the UTIPULP statutes, the mandates of the Excom Members are limited to three years. The seats of the CPI representative (John GOVIER) and of the COBELPA representative (Victor KAMM) are therefore open for new candidates. Nonetheless, as each of the members of the Excom has to represent a different National Association, and as there are no industry representatives from Portugal and Spain in the General Assembly, the Chairman proposes to renew the positions of John GOVIER and Victor KAMM.

Agreed: members endorse the position of John GOVIER (representing CPI) and Victor Kamm (representing COBELPA) in the Excom, for a three years mandate starting at the current General Assembly.

4.4 New UTIPULP website

The Secretary mentions that, pursuant the decision taken at the last General Assembly, a new UTIPULP website has been developed by COPACEL, making it possible to stop the contract with the IT company hosting so far the website.

Members will be informed on the switch, and asked for any comments regarding the layout and the structure of this new website.

4.5 Statistics

The Secretary mentions that the document “Rules of operation” has to be updated (because Denmark and Switzerland are still mentioned as members). This remark also applies to some other documents.

Agreed: UTIPULP documents will be updated so that references to Denmark and Switzerland as members are deleted.

4.6 Member countries: special items

Members present the key features of their national statistics (with the exception of Belgium, as the production data of this country will have to be aggregated with those of other countries for confidentiality reasons).

Members also suggest that data of exports and imports are displayed in the table of each country.

5. Close out

The next meeting will take place on 17th September (Excom) and 18th (General Assembly), 2015 in Barcelona.

As in the past, the meeting will be organised in co-operation with Europulp.
