

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

April 24th, 2020

8h30 – 10H30

By GoToMeeting

Minutes

Attendees:

Mr	Andrea	PIAZZOLLA (Chairman)	SOFIDEL
Mr	Steve	ABDULLA	ESSITY
Mr	Romain	BALDI (partly)	AHLSTROM MUNKSJÖ
Mr	Paul	BARTMANN	MONDI
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Jörg	DITTOMBEE	MITSUBISHI
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	Klaus	KRIEG	Papierfabrik August KOEHLER SE
Mr	Burckhard	KRUECKE	WEPA Hygieneprodukte GmbH
Mr	Jacek	LOS	ARCTIC PAPER
Mr	Stéphane	MOZDYNIEWICZ	PAPETERIES DE CLAIREFONTAINE
Mr	Peter E.	OFFNER	BRIGL & BERGMEISTER GmbH
Mr	Lorenzo	PASQUINI	LUCART SpA
Mr	Luis Fernando	RUIZ ARRUE	PAPELERA DEL ORIA S A
Mr	Norman	SNEL	SAPPI
Mr	Janusz	TURSKI (partly)	Association of Polish Papermakers
Mrs	Charo	VIEJO	LECTA
Mr	Mustapha	ZAUG	PPG
Mr	Paul-Antoine	LACOUR	UTIPULP
Mrs	Daniela	BARRAT (partly)	UTIPULP

1. Introduction

1.1 Welcome and apologies

The Chairman welcomes all the participants and recalls that, due to the covid crisis, the General Assembly takes place on-line and will address only the priority topics.

1.2 and 1.3 Safety and Legal guidelines

The Chairman 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. Approval of the minutes of the last meeting (Barcelona, September 13th, 2019)

The minutes are approved without amendments.

2. Market analysis / demand side

2.1. Synthesis of the questionnaire pertaining to the covid crisis

Paul-Antoine LACOUR recalls that the UTIPULP Secretariat has sent to the members a questionnaire before the meeting in order to analyse the impacts of the covid crisis on the pulp market. He thanks the members who answered the questionnaire and presents the synthesis drawn up by the secretariat:

- 14 delegates have responded to the questionnaire (10 companies, 4 national associations).
- Regarding the market situation, the strong demand of pulp from tissue producers has at least partly balanced reduced production of graphic/specialty paper producers.
- Delegates consider that, at this stage, pulp availability is not a problem.
- The difficulties mentioned relate to logistics (reported by 6 respondents) but are manageable and have in general decreased over time.
- Regarding the risk of disruption to pulp supply chains, answers are split. Half of the respondents are confident that there is no risk of disruption, and another half is either worried or interrogative.
- In case of shortages, the vast majority of the respondents consider that managing this situation is a company specific issue.
- Regarding the question on the role of UTIPULP, less than the half of the respondents see a role for this association (gathering information among members, collection of information about the market).

2.2. Report from the National Associations delegates

Following the presentation, the Chairman invites the delegates to give their comments on the situation.

What logically appears from this tour de table is the great uncertainty regarding the development of the situation:

- Regarding the supply side, on the short/medium term, will the producers be able to maintain their production without problems, or will they suffer more from the covid? And will the logistics chains work normally?
- On the longer term, the reduced pulp consumption will have impacts on market prices, with what consequences for the producers?
- Regarding the demand side, how severe and long will be the economic recession?
- The downturn in demand for graphic paper is huge, and will dramatically impact the pulp consumption, but at what speed will increase the demand in the coming months?
- The overheated sales of tissue products in retail etc. will cool down as consumers have huge inventories. To which extent this will be partly compensated by the increase of consumption of Away from Home tissue products (as they are to a larger extent based on Paper for Recycling). What will be the consequence on the pulp market?
- On the long term, what will be the changes of habits (eg: replacement of air-dryers by tissue papers?....).
- Regarding specialty papers, the impact of the covid is very different from one paper to the other. Some productions will nevertheless recover (paper for ticketing, abrasive for automotive industry, photography...) but the pace is unknown.

Agreed:

- ***in order to share analysis of the situation, the General Assembly will meet again in July, during an on-line meeting.***
- ***Note: following the General Assembly, and after a consultation of the delegates, it has been decided to schedule this meeting on July 16 (9:00-11:00).***

3. Association Topics

3.1. Statistics from members

PA LACOUR informs the delegates that the statistics received from CELPA are now equivalent to the ones received from the other national association regarding the figures of pulp consumption. He mentions that the data still missing are the ones related to the inventories.

The representative of CELPA, Ana FERNANDES, takes the floor, and mentions that they are now in the process of collection of these figures.

PA LACOUR thanks CELPA for having been able to convince its members and mentions that this file is now closed.

3.2. Dissemination of the statistics report/request from EPIS

The Chairman invites PA LACOUR to recall how are used the statistics from EPIS and what is the request from this association. PA LACOUR then mentions that:

- UTIPULP receives monthly from EPIS a statistics report.
- These statistics are used to elaborate several figures in the UTIPULP full report.
- This report from EPIS is received on the basis of an oral and long-standing agreement. In order to fulfill the EPIS requirement on non-disclosure, the EPIS report is not sent to UTIPULP members.
- In December 2019, EPIS informed UTIPULP that they wish to restrict the recipients of the reports to EPIS members.
- After discussion in early 2020, EPIS changed its request and informed UTIPULP that they wish “to receive your monthly report including both SW and HW data.”

Considering this request, the UTIPULP Excom suggests the following:

- UTIPULP will publish again a monthly public report including hardwood.
- This report will be similar to the report published before 2016 (when it was decided that hardwood will be published on a quarterly basis).
- The report will be released with data older than one month. For instance, for the April public report, we would have released the data of February, and not the data of March. The reason for this is to be consistent with the EPIS report, that reports in April data of January/February.
- This new release will be done on a temporary basis, until a discussion in September with the Brazilian pulp producers. The objective will be that IBA releases data on a monthly basis, and not on a quarterly basis.

Agreed:

- *The General Assembly approves this proposal with the exception of the recommendation regarding the period covered by the report. Instead of issuing “old” data, UTIPULP should convince EPIS to publish more recent ones. In case EPIS fails to change the period covered by its statistics, UTIPULP will then follow the recommendation of the Excom.*
- *UTIPULP Chairman will contact EPIS Chairman in order to explain the points above.*

3.3. Finance / Accounts 2019 and budget 2020

The Secretary presents the key features of the 2019 accounts:

- The results amount to - 385,02 € (less than the budget of - 3 840 €).
- Savings have been made because the speaker (Tom Wright) did not charge UTIPULP during its address during the September meeting.
- The payment of the full fee for the Barcelona Seminar (120 € instead of 55 €) results in extra-costs of 1 950 € (more than the budget of 1 200 €).
- On the 1st January 2020 (after 2019 results) the reserves amount to 16 313,64 €.

Agreed: The accounts of 2019 are approved by the General Assembly.

The Secretary then presents the budget for 2020. He mentions that:

- The budget for the meetings in 2020 is 2 000 € lower than the 2019 budget, as the April meeting in Nice has been postponed to 2021 (the meeting rooms reservation have been paid already, but the money is not lost in case of postponement).
- As a consequence of the postponement, no guest speaker has been invited, which generates a budget reduction of 3 000 € compared to the last years' budget.
- With reference to the draft budget sent prior to the meeting, he suggests to include a line of 2000 € in case of legal advice pertaining to the obligations of the associations regarding the dissemination of the statistics.
- Regarding the contributions, the amount is the same as in 2019 (but rounded up).
- This budget will lead to a deficit of 2 000 €.

Agreed: The General Assembly approves the budget proposal for 2020, with expenses amounting to 29 600 € and contribution from the member associations amounting to 27 600 €.

4. Close out

4.1. New date & location

The next meeting will take place on-line on **July 16 (9:00-11:00).**

The Chairman then mentions that the next EUROPULP/UTIPULP is not confirmed yet. If this option materializes, it is planned that the Seminar takes place on **Thursday September 10, afternoon.**

Delegates mentions that Europulp should be informed that it is important to consider separately the Seminar and the business meetings, meaning that if the Seminar does not take place, it should not prevent bilateral discussions.

If the General Assembly of UTIPULP is organised, the meeting will be on **Thursday 10 September morning** (because there is a celebration in Barcelona on Friday September 11).

At this stage, the UTIPULP Secretariat will make the relevant reservation, provided it implies no costs.

4.2. Close

The Chairman thanks the participants and closes the meeting.
