

UTIPULP

Group of European Market Wood Pulp users

General Assembly meeting

October 8th, 2020

8h30 – 10h30

By GoToMeeting

Minutes

Attendees:

Mr	Andrea	PIAZZOLLA (Chairman)	SOFIDEL
Mr	Steve	ABDULLA	ESSITY
Mr	Romain	BALDI	AHLSTROM MUNKSJÖ
Mr	Paul	BARTMANN	MONDI
Mrs	Cinzia	CARADINI	ASSOCARTA
Mr	Steve	FREEMAN	CONFEDERATION OF PAPER INDUSTRIES
Mrs	Ute	GIERDEN	KANZAN SPEZIALPAPIERE GmbH
Mr	Hita	MARTINEZ	GRUPO MIQUEL Y COSTAS
Mr	Victor	KAMM	SAPPI Europe
Mr	Burkhard	KRUECKE	WEPA
Mr	Stephane	MOZDYNIEWICZ	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	Joep	STEVENS	Inkoop-combinatie “De EENDRAGT” BV
Mr	Janusz	TURSKI	Association of Polish Papermakers
Mrs	Charo	VIEJO	LECTA
Mr	Martin	WERNER	SCHOELLER TECHNOCELL
Mr	Mustapha	ZAOUG	PPG
Mr	Paul-Antoine	LACOUR	UTIPULP

1. Introduction (Chairman)

1.1 – 1.3. Welcome, Safety and Legal guidelines for attending UTIPULP meetings

The Chairman welcomes all the participants and reminds that, following the deterioration of the health situation in many European countries, the UTIPULP General Assembly takes place on line, and not as a side event of the business week. He adds that the business week in Munich has also been cancelled for the same reasons.

He then makes an overview of 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 (webinar, July 16th, 2020)

The minutes are approved without amendments.

2. Market analysis / Report from the National Association delegates (All)

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

Q1: Regarding the pulp supply, has the situation improved or worsen since the last inquiry (16 July)?

All delegates mention that there is no issue with pulp supply. Some nuances could be done nonetheless: (i) for the majority of the delegates, the situation was already good during the last survey (July) and is then unchanged. For some others, the situation has improved, with a good availability from spot offers. One delegate is even more specific and mentions that the improvement relates to hardwood.

Q2: On the short/medium term, do you anticipate that the covid epidemic will still have consequences on the pulp supply?

The analysis of the questionnaire shows that there are no substantial concerns regarding the future pulp supply conditions. Nonetheless, even if the delegates are not pessimistic, the following concerns are mentioned: (i) Several respondents mention that the situation seems to worsen after the improvement of the summer break (second wave arising?), especially with the winter in the Northern hemisphere. The consequence of this could be the stop of some pulp mills (ii) The epidemic could also result in some logistics constraints if countries implement restrictions on the circulation of trucks/drivers (iii) Due to postponed maintenance from the first half to the second half of 2020, pulp supply might become tighter.

As a conclusion, he mentions that, although the “mood” is good among the pulp buyers, some foresee potential risk and prefer to maintain their pulp inventories at a high level. Besides these concerns, the main question, shared by half of the delegates, is the consequence of a lower demand for many paper grades on the pulp market. The imbalance of the pulp market, and the associated low prices, will at a certain point in time result in a reduction in pulp production. On the medium term, the situation will also depend on the demand from China. This pulp cut of pulp production on the medium term will trigger increasing prices, and volatility.

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

3. Association Topics

3.1. Excom (Chairman, All)

The Secretary mentions that Steeve Abdulla, as representative of CPI, does not wish to be candidate for a new mandate once his present mandate is over. As Steeve Abdulla is the only company representative from UK, this decision means that another national association will be invited to join the Excom.

Agreed: representatives of national associations interested in joining the Excom are invited to inform the Chairman or the Secretary.

3.2. Finance (Chairman, All)

The Secretary reminds that the 2020 budget approved on 24 April 2020 was based on meeting expenses amounting to 8 900 €. Due to the persistent restrictions caused by the covid-19, only 800 € have been spent (reservation for the meeting in Nice).

As less work has been needed for the preparation of the meetings (that were all on-line), the amount of work, and consequently the line “salaries” will be also lower. The exact amount of savings will be calculated at the end of the year and presented at the next General Assembly.

3.3. Statistics (Chairman, All)

The Secretary mentions that the exchange of statistics with Epis runs with no particular problem.

4. Close out (Chairman)

The next meeting will take place in Nice if the health situation enables it, or on-line otherwise?

Dates are 23 April morning for the General Assembly and 22 April for the Excom.
