

Agenda of the meeting

Introduction (Chairman)

- Welcome/new delegates
- Legal guidelines for attending UTIPULP meetings
- Approval of the minutes of the last meeting (Lisbon, April 18th, 2024)

Market analysis

- Synthesis of the questionnaire pertaining to pulp supply (PA Lacour)
- Report from the National Associations delegates (All)

Special Subject Dossiers

- EPIS request on the standardization of the technical data sheets
- UTIPULP request on the standardization of the technical sheets for pulp

EUDR Developments

- Statuts of the file
- Opportunity to update the General Trade Rules

Association Topics/Excom Composition

Any Other Business

Close out (Chairman)

- Date & location of the next meeting
- Close

Introduction

Welcome

New delegates

- Andrew Southwell HOLMEN
- Christoph Schlinkmann WEPA

Guests

- François Brunetaud ALLIANCELL
- Appie Eddahdah ALLIANCELL
- Burkhard Krücke LECTA
- Luciano Masiero SOFIDEL

Introduction

Legal guidelines for attending UTIPULP meeting

- The chairman recalls the main requirements of the guidelines. Guidelines are available at any time during the meeting

Approval of the minutes of the last meeting

- Lisbon, April 18th, 2024

Market analysis (Methodology)

- The UTIPULP Secretariat sent an on-line questionnaire to all the delegates (representing companies and national associations).

UTIPULP market questionnaire

Dear Member,

In preparation of our next meeting, on Thursday September 12 in Barcelona, please find below a short questionnaire.

[dani.laur10@gmail.com](#) [Changer de compte](#)

Non partagé

Name

Votre réponse

Regarding your pulp supply, has the situation improved or worsen since the last meeting (April 2024)?

☐ strong improvement

☐ slight improvement

☐ steady

☐ slight deterioration

☐ strong deterioration

In H1 2025, according to you forecasts, will the pulp supply improve or worsen?

☐ strong improvement

☐ slight improvement

☐ steady

☐ slight deterioration

☐ strong deterioration

Please specify the reasons of your forecast.

Votre réponse

What key changes will influence pulp consumption in your country during the 12 coming months (new paper mills/capacities, closures...)?

Votre réponse

Comments and suggestions.

Votre réponse

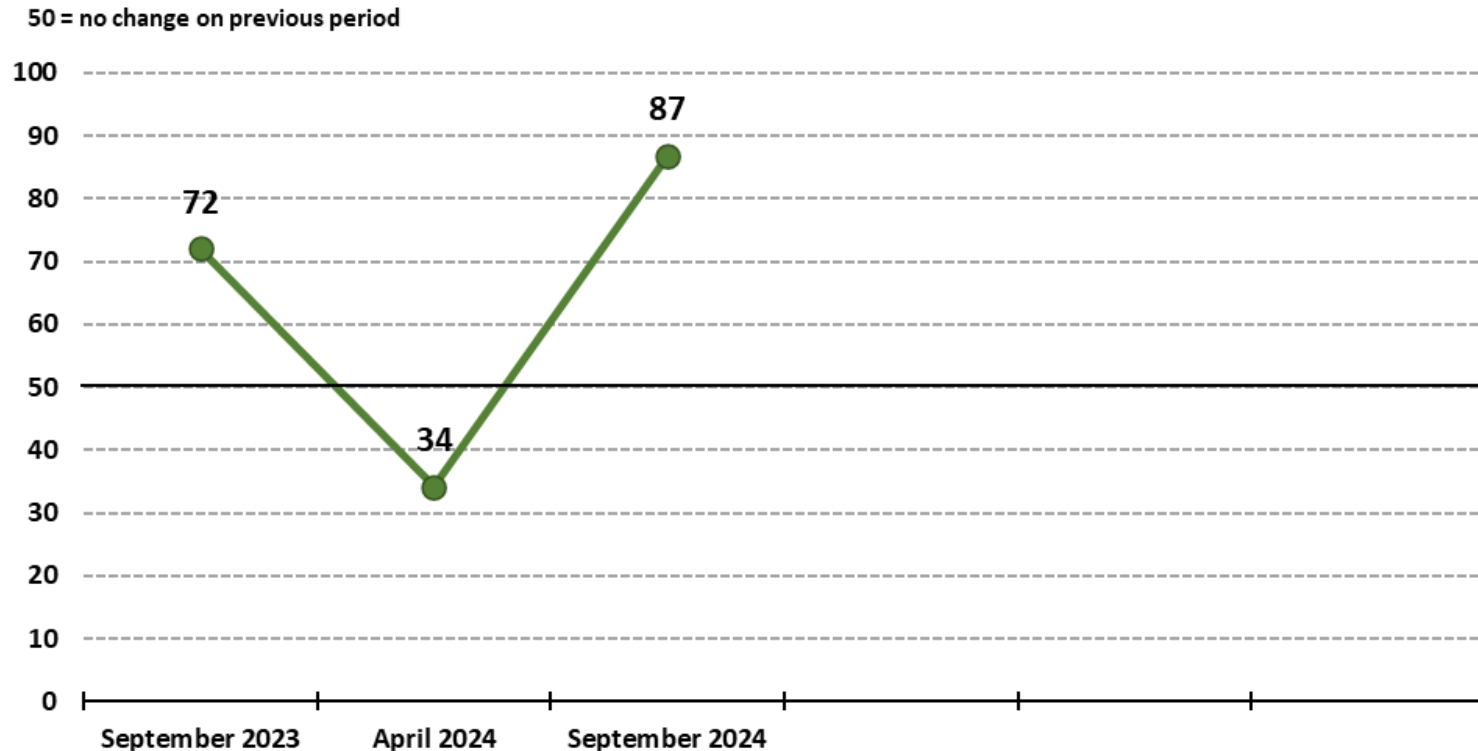
Market analysis (Methodology)

Index Calculation

- The value of each index is calculated using the following formula: **INDEX VALUE = 1 x (% “strong improvement”) + 0.75 x (% “slight improvement”) + 0.50 x (% “steady”) + 0.25 x(% “slight deterioration”) + 0.0 x (% “strong deterioration”)**
- The resulting index values are therefore bounded between 0 (all companies respond strong deterioration) and 100 (all companies respond strong improvement), with a theoretical no-change mark at 50 (all companies respond “steady” or equal proportions respond up as do for down).
- Index values above 50.0 indicate improvement and below 50.0 report deterioration.
- The index will be reported on a curve that will give a long-term vision.

Market analysis (Outcome of the survey)

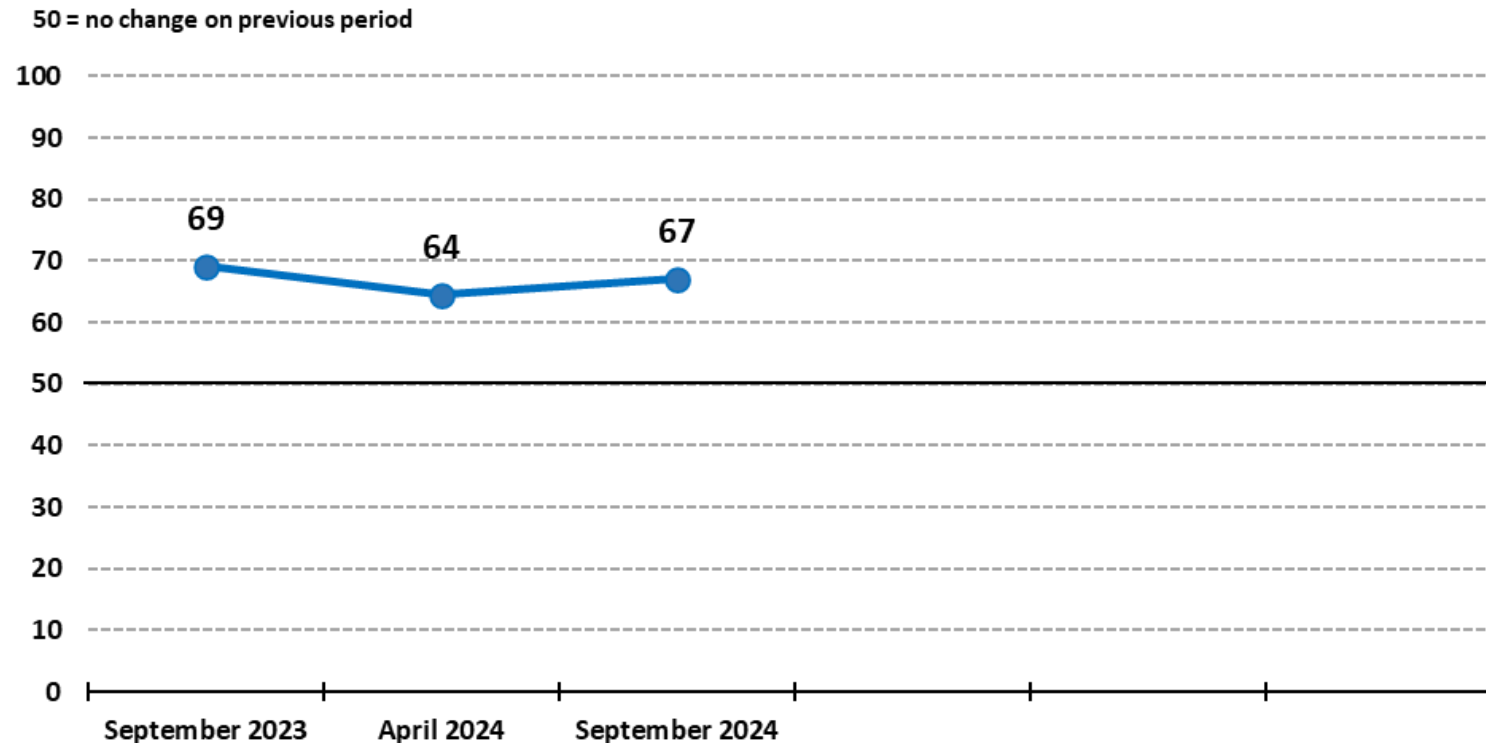
UTIPULP market index (past period)



- 19 answers have been received (17 companies, 2 national associations).
- 20 answers had been received during the survey of April 2024.
- Compared to April 2024, respondents have experienced a strong improvement of the pulp supply conditions. The situation is also seen as better compared to last year at the same period.

Market analysis (Outcome of the survey)

UTIPULP market index (forecast)



- Respondents anticipate an improvement the pulp supply conditions (the index is above 50). Answers are a little more optimistic compared to April 2024, but with no real difference.

Market analysis

Synthesis of the questionnaire pertaining to pulp supply

- 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).
- As examples are several times mentioned Cerrado Suzano and local new Chinese capacities. Moreover, Metsä Kemi is back to normal. It is also reported that Pöls will switch partly from NBSK to UKP.
- Although the worldwide capacity of pulp is expected to grow (particularly for short fibres, some shutdowns have been announced (Metsä, UPM, Asian pulp producers) and that could change the market quickly.
- Production issues have been solved.

Market analysis

Synthesis of the questionnaire pertaining to pulp demand

- The general perception is that, during the next months, the pulp demand will remain relatively low in the EU (especially in the printing and writing segment), in line with the economic slowdown.
- One question mark is whether Chinese demand will increase significantly (will the Chinese buyers enter a new cycle of restocking; how will evolve the soft internal Chinese pulp consumption?).
- Pulp price started to decline in July in Europe and the same dynamic was seen in China.

Market analysis

What key changes will influence 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. Some other changes in paper capacities are expected to have less impact on the pulp market.
- Long lasting trend are expected to continue in our industry (demand drop in the graphic sector, conversion of paper machines from graphic to packaging ...).
- At a global level, the role of China in the coming months remain a question mark.
- The EUDR is also mentioned as a “nightmare” (quick decisions needed).
- One respondent regrets the high volatility of the market, and wonders if more financial instruments could help to stabilize it.
- As a final remark, one respondent mentions that big suppliers influence too much the market via public announcement.

Market analysis

Report from the National Associations delegates



Special Subject Dossiers

EPIS request on the standardization of sustainability questionnaires

- EPIS did not come back to UTIPULP on this matter.
- The Excom considers it is valuable to comment the draft questionnaire received from EPIS (and prepared by UPM) ?
- **If the delegates confirm this proposal, the questionnaire could be resent, with a request to send comments (with a deadline in March).**

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, 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? So we throw the ball back to your court and ask for feedback, best practices and guidance what would be the most important things to include on a TDS?”*
- In order to answer to EPIS’s request, the UTIPULP Secretariat has analyzed the TDS of 4 pulp companies in order to identify the commonalities and differences.
- The information contained in the TDS is partly the same and partly different. This will be analyzed below.

Standardization of the Technical Data Sheets

Data mentioned in ALL the TDS

- Weight and size of the bales and units ; material of the wires ; date of release/validity of the TDS.
- Key physical properties (single values)
 - Brightness
 - pH

Standardization of the Technical Data Sheets

Data mentioned in ALL the TDS

- Physical properties (in array depending on PFI Beating revolutions OR drainability)
 - Drainability/freeness
 - Tensile Index
 - Tear index
 - Opacity (sometimes as a single value)
 - Air resistance OR permeance
 - Density AND/OR Bulk

COMMENTS regarding

- Opacity?
- Density OR Bulk?
- Air resistance OR Permeance?
- Homogeneity of the wording?

Standardization of the Technical Data Sheets

Data DATA NOT always mentioned in all the TDS

- Single values Species (only NBSK)
 - Dirt
 - Coarseness
 - Fibre length
 - Fibre width
 - Vicosity
 - Specific conductivity
 - Acetone extract
 - Ash content
 - Grammage

 - Wrappers
 - Dryness of wrappers
 - Tensile strength of the wires
 - Marking design

Standardization of the Technical Data Sheets

Data DATA NOT always mentioned in all the TDS

- Data in an array
 - Tensile stiffness index
 - Burst Index
 - Light scattered coefficient
 - Specific refining energy

Standardization of the Technical Data Sheets

What feed-back to EPIS?

- As a general comment, it would be valuable to harmonize the units and the standards used for the measurements.
- Regarding the values:
 - Do we consider that some not systematically mentioned should be given in all the TDS ?
 - Do we consider that the test done anyhow on the samples of pulp by the pulp buyers make unnecessary any change in the TDS?

EUDR Developments/Statuts of the file

From technical point of view - what's new ? (1/3)

- **Technical questions relative to EUDR implementation**

- There are still many unanswered questions regarding the implementation of the regulation. The European Commission was due to update the FAQ (with ~ 30 additional questions) in March, then June, ... but the document is still not available. **Perhaps next week?**
- The technical guidance, which should provide clarification on certain legislative parts of the text, was due to be distributed in May. It is still not available.

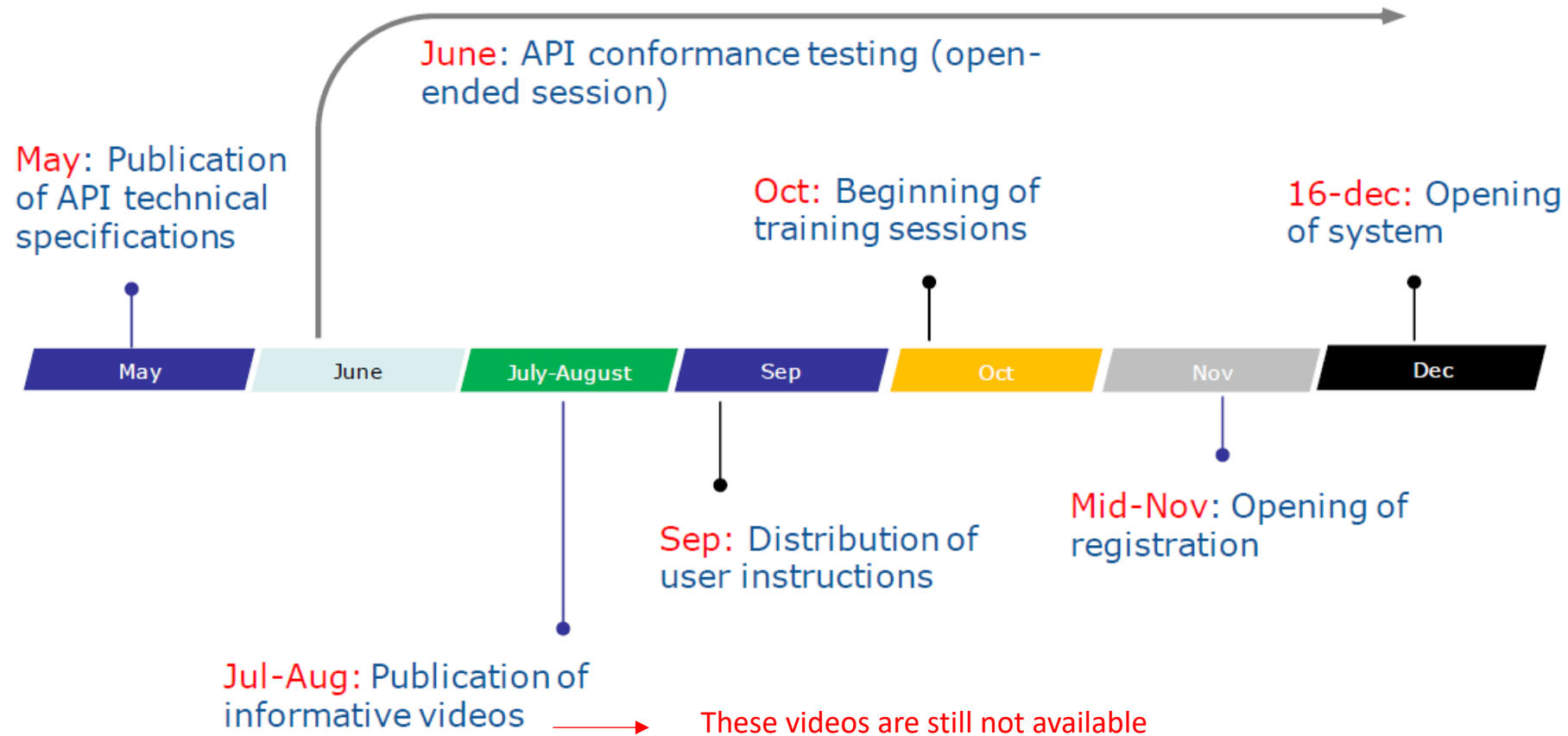
- **Information system**

- In May, the European Commission published, and updated over the summer, the technical specifications designed to enable companies wishing to develop an interface (API) between their data information system and the future European information system.
- No new information system test sessions have been organized since the one in December 2023/January 2024. Still uncertainties for companies on basic functions of EU system (e.g. geolocation visible or not?)

EUDR Developments/Statuts of the file

From technical point of view - what's new ? (2/3)

- Information system timetable



EUDR Developments/Statuts of the file

From technical point of view - what's new ? (3/3)

- **Country benchmarking**
 - The European Commission must classify countries and regions according to deforestation risk (low/standard/high). Technical work started only now (with US/Dutch consultancy Guidehouse). Most likely all countries classified as “standard” risk on 30 December 24. This will require a risk assessment for all countries, including those that would in principle be classified as low risk.
- **Forest maps – problem of definition of forested areas**

Some countries (Australia, Brazil, ...) have highlighted discrepancies between their forest maps and those of the European Commission. Due to different definition of forested areas, national and EU forest cover maps can differ in many places. [Link to FT article](#)
- **Member States competent authorities**
 - 8 countries have still not nominated their competent authority : Cyprus, Croatia, Greece, Hungary, Latvia, Malta, Poland, Romania.

EUDR Developments/Statuts of the file

From political point of view - what's new ? (1/3)

Calls from stakeholders to delay implementation of the directive increased over the summer.

- **10 July** - Joint statement ahead of AGRI Council meeting of 15 July.
Sent to:
 - Von der Leyen
 - Metsola
 - Agri ministers
 - Envi ministers
 - Hungarian presidency
- **24 July** - Topic on agenda of Commission, but no decision on postponement was taken

JOINT STATEMENT

Urgent call of European primary producers and industries for the postponement of the entry into application of the EUDR



EUDR Developments/Statuts of the file

From political point of view - what's new ? (2/3)

- **15 July - Agriculture Council meeting**

Austria put EUDR delay on the table as AOB.

- 12 Countries openly support the idea (Austria, Finland, Sweden, Portugal, Bulgaria, Slovakia, Croatia, Ireland, Poland, Italy, Greece, Lithuania).
- German Ministry supported postponement in a separate declaration to the press
- 5 Countries expressed critical remarks on timing and implementation challenges (France, Spain, the Netherlands, Slovenia, Estonia).

EUDR Developments/Statuts of the file

From political point of view - what's new ? (3/3)

- **International trade perspective: requests for postponement**
 - **Letter from US Administration** (June)
The Biden administration has urged the EU to delay the implementation of the EU Deforestation Regulation until its “substantial changes” are addressed.
 - **Letter from Canadian government** (July)
 - **China** also opposes to EUDR refusing to share geolocational data due to “security concerns” (July). [Link to article](#)
 - **Letter from Argentina Brazil, Bolivia, Chile, Paraguay and Uruguay** (August)
They question the compatibility of the regulation with WTO obligations, and the ability of European operators to ‘correctly’ assess the risks of deforestation for imported products. They also point to the risk of ‘small producers’ being excluded from the ‘costs’ of the mechanisms put in place.
- **Despite this pressure, the European Commission is still giving no sign of wanting to postpone the date of application of the regulation.**
The next meeting of the EU Deforestation Platform will take place on 24 September. Will the European Commission to take decisions and release information on this issue after this date?

EUDR Developments/Opportunity to update the General Trade Rules

- 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.
- In order to understand the expectations of the members, the UTIPULP Secretariat has sent a questionnaire to the delegates.
- 11 answers have been received

EUDR Developments/Opportunity to update the General Trade Rules

In your contract, have you started to work on the writing of a paragraphs related to EUDR?

- 8 respondents mentioned that they do not have started to work on legal reservations related to EUDR.
- 1 respondent forwarded a new questionnaire he sends to the suppliers.
- 1 respondent answered on ESG standards (part the EUDR requirements). The respondent's company has put into force a complementary document (so called "compliance document" to the contracts.
- 1 respondent mentioned that contract documents have been adjusted according to the EUDR.

EUDR Developments/Opportunity to update the General Trade Rules

Could you send the legal provisions you have prepared?

- One “compliance document” (2 pages and a half) and one questionnaire have been received by the UTIPULP Secretariat.

Are you favorable that the General Trade Rules is updated in order to consider the EUDR?

- All the respondents gave a positive answer

EUDR Developments/Opportunity to update the General Trade Rules

Conclusion

- Although the panel of respondents is small, it seems that, for now, the legal aspects of the EUDR are not frequently incorporated in the contracts.
- Respondents are all favourable that the General Trade Rules are updated in order to incorporate the requirements of the EUDR.
- The Excom discussed the matter, and raised the question: what would bring a modification of the GTR, considering that paragraph 12 of the GTR is already clear on the need to comply with laws *“both the seller and the buyer shall at all times act in full compliance (and ensure that the products and the related sales documentation are also in compliance) with the applicable laws, regulations, permits, and other official requirements and the parties commit to provide relevant information in that respect when needed.”*

Association Topics/Excom composition

Excom composition

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

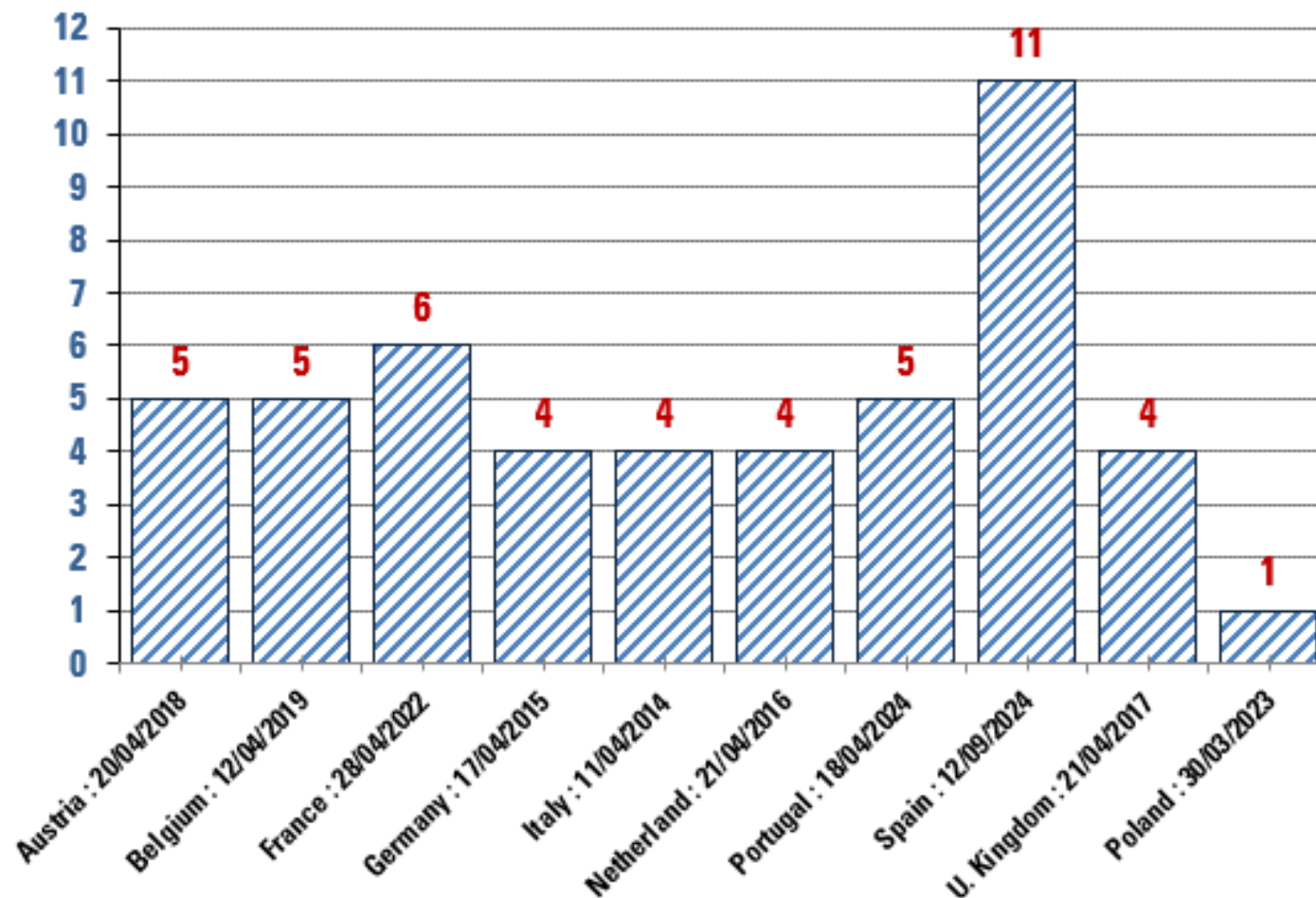
Die Papierindustrie will propose an Excom member in the coming weeks.

Any Other Business

Requests/questions from delegates ?

Close out

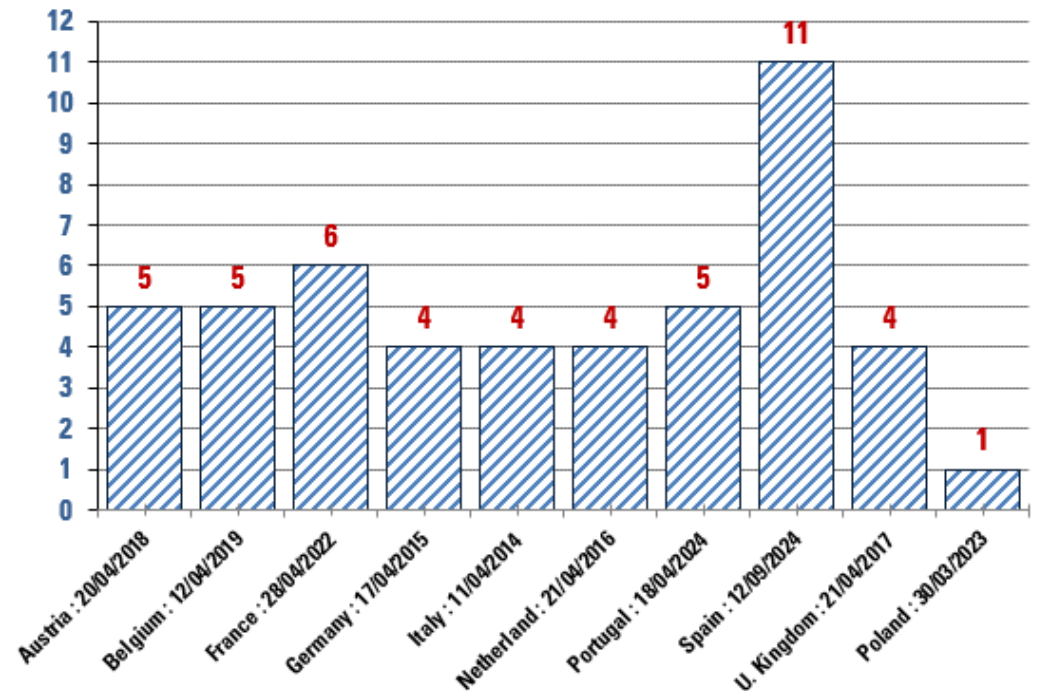
Date & location



Close out

Date & location

- During the **Milan Pulp week**, the conference will take place on **15 May afternoon**.
- It is proposed to organise the :
 - Excom 14 May (15:30/16h45) ;
 - General Assembly on 15 May morning (8:30/13:00)



Utipulp

Thank you



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