



The paper sector social dialogue calls for boosting the re-industrialisation of the EU

The Confederation of European Paper Industries (CEPI) representing the employers in the paper industry and industriAll European Trade Union, representing 7.1 million workers across supply chains in manufacturing, mining and energy sectors are the Social Partners in the European Social Dialogue Committee for the paper sector.

In the current context of economic crisis, characterized by the decline of the manufacturing sectors, CEPI and industriAll Europe take note with great concern of the overall loss of competitiveness of the European manufacturing industries, which leads to capacity closures and job losses.

CEPI and industriAll Europe welcome the European industrial policy and its ambition to increase the contribution of the industries to 20% of the GDP by 2020. However, CEPI and industriAll believe it needs to go further in redressing the competitiveness of the manufacturing sectors.

The goal of a European industrial policy should be holistic and be directed towards safeguarding and even developing industrial activities and creating stable high quality employment while increasing efficiency and sustainability in the process, taking into account the more general objective of sustainable development.

However, high energy and raw material prices are undermining industrial growth in Europe, while our industry faces fierce competition from regions of the world where energy costs are much lower than in Europe.

Therefore, CEPI and industriAll Europe urge the European Institutions to establish the enabling and predictable conditions needed to fulfill the ambition to increase industry's share of GDP by 20%. They ask the EU Institutions:

- To allow the industry time for adaptation, and to reduce the regulatory risks for companies, in light of the some 130 ambitious environmental targets the EU intends to achieve between 2010 and 2050.
- To carefully balance new targets in the field of climate change with considerations of increasing the competitiveness of its industry and ensuring the security of energy supply with view on the absence of similar commitments from the EU main trade partners. It would be incoherent and suicidal to impose constraints on our industry while importing products that do not meet the same constraints. For the paper sector, the renewable energy policies subsidizing the use of biomass wood for burning are putting at risk the sustainable and cost-effective availability of raw materials.
- To improve the coordination of forthcoming policies and legislations – including the social ones - and shift the policy work to better and coherent regulation. As an example, the publication of a non legally-binding guidance



note to clarify the implementation of the EU Timber Regulation leads in reality to a substantial modification the Regulation itself. Hence it may create legal uncertainty and additional burden for the European operators.

- To promote fair and balanced terms, including in energy, environmental and social terms, when negotiating trade agreements, which otherwise could negatively impact the competitiveness of the domestic industries.
- To further promote the Commission's initiatives aiming at assessing the environmental regulatory layers (e.g. Cumulative Cost Assessment) and thus to create stable and enabling conditions for the European manufacturing sector keeping in mind its vision to enhance growth, safe and healthy jobs and competitiveness.
- To secure sufficient support, notably from the EU budget, for research and innovation as well as in training and qualifications of the workforce that can benefit the manufacturing industries of Europe.

At a time where the paper sector social partners are concerned about the difficulties to attract young people to work in the manufacturing industries – in particular as young people mostly see capacity closures in the EU and relocations -, only a strong and ambitious industrial policy with concrete measures benefitting all the industrial branches can reverse the trend and create the conditions for investments within the European Union.

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The EU paper sector social dialogue brings together the paper workers and employers from the EU member States, represented by IndustriAll European Trade Union and CEPI.

*Major challenges to the sector include **falling demand** for certain products and the shift towards CO2-neutral production. The move to more efficient **use of raw materials** and the contribution to a low-carbon economy within a forest-fibre industry combining pulp, paper and wood-based products will lead to a demand for **new skills** and qualifications and a need to (re-)train the workforce. The Committee is currently focusing on:*

- *health and safety*
- *skills and qualifications*
- *demographic change*
- *resources and raw material policies.*

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