The European paper industry today welcomed the Energy Package published by the European Commission this week. Teresa Presas, managing director of CEPI, the Confederation of European Paper Industries, underlined the need for urgent action and commented that the package was a big step in the right direction.

"Importantly, the energy package attempts to provide an integrated view of the issues, competitiveness, energy needs and climate change. We welcome this approach, which reflects the work of the Commission’s High Level Group on Competitiveness, but it should be more balanced. Energy is the biggest single issue affecting the competitiveness of European industry today, including the paper industry. DG Competition’s report on EU energy markets highlights that urgent action is needed and soon if the EU markets are to function properly. The paper industry welcomes the Commission’s stance in this debate."

The paper industry recognises the need for ambitious climate change policies. However, the industry points out that the proposed unilateral approach will only be possible if a balance can be found for those sectors, such as the paper industry, which compete on world markets. Action to address the energy markets and the upcoming review of the Emissions Trading Scheme will be crucial to this.

The package’s increased focus on renewables is also welcomed by the paper industry, Europe’s largest industrial producer and consumer of energy from renewable sources. 50% of the industry’s total primary annual energy consumption is biomass-based. As such, the industry has the experience, technology and supply chain to be part of the renewable energy solution. In fact, its R&D commitments, through the Forest-based Sector Technology Platform, look towards a key role in a future sustainable Europe and focus strongly on bio refinery and the production of biofuels.

However by focusing solely on setting targets, the current debate on renewables is heading in the wrong direction and the Renewable Energy Roadmap is incomplete. The actions needed to meet the targets, and consideration of the potentially negative impact on both the sustainability of Europe’s forests and its industrial competitiveness are missing.

A recent European Environment Agency Report, “How much bioenergy can Europe produce without harming the Environment?” (http://reports.eea.europa.eu/eea_report_2006_7/en/eea_report_7_2006.pdf) only forecasts an annual additional potential of 200 million m³ of biomass in Europe’s forests. CEPI wonders how more ambitious targets can be met without risking the overall sustainability of Europe’s forest and agricultural resources.

The issue also impacts directly on competitive raw material prices. A key problem for the paper industry is that wood markets are heavily distorted as a result of current subsidies for biomass-based energy development. As a result, CEPI supports an overall target approach, allowing member states
the flexibility to find the best local solutions and allowing markets to work without the distortion of sectoral targets.

CEPI is currently undertaking major projects to provide the Commission with data on the future fibre availability in Europe and the paper industry’s potential to help provide the bio-solution to climate change issues.

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Notes to Editor:

- The European Paper industry’s total primary annual energy consumption is 1.295.000 TJ.

- **CEPI aisbl - The Confederation of European Paper Industries**
The European paper industry is one of the most competitive and sustainable in Europe producing 100 million tonnes of paper and board and 40 million tonnes of pulp annually. It provides directly 230,000 jobs and indirectly 2,950,000 jobs along the forest and paper chain. The paper sector makes a vital contribution to the quality of every day life, and through its commitment to research and innovation, to that of tomorrow. CEPI champions the interests of the pulp and paper industry in Europe, representing those interests towards the European Institutions. It monitors, analyses and acts upon EU legislation and initiatives relevant to industry, communicating on the industry’s achievements and the benefits of its products. Through CEPI, the paper industry makes expert and constructive contributions to the official European consultation process with industry. CEPI directly represents the National Associations of the paper industry in 17 member countries across Europe.

CEPI’s collective expertise provides a unique source of information both for and on the industry. It coordinates essential exchanges of experience and knowledge among its members, has the ability to provide technical assistance to legislators and mobilizes the industry to joint initiatives.

Through its 17 member countries* CEPI represents 830 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 1220 paper mills. Together they represent 28% of world production.

(17 European Union members plus Norway and Switzerland)*