TIME FOR A PACT
WITH THE PULP AND PAPER INDUSTRY

CONFEDERATION OF EUROPEAN PAPER INDUSTRIES
As new EU Commissioners and Members of Parliament, you are taking office at a very challenging time. Your actions and decisions will play an enormous part in determining whether Europe will restore its competitiveness, grow its economies and create new jobs, or simply slide further into social, economic and consequently political stagnation.

Enhancing industrial competitiveness is vital for re-launching growth and employment, if manufacturing is to reach as much as a 20% share of GDP by 2020. Understanding industry investment cycles needs to be a fundamental baseline for policy making.

Critical issues for our sector will be addressed in the coming years. These include energy costs, the 2030 climate package, the new waste and recycling legislation, biofuels, the bioeconomy, and food and product safety.

A strong working relationship with industry is therefore of paramount importance if mutually beneficial progress is to be made. Above all, the pulp and paper industry is keen to work with you to find the most sustainable ways to underpin Europe’s industrial competitiveness. It is time for a pact.
The paper industry plans to invest up to 5 billion euros in Europe over the next three years…

- **We will invest in state-of-the-art processes** that deliver jobs, optimum environmental protection as well as higher productivity, improved energy efficiency, and a significantly lower carbon footprint.

- **We will invest in the sustainable management of Europe’s forests** and create additional jobs particularly in rural areas.

- **We will invest in recycling** and turn an increasing volume of waste into valuable raw materials.

- **We will invest in breakthrough technologies** in Europe to become available by 2030 and deliver substantial emission reductions by 2050.

- **We will invest in the bioeconomy**, offering sustainable alternatives to fossil-based industries by supplying renewable, competitive bio-based products, bioenergy and materials sourced locally and “made in Europe”.

- **We will invest in skilled and talented manpower** to operate our mills and oversee the transition to the bioeconomy.
...But operating conditions for doing business in Europe need to improve

**Energy and Climate Change:**
- Keep free allocation for the pulp and paper industry after 2020, as it is a carbon leakage sector.
- Invest 50% of all ETS auctioning revenues in innovation and low-carbon technologies.
- Use ETS revenues to offset indirect carbon costs.
- Reward innovation, investments and early movers in the future EU ETS.
- Reduce the energy (electricity and gas) price gap between Europe and key competing regions.

**Environment:**
- Address biomass-based and process boilers’ specific needs when setting emission limits.
- Acknowledge the renewability of pulp and paper products in the Resource Efficiency policy.

**Raw materials:**
- Stop distorting subsidies in national schemes which encourage burning wood for energy.
- Ensure carbon-neutrality of biomass in all relevant policies.
- Establish active national wood and biomass mobilisation policies. Create jobs in rural regions.
- Underline the cascading use of wood principle in EU policy measures.
- Ban landfill and restrict incineration of recyclable paper.
- Promote separate collection of paper from other waste and recyclables across the EU.

**Food contact:**
- Harmonise EU rules for paper-based food contact packaging, to ensure the internal market runs smoothly.
Innovation and Bioeconomy:
- Mainstream the bioeconomy in other EU policy areas, as a strategic part of the EU’s economic leadership.
- Dedicate a group of Commissioners to coordinate and promote the bioeconomy.
- Transform the NER400 into a dedicated breakthrough technology fund for industry covered by EU ETS.
- Create the paper recycling mill of the future.
- Boost the development of Deep Eutectic Solvents and Superheated Steam (Two Team Project concepts).
- Actively combine regional and structural smart specialisation funds with Horizon 2020 and NER400.

Trade:
- Create a “Wood and Paper Working Group” under the EU Commission’s Market Access Advisory Committee.
- Help provide better access to foreign products, raw materials and energy markets via the quick completion of ambitious bilateral trade agreement negotiations, especially EU-US TTIP.
- Support industry to solve trade disputes and establish fully enforced trade agreements and WTO rules.
- Introduce measures to deal with unfair practices on raw materials in EU trade defence instruments.
- Extend a revised EU Timber Regulation to include printed products.

Transport:
- Allow 44-tonne trucks to cross borders between countries in which these trucks are permitted.
- Be more flexible on the implementation of the Sulphur Directive, with accompanying measures to offset extra costs and boost innovation and LNG infrastructure.
- Support the Single Wagon Load by liberalising fully rail freight services and offering financial support to develop ‘last mile’ infrastructure.
- Support wood mobilisation by funding infrastructure, logistics and equipment.

And for our sector:
- End anti-paper campaigns by the EU institutions for green washing reasons.
- Set up a restructuring lab for the graphic paper sector; facilitate a structural change that benefits Europe.
- Follow the Steel Action Plan and High Level Group with a similar group for the forest-based industries, making the EU Forest Strategy more than just a plan.
The European paper industry is a strategic sector, playing an active part in Europe’s sustainable reindustrialisation. We use natural, renewable bio-based resources. Our knowledge of wood and fibre chemistry means we have a key role to play in adding value and creating jobs within a long value chain.

We are addressing the challenges of resource scarcity and climate change and transforming ourselves for the future. The CEPI 2050 Roadmap and recent breakthrough technologies show how the sector could reduce its fossil-based CO₂ emissions by 80% while at the same time creating 50% more added value.

Paper companies are already investing the cash generated from their traditional activities to become active players in the bioeconomy, for example, in second-generation biofuels, bio-chemicals and new bio-based materials.

The journey has only just started: The paper industry has a vital role to play in Europe’s circular economy. But we need the right support and a fair legislative framework to achieve our goals.