

Press release

European Paper Industry welcomes revamped EU trade policy's support to green and digital transitions

Brussels, 18 February 2021

Last year the European Commission launched a major review process of the European Union's trade policy to help contribute to a resilient and sustainable EU economy after the coronavirus pandemic.

The review process looked at strengthening relationships with key trading partners, creating global trade opportunities for small EU businesses and reinforcing the contribution of trade policy to climate change, sustainable development and the digital transition. There is no strong Europe on the world scene without a strong industry, competitive at home and abroad in fair competition with other partners.

This review came to an end today with the [formal presentation of renewed trade policy](#) presented by Executive Vice President, Valdis Dombrovskis.

The European Paper Industry welcomes the European Commission's resolve to ensure that trade tools accompany and promote value chains that are circular, responsible and sustainable. Our products are made in Europe for Europeans with European renewable raw materials and technology, and their growing use reduces EU's dependence on fossil energy sources from third countries. The European pulp and paper industry also contributes to EU's autonomy. Our products are also widely traded with 22 % of our production being exported and therefore depend on foreign market access.

We also support the European Commission's intention to address deforestation and forest degradation at global level. The European Paper Industry is committed to fighting against illegal logging and promotes sustainable forest management (SFM) as one of the solutions to preserve [forest biodiversity](#) while helping Europe in its ambition towards climate neutrality.

The European Paper Industry hopes that this new EU trade policy will improve market access via the conclusion of ambitious Free-Trade Agreements (FTAs), addressing unfair competition on the EU Single Market and abroad, and addressing level-playing field aspects as top priorities.

A strengthened focus on implementation and enforcement of trade agreements, a strong toolbox of instruments to address unfair practices and promote a level playing field will be crucial.

The pulp and paper industry requires a level playing field with third countries but also a regulatory framework that allows industry to stay and expand in Europe, here are our priority asks:

- The EU-UK Trade and Cooperation Agreement should be fully implemented, with a pragmatic approach to solve trade disruptions and facilitate supply chains functioning between the EU and the UK.
- With a strong Trade and Sustainable Development Chapter, the EU-Mercosur FTA should be ratified as soon as possible.
- At multilateral level, the negotiations for an Environmental Goods Agreement should be relaunched and ways to deal with industrial subsidies should become a priority.
- At bilateral level, the EU should explore options to include targeted provisions on trade in environmental goods and services, including tariff reductions and addressing non-tariff barriers and work with other

countries to harmonise standards, labels and regulatory frameworks to facilitate the commercialisation of green products and services.

We welcome the higher climate ambition embedded in this trade policy review. In relation to this, the EU Commission will propose in June this year a Carbon Border Adjustment Mechanism (CBAM), to protect a number of energy-intensive industries from the risk of carbon leakage i.e. businesses transferring production to other countries with laxer emission constraints due to the costs related to climate policies in Europe. If this carbon leakage materialises, there will be no reduction in global emissions, and this will frustrate the efforts of the EU and its industries to meet the global climate objectives of the Paris Agreement.

Climate change mitigation targets can only be achieved if all countries - EU and non-EU - contribute to it. The same burdens placed on EU manufacturing must apply equally to goods imported for consumption in the EU.

Finally, we call for this trade policy review to positively impact the revamped EU industrial policy. An ambitious EU industrial policy should contribute to the consolidation and resilience of the EU strategic value chains and ecosystems and the strengthening of the EU as a trading power.

Balanced climate, energy and raw materials policies, supported by an ambitious trade strategy, are essential for competitiveness, sustainable growth and employment, supporting innovation and investment by industries.

Note to editor:

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About Cepi :

Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, biocomposites and bioenergy.

We are a responsible industry: 92% of our raw materials are sourced in Europe and certified as sustainable, 91% of the water we use is returned to the environment, in good condition. We are the world champion in recycling at the rate of 72%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 20 billion value addition to the European economy and €5.5 billion investments annually.

More information about our sustainability performance [here](#).

Through its 18 national associations, Cepi gathers 500 companies operating 895 mills across Europe and directly employing more than 180,000 people.