

Statement

As a provider of solutions to the EU's strategic dependencies, the pulp & paper sector must be allowed to 'keep the lights on'

Brussels, March 23rd 2022

Cepi, the European paper industry association, and its members across Europe have responded decisively in face of the unjustified military aggression against Ukraine and in a spirit of solidarity with the people in Ukraine at this difficult time. We support EU leaders in their defence of international law, human rights and democratic values.

Europeans see our products as essential goods. But to provide them and maintain business as usual has proven difficult. Our sector is particularly hit by the spike in energy prices. **At the time of writing, many paper mills across of Europe were forced to stop production** or to introduce temporary downtimes. This situation puts at risk the jobs of over 4 million people who are employed in the European forest-based value chain.

The supply chain shortages could have major implications for the pulp and paper industry. **Products of all kinds made of pulp and paper, including packaging and essential hygiene products, are in danger of disruptions.** This includes the transport and delivery of food and pharmaceuticals, including to the populations which need it the most in the face of the multiple current crises.

The Versailles Declaration has called for the protection of critical infrastructure, ***we are now calling for our sectorsⁱ to be recognised as essential suppliers in several critical European value chains and to be eligible for state aid and preferential gas deliveries.*** This will ensure continuity of vital supplies to society during the double energetic and security crisis, and as the EU is still recovering from the Covid-19 health crisis.

Reasons for further diversification of gas supplies, as called for by the EU Commission and several Member States are well understood, and supported, by our sector. Over the past decade, **we have been leading in terms of investments in the transition to a greener and more efficient energy model.** But it is important that new restrictions are applied in a pragmatic and fair way, and with deep respect to the fundamental role of different economic sectors.

A plan to wean ourselves off Russian gas and oil as a feedstock for manufacturing should be backed by the necessary national and European resources. Wood-based materials clearly are such a resource, and many connected sectors are already starting to tap into our readily available substitutes. In addressing Europe's strategic dependencies, Heads of State and Government have also underlined the importance of critical raw materials; wood-based materials are a key enabling raw material. **Pulp and paper and their derivatives hold potential as circular, sustainable and home-grown substitutes** for those fossil materials impacted by the crisis. This includes a number of plastic-based products, but also textiles, packaging, and even electric car batteries. By replacing CO₂-intensive materials with wood-based products we reduce EU emissions by 10%, or 410 Mt CO₂ equivalent per year.

As we did in past times of crisis, we will strongly support the work of the EU institutions and national governments with our reiterated commitment to invest in Europe's energy future and growth model, and by providing regular updates on the evolution of the paper and pulp sector economic situation.

ⁱ NACE codes 17, 18 and 02.10