

EUDR: Commission unwilling to postpone legislation despite paper industry complaints

The EU Deforestation Regulation (EUDR) will be implemented as planned from the end of 2024, according to a letter sent by Environment Commissioner Virginijus Sinkevičius in early July to the European paper industry association CEPI. In the letter, which has been viewed by EUWID, Sinkevičius addresses, among other things, the criticism and concerns expressed by several industry associations about the new reporting obligations under the EUDR.

The EU Environment Commissioner acknowledged the recent criticism of the EUDR from several associations and stakeholders. Industry associations representing the paper, wood and printing industries, for example, have complained that the EUDR is not practicable and could lead to a shortage of wood as a raw material. Nevertheless, the letter does not indicate that the EU intends to postpone the implementation of the new due diligence obligations or change individual provisions of the law.

"We are hearing feedback from some stakeholders that preparation for implementation may be challenging. However, we also see encouraging signs in many sectors and countries working to align with EUDR requirements," the Commissioner said.

In the two-page letter, Mr Sinkevičius writes nothing that suggests the Regulation could be postponed. Instead, he stresses that the EU is

currently working on an online system that the affected companies should be able to use to fulfil their new due diligence obligations. This information system will achieve the necessary robustness and capacity prior to the start of the application of the EUDR, according to the document. Moreover, the Commissioner pointed out there is a new, second version of FAQs regarding the Regulation on the EU's website.

CEPI pleads for transition period: EUDR system not working yet

Jori Ringman, CEPI's Director General, is still pleading for a transition period to implement the regulation. "An adequate transition time would mean that once essential national and EU tools are ready, all actors still have sufficient time to implement what needs to be. Our sector was working towards compliance by end of the 2024, but one could say that we are forced into requesting a transition period as the EUDR system in its current form does not work," he said in a statement sent to EUWID.

The Commission has stated it is making progress with the development of the national benchmarking and information system, but in CEPI's view this is too little and too late. "Neither the guidance nor the EUDR information system are ready," Mr Ringman said. With regard to Mr Sinkevičius's letter, the CEPI Director explained

the problem is not to geo-localise a single piece of land in the forest. "The problem is passing down the information along complex value chains, especially when a physical segregation of materials is just impossible, as it is in our sector." Mr Ringman cited the example of a book publisher, who would have to trace the paper used back to "thousands of forest plots" to comply with the EU Deforestation Regulation. The European paper industry still sees an urgent need to postpone the EUDR, Mr Ringman concluded.

In a letter dated 30 May, the US government had also asked the European Commission to delay the implementation of the Regulation. If the EUDR is applied as planned from 2025, implementing the requirements would be costly for US exporters and would limit market access for their wood products, according to the letter from the top US commerce, agriculture and trade officials.

In a statement released in late May, the American Forest & Paper Association (AF&PA) explained that the leftover materials from sawmills and forest residues used as inputs are regularly blended multiple times throughout the production process. "This makes tracing each individual wood chip from the original forest plot of land to a final product effectively impossible. Additionally, the technology needed to trace our fibre flow to comply with this requirement does not currently exist. The unachievable traceability requirement could cause major trade disruptions between the EU and the USA," the American association says. □

2023 was another challenging year for the British paper and board industry

Apparent consumption of paper and board down by 9 per cent

In 2023, both production and consumption of paper and board in the UK fell to new 40-year lows, while the UK's corrugated industry saw demand for corrugated products fall by a further 7 per cent. This data "summarises the challenging year that the industry has had", the Confederation of Paper Industries (CPI) wrote, adding that the forthcoming investment gives some grounds for optimism for the future.

"After the upheavals of 2022, 2023 was a year of greater political stability in the UK, even though the economic environment remained difficult," commented Andrew Large, Director General of the CPI. Inflation in the UK decreased from over 11 per cent at the start of 2023 to 4 per cent, but high interest rates of 5.25 per cent hampered business development and private consumption. The prolonged slump in consumer demand had a profound impact on demand and output across the UK's paper-based industries.

Apparent consumption of paper and board suffered its deepest contraction in recent memory,

falling by over 9 per cent to 6.44 million t in 2023. The largest decrease – 21 per cent to 1.26 million t – occurred in the printing and writing sector. Apparent consumption of woodfree coated paper fell by as much as 32 per cent to 202,000 t, followed by woodfree uncoated paper (-22 per cent to 544,000 t). Production of both uncoated (188,000 t) and coated (329,000 t) mechanical paper fell by 15 per cent.

Corrugated case materials and tissue more resilient

Production of packaging paper and board declined by 7 per cent to 3.46 million t, but devel-

opment of the individual segments was mixed.

Cartonboard and other packaging boards (902,000 t, -13 per cent) and other packaging papers and board (187,000 t, -15 per cent) showed double-digit declines, while the decrease in corrugated case material production was less pronounced at -3 per cent to 2.37 million t. The corrugated segment also showed a marked improvement towards the end of the year, according to the CPI.

And with demand for household materials largely unaffected, consumption in the tissue sector was more or less stable (-0.3 per cent to 1.09 million t), with a slight drop caused by the decline in demand from the industrial and commercial sectors.

Production falls to levels last seen in the 1980s

The UK's paper and board mills produced 3.22 million t, down 7 per cent on the previous year and just above the 3.20 million t produced at the industry's low point in 1982.

Production of corrugated case materials fell by 7 per cent year-on-year to 1.38 million t, and output