

MPs Briefing

CPI Briefing to MPs on the UK's Paper-based Industries

cpi confederation of paper industries




MARCH 2017









This Briefing informs MPs about the range of issues currently affecting the competitiveness of CPI Members. For further details about CPI or its activities, please visit www.paper.org.uk.

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The UK's Paper-based Industries




 £6.5 billion annual turnover	 25,000 direct employees	 100,000 indirect employees
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 66 Member Companies	 46 Paper Mills
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 8.0 million tonnes Recovered Paper Collection	 3.7 million tonnes Paper & Board Production	 4.6 million ksm Corrugated Board Production	 728k tonnes Tissue Parent Reel Production
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The Voice and Face of the UK's Paper-based Industries

Paper - the sustainable, renewable choice

   www.paper.org.uk



**CPI Director General,
Andrew Large**

As the voice and face of the UK's Paper-based industries, CPI represents the supply chain for paper comprising paper and board manufacturers and converters, corrugated packaging producers, makers of soft tissue papers and collectors of paper for recycling.

CPI Brexit Priorities

The UK Government's Brexit White Paper has set out the UK's negotiating priorities for leaving the European Union. In response, the UK's Paper-based Industries urge the Government to incorporate the following issues into the negotiations.

Avoid the Cliff Edge

The first priority for the Government must be to ensure that the UK avoids a chaotic exit from the European Union, leading to a "cliff edge" situation in which the rules that govern UK trade are unclear, and trade is significantly impeded, or indeed stopped while negotiations conclude.

The UK's Paper-based Industries support the phased implementation of any eventual Brexit agreement to prevent trade from falling off a cliff edge and enable business and governments to adjust to the new trade relationships. Paper benefits from zero tariffs already, but we are very concerned at the possible emergence of new non-tariff barriers to trade in the event of a chaotic Brexit.

Safeguard EU Trade and Supply Chains

The UK Paper Industry depends greatly on its EU supply chains. The UK imports both pulp and paper for further processing and is itself an exporter of paper products and recovered paper for recycling. The UK Paper Industry also depends on the skills and services of EU wide technical teams and on European Standards for the specification of its products.

The final Brexit agreement must ensure that these supply chains remain linked and that they are not disrupted by new



tariffs, non-tariff barriers related to standards or regulations, or restrictions on skilled workers, especially those coming to the UK for short term intra-company roles.

Both the Brexit agreement and future UK regulations must deliver the most competitive UK business environment possible, within the context of continued frictionless trade with the EU. This applies especially to environmental, natural resources, business rates, employment and health and safety legislation.

Deliver a Sustainable and Competitive Energy and Environmental Policy

The UK should take the opportunity of the Brexit discussions to address the issue of energy affordability for Energy Intensive Industries. The UK should retain and grow its participation in the Interconnectors to ensure continued access to the widest possible sources of electricity and gas without supply disruption or tariff and non-tariff barriers.

Direct policies to support affordable energy in the UK would include grants for viable energy efficiency initiatives within energy intensive sectors and the abolition of the Carbon Price Floor. The current schemes to mitigate (via compensation and exemption) the costs of UK decarbonisation should be extended to cover 100% of the additional costs.

The UK's Paper-based Industries urge the Government to use the opportunity of Brexit to advance the circular and bio-economies. This is an opportunity to ensure that valuable paper fibres are retained within the paper sector for as long as possible before composting and/or manufacturing into refuse derived fuel. The Government should also focus on the quality of recycled materials and not just on volumes. The UK biomass mobilisation plan should be upgraded, and the Climate Change Levy exemption for biomass CHP reinstated.

The UK's Paper-based Industries welcome the commitment to transpose EU law into UK law from day one of Brexit, as a provider of legal certainty. However, we urge the Government to move quickly to reduce regulatory burdens on business, consistent with continued access to EU markets.

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For further information on CPI and the UK Paper Industry visit:
www.paper.org.uk

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