

## PressRelease

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Brussels, 25 May 2012

### **Low sulphur fuel directive: EU industry competitiveness again disregarded**

The Council announced that a compromise agreement on sulphur content of marine fuels has been reached with the European Parliament. The European paper industry believes this agreement is a major blow to its competitiveness at a time where the EU is desperately looking for growth and jobs. Sulphur content limits will be 0.1% in the North of Europe from 2015 – 1.0% today – compared to 3.5% in other European sea areas until 2020, and the rest of the world until 2025. Sulphur emissions have to be reduced indeed but in a cost-efficient and fair way. This requires more time and better coordination.

CEPI deeply regrets that the agreement does not take full account of the concerns of the business community in times of an economic recession in Europe. CEPI has continuously drawn the attention of the European Parliament and the Member States towards the huge impact this agreement will have on the companies operating in the North of Europe – an additional cost of around 4 billion euros per year according to the most recent studies. For the paper industry an estimated increase in shipping costs of 20-45% further to a 50-80% price increase in marine fuels is expected, because of the foreseen low sulphur fuel scarcity and lack of reliable abatement methods. Further market and competition distortion within the EU and with foreign competitors outside the EU is to be expected.

Accompanying measures at EU and national levels through existing or new financial support schemes will be required, if the impact of the Sulphur Directive on companies is to be mitigated. "Companies will have to revert to their member state support in order to be able to comply to the prescribed limits within such a short period of time. But state aid will not compensate for increased costs and the resulting loss of competitiveness", said Teresa Presas, CEPI Director General. "The EU once again did not consider the competitiveness of its industry", *she added*.

The European paper industry asks the European Parliament and the Council to call for more flexibility in the rules of the IMO - the International Maritime Organisation.

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#### **Note to Editor**

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**Press release Council of the European Union:**

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**CEPI aisbl - The Confederation of European Paper Industries**

The Confederation of European Paper Industries (CEPI) is a Brussels-based non-profit making organisation regrouping the European pulp and paper industry and championing this industry's achievements and the benefits of its products.

Its collective expertise provides a unique source of information both for and on the industry; coordinating essential exchanges of experience and knowledge among its members, and with the industry stakeholders. Through its 19 member countries (17 European Union members plus Norway and Switzerland) CEPI represents some 550 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 1000 paper mills. Together they represent 25% of world production.

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