

Jori Ringman
Director General

European Commission
1049 Brussels

For the attention of:
Mr Gwenole Cozigou
Acting Director General - DG Grow

Brussels, 18 March 2020

Dear Mr Cozigou,

Re: DG Grow support to vital industrial activity during the Corona epidemic

We are calling DG Grow's urgent support to keeping those parts of the European pulp and paper sector functioning that are essential and vital for the key activities in the society.

Fibre-based packaging is a leading packaging material for consumer goods in food and pharmaceutical industry and the leading transport packaging system. Our sector plays a critical role in ensuring the safe supplies of food and pharmaceuticals and more that are vital for the European society. Furthermore, according to a [study](#) published by New England Journal of Medicine this week, Corona virus is not surviving long on paper and board substrate whilst it remains viable on plastics and steel for up to 72 hours.

We would like to ask your support in ensuring transport of raw materials along the European value chain remains functional and, in particular regarding transport packaging that is nearly fully recycled-based, that circular sourcing of the raw materials remains possible by seeing to that the member states continue separate collection of paper for recycling.

1. **Improve the logistical situation in Europe.** We provide medical, food and feed packaging (primary and transport) to critical supply chains in Europe. Packaging systems cannot be changed overnight and there is no other material with better position for sustainable, European sourcing than paper and board. We are a critical step in logistics but also depend ourselves on a well-functioning transport sector. (See Annex II and III).
2. **Be classified as a strategic sector.** As member states all develop different lists, we call for an EU-wide definition which declares our activities (in packaging value chain) critical so as to allow cross border movement of maintenance parts, feedstock, materials and articles. Likewise, when drawing the list of sectors eligible for **state aids**, our sector should be included, too.
3. **Help solve shortages.** We have realised the member states and local authorities start prioritising collection of certain waste streams over cleaner ones, such as paper and board. Stopping the collection of paper and board would, however, quickly turn into a shortage of raw material and force stoppages. Currently paper and board packaging has a recycling rate of 84.6% (Eurostat) and for transport packaging even higher.

4. **Share solutions.** We ask the Commission to spread solutions and good practice across the Member States; we have long experience in the affected areas and can readily share our knowledge.

We support the statement by BusinessEurope: «*The Internal Market must be protected, with the Commission closely monitoring any distortion of the internal market and discouraging the creation of national barriers that do not respect the principle of solidarity and proportionality, as established in the treaties. In particular, transportation of goods within the EU single market, for example by trucks, must not be blocked. Cross-border access for critical manufacturing and medical equipment maintenance services must be ensured, and export bans recently introduced by member states on personal protective equipment, medical equipment and medical devices must be urgently removed.*»

We appreciate the staff in DG Grow and your Commissioner with his team have been working relentlessly and under high pressure for over six days now and are grateful for the efforts of the European Commission to date, such as issuing of the Guidelines for Border Management and are keen to partner the Commission's efforts to ensure supply chains can operate effectively.

Your work is noticed and welcome in this critical time for Europe. Nevertheless, we ask you to do more and support the paper and board packaging value chain in providing the vital service to the European society in enabling critical supplies of food and pharmaceuticals and more.

Yours sincerely,



Jori Ringman

To: Mr Gwenole Cozigou

CC: Mr Peter Handley
Mr Mattia Pellegrini
Mr Hans Ingels

Annex I

Impacts on transport packaging (all logistics chains)

We have had responses from major operators in Europe regarding collection of paper and board for recycling, a critical raw material for paper-based transport packaging.

Situation in Collection

In Germany, collections from households are continuing as usual for the moment. However, there is guidance for municipal operators to prioritise hazardous, organic and residual collections in case of shortages of manpower.

Other countries e.g. Belgium, NL are considering similar measures. Longer intervals for paper collection could be expected, necessitating more stocks to produce the same output.

In France, more and more municipalities and waste operators are closing sorting centres as they consider the activity is not strategic. However it seems that some of them keep a logistic activity to supply from the stocks that accumulated over the past weeks.

More reductions of availability can be expected from commercial and industrial sources, as activities are strongly reduced. Availability of recyclates for the paper industry will be sharply reduced if paper mills continue running production and able to deliver to packaging converting companies as in previous months.

What we need

Paper packaging has a high recycled content on average and the loop between production, conversion, consumption and collection is very fast in Europe. Collection and sorting of paper for recycling should be understood as being of systemic importance for the supply chain for essential goods, e.g. food.

A strong switch to e-commerce during the current epidemic mitigation may further increase demand for secondary packaging in the weeks ahead. It is therefore necessary that the logistics for paper for packaging as well as paper for recycling are not disrupted, including their collection, transport and cross-border shipment.

A more comprehensive and detailed information will be available early next week.

Annex II

Impacts on carton converting (for food and pharmaceuticals)

We have had responses from around 130 carton converters (represented by [ECMA](#)) when asked what issues they are facing and how this will affect their production – this information which is very summarised below, is very accurate and representative of the situation in Europe today (18 March 2020) but the situation is worsening very rapidly.

Very important to note that ECMA members manufacture and supply cartonboard packaging to the pharmaceutical and food industry – often with ‘just in time’ arrangements meaning inventories at pharma and food manufacturing customers are low – circa 1 week.

Geography

There are significant issues moving product cross-border in particular in Southern and Eastern European countries and it is rapidly moving northwards into Benelux, Germany, France, Iberia. Freight companies are increasingly implementing a ‘Corona Tariff’ with price increases being implemented – of up to 100%.

The situation now

ECMA members have between 0.5 and 3 weeks of raw material inventory and are finding a growing situation receiving raw materials and shipping finished goods. If the situation for receiving raw materials does not improve, the expectation is that production will reduce for many starting around Tuesday 24 March, by between 30% and 100% (100% being no production).

What we need

The European Commission needs to implement the ‘Green Highways’ strategy urgently – suppliers of packaging for pharma and food need to be recognised as providing essential products and receive priority access for cross-border and intra-country movement of raw materials and finished product. In addition, hauliers need to give priority for the freight requirements of the pharma and food packaging products my members manufacture.

We can provide more detailed and comprehensive information if required.

Annex III



Brussels, 18 March 2020

Statement from the European paper and board converting industry

Continued cross-border and intra-country movement of paper & board packaging is essential for the continued safe distribution of food and pharmaceutical packaging during the COVID-19 crisis

The undersigned associations are concerned that the increased imposition of border controls, as Europe tackles the COVID-19 outbreak, will impede or prevent the effective supply of raw materials to packaging converters or finished packaging supplied to the pharmaceutical and food manufacturing sectors.

We are grateful for the efforts of the European Commission to date, such as the issuing of "Guidelines for Border Management" and are keen to partner the Commission's efforts to ensure supply chains can operate effectively.

Packaging facilitates the hygienic and effective supply of pharmaceutical and food products. The imposition of a nationwide lock-down and border closures will rapidly cause manufacturers supplying packaging into these essential markets to reduce or cease production; this will result in significant disruption in the supply chain of foods and pharmaceuticals.

The paper & board packaging sector is seeking clarification that companies involved in the supply of raw materials and converters who manufacture the packaging for these markets, are excluded from restrictions that may be imposed in response to the COVID-19 outbreak and that their businesses can continue to operate and keep the pharmaceutical and food manufacturers' supply chain effectively operating.