

The Future of UK Paper - A Growth Springboard Sector



About the UK's Paper-Based Industries

CPI represents all aspects of the sector from the management of forests, the manufacturing of pulp and paper, the conversion of paper into a wide range of products such as newsprint, packaging and tissue, and the recovery and recycling of such paper.

Overall, this industry represents an aggregate annual turnover of £6.5 billion, 25,000 direct and more than 100,000 further jobs in the supply chain. The Paper-based Industries are widely spread throughout the UK and as such they have an integral role to play in rebalancing the UK economy.

UK Paper as a Springboard for Growth

UK papermaking has improved its productivity over many years. Between 1992 and 2016, productivity has increased by nearly 240%. Resource efficiency has also improved. Developments in paper technology mean that the average corrugated board is now over 10% lighter today than in 2004, but offers better protection for the packaged goods it protects.

Official 2016 emissions data shows the downward trend in carbon emissions from the sector has continued – with 2016 emissions being 3.4% lower than those in 2015 and an impressive 48.5% lower than in 2008. The overwhelming majority of this reduction has been delivered by investment in new power generation; switching to lower carbon fuels; and a continued focus on energy efficiency. Allowing for changes in production levels, the figures show that the amount of EU ETS reported carbon dioxide emitted by UK paper mills (per tonne of production) has fallen by almost a third in just nine years.

Paper as an Enabling Sector

The paper-based industries are essential to the operations of other sectors. One example is the supply of packaging into the Food and Drink Industry, the UK's largest manufacturing sector and a major exporter. Paper and board has a market share of food and drink packaging of over 33%. Without that packaging,

manufactured and supplied in the UK to UK food and drink manufacturers, UK exports of food and drink would be significantly reduced and the rate of spoiled and wasted food would dramatically increase. Just as digitalisation is an important part of the automotive sector, so paper-based packaging is integral to the success of the UK food and drink manufacturing industry.

OUR 5 KEY POLICY ASKS

CPI urges the new Government to take five immediate actions to enable the UK's Paper-based industries to take off and support sustained manufacturing growth.

1. Economically Rational Brexit

The UK's Paper-based Industries depend on flows of capital, machinery, pulp, paper and finished products between the UK and the EU. We urge the Government to pursue an economically rational Brexit policy that puts no new barriers in the way of these vital existing commercial links and uses an implementation period to eliminate the risks of a "cliff edge".

2. An Industrial Strategy in support of UK manufacturing

The UK's Paper-based Industries fully support an Industrial Strategy to grow UK manufacturing and we are keen to work with the Government to agree a Sector Deal that enables the sector to remove barriers to growth, including unlocking research funding for innovation.

3. Action on Skills

The Paper-based Industries would welcome further opportunities to work with Government to grow participation in the existing papermaking apprenticeship and establish new apprenticeship standards in areas such as corrugating and packaging. We would also urge the pooling of funds generated by the apprenticeship levy in order to maximise funds in the industry and mitigate the effects of timing or training needs issues.

The UK's Paper-based Industries would further wish to broaden the scope of the apprenticeship levy funded training to cover useful in-company training and upskilling. There are useful models from within the construction industry where levy income has been awarded in grants to in-company training that meets certain criteria, and this approach should be considered more widely.

Beyond apprenticeships, Government policy also needs to encourage entry into the engineering fields for numerate and digitally skilled graduates, through targeted bursaries and grants delivered via a Sector Deal.

4. Make UK Energy Internationally Competitive

UK energy costs are internationally uncompetitive, which damages energy intensive industries such as paper making. Urgent action is required to establish a level playing field on energy costs across Europe, to ensure that our success in decarbonisation is rewarded by investment in the UK.

5. Packaging and the Circular and Bio-Economy

We urge the Government to adopt policies that reinforce the usage of the right amount of packaging, and to abandon policies that seek to reduce it to at all costs. Government policy should promote the circular economy and the bio-economy. The UK is already a leader in paper recovery and recycling, but policy change in collection systems and investment is needed to promote quality over quantity to drive downstream growth.

Further Information

Further information is available from Andrew Large, CPI Director General, on 01793 889601 or email alarge@paper.org.uk.

Confederation of Paper Industries

- The Confederation of Paper Industries (CPI) is the leading trade association representing the UK's Paper-based Industries, comprising paper and board manufacturers and converters, corrugated packaging producers, makers of soft tissue papers, and collectors of paper for recycling.
- For facts on the UK's Paper-based Industries please visit: www.paper.org.uk.

REVISED: MAY 2017