



PAPER FOR EUROPE

THE AUSTRIAN PAPER INDUSTRY

Appeal to the next European Commission
and the European Parliament 2024-2029

From Paper to Policy: Europe's path to resilience & growth

The Austrian paper industry is a cornerstone of the European economy already. It offers a wide range of solutions to meet the needs of businesses across all sectors and sizes, as well as societal demands. Our industry is highly versatile, producing a broad range of quality products, including toilet paper, banknotes, magazine paper, packaging to protect food and pharmaceuticals, pulp, textile fibres, and numerous wood by-products such as vanillin, birch sugar, or bioethanol, with the aim of gradually replacing fossil-based products. By utilising renewable raw materials, combined with innovations in research and development, the paper industry is not only steadfastly pursuing decarbonisation but also significantly contributing to the advancement of the circular economy and a more sustainable Europe.

Due to Austria's central position in the heart of Europe and the outstanding quality of its products — which result in an export quota of nearly 90 percent — Austropapier's 23 members successfully compete in the international market alongside the downstream value chain. The domestic flagship companies in the paper, cardboard, and corrugated board sectors, employing approximately 25,000 people, play a crucial role in achieving societal, environmental, and economic policy objectives.

The year 2023 was challenging for the Austrian paper industry in many ways. The recession in Austria's economic landscape, particularly in the home market, did not leave the Austropapier mills unscathed. However, the paper industry in Austria viewed these economic challenges as opportunities and invested in the future: over 300 million euros were allocated in 2023 for modernisation or restructuring at the sites, with 70 percent of this volume dedicated to projects aimed at increasing efficiency or expanding renewable energy use.

OUR CONTRIBUTION TO A RESILIENT EUROPE



The share of energy derived from renewable sources has now reached over 68 percent. Additionally, our industry has managed to save more than half a million tonnes of CO₂ over the past five years.



The recycling rate has now reached 86 percent. Austria achieved the EU-mandated rate of 85 percent seven years ahead of the 2030 deadline. Currently no other country in Europe has such a high recycling rate. Recovered paper, with a share of around 56 percent, is already the most important raw material in the furnish for paper making.



The Austrian paper industry generates more energy than it consumes. In 2023, the total consumption was 14,600 GWh, while the 23 sites produced 16,500 GWh concurrently. The energy surplus was fed into local grids. The paper industry not only contributes to grid stability but also supplies over 100,000 households with electricity and heating.



The water required in the production process is “borrowed” from the surrounding rivers and fully returned after being thoroughly cleaned. Specific water usage decreased by 8.3 percent last year. 93 percent of the water is returned to the rivers, due to evaporation.

These figures demonstrate how much the domestic paper industry has achieved and invested to consistently pursue the path of environmental protection and decarbonisation. To achieve the goal of becoming the first industrial sector in Austria to produce climate-neutrally well before 2050, the paper industry requires fundamental political framework conditions. These include early legal certainty and a predictable framework to promote the circular economy, bioeconomy, and, not least, decarbonisation. This is necessary to actively contribute to the energy transition and to compete on equal terms in the European single market.

Based on our extensive experience and deep commitment to decarbonisation and European sustainability goals, we present constructive policy measures aimed at ensuring the sustainable and future-proof development of our industry and the European markets. Our recommendations not only reflect our expertise as industrial stakeholders but also demonstrate the Austrian paper industry's readiness to actively contribute to achieving our shared policy objectives.

Our key messages for the EU Commission and the EU Parliament focus on the following three main themes:

Ensuring Europe's strategic autonomy and maintaining competitiveness.	Shaping Green Growth: Circular economy and Bioeconomy as drivers of transformation.	Ensuring climate-resilient and sustainable management of European forests.
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1. Ensuring strategic autonomy for Europe and promoting competitiveness

Austria must remain attractive for businesses. This requires political framework conditions to prevent the migration of Austrian businesses and to create incentives for the establishment of companies and highly skilled professionals. This not only fosters innovation but also strengthens Europe's position on the global stage.

Self-sufficiency in renewable resources should become a central concern of the European Union to reduce its dependence on fossil fuels. To strengthen the European economy, the bio-based paper industry should become an indispensable part of the European Union's geopolitical strategy. Our products are based on European research and development and are purchased, manufactured, and recycled within the EU. The Commission should expand solutions where renewable resources can replace fossil fuels that need to be imported into the EU, ensuring and strengthening the raw material and energy autonomy of member states.

Given the challenges in energy supply, electricity market design, resource utilisation, and, importantly, the energy transition, it is crucial to create harmonised and European solutions. Since the onset of the energy crisis, subsidies and aid in various member states have led to market distortions. The paper industry advocates for the creation of fair conditions and calls for equal rules for all market participants. A level playing field is essential to ensure equal opportunities and competitive energy costs for Austrian businesses and consumers.



Policy recommendations

- EU laws must be harmonised and a level playing field ensured.
- Legal certainty and predictability are prerequisites for future-oriented action.
- Boosting the economy in Europe by promoting market access to innovations and maintaining technological openness to secure Europe's autonomy.
- The gradual expansion of renewable energy sources and infrastructure must be facilitated quickly and without red tape to completely replace fossil fuels in the long term.
- Location-based policy frameworks must be designed to ensure affordable and reliable energy supply, enabling companies to compete internationally.
- On the path to CO₂ neutrality through electrification and the use of hydrogen as an energy carrier, the Austrian paper industry requires rapid expansion of networks, functional regulatory frameworks, and early-stage investment support.
- The free allocation of emission allowances in their current form must remain a central element in protecting against the migration of Austrian industrial companies (carbon leakage), including within the framework of the CO₂ Border Adjustment Mechanism (CBAM).
- Austrian industry must be involved in regulations and particularly in delegated acts timely.

2. Shaping green growth: Circular economy and Bioeconomy as drivers of transformation

The use of biobased and renewable resources, as well as the cascaded use of wood, are central components of the bioeconomy in the transition from fossil to renewable resources. In this context it is crucial to focus on reducing material consumption while ensuring the recyclability of materials and resources. Packaging made from paper, cardboard, and corrugated board has a recycling rate of around 85 percent and is not only made from renewable resources but can also be recycled into new products at least 25 times. Our biorefineries are industrial ecosystems and technological models that optimise the use of wood and produce additional valuable products from by-products generated during the production process, such as bioethanol, birch sugar, vanillin, and more. As a result, Austrian paper mills put out less than 1 percent waste, with almost everything being processed into high-quality products. The paper industry's commitment to a circular economy is also evident in its sustainable and responsible management of water resources.

In the past the Austrian paper industry has implemented numerous measures to ensure the careful management of this valuable resource and to maintain water cleanliness within the cycle. Water used in the production process is drawn from rivers and returned after undergoing multi-stage purification, with 93 percent of it treated and recycled. The remaining 7 percent remain as residual moisture in the product or evaporates during the manufacturing process.



Policy recommendations

- Recycling and reuse must be considered equal and complementary to prevent unilateral material preferences in Austria and Europe and to avoid disrupting established collection systems without clear scientific, economic, and social benefits.
- The paper industry strongly advocates to harmonise collection systems across Europe, which is not the case currently. Austria's wastepaper recycling system serves as a model of a functional circular economy in Europe and should be implemented as a positive example throughout the region.
- Wastepaper, as the main secondary raw material in the paper industry, should not be subject to unilateral national measures, such as waste transport by rail. We vigorously support the free movement of wastepaper to promote barrier-free and efficient cross-border logistics within Europe. Continuous availability of wastepaper resources ensures sustainable fibre reuse as frequently as possible.
- The Austrian paper industry is a strategically important sector that manages its resources, including water, with great care. The objectives and measures of the Water Framework Directive (WFD) after 2027 lack transparency, leading to significant legal uncertainty. The European Commission and the European Parliament should involve the paper industry to enhance transparency in this field.
- Streamlining bureaucratic reporting obligations and avoiding additional costs for water use should be ensured. Moderate implementation of EU law into national legislation without gold plating is necessary in this context.
- The concept of bioeconomy, illustrated in the paper industry, should be recognised as a critical component of the circular economy and promoted across Europe.

3. Ensuring climate-resilient and sustainable management of European forests

Austria's territory is nearly 50 percent covered with forests, making forestry and the downstream value chain important. With 81 percent of forests privately owned, continuous development of active sustainable forest management is crucial, as only sustainably managed forests contribute to green transformation significantly. Preserving and promoting biodiversity in domestic woodland is necessary to create healthy forests resilient to climate change. The entire value chain of forestry, wood, and paper contributes to Europe's economic stability significantly with a total gross value added of 1.1 trillion euros and supports 320,000 jobs in Austria alone. For decades it has advocated for sustainable growth of domestic forests, ensuring no deforestation in Austria under strict forestry laws. Over the past decade, forest area has increased by six hectares daily – equivalent to nine football fields.

The efforts of the Austrian paper industry, together with the wood and forestry sectors, are based on the principle of promoting forest growth and biodiversity. Overregulation and excessive bureaucratic requirements pose a risk, especially for private forest owners, potentially hindering forest management and causing scarcity of valuable wood resources amid rising demand. Setting aside 10 percent of Austria's forest cover would lead to the loss of approximately 27,000 jobs and 2.4 billion euros in economic output. Austria and its forestry industry have combined forest expansion and carbon stock enhancement with globally competitive products. Therefore, Austria should present its forestry industry as a positive example in EU climate negotiations.



Policy recommendations

- There should be no restrictions on forest management and setting aside forest area for non-use; instead, long-term and efficient use of resources must be guaranteed.
- The multi-stage use of wood and thereby the prolonged storage of carbon must not only be acknowledged but also expanded further.
- Rather than overregulation and excessive bureaucratic requirements, it should be recognised that there is no uniform forestry policy measure at the EU level that can meet all expectations at once. Instead, a fair and appropriate balance must be struck.
- Supportive projects like the Forest Fund, aimed at transforming forests into climate-resilient ecosystems, promoting biodiversity in forests, and increasing the use of wood as an active contribution to climate protection, must be expanded further.
- Recognition of the UN Global Forest Goals by enhancing the economic, ecological and social benefits of forests, including those for people whose livelihoods depend on forests.

Who we are

Austropapier represents the interests of the Austrian paper industry, comprising 23 member companies and nearly 8,000 employees. Currently, the paper industry utilises approximately 68 percent renewable energy and achieves a leading 86 percent recycling rate for used paper within Europe. As the voice of the sector, Austropapier advocates for sustainability, climate and environmental protection, responsible water and fibre management, rigorous decarbonisation efforts, employee safety, and fair competition within the European market.



VEREINIGUNG DER ÖSTERREICHISCHEN PAPIERINDUSTRIE