

WRITTEN QUESTION E-2326/08

by Iratxe García Pérez (PSE) and Antolín Sánchez Presedo (PSE)  
to the Commission

Subject: Community repercussions, particularly as regards competition, of SKG's decision to close its recycled paper plant in Arroyo de la Encomienda (Valladolid)

According to some sources, the Smurfit Kappa Group plc (SKG) is the leading European producer of paper for cardboard, with a market share of 25.8%, far ahead of its next competitor, which has a 10.4% share, and of the next five producers, which combined do not match its production volume. It is the third leading producer on the Iberian Peninsula, with a market share of 12%.

Between 2005 and the end of 2006, prices of paper for cardboard rose by 10%, and at the start of 2007, SKG announced price increases for its products, with its competitors following suit.

On 27 March 2008, SKG announced that it was to close permanently, by the summer, its recycled paper factory with a capacity of 130 000 tonnes in Arroyo de Encomienda (Valladolid), which is the direct source of 111 jobs and the indirect source of around 200 in the area, with a view to scaling down production and maximising the efficiency of its network of paper factories.

Can the Commission confirm that information? Can a market leader close a plant without offering guarantees that this will not automatically decrease supply and keep prices high, at the cost of competitiveness on that market? Can it do this without considering other options such as selling to other operators, in order to maintain that competitiveness? Can it do this without looking into alternatives that do not harm the market's users unnecessarily, beginning with its own employees? How does the Commission view this closure decision?