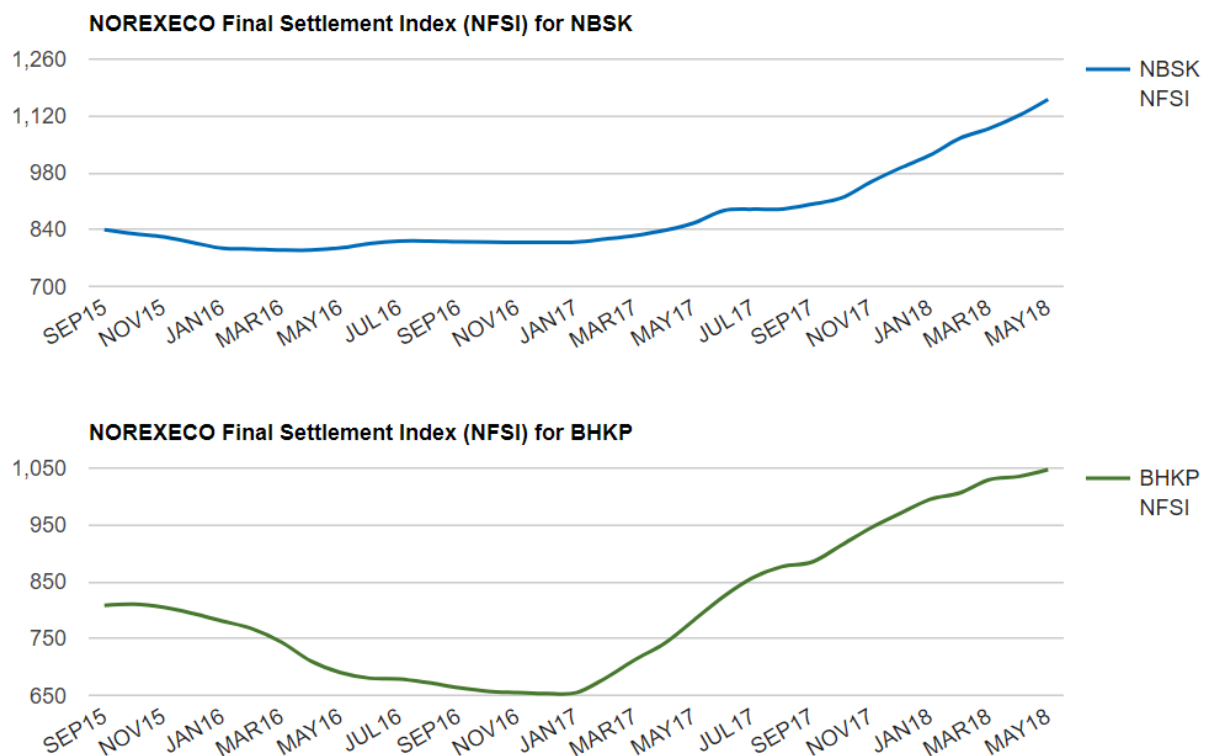




Pulp&Paper • News&Trends • Your June Newsletter

Paper Mills Raise Prices by 2-3% due to Increase in Raw Material Costs

Pulp prices alone rose by 40% after China banned the use of mixed grade waste paper. As a result of this soaring demand, pulp prices have been pushed up further and further from \$700-\$750 / ton a year ago, to nearly \$1,200 causing a knock-on effect across the print, packaging and tissue industry, among others.



Magazine Paper Suppliers Go for July Price Increases

More magazine paper producers have disclosed their price hike plans for deliveries in the second half of the year. The move comes amid good demand for publication on the market in Europe and should help to offset rising cost, say manufacturers. Sappi plans to lift its sales prices for LWC and MWC

Fine Paper Producers Manage to Raise Sales Prices in Italy and in France

Woodfree uncoated paper producers face problems with passing on higher prices via merchants in Italy.

In France, paper makers had been looking to implement a hike of €30-40 / ton for woodfree uncoated paper, but market players report that the mark-up amounted to a maximum of €30 /ton, many increases were smaller. **Transport and logistics** in France have also become noticeably **more expensive**, they complain. One paper producer reported that their transport costs in France rose by 6% in March alone. A handful of players on the market say the current French rail strikes are intensifying their transport problems.



Kemira Pulp & Paper Implements Price Adjustment to Offset Increasing Freight Costs in North America

On 1 June, to offset rapid and unprecedented increases in freight costs, Kemira will implement a \$0.02/pound price adjustment for all Process & Functional Chemicals sold on a delivered basis to pulp and paper customers in North America. **"Transportation costs have risen significantly and continue to rise.** Carriers have raised freight rates to offset increasing costs due to the new "Electronic Logging Device and Hours of Service Rule" and a well-documented driver shortage.

Kimberly Clark Raise Prices of Toiletries by 10% in June in Israel

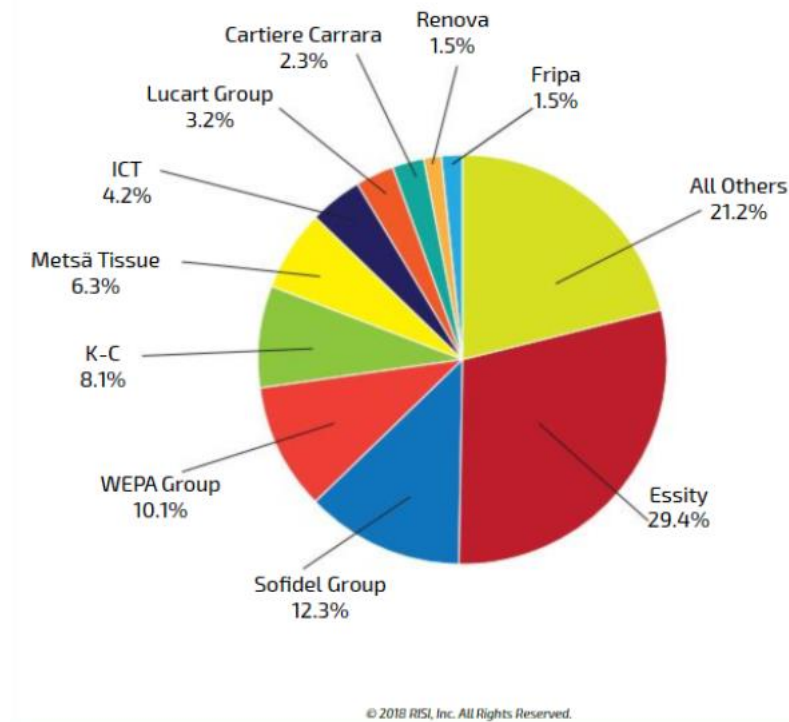
Use of Big Data in Tissue Business

Where is the best / fastest ROI (Return on Investment)? The technology can help improve ROI. The key advantages of big data are cost reductions, efficiency improvement, identifying risks & opportunities (eg: new product/service offerings), reducing processing flaws, improve production quality & defect tracking, logistics & supply chain performance analysis, improve market performance & customer analysis

Valmet Upgrades its Tissue Technology Center in Sweden

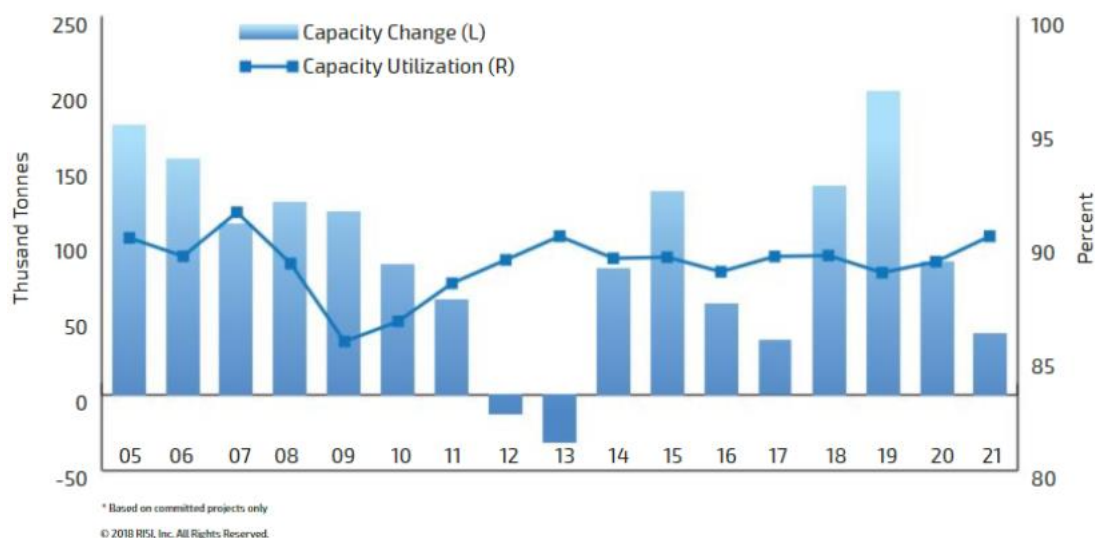
Besides the Industrial Internet and advanced automation solutions, the new system contains online non-nuclear weight, moisture and softness measurements. It also includes two Valmet IQ Scanners and a dilution profiler with cross-direction control.

Capacity Shares of the Main Western European Tissue Suppliers



Essity, formerly known as SCA Hygiene, continues to be by far the largest Western European tissue supplier, despite several closures. WEPA has passed K-C and Metsä driven by acquisitions and organic growth, as well as K-C sold and/or closed a few mills. All the top 10 companies have a capacity of more than 100,000 tpa.

Capacity Changes in the Western European Tissue Industry in 2018 and Potential Projects over the Next Years



The Western Europe will remain a marginal net importer of tissue in the coming years. The main effect of the 2018-19 investment peak will be in 2019 (graphic), with net effective capacity change forecast to be 200,000 ton, more than 1.5x the expected organic market growth.

Potential Projects					
Accrol Paper	Blackburn, Lancashire	UK	60	2019-2021	Integration of existing converting plant with a PM; delayed
Confidential	Confidential	Central Europe	65	2019-2021	New mill for a new player; either one large or two smaller PMs; mill site selected
Delipapier SAS (Sofidel Group)	Ingrandes	France	60	2020-2021	New greenfield mill with converting activities already built and a new PM to follow
Cartiera di Ferrania (Cartiere Carrara)	Cairo Montenotte, Savona	France	60*	2020-2021	Second PM for the mill; most likely a large PM considered

* Estimated

© 2018 RISI, Inc. All Rights Reserved.

Forest Certification remains a Key Weapon in the Fight to Save Forests

Interpol estimates that as much as 30% of all timber traded globally may be illegal, representing as much as \$150B annually. Many of these products end up in the United States, the world's largest consumer of forest products. For example, in 2016 flooring giant Lumber Liquidators was sentenced by the U.S. Justice Department to pay more than \$13M in fines for importing illegally logged timber from Russia. By buying products from certified responsibly managed forests, companies and consumers can play an important role in preventing deforestation. Some examples are K-C, P&G, Williams-Sonoma.

M&A & JV Activity

Nine Dragons Paper to acquire **Catalyst Paper's** Pulp and Paper Mills in Maine and Wisconsin

Asia's **April** Group in exclusive talks to acquire Brazil's **Lwarcel**. Brazil's Suzano Papel e Celulose SA had been discussing Lwarcel's acquisition before talks accelerated to acquire rival Fibria Celulose

Sonoco to acquire **Conitex**

DS Smith to acquire North American Corrugated Packaging Business

Valmet, Fabio Perini, Elettric80 launch Smart Factory

Valmet and **Georgia-Pacific** enter agreement on eTAD(TM) tissue making technology

New Developments

Suzano / Ence / Sapi last quarters **beat financial expectations** on the back of higher selling prices and sales volumes

Truck drivers' **strike in Brazil** hits pulp and paper mills like Suzano, Eldorado, CMPC, Fibria or Klabin

Mass **layoff at Dayton-area paper mill** (Essity Operations Wausau)

Nippon Paper to **shutdown** 531,000 ton of **production capacity** in line to reorganize the production structure for its paper business

Kimberly-Clark approved \$30M for expansion and improvements to its nonwovens manufacturing facility in North Caroline

Andritz to supply IIoT system to **Zellstoff Pöls** in Austria

Andritz to provide drying and incineration system for **Shanghai WWTP**

Valmet delivers its iRoll technology to **SsangYong C&B** in South Korea

Andritz to supply bio-methanol plant for **Södra's** Mönsterås Mill in Sweden

Andritz successfully starts up a neXline line to **Autoneum** in Mexico

Two **Toscotec's** TT SYD start up at **Bataan 2020** in Philippines

Find Out More

