



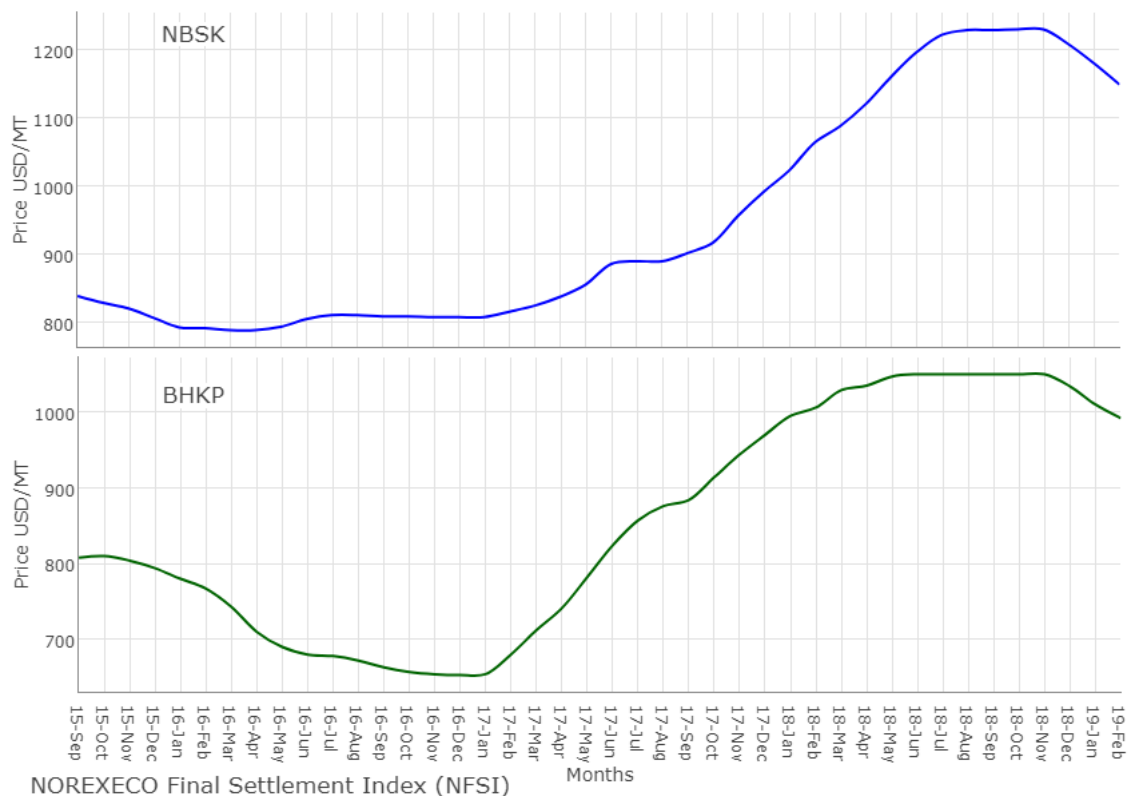
Pulp&Paper • News&Trends • Your March Newsletter

Navigator Increase Prices in North America

The Navigator has increased prices on all cut size office papers and rolls by \$3.00/cwt (the equivalent to \$66/metric ton) in North America, effective March 1. The Navigator Company is Europe's largest producer of uncoated wood-free paper.

Manufacturers Fail to Hike Fine Paper Prices in Italy

January marked the end of a long series of price increases for woodfree paper that manufacturers were instituting quarter by quarter in Italy over the last two years in an effort to catch up with rising pulp prices. Woodfree uncoated paper manufacturers were unsuccessful in their efforts to invoice more in Italy for deliveries as of January. Manufacturers and buyers blamed several factors for the failure of their attempts to charge more, including weak demand and lower hardwood and softwood pulp prices. Woodfree coated paper manufacturers were suffering even more from slow demand at the end of 2018 and start of 2019. From an initial position of actively demanding price mark-ups, many a provider thus quickly found itself forced into a defensive stance.



GC Board Prices Point Up on the Market in Poland

Manufacturers pushed hard to increase prices and improve their profit margins in the GC board business. The main factors are higher transport, energy and raw material costs. GC board prices are pointing higher on the Polish market. Even though there are sometimes major differences in the actual price hike implemented - depending on the supplier, customer, product and previous profitability of the business - most converters will be paying more for deliveries of GC board in the first quarter 2019 in Poland. In most cases, the new prices have been implemented with effect from the start of the year. Sometimes the start date for the new prices have been postponed, and customers will be paying higher prices only for deliveries as of March.



Tissue & Hygiene Market expect a CAGR of 3.8% by 2025

The tissue and hygiene market has been gaining a stronghold in the developing economies, more specifically in the Asia Pacific countries. North America – the largest market by revenue in 2017 – will move down to the second position by the end of 2025 driven by **Asia Pacific** that will have the **leading position** in the global market. The forecasts indicate that the global tissue and hygiene market is expected to register a CAGR of 3.8% in terms of value during 2017-2025.

The Best and Worst Toilet Paper

In Australia, experts put the most popular products to the test based on softness, cost and quality. Two ply or three? Double length or triple? Patterned or embossed? Recycled or virgin? Since when did toilet paper become so complicated?

When it comes to selecting toilet paper for the family there tends to be two main considerations: **value for money and softness**. The winner is Quilton Toilet Tissue Double Length Print. Please click [here](#) if you want to read more about the results.

First Certified Flushable Wet Wipes in UK

Water UK announced the "Fine to Flush" symbol for wipes packaging this year. To qualify for use of the symbol, wipes have to be scientifically tested to ensure they do not contain plastic and that they will actually break down in the sewage system. Natracare, a UK-based organic and natural personal care brand, is the first to gain the certification,

according to The Guardian. The wipes are made from 100% paper tissue, unlike conventional wet wipes which typically include plastic.

UK Entrepreneur Targeting Sales of £10M of Eco-Friendly Toilet Paper made from Bamboo

In 2016, Chris Forbes and his wife Julie Chen founded The Cheeky Panda. They discovered the 100% sustainable crop could produce toilet roll with 65% less carbon than rivals. Launched with a £10K, the sales have grown from £2m to £10m this year. “Bamboo grows so quickly, around a metre a day, and it needs harvested every year so the impact on the environment is minimal.”, said Mr Forbes. Moreover, all packaging is either biodegradable or recyclable. The firm also has a completely plastic-free subscribe-and- save option available via the website. Given Brexit, they set up a base in France to ensure access to EU markets. “Through Amazon and major European retailers, we are expanding, creating local-language products, as everyone is looking to do their bit for the planet and be a bit more sustainable.”



Stora Enso to Cut Costs after Profit Misses Forecast

Stora Enso reported weaker-than-expected 4Q18 profit in February as rising costs outweighed gains from higher prices, knocking the Finnish paper maker's shares. The adjusted operating profit of €271M missed forecasts of between €293-359M in a Reuters analyst poll.

Stora Enso said it would cut annual costs by €120M and lower capital expenditure by €50M due to increased market uncertainty. This includes lowering costs at sawmills in Sweden and Estonia, and closing a small paper machine in Finland, which would result in 115 job cuts. “Under the current geopolitical circumstances, there is a notable risk that global trade could shrink materially,” Stora Enso's CEO Karl-Henrik Sundstrom said in a statement. Please find [here](#) more information.

“Demand growth is expected to continue for Stora Enso's other businesses except for European Paper, for which demand is forecast to continue to decline in 2019,” it said.

It is worth noticing that 2018FYE results improved considerably yoy. The sales and operational EBIT 2018 full year increased 4.4% yoy to €10.5B and 32% yoy to €1.3B, respectively.

VTT Develops a New Sustainable Way to Turn Forestry Waste into Transport Fuels and Chemicals

VTT Technical Research Centre of Finland has developed a new technique based on gasification, which offers a sustainable way to turn forest industry byproducts, such as bark, sawdust and forestry waste, into transport fuels and chemicals. The new technique reduces carbon dioxide emissions by approximately 90% compared to fossil fuels.

New Andritz QSB Forming Fabrics for Tissue

Andritz has developed a new forming fabric design called QSB (Quattro Support Binder) that allows producers to improve tissue product quality and machine performance, in particular up to **15% better running times on the machine**. It has already been tested successfully in the new Andritz Tissue Innovation and Application Center (TIAC) in Graz, Austria.

Valmet Continues the Reshaping of its Internal IT Services

Valmet signed an agreement with Capgemini to transfer a total of 38 out of 150 current Valmet IT employees in Finland, Sweden and Portugal to Capgemini with similar terms. The transfer can be related to Industrial Internet, product lifecycle management (PLM) and field service capabilities. In addition, the transfer of IT application development and maintenance services will further enhance Valmet's IT services and supplier management.

M&A Activity / Investments

- World's largest Pulp Mill opens in February. SCA invested SEK 8B (c. €0.76B) in expanding Östrand mill and to double the capacity to 900k ton of bleached softwood kraft pulp in Sweden
- Kimberly-Clark builds new factory for better service in Nigeria, while closing its current factory in Lagos in 2Q19
- Solenis and BASF complete merger of Paper and Water Chemicals businesses
- Stora Enso considers shutting down paper machine in Imatra, Finland, cutting 80 jobs and 90K tpa, to reduce costs, after profit misses forecast
- Northern Pulp Nova Scotia Corporation's effluent treatment facility project is now registered with Environment Department
- Smurfit Kappa opens folding carton plant in Mexico
- Valmet strengthens its stable business by acquiring GL&V, a global provider of technologies and services to the pulp and paper industry
- Essity becomes founding partner of AI Innovation center for research into artificial intelligence and innovation in Gothenburg, Sweden
- Stora Enso issues its first green bonds (c. €0.57B)

New Developments

- Valmet to supply a new wood handling line to Metsä, in Finland
- Lecta plans to rebuild a PM at its Condat mill in France to produce specialty paper
- Andritz to rebuild groundwood reject line into TMP line at Volga's mill in Balakhna, Russia
- A.Celli to supply a paper rewinder to Berli Jucker Cellox, Thailand
- A.Celli to supply two paper rewinders to Shanying Huazhong Paper Industry, China
- A.Celli to supply three other iDEAL tissue machines to Yibin Paper, China
- Metsä Tissue is developing a new concept for future tissue paper mill
- Valmet opens new offices in Vietnam, Malaysia and Japan

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