



Pulp&Paper • News&Trends • Your March Newsletter

Production Stop at Pro-Gest Containerboard Mill in Italy

Pro-Gest's recycled containerboard mill has been standing still since last Friday. It is not the only site in Italy experiencing production stoppages lately.

Production Downtime at Reno de Medici Mill in Italy Continues

More than 20 days after the seizure of the Cosilam sewage treatment plant, carton board production at the RDM Villa Santa Lucia mill in Italy is still down.

Suzano Expects Pulp Price Recovery with Lower Inventories

Brazilian pulpmaker Suzano expects recovery in pulp prices this year after the 30% drop in 2019 caused by excess inventories in Asia.

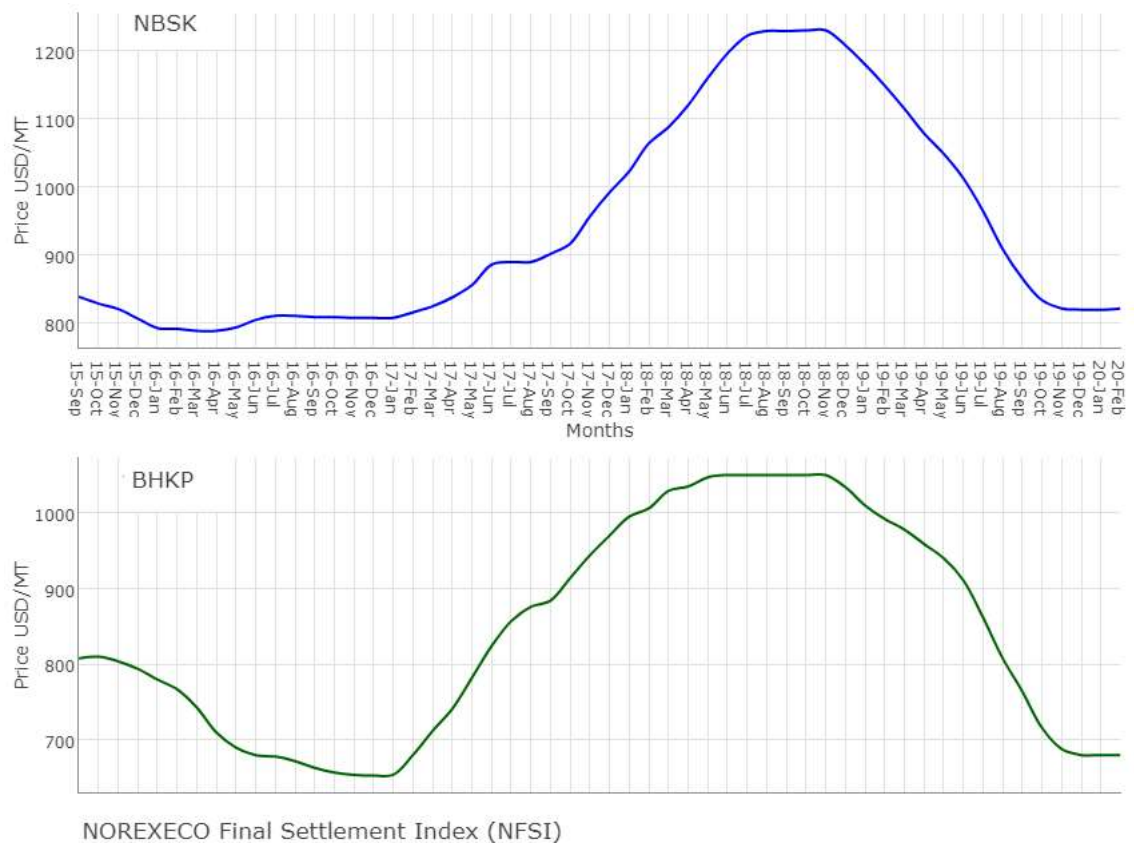
Recovered Paper Prices in Germany Drop

The supply glut for recovered paper is sending prices in Germany further down. Some relief is seen only in regions close to the ports where exports are higher. In addition to the ordinary grades, sorted graphic paper for deinking saw a noticeable decline. The further price erosion was caused by the serious ongoing supply glut on the German and European recovered paper markets. The situation in Germany became still more acute in January and February due to a very strong seasonal uptick in arisings. The industry expects the downward price trend to continue in March.

Two US Chlor-Alkali Producers Announce Caustic Soda Price Increases

Olin, the world's largest chlor-alkali producer, announced on February 12 that it would raise caustic soda prices by \$30/dst in the US and C\$45/mt in Canada. Westlake Chemical said in a letter also dated February 12 that it would raise prices by \$40/dst in the US and by C\$45/mt in Canada. Westlake also announced a chlorine price increase on Friday of \$35/st in the US and C\$51/mt in Canada, according to a letter to customers obtained by Platts.

Both were to be effective immediately or as contract terms permit. If accepted, such increases can take up to a quarter to appear in contracts, per market feedback.



China Plans to Suspend Tariffs on Pulp, Paper and RCP Imports from the US & Canada

China's Customs Tariff Commission of the State Council has announced the suspension of import tariffs on selected commodities imported from the USA and Canada, among them recovered paper and a number of pulp and paper grades. Chinese companies which import these goods now have the opportunity to apply for a one-year suspension of import tariffs and, in the case of US goods, tariffs China imposed as a measure to counter the punitive levies introduced by US President Trump in August 2018. Beside all recovered paper grades, some pulp and paper grades are also included in the list published by the Customs Tariff Commission of the State Council.



Revenue in the Tissue & Hygiene Paper Market amounts to US\$49.6B in 2020

The market is expected to grow annually by 5.4% (CAGR 2020-2023). The market's largest segment is the segment Toilet Paper with a market volume of US\$16.6B in 2020. In global comparison, most revenue is generated in China (US\$49.6B in 2020).

In the last five years, tissue demand has accelerated rapidly in China. Tissue consumption in China is 7.5 times higher than it was 20 years ago and annual volume growth has more than doubled to between 400,000-500,000 tonnes within less than 10 years. In fact, China is expected to account for close to 40% of global tissue growth in the coming years.

Tissue Paper Market Outlook: Strong in 2020

The tissue paper market is booming over the last few decades. With a strategy to more luxurious paper and ultra-absorbent paper in the industry is increasing the tissue prices. The main tissue markets are in the USA, China, the UK, Germany, France, and Italy.

The top manufacturers are International Paper (US), UPM (Finland), Kimberly-Clark (United States), Oji (Japan), Essity (Sweden), Nine Dragons Paper (China), Georgia-Pacific (United States), Asia Pulp & Paper (Indonesia),

Procter & Gamble (United States), Sofidel (Italy), Lee & Man (China), CMPC (Chile), WEPA (Germany), Mesta (Finland), Cascades (Canada), Suzano (Brazil), Orchids Tissue Papers (India).

Suzano Sees Operating Costs Reaching 299 \$/ton by 2024

Brazilian wood pulp producer Suzano said on February 13 that the operating costs will reach 1,300 reais (\$299) per tonne by 2024.

The total will comprise 560 reais per tonne in production costs, adding 400 reais in logistics costs and 340 reais in maintenance expenses, the filing said. (\$1 = 4.3418 reais).

New European Paper Packaging Alliance Announced

A group of leading manufacturers of paper and fibre-based food and foodservice packaging has launched the European Paper Packaging Alliance (EPPA). The alliance aims to find concrete solutions to increase recycling and to reduce carbon emissions of food and foodservice packaging without compromising food safety and human health protection. EPPA will also work with European policymakers to support these common priorities.

The founding members are: Seda International Packaging Group; Huhtamaki; AR Packaging; Smith Anderson; Schisler Packaging Solutions; Stora Enso; Metsä Board; Mayr-Melnhof Karton; WestRock; Iggesund/Holmen and Paper Machinery Corporation. The association will be based in The Hague, the Netherlands.

International Paper Announces 2030 Goals Aiming for Positive Social & Environmental Impact

International Paper announced its Vision 2030 goals, which demonstrate its commitment to building a better future for people, the planet and the company. Through the goals, one of the world's leading producers of renewable fiber-based packaging, pulp and paper will advance its contributions to the circular, low-carbon economy while building on its commitments to its people and communities. Each goal includes one to three specific, measurable targets, enabling the company to track its progress throughout the decade. The targets include commitments to reduce greenhouse gas emissions by 35% from 2017 levels, to reduce water usage

by 25% and to create innovative products that are 100 percent reusable, recyclable or compostable.

Valmet Introduces Versatile New Solution for Fiber Recovery & Pulp Thickening

Valmet launches Valmet Pressure-fed Bow Screen, a versatile new addition to its stock preparation offering. The solution reinvents the traditional bow screen with a new, user-friendly design and improved nozzle arrangement enabling higher capacity and greater runnability than before, as the company says in the press release received by Lesprom Network.

Working to maximize the effectiveness of fiber recovery and pulp thickening processes, Valmet Pressure-fed Bow Screen is ideal for tissue making applications. Other primary applications of the equipment include shower water protection filtration, police filtration, felt hair removal and deinking stock washing.



M&A Activity / (Dis) Investments

- Georgia-Pacific to invest more than \$145M at its Darlington, South Carolina, Dixie plant
- Resolute completes acquisition of three sawmills
- the Navigator wants to save €20M with new operational efficiency plan
- KC puts its North Office building up for sale
- Valmet plans to move production of dryer fabric and wide filter fabric from Finland to Portugal
- Stora Enso mulls closure of paper sack plant in Poland
- Sniace applies for liquidation, stops deliveries to Lignotech, Spain

New Developments

- Stora Enso introduces new plastic-free barrier boards
- Lukashenko inaugurates bleached sulfate pulp plant in Svetlogorsk, in Belarus
- Pratt Industries will build two recycled containerboard mills in the US

- Pixelle Specialty Solutions became the largest specialty papers producer in North America
- Andritz to supply complete pulp mill to UPM in Uruguay
- Andritz to deliver DCS checkout and operator training simulator for Klabin's Puma II project in Brazil
- Valmet to supply cooking and fiberline to Tamil Nadu Newsprint and Papers in India
- Valmet to supply a new evaporation line to Century Pulp and Paper in India
- Valmet to supply the final stage of forming section rebuild to Stora Enso's Skoghall Mill in Sweden
- Heinzl Group to expand pulp capacity in Pöls
- Gold HongYe Paper (Hubei) purchases three new Tissue A.Celli rewinders

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