



Pulp&Paper • News&Trends • Your August Newsletter

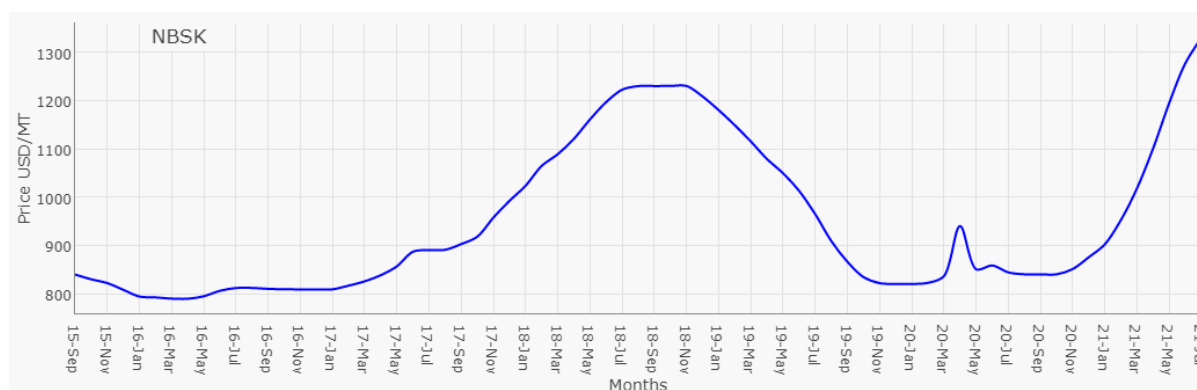
Sappi Europe to Increase Prices for Speciality Papers

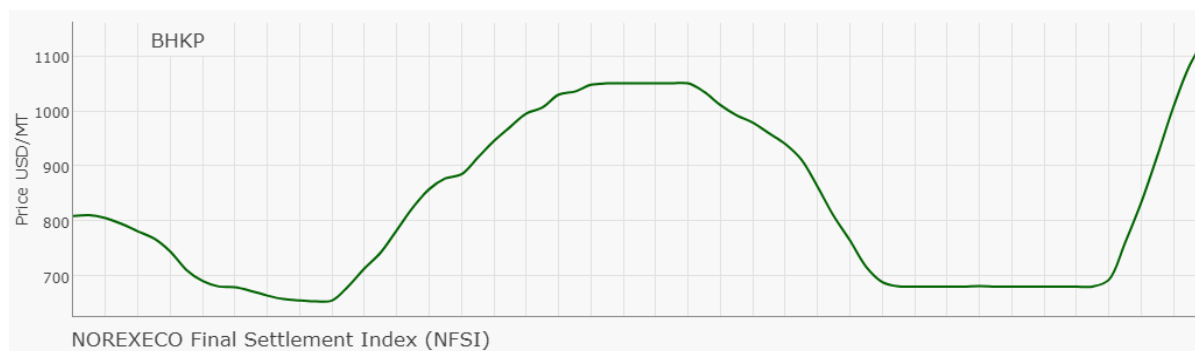
Sappi Europe announces further price increases for speciality paper grades. The ongoing rise of raw material costs, particularly pulp, chemicals and energy in combination with extremely high freight rates due to global logistic constraints make further price adjustments unavoidable. Therefore, price increases for all coated and uncoated flexible packaging and silicone base papers will be applied by 1 October.

Manufacturers Book Higher Fine Paper Prices on UK Market

Paper manufacturers are reporting brisk ordering, good workloads and lengthening lead times in July. Woodfree coated and uncoated paper manufacturers doing business on the UK market have come close to making up for last year's price erosion caused by the pandemic by raising their prices twice in April/May and July 2021. Much higher prices have been charged on the British market since 1 July at the latest after a number of contracts lasting until 30 June expired.

Despite strengthening demand and higher sales prices, manufacturers stress that they are still in a much worse position than they were before the pandemic arrived and prices plunged given what has happened on the cost front.







Tissue Projects Continue

- Major tissue projects in Indonesia and Vietnam. No major obstacles on projects were seen in 2020 due to Covid-19
- As demand continues healthy, the investments are expected to go as planned, despite the geographical over-capacity
- Investment activity continues strongly driven by APP's massive expansion plans in OKI and Perawang mill
- An increased interest in Vietnam is due to promising demand outlook



The main pulp market drivers are as follows:

- Demand has picked up from pandemic lows, particularly in China
- Production disruptions and unscheduled downtimes, as well as shipping container shortages have restricted supply
- The strong Yuan made it slightly easier for buyers in China to accept price increases
- Inventory levels are mixes, but overall the situation is tighter than in 2020
- General rally in commodities process, including pulp futures



M&A Activity / (Dis) Investments

- DS Smith to sell De Hoop Paper Mill in Netherlands
- Northwood will invest £1M on a fully automated packaging and palletiser equipment for its roll towel and toilet tissue lock-out systems
- Northern Pulp planning for \$350M in upgrades to restart shuttered NS mill
- Burgo to sell Verzuolo (Italy) containerboard mill to Smurfit Kappa
- Billerud Korsnäs to sell Beetham kraft paper mill in Sweden
- Metsä Board greenlights capacity expansion of 200k tpa at Husum board mill to the North American and European markets
- Northwood accelerates investment

New Developments

- Andritz to supply tissue machine to ST Paper in Duluth, Minnesota, USA
- Andritz completes multi motor drive upgrade at Hamburger Containerboard in Austria
- Andritz to supply pulp production technologies and key process equipment for Bracell's mill in Brazil
- Andritz is supplying major pulp production technologies and key process equipment for the world's largest DP pulp mill
- Andritz to supply equipment for power and recovery boiler conversions to Domtar
- Valmet receives the ninth tissue line order from Hayat Kimya in Russia
- Valmet to deliver a semi-chemical pulp line to Lee & Man Paper, Chongqing
- Valmet to supply a boiler upgrade and a flue gas cleaning system to Stora Enso's Anjala-Ingerois
- Valmet to supply tissue production line to Eczacıbasi Consumer Products in Turkey
- A.Celli Paper to supply a tissue production line to Ukraine's Kochavinska Paper Factory

- Toscotec to supply an AHEAD 2.2L tissue line to GrandBay Papelera Internacional
- Toscotec to supply a TT SYD Steel Yankee Dryer to Mirae Paper
- Papierfabrik Palm successfully commissions new containerboard machine PM5
- Lucart chooses Körber integrated solutions for packaging
- ProJet successfully starts up Dryer Fabric Cleaners at Papeles Ultra and Smurfit-Kappa (Mexico)

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