



# **Pulp & Paper – Current trends and future prospects of the UNECE sector in the global context**

**Michel Valois – Director – Valois Vision Marketing**

San Marino, 20-23 November 2023



# UNECE REGION 2022 VS 2021

**Total paper & paperboard production: Decline**

**Woodpulp production: Decline**

**Apparent consumption paper & paperboard: +0.3%**

- UWF: +2.0%
- COATED PAPERS: +4.2%
- SANITARY & HOUSEHOLD: -0.7%
- PAPERBOARD: +0.6% (+6.3% '21 VS '20)

**Apparent consumption woodpulp: Flat**

# COVID-EFFECTS

**SUPPLY-SIDE UNCERTAINTY**

**DEMAND-SIDE CHANGE IN:**

- **CONSUMER BEHAVIOUR – ONLINE SHOPPING**
- **OFFICES & SCHOOLS USED TEAMS, WEBEX & ZOOM**
- **RESTAURANTS CLOSED**
- **TRAVEL COLLAPSED**

# EUROPE 2022 VS 2021

**Total paper & paperboard production: -4.5%**

**Woodpulp production: -1.5%**

**Apparent consumption paper & paperboard: +0.3%**

- UWF: +0.1%
- COATED PAPERS: -5.0%
- SANITARY & HOUSEHOLD: -0.2%
- PAPERBOARD: +1.3% (+6.6% '21 VS '20)

**Apparent consumption woodpulp: -0.1%**

**Paper for recycling: -6.4% (lower packaging production)**

# E. EUROPE., CAUCASUS & CENTRAL ASIA 2022 VS 2021

**Total paper & paperboard production: Flat**

**Woodpulp production: Flat**

**Apparent consumption paper & paperboard: +0.3%**

- UWF: -0.7%
- COATED PAPERS: +1.4%
- SANITARY & HOUSEHOLD: -0.2%
- PAPERBOARD: +0.5%

**Apparent consumption woodpulp: Flat**

# N. AMERICA 2022 VS 2021

**Total paper & paperboard production: -0.3%**

**Woodpulp production: -1.1%**

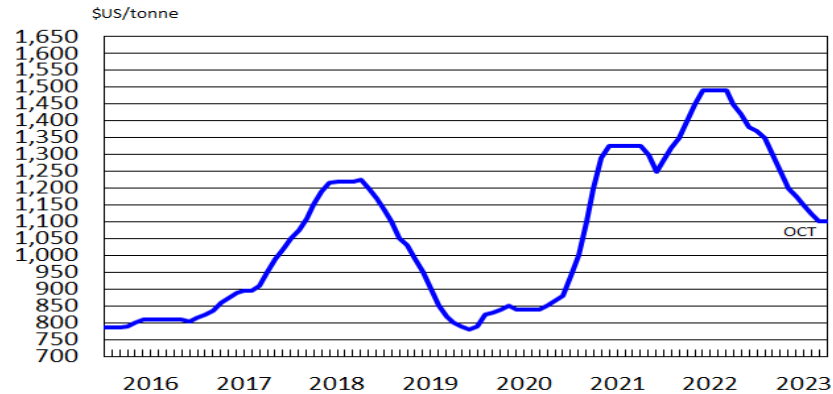
**Apparent consumption paper & paperboard: +0.3%**

- UWF: +4.7%
- COATED PAPERS: +22.9%
- SANITARY % HOUSEHOLD: -1.2%
- PAPERBOARD: -0.1% (+7.2% '21 VS '20)

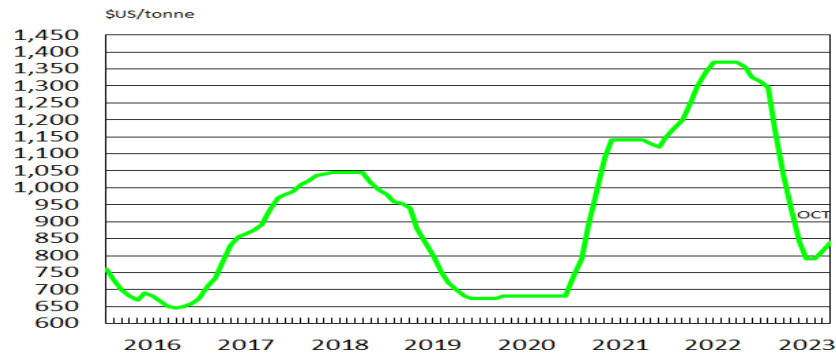
**Apparent consumption woodpulp: +0.1%**

# Volatile Market Pulp & Energy Prices

**NBSK Pulp • Effective List Prices**  
delivered Europe



**BEKP Pulp • Effective List Prices**  
delivered Europe



- Record pulp prices set during COVID - supply uncertainty
- Capacity Growth 2021-2023 (7 MM tonnes) = Correction
- Soaring Natural Gas and Gasoline Prices
- P&W paper demand WE & NA: -27%-28% (YTD 2023)
- P&W PM closures WE & NA: 6.2 MM tonnes 2022-2023
  - Internet – Advertising Expenditures Decline = Demand destruction

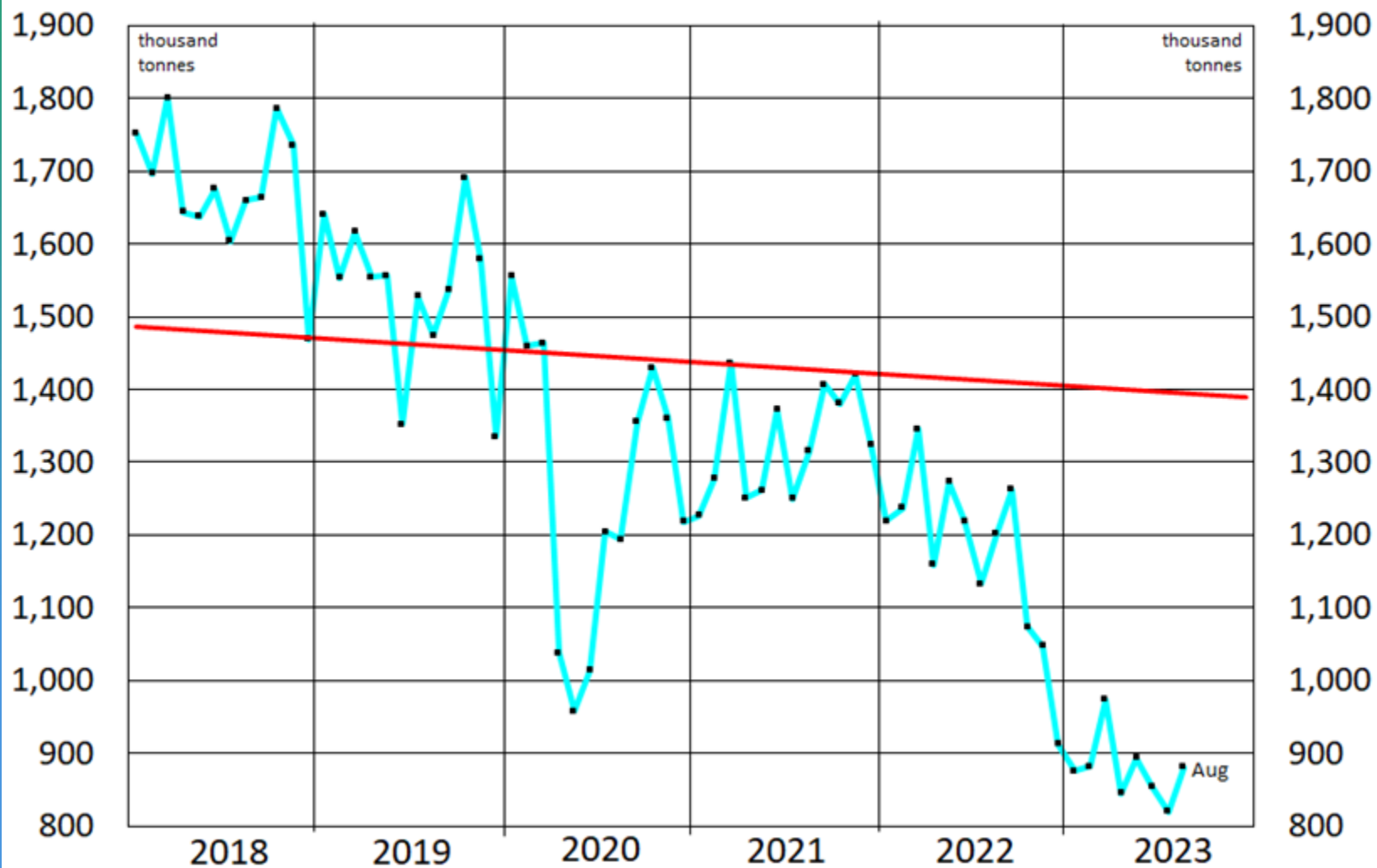
**RESULT: CHALLENGING RECOVERY FOR PULP H2/'23**

# LONDON PULP WEEK – 2023

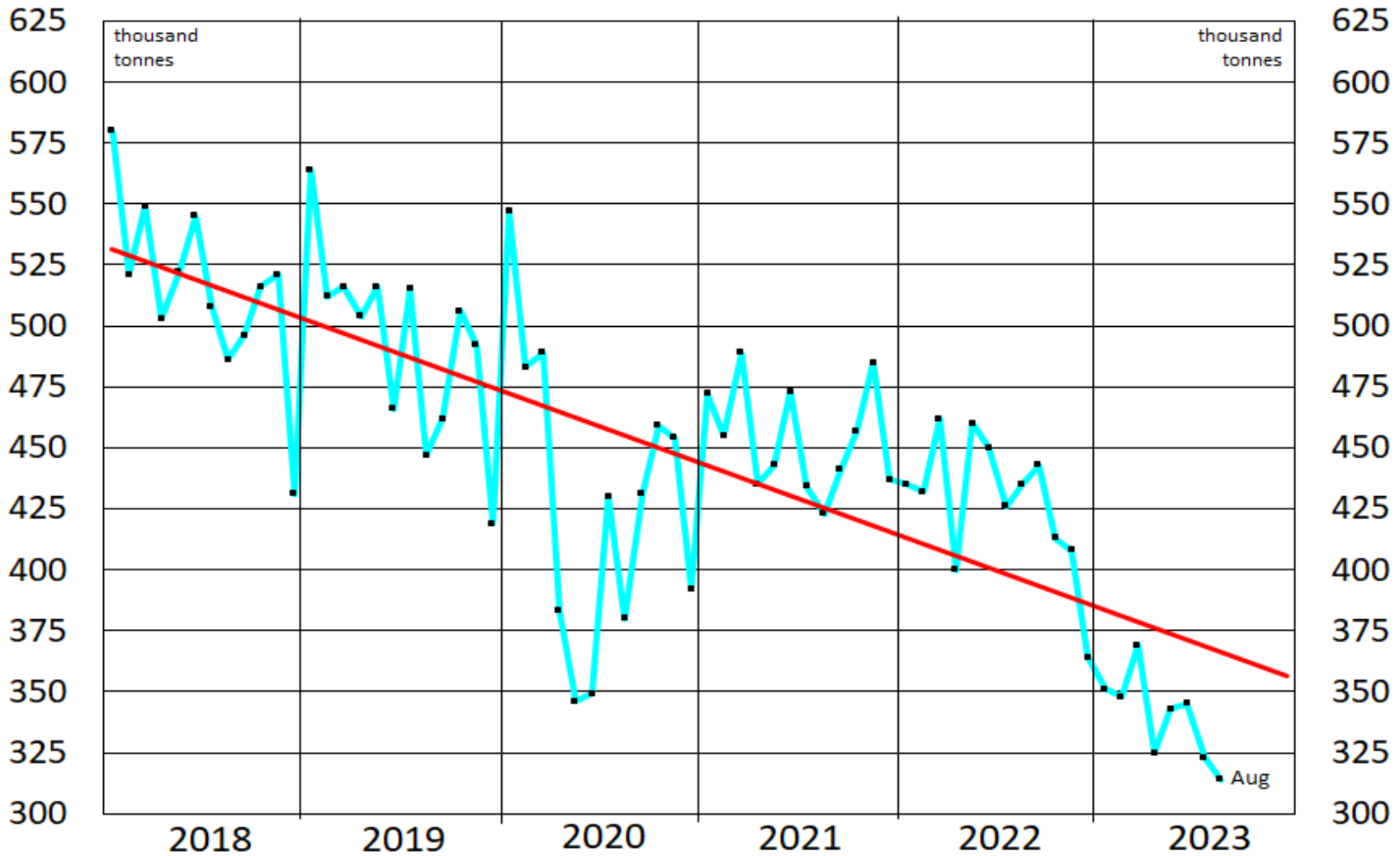
- Pulp producers kept pushing for higher prices despite buyer resistance
- 2023 Global pulp capacity closures: 4.7 Million tonnes (+310,000 in 2024)
- Market pulp supply to expand further (+7MM tonnes (2024-2026))
- Demand uncertainty in the context of weak global economy
- Supply-side crunch needed through closures to rebalance the market
- Buyers skeptical of further price increases – weaker ones accept reluctantly
- Supply-Demand for pulp, paper & paperboard weak – leads to market downtime
- Very strong US dollar versus key currencies (euro, krona, yen, yuan)
- Chinese buying activity came to a “grinding halt” in October – Stop for how long?  
Higher pulp prices clashing with buyers' 4-5 months supply - Can they hold suppliers off?



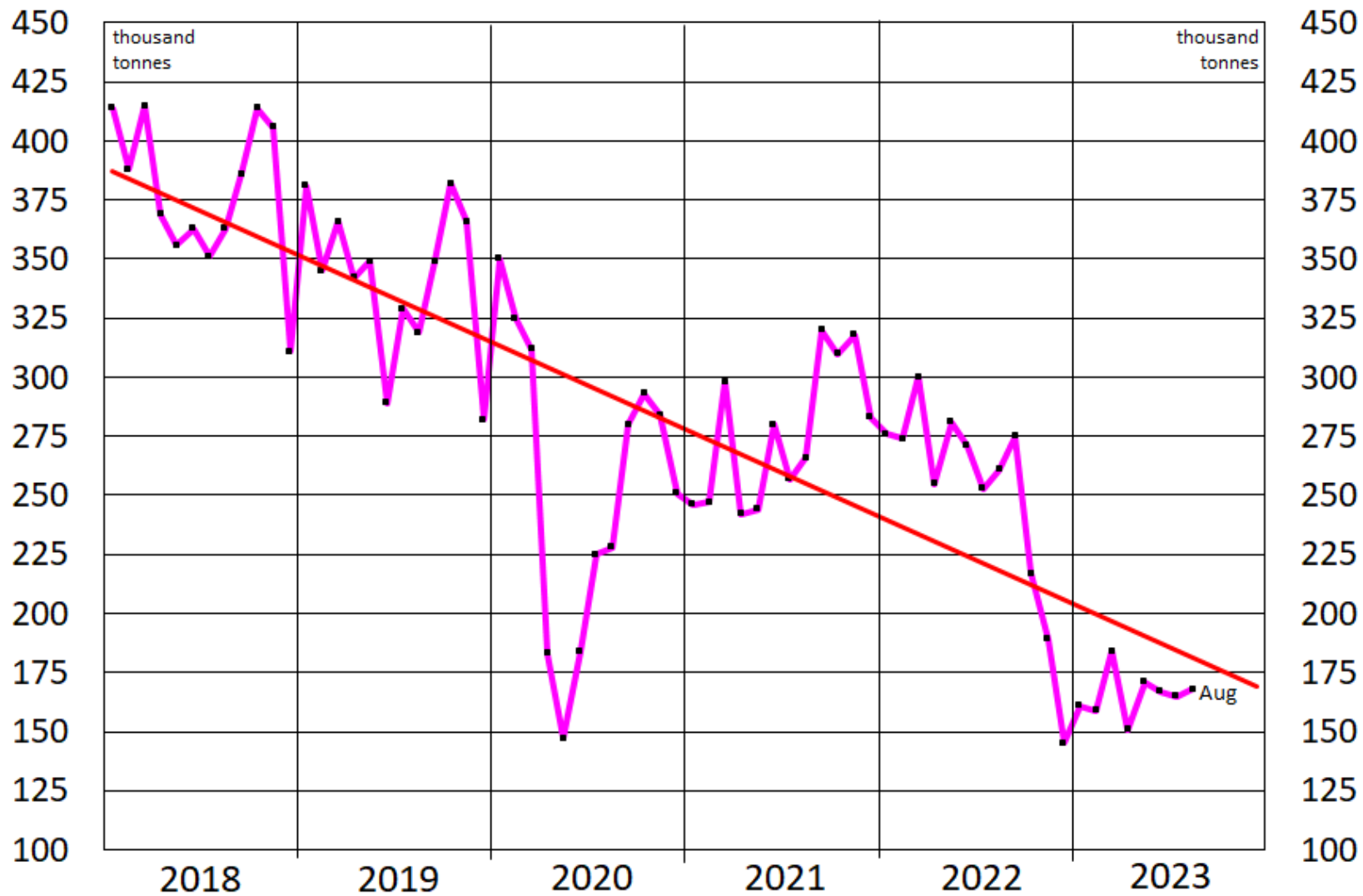
## WESTERN EUROPEAN PRINTING & WRITING PAPER DEMAND



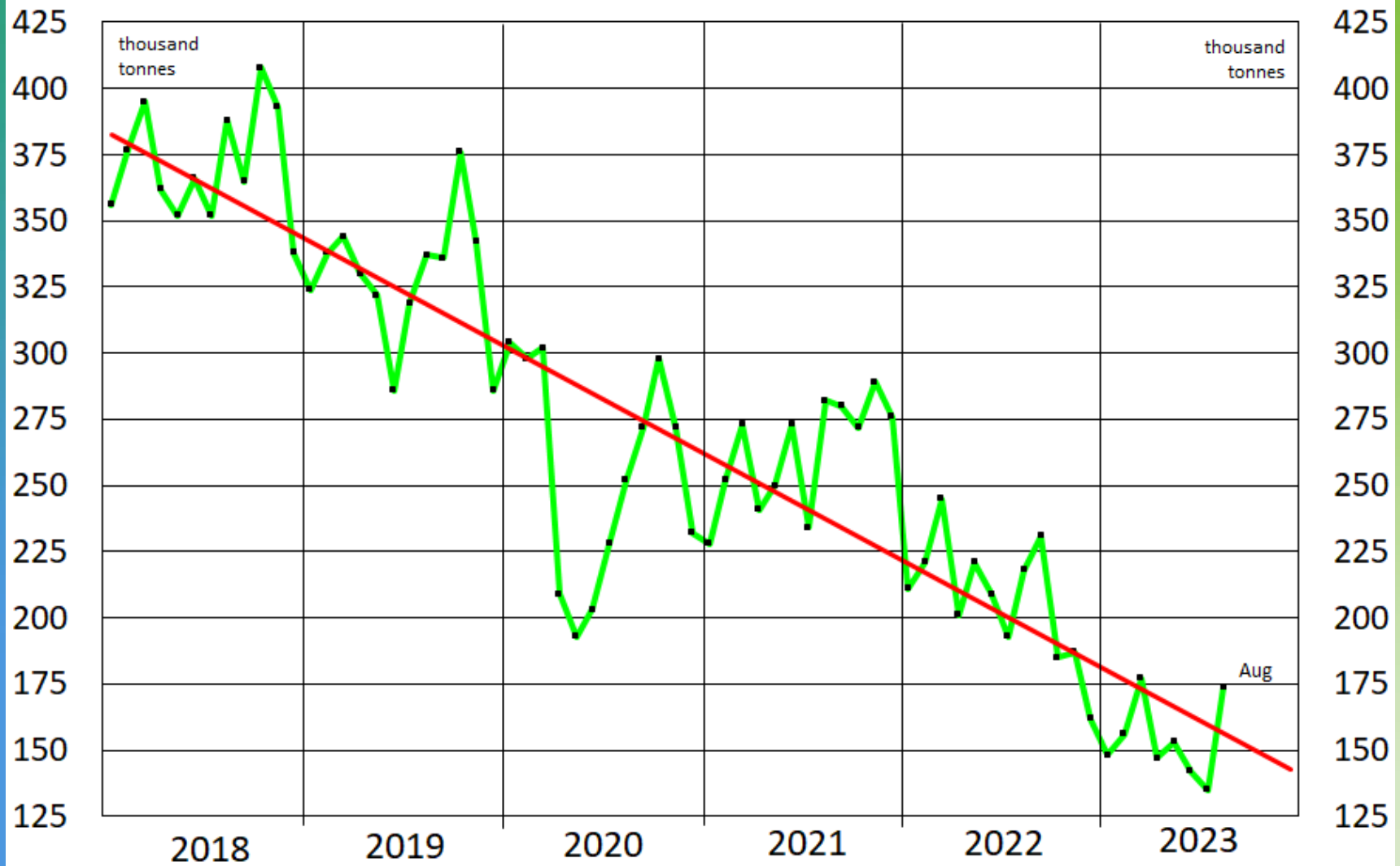
## WESTERN EUROPEAN UNCOATED WOODFREE DEMAND



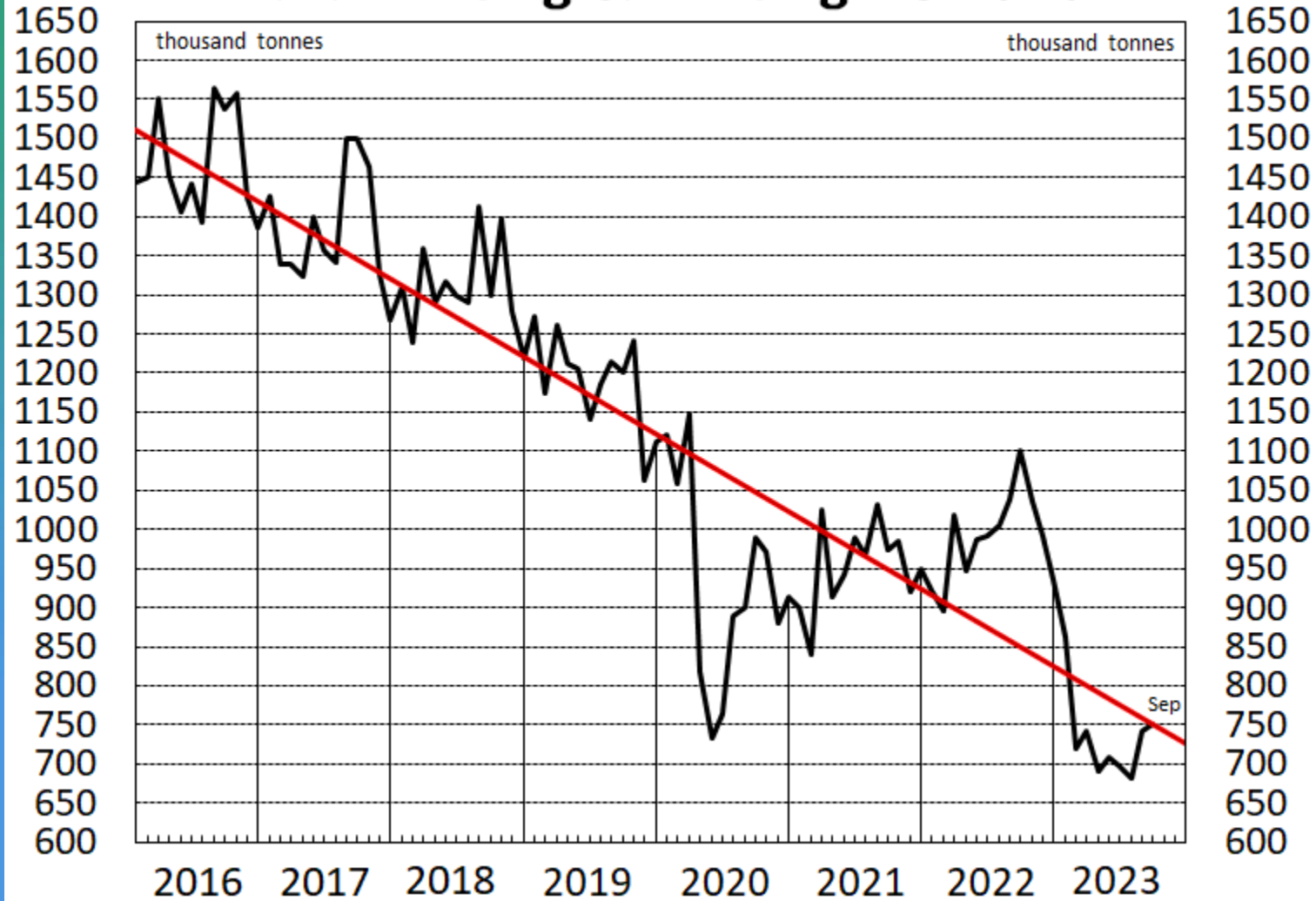
## WESTERN EUROPEAN COATED WOODFREE DEMAND



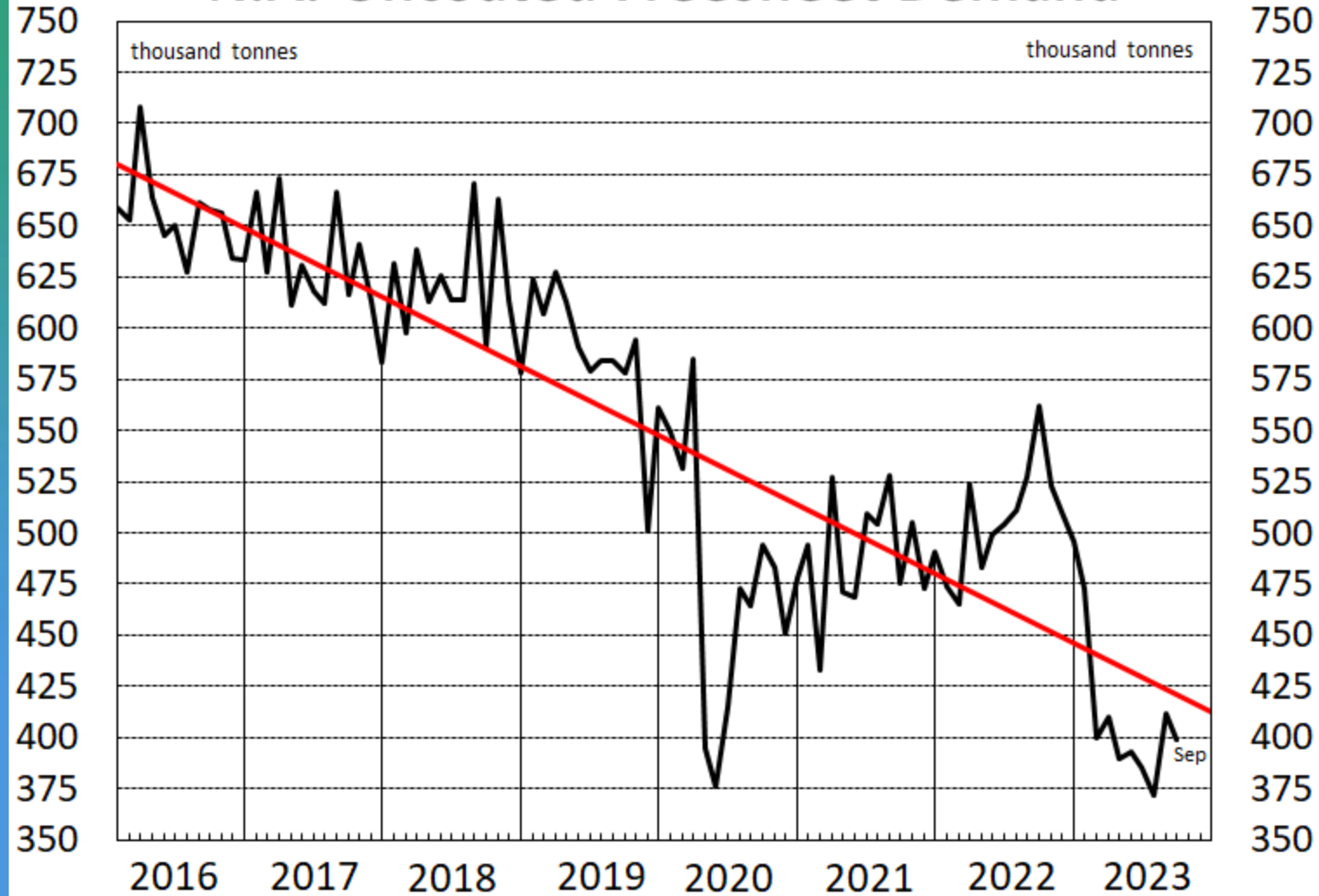
## WESTERN EUROPEAN LWC DEMAND



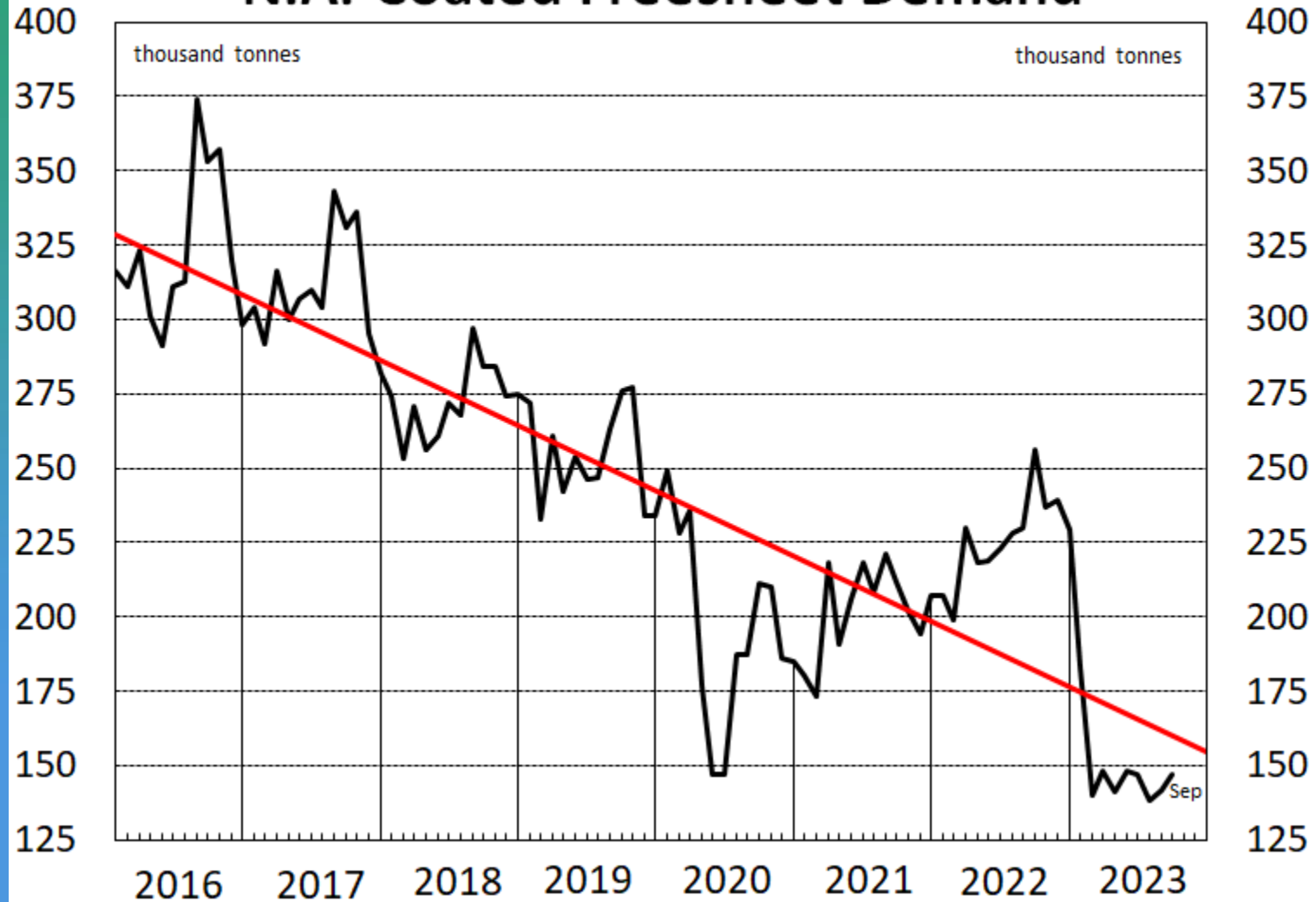
# N.A. Printing & Writing Demand



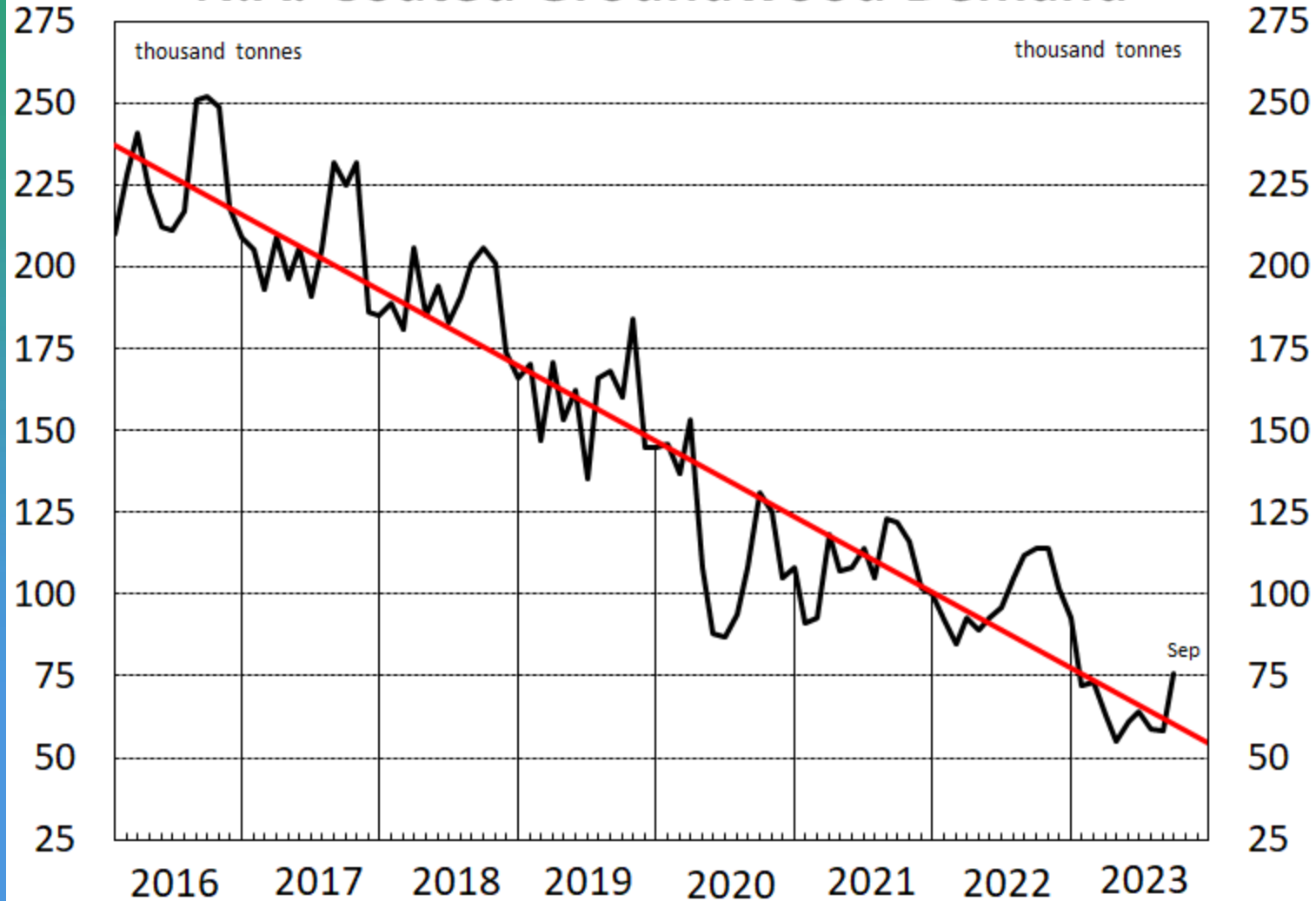
# N.A. Uncoated Freesheet Demand



# N.A. Coated Freesheet Demand



# N.A. Coated Groundwood Demand





# OUTLOOK 2024 - UNECE

		2022	2023	2024
WOODPULP ('000 M.T.)			'23/'22	'24/'23
EUROPE	Production	32,627	30,507 -6.5%	31,972 +4.8%
	App. Consumption	34,953	31,675 -9.4%	32,810 +3.6%
EECCA	Production	1	1 n.m.	1 n.m.
	App. Consumption	38	38 n.m.	38 n.m.
N. AMERICA	Production	55,022	53,802 -2.2%	53,138 -1.2%
	App. Consumption	45,794	47,591 +3.9%	47,453 -0.3%

# OUTLOOK 2024 - UNECE

		2022	2023	2024
PAPER & PAPERBOARD ('000 M.T.)			'23/'22	'24/'23
EUROPE	Production	75,586	67,548 -10.6%	72,665 +7.6%
	App. Consumption	67,811	61,630 -9.1%	64,632 +4.9%
EECCA	Production	142	142 n.m.	142 n.m.
	App. Consumption	572	297 -48.1%	297 n.m.
N. AMERICA	Production	75,053	71,101 -5.3%	70,512 -0.1%
	App. Consumption	69,748	66,465 -4.7%	66,141 -0.0%

# OUTLOOK 2024 - UNECE

**GRAPHIC PAPER PRODUCTION & CONSUMPTION UNDER PRESSURE**

Recession, Lower Disposable Income, Lower Advertising Budgets, Internet

**CONVERSIONS OF PAPER MACHINES TO PAPERBOARD POSTPONED OR CANCELLED**

Merger & Acquisition Activity Increase

**WOODPULP PRODUCTION DECLINE ON CLOSURES OF AGING ASSETS**

**WOODPULP CONSUMPTION WEAK ON LOWER ECONOMIC ACTIVITY**

**DISSOLVING PULP: GROWTH IN ASIA ON HIGHER ADOPTION**

**CHINA INVEST FURTHER INTO WOODPULP, PAPER, PAPERBOARD TISSUE CAPACITY**

Export opportunities to challenge higher-cost capacity

**SOUTH AMERICA TO CONTINUE BEK MARKET PULP EXPANSION**

Put pressure on high-cost BHK capacity



# Thank you

**Text-Roboto Bold, 19pt**

San Marino, 20-23 November 2023





# APPENDIX | ICONS

