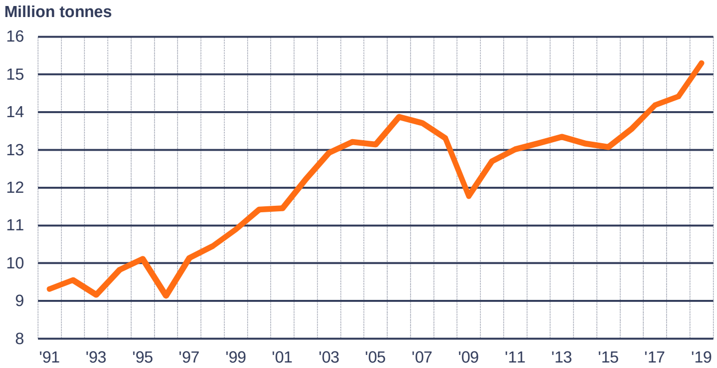
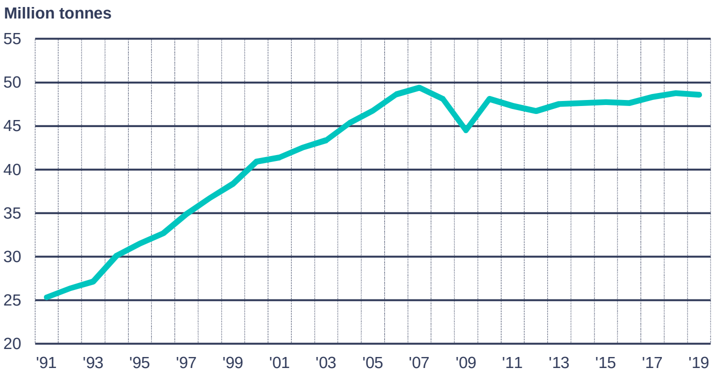
Production of market pulp in Cepi countries



Paper for recycling utilisation was slightly down by 0.4%

The utilisation of paper for recycling by paper companies in the Cepi area decreased by around 0.4% compared to 2018 level to reach 48.6 million tonnes. 96% of European paper for recycling utilisation is met domestically. Exports went down by close to 10% according to preliminary statistics.

Utilisation of paper for recycling in Cepi countries



Cepi countries in 2019

Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

i More information on Cepi Statistics

Cepi statistics are collected on a regular basis from our members, the National Associations.
The compliance of our statistics reports with EU competition laws is periodically checked by a law firm.
Furthermore, Cepi has commissioned Deloitte to issue each year a limited assurance statement on its data quality.

Two annual reports are available on Cepi's website:
www.cepi.org/topics/statistics
- Preliminary Statistics 2019 - February 2020
- Key Statistics 2019 - June 2020

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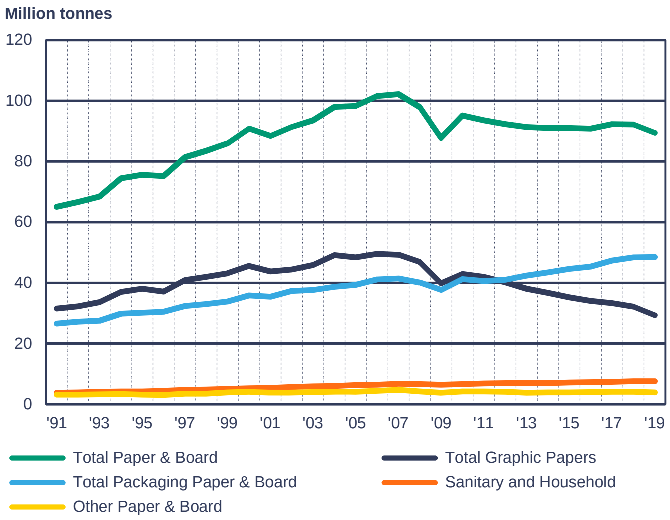
Paper and board production on a downward trend in 2019, in contrast with market pulp production dynamism

Cepi member countries' paper and board production has decreased by 3.0% in 2019, compared to the previous year, according to preliminary figures. Total production in 2019 has reached 89.5 million tonnes, below 90 million tonnes for the first time since 2009. 2019 saw new capacities coming on stream, and upgrades of existing ones, but closures and lower production operating rates dragged down paper and board production.

This downward trend was observed in many other parts of the world. China, the US, Japan, Korea and Canada recorded production decline ranging between -2% and -4%, at odds with the growth of emerging countries - India, Indonesia, Brazil and Russia. As a result, the global paper and board production went down by around 2.0% in 2019, according to first estimates.

Production of paper and board in Cepi countries



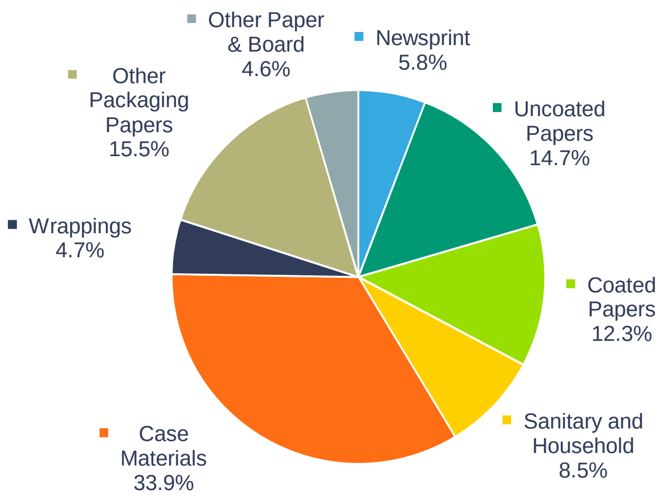
Relative stability of packaging and sanitary and household, sharp decrease in graphics

The structural divergence in the production trends for graphic grades and packaging grades continued in 2019.
The overall production of graphic grades fell by more than 8.0%. Newsprint and printing & writing papers decreased by 8.0% and 8.9% respectively.

The production of printing & writing papers – used for magazines and catalogues, direct mail, directories, etc. – has decreased with different trends from one grade to another. Output of coated mechanical paper and uncoated mechanical paper fell by 9.7% and 10% respectively. Uncoated woodfree grades – copy paper - have decreased by 4.1%.

Overall this means that production of coated and uncoated graphic papers decreased by 11.6% and 6.4% respectively. Production of woodfree graphics showed a decrease of 8.1% whilst output of mechanical graphic papers fell by nearly 10%.

Production of paper and board by grade in Cepi countries in 2019

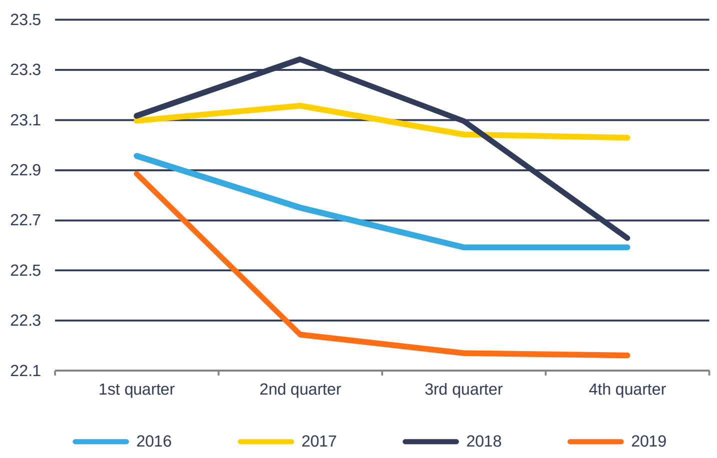


The production of packaging grades is estimated to remain unchanged compared to 2018, despite the ongoing trend towards light-weighting and resource efficiency and some grade switches observed - mainly from graphic to packaging grades. Within the packaging grades, case materials – mainly used for transport packaging and corrugated boxes – is the only grade to have recorded an increase (+1.4%). The output of carton board plus other packaging board – such as small goods packaging or book covers – fell by 1.3%. The production of wrapping grades – used for paper bag production – showed a decrease of around 1.7%.

Production is affected as it is measured in tonnes. The share of packaging grades accounted for 54.1% (52.5% in 2018) of the total paper and board production, with graphic grades accounting for 32.8% (34.9% in 2018).

Sanitary and household paper manufacturers' output increased by about 1.0% compared to 2018 and accounted for 8.5% of total production. Output of all other grades of paper and board – mainly for industrial and special purposes – decreased by 3.6%, with a share of 4.6% of total paper and board production.

Quarterly production of paper and board in Cepi countries

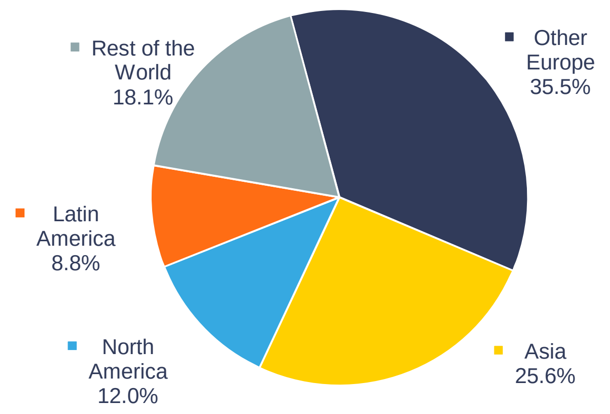


Paper and board deliveries by Cepi countries decreased by 1.9%

Based on the first 9 months' cumulative data, it is expected that total paper and board deliveries for the year decreased by 1.9% compared to 2018, exports growth partly offsetting an internal deliveries decline. By the end of September 2019, deliveries of graphic grades had decreased by 8.8% whilst deliveries of packaging grades rose by 2.6%.

Exports have grown by 0.9% by the end of September 2019, with exports to European neighbouring countries, Africa and Asia on the rise, by 0.3%, 9.2% and 2.5% respectively. Exports to North America and Latin America decreased by 7.9% and 3.5% respectively. The other European countries remain the main markets for exports with 36% of total European exports; Asia accounts for 25%, North America 12%, Latin America 9% and all other countries 18%.

Exports of paper and board by region in 2019



Preliminary indications show that imports of paper and board into the region have decreased by around 3.9% compared to 2018, resulting from the declining volumes coming from North America (-8.8%) and particularly the US (-12%). Imports into the Cepi area from other European countries and China went up by 1.4% and 19% respectively. Other European countries account for 46% of all European imports, North America 29%, Asia 15%, Latin America 6% and the rest of the world 4%.

Overall paper and board consumption decreased by around 4%, following the trend in paper and board production

The overall consumption of paper and board in Cepi countries in 2019 decreased by around 4% compared to 2018, based on the latest data available. It was impacted by the significant slowdown of the European economy – from 2.2% in 2018 to 1.5% in 2019 - and the less favourable global economic environment.
EU GDP is expected to grow at a relatively comparable pace in 2020: + 1.5%.

Total pulp production increased by 0.8%, overperformed by market pulp production which jumped by 6.1%

The production of pulp (integrated + market) has increased by 0.8% compared to the previous year, with total output of approximately 38.6 million tonnes. Output of mechanical pulp has decreased by 4% whilst production of chemical pulp recorded an increase of 2.7% compared to 2018. Chemical pulp accounts for 74% of total pulp production.
Output of market pulp showed a stronger increase (+6.1%), as a result of massive investments in new capacities.