

World Fibre Outlook up to 2035

NEW Digital platform for data download and visualisation

Business conditions are improving, but emerging overcapacity is now jeopardizing market balances

The global pulp market has been rather immune to the COVID-19 pandemic thanks to the increasing virgin fibre usage in tissue and hygienic products and the rapid growth of fibre-based packaging that has benefited from the booming online shopping sector. The man-made textile fibre industry experienced a temporary retreat in 2020 but is now recovering and boosting the dissolving pulp market.

Supply/demand balances improved from 2018 through 2020 with the secular rise in wood pulp demand. In early 2021, while the global economy was still suffering from the pandemic, the world's pulp market remained buoyant, fuelled by maintenance downtime, shipping delays, and other supply chain disruptions. While businesses expect to see positive momentum building up in the global economy through 2021 and 2022, the pulp industry is again at risk of getting into difficulties. Improving market balances over the past three years are feeding investments that are now going over the top.

KEY QUESTIONS



How are the global fibre balances expected to develop in the future?

What are the potential sources of virgin fibre for China's booming wood pulp capacity?

What will be role of integrated pulp and paper production in the future?

How is the pulp industry's concentration evolving?

What is the future of man-made cellulosic fibres in the textile industry?

GLOBAL WOOD PULP CAPACITY

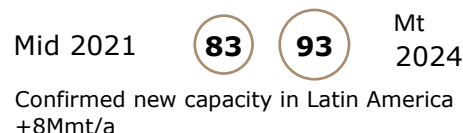


China is aggressively building wood pulp capacity but is there enough wood for everyone?

How will the future wood raw material market look like if all capacity expansions in China will materialize as planned?

How is China's exit from the global RCP trade going to impact the long-term fibre outlook including virgin and recovered?

MARKET WOOD PULP CAPACITY



What are the implications of these, and other projects in the soft pipeline, on global pulp market balances and in terms of structural changes in the market pulp industry?

These, among others, are some of the critical issues AFRY is aiming to cast light on in the next World Fibre Outlook study.

WHO SHOULD BUY



AFRY's World Fibre Outlook up to 2035 provides an in-depth analysis and long-term forecasts of major economic and market trends affecting the demand, supply and pricing of papermaking fibre and specialty pulps in all key regions of the world. The first-ever issue of this series of studies was published in 1985, and since then, the study has become an industry standard and longed-for reference report for all business participants, including:

- Pulp and paper companies,
- Various suppliers and solution providers,
- Investors, financiers, institutions,
- Pulp traders, logistics companies and other interest groups

Essential questions & discussion points



GLOBAL FIBRE BALANCES

How are the global fibre balances expected to develop considering the pulp industry's investment plans globally, and enforcements in China's RCP trade and customs policy?

How is China going to solve its 140 and 170 million ton paper and paperboard output targets for 2025 and 2035, as set by its 14th five-year plan?

Demand for wood raw materials in China is bound to grow dramatically – what are the potential sources of virgin fibre? What kind of competitive implications this might conceal?

How to evaluate, select, find and develop new fibre sources for pulping?



CHANGES IN INTEGRATION

What will be role of integrated pulp and paper production in the future?

What happens when vertical integration breaks down and businesses need to develop new routes for their value chain?

What does the wind-down of graphic paper industry mean for fibre supply?

What are the viable development paths for integrated mechanical pulp and graphic paper mills as publication papers ride off into the sunset?



INDUSTRY CONCENTRATION

How is the pulp industry's concentration evolving? Is the corporate mass growing organically, through M&A or both?

What are the causes and effects of concentration? What kind of efficiency gains – pecuniary or technical economies – can be achieved through horizontal integration? Are prices in any better control?

Is the pulp industry's profitability improving, and how does this link to the increasing consolidation?



OPPORTUNITIES IN MAN-MADE CELLULOSIC FIBRE (MMCF) MARKET

How has the textile industry evolved in terms of natural, synthetic and man-made cellulosic fibre?

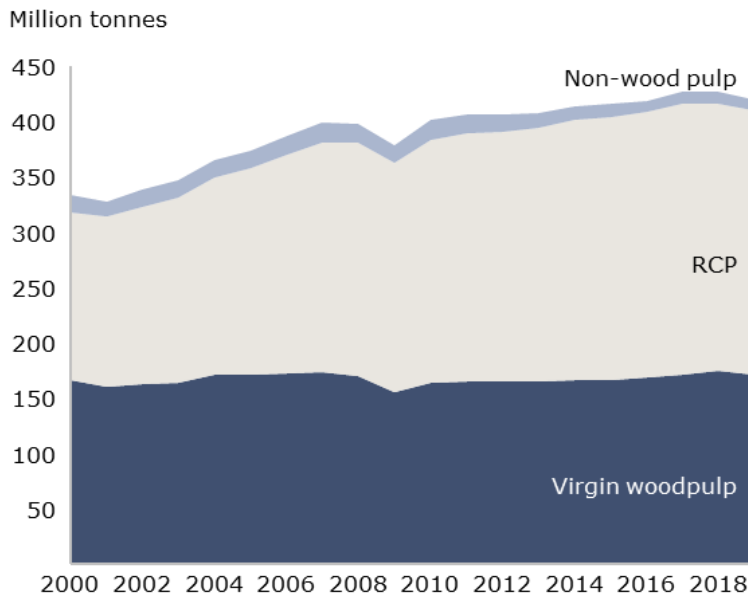
What are the drivers of change in textile industry's fibre feedstock? What is the future role of MMCF in competition with alternative textile fibres?

Are the environmental concerns of cotton and synthetic fibres changing the textile market in favour of wood-based fibres? What are the novel technologies in the textile industry value chain?

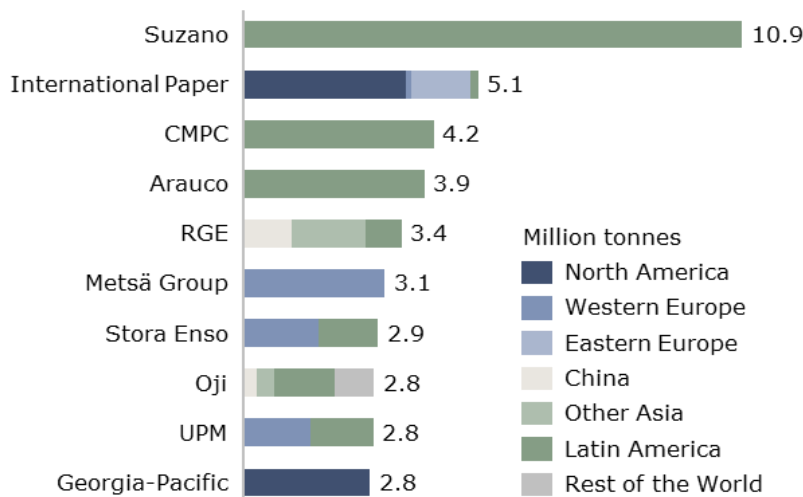
Illustration of the content

Examples of the report/digital tool graphics

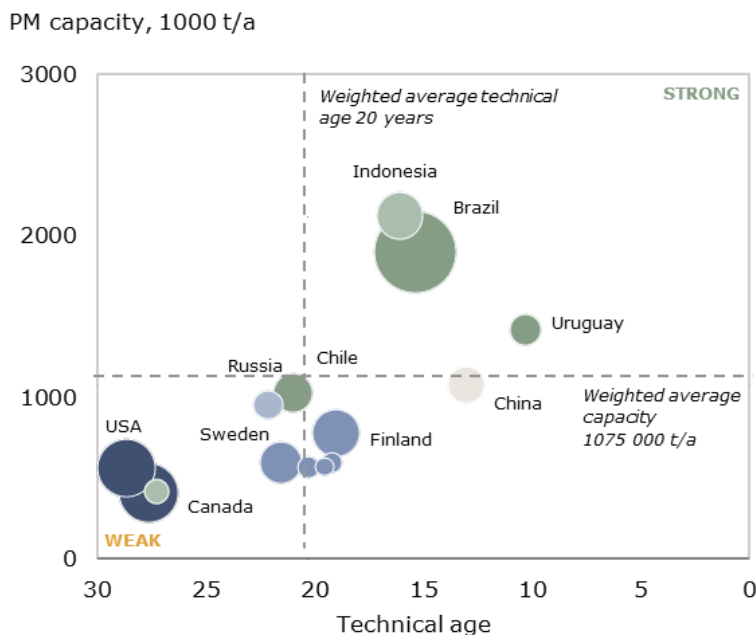
Executive report +
Digital data tool
in AFRY Smart



GLOBAL PAPERMAKING
FIBRE DEMAND
BY GRADE







LEADING MARKET BHKP
PRODUCERS 2020
BY REGION








MARKET WOOD PULP
PRODUCERS' ASSET
QUALITY BY REGION

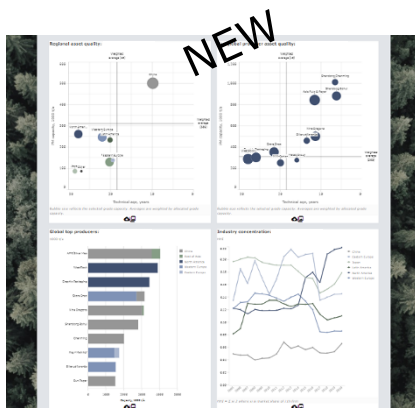
Content & Scope

Global coverage and full product range

| | | |
|---|--|---|
|  PRODUCT AREAS Paper grade wood pulps (total and market) — Mechanical pulps incl. CTMP — Semi-chemical pulp — Chemical wood pulps — BSKP, BHKP, UKP, sulphite Non-wood pulps — Cotton linters, bagasse, bamboo, straw, etc. Recovered paper — ONP/Mags, OCC, high grades and mixed paper — RCP pulp Specialty pulps — Dissolving pulp — Fluff pulp |  GEOGRAPHIES Global overview and regional coverage — North America — Nordic countries — Rest of Western Europe — Eastern Europe — Middle East — Japan — China — Rest of Asia — Latin America — Africa — Oceania |  MARKET PARAMETERS Consumption volumes — Total — Market Production volumes — Total — Market Net trade  TIME SPAN Historic data 2000-2019/20 Future outlook 2021-2035 |
|---|--|---|

The World Fibre Outlook up to 2035 includes the following content, assumptions, analysis and key findings

|  Global fibre baskets |  Driving forces |  Papermaking fibre (total/market) |  Specialty pulps (dissolving/fluff) |  Other key topics |
|--|---|---|---|---|
| <ul style="list-style-type: none"> — Current resources <ul style="list-style-type: none"> — Forest — Recovered paper — Potential emerging fibre sources | <ul style="list-style-type: none"> — Paper markets — Furnish development — Textile market — Hygiene market — New product areas | <ul style="list-style-type: none"> — Current production & demand — Outlook 2019-2035 — Trade flows — End use distribution — Top producers — Asset quality — Capacity changes | <ul style="list-style-type: none"> — Current production & demand — Outlook 2019-2035 — Trade flows — End use distribution — Top producers — Asset quality — Capacity changes | <ul style="list-style-type: none"> — Pricing of pulp and recovered paper — Fibre quality implications |



New digital platform in AFry Smart

All data will be available and visualised via online data platform, where charts from the report will be made available through a browser based platform. This provides the option to download data behind the report charts.

Furthermore a “free browse” option enables you to merge data across regions or grades. Annual data and forecast updates will be available through the online platform as well.

Overall, this enables you to combine, visualise and download the most recent data based on your specifications.

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2021 EDITION

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