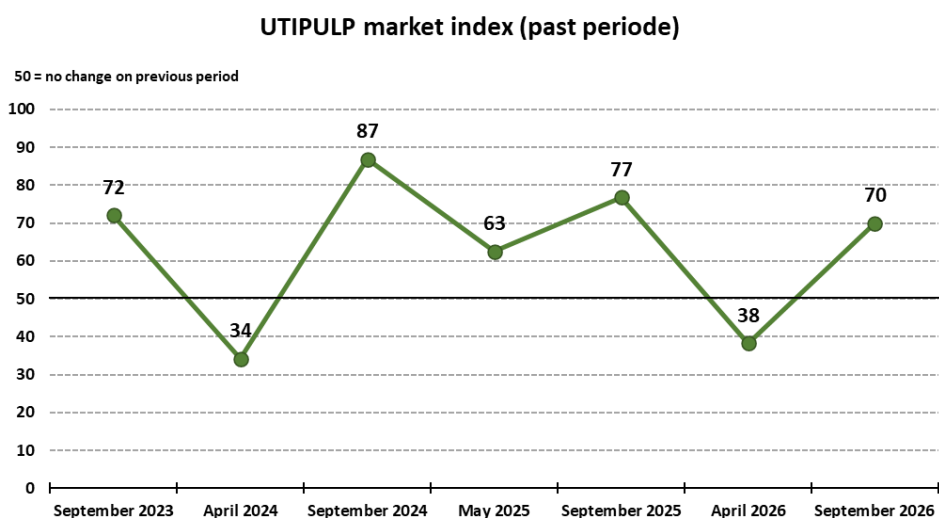


UTIPULP market questionnaire September 2026

- 22 answers have been received (17 during the survey of April 2026).
- This synthesis contains 4 parts on: “Market Index”, “Geopolitical developments”, “EUDR” and “Pulp prices Fastmarkets”.

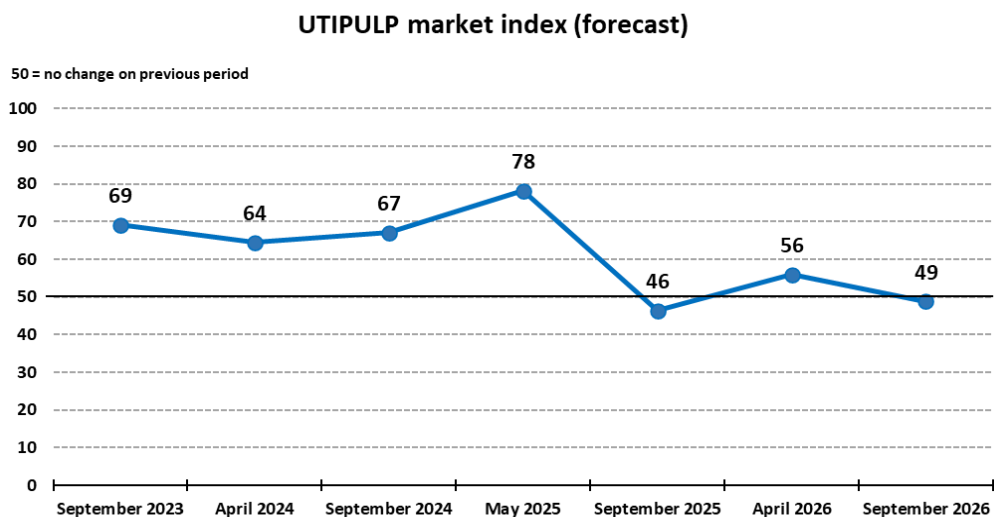
A. Market Index

1. Regarding your pulp supply, has the situation improved or worsen since the last meeting (April 2026)?



- Compared to April 2026, **respondents report an improvement in pulp supply conditions** (the index 70, well above 50).

2. In H1 2027, according to your forecasts, will the pulp supply improve or worsen?



- **Respondents anticipate a “steady situation” in pulp supply conditions**, as the index is very close to “50”. Even if most respondents expect conditions to remain “steady” (13 mentions), a few indicate a “slight deterioration” (3 mentions) or a “slight improvement” (4 mentions).

3. Please specify the reasons of your forecast

Regarding the demand

- **Demand remains the main concern, with a low consumption in Europe, not expected to improve in the coming months.** Some respondents expect an improvement of the Chinese demand.

Regarding the supply

- As a general remark, suppliers manage to adapt supply to the shrinking market, resulting in a “stable” ratio supply/demand.
- Although the availability is adequate, the “physical buffer” is thin, as port stocks are reported to be more than 20% below last year’s level (while stocks in Iberia are around 13 days).
- Regarding the pulp supply, many answers insist on **different trends between hardwood and softwood**.
- **Hardwood availability is expected to improve.** Respondents do not expect the same level of shutdowns as earlier this year, while new capacity from OKI-2 and Nine Dragons is expected around the turn of the year, followed by Sucuriú on late 2027. This additional supply is nonetheless expected to be partly offset by the Biotek conversion to dissolving pulp.
- Additional pulp production in China could reduce Chinese demand for Latin American imports, making more Latin American hardwood pulp available for the European market.
- In this context, several respondents expect that short fibre producers will reduce availability to avoid an oversupply.
- The availability of hardwood pulp must be nuanced regarding birch, as one respondent considers that this grade is facing a clear shortage.
- **On the other hand, softwood availability is expected to tighten**, following significant capacity reductions at Northwood (Canfor) and Howe Sound (Domtar), together with further maintenance and production downtime. Higher-cost mills may face temporary or permanent closures.
- Producers of softwood pulp, as they operate in a tight market, will be tempted to push for price increases.

4. What key changes will influence pulp consumption in your country during the 12 coming months (new paper mills/capacities, closures...)?

- Pulp consumption over the next 12 months is expected to remain under pressure from weak economic conditions, strong competition and low-capacity utilisation at paper mills. Paper demand, and consequently pulp demand, are expected to decline slightly.
- In Europe, overcapacity within the paper industry remains an issue, particularly in the tissue sector. The continued reduction of graphic paper capacity is expected to weigh on pulp consumption. The possible UPM-Sappi JV, still subject to discussion with the European Commission, could also lead to further changes in the European paper market.
- Overall, no major change is expected over the next 12 months, with pulp consumption likely to remain stable or to slightly decline.

B. Geopolitical developments

1. Do US tariffs have an impact on the pulp market?

- **62% report no significant impact of the US tariffs, whilst 38% of the respondents indicate that they have affected the pulp market.**
- Regarding the observed impacts:
 - Several respondents point to indirect effects on trade flows, with tariffs making exports to the US more difficult and influencing business opportunities.
 - European producers of some speciality paper grades are also losing volumes with US customers, as they are not competitive enough under the current tariff environment.
 - At the same time, more paper volumes are being redirected to Europe, increasing competition and putting further pressure on European paper producers and, indirectly, on pulp demand.
 - US tariffs on Canadian pulp and paper are putting pressure on Canadian NBSK producers and could lead to further closures. In the short term, more Canadian volumes may be redirected to Europe and Asia. But lower Canadian production, if mills shut down, could tighten the market later.
 - Overall, uncertainty remains the main concern, as changes in US tariff policy can quickly affect global trade flows, costs and supply chains.

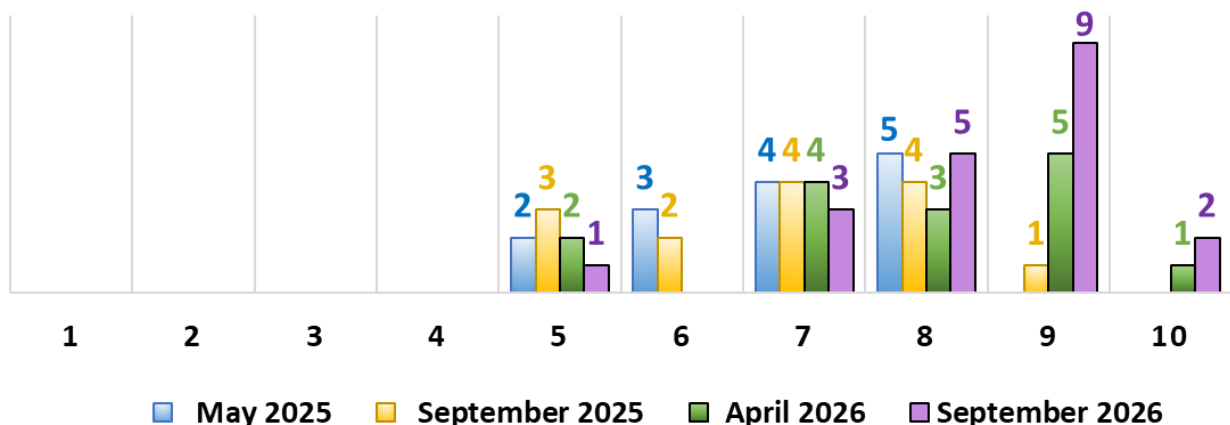
2. Does the ongoing conflict in the Middle East have consequences for the pulp market (e.g.: shipping delays, increased road transportation costs, etc.)?

- Most respondents (71%) indicate that the ongoing conflict in the Middle East is having consequences for the pulp market, mainly through higher logistics and energy costs, while 29% report no significant impact.
- Regarding the main impacts:
 - Higher shipping and logistics costs are the most frequently mentioned effect, mainly driven by higher fuel and oil prices.
 - Several respondents also report longer and less reliable shipping times, together with surcharges, route changes and increased port congestion.
 - Longer and less predictable transit times may require higher safety stocks, at a time when inventories are already at low levels.
 - Higher costs in chemical markets are also mentioned, adding further pressure on production costs and reducing competitiveness.
- Overall, the impact is mainly indirect, through higher costs and weaker logistics reliability, rather than through a direct change in pulp supply or demand.

C. EUDR

1. Considering a scale of 0 to 10, do you consider that your market pulp suppliers are ready to fulfill the requirement of the EUDR (0 = not ready at all, 10 = absolutely no problem to provide all the requested information).

Please note that the average figure will be compared to the previous survey.



- Answers are strongly concentrated in the upper range, from “5” (1 mention) to “10” (2 mentions), with most responses between “7” and “9” (17 mentions). “9” is by far the most frequent rating (9 mentions), indicating a very high level of perceived readiness among pulp suppliers.
- **Overall, respondents consider market pulp suppliers to be well prepared to meet EUDR requirements.** The strong concentration of ratings at the higher end of the scale, particularly at “9”, suggests a high level of confidence in suppliers’ readiness.

D. PULP PRICES FASTMARKETS

1. **Do you agree with Fastmarkets' decision to reset European pulp gross price indices 40% below the existing benchmark levels from March 2027?**

- A large majority of respondents (77%) do not agree with Fastmarkets' decision to reset European pulp gross price (see the reasons below), while 23% support the change.
- The reasons of this opposition are described below.

2. **Do Fastmarkets' planned changes to European pulp benchmark prices, including the 40% reset of gross price indices from March 2027, have any expected consequences for your company (e.g. contract negotiations, purchasing strategies, price comparisons, budgeting, etc.)?**

- 30% of the respondents expect little or no direct impact, while 60% see possible consequences. 10% consider it's too early to assess the full effect, as negotiations for 2027 have not yet started.
- The respondents favourable to the "reset" consider that the European pulp buyers are less competitive when it comes to pulp purchases, and that the current system with hidden rebates structure and PIX quotations is not helping.
- Regarding the main expected impacts:
 - While the change is generally considered as manageable for pulp purchasing, **discussions with paper customers may become more complex, when paper price formulas are directly linked to PIX.**
 - Some respondents expect customers to request price revisions because of the change.
 - The immediate impact in 2027 could remain limited if contracts continue to use the existing PIX indices until 31 December 2027. However, one respondent considers that companies may need to prepare the transition in advance by clearly identifying the index used in contracts and agreeing on a conversion method for the new benchmark.
 - When moving to the new index, discounts may need to be recalculated to preserve the same net price, as discount percentages will not be directly comparable between the old and new benchmarks. Internal price references and historical series may therefore also need to be adjusted ahead of 2028.

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