

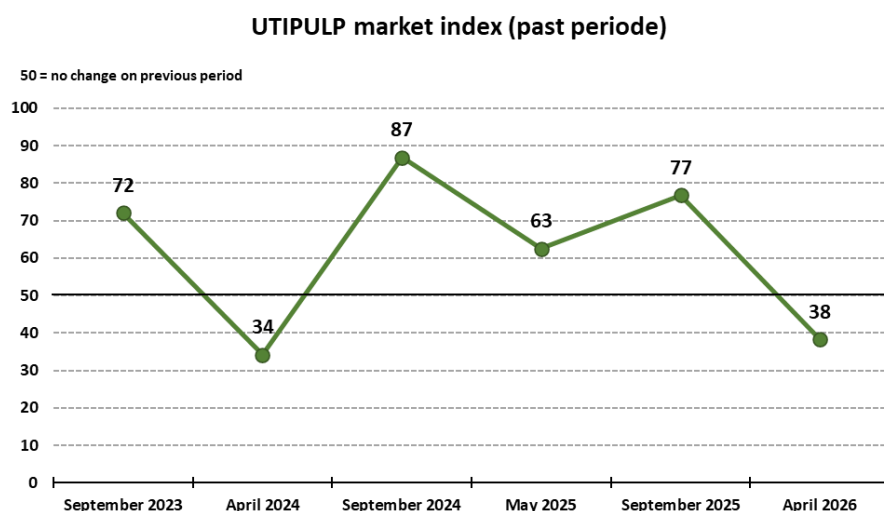
UTIPULP market questionnaire

April 2026

- 17 answers have been received (14 during the survey of September 2025).
- This synthesis contains 3 parts on: “market index”, “Geopolitical developments” and “EUDR”.

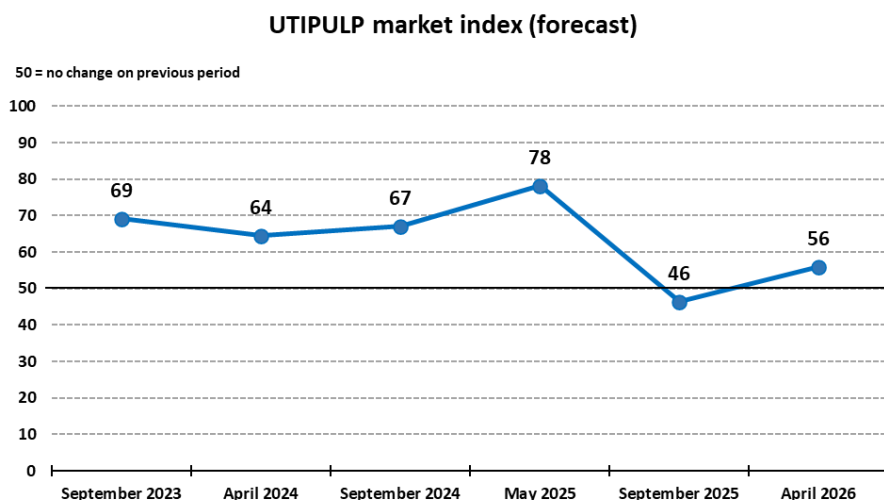
A. Market Index

1. Regarding your pulp supply, has the situation improved or worsen since the last meeting (September 2025)?



- Compared to September 2025, respondents report a deterioration in pulp supply conditions (the index is below 50).

2. In H2 2026, according to your forecasts, will the pulp supply improve or worsen?



- Respondents anticipate a slight improvement in pulp supply conditions, with the index rising above 50.
- Responses are split between “slight improvement” and “steady” (7 mentions each), with fewer indicating “slight deterioration” (3 mentions).

3. Please specify the reasons of your forecast

- Regarding the pulp supply:
 - **Softwood availability is generally described as good.**
 - **Hardwood remains tighter.** This is due to **logistical disruptions** (in particular, slow shipping, which reduces capacity on Latin America–Europe routes). The impact of the storms that hit Portugal and Spain is expected to fade, leading to increased pulp availability in the Iberian Peninsula.
 - Several respondents anticipate **improved availability in the coming months**, driven by the normalization of logistics, reduced curtailments, supply chain adjustments, and persistently weak demand.
- Regarding the pulp demand:
 - The overall economic context is leading to **weak demand for paper (and pulp)** this year.
 - Moreover, **the Gulf crisis is driving up energy costs and, in turn, inflation.** It is also reducing consumer confidence.
 - In the short term, some respondents consider that the **current increase in demand is mainly due to restocking.** The end of this restocking phase is expected by these respondents to result in lower demand in H2.
 - **Structural trends remain unchanged.** The decline in printing and writing grades continues to reduce pulp consumption, while more resilient segments such as tissue and packaging (partly supported by the substitution of plastics) provide some stability.
 - The only exceptions are the new ICT tissue mill (now operational) and the Shotton mill, which is nearing completion. The UPM/Sappi joint venture is also mentioned as a recent development that will affect the market.

B. Geopolitical developments

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

- Most respondents indicate that US tariff developments continue to create uncertainty and disrupt global trade flows, although the direct impact on the European market remains limited and mostly indirect.
- 44% of respondents indicate that tariffs have affected the pulp market, while **the majority report no significant recent impact, highlighting a mixed overall perception.**
- Regarding the observed impacts:
 - Some note a reallocation of volumes, including significant changes in sourcing patterns (e.g. reduced Brazilian share of pulp in certain markets), reflecting the impact of tariff-related mechanisms.
 - In certain cases, volumes have been lost by papermakers in the US market where customers were unable to absorb tariff-driven price increases.
 - A strong impact is reported in the fluff pulp market, particularly through weaker Chinese demand, leading to downward pressure on prices.

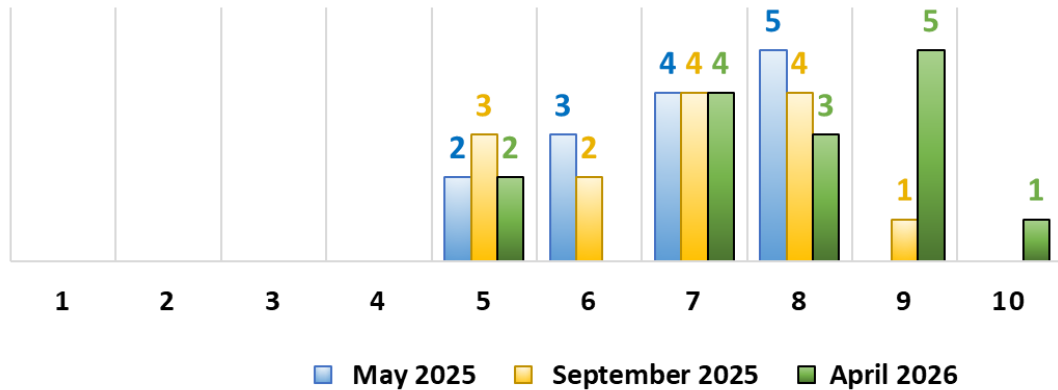
2. Does the ongoing conflict in the Middle East have consequences for the pulp market (e.g.: shipping delays, increased road transportation costs, etc.)?

- Most respondents (94%) indicate that the ongoing conflict in the Middle East is having consequences for the pulp market, **mainly through rising costs and logistical disruptions.**
- Regarding the main impacts:
 - A significant increase in transportation and logistics costs is widely reported, driven in particular by higher fuel, crude oil, gas, and LNG prices, affecting all stages of the value chain (harvesting, production, and delivery).
 - More broadly, respondents highlight a general increase in input costs, including energy, chemicals, and inland transport, impacting both producers and users.
 - Shipping delays are frequently mentioned, especially on routes from Latin America, with disruptions to vessel rotations and container availability further complicating supply chains.
- In terms of market effects:
 - In the short term, higher freight costs and logistical constraints may support demand in some cases (e.g. due to anticipatory buying).
 - However, in the medium term, rising costs and inflationary pressures are expected to weigh on demand.
 - Despite these disruptions, several respondents emphasize that fundamental supply and demand dynamics will remain the key drivers of the market.

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 concentrated in the upper range, from “5” (2 mentions) to “10” (1 mention), with the majority of responses between “7” and “9” (12 mentions). This indicates a generally high level of perceived readiness among pulp suppliers.
- **Respondents suggest that market pulp suppliers are overall well prepared to meet EUDR requirements**, with some already providing very detailed and comprehensive information (e.g. extensive documentation on harvesting licenses).
- However, several comments highlight that the main challenges now lie less with suppliers than with the regulatory framework itself. In particular, uncertainty around EU implementation, such as delays in the reporting platform, continues to create ambiguity.
- More broadly, geopolitical tensions are also seen as influencing the overall context in which EUDR will be implemented.

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