

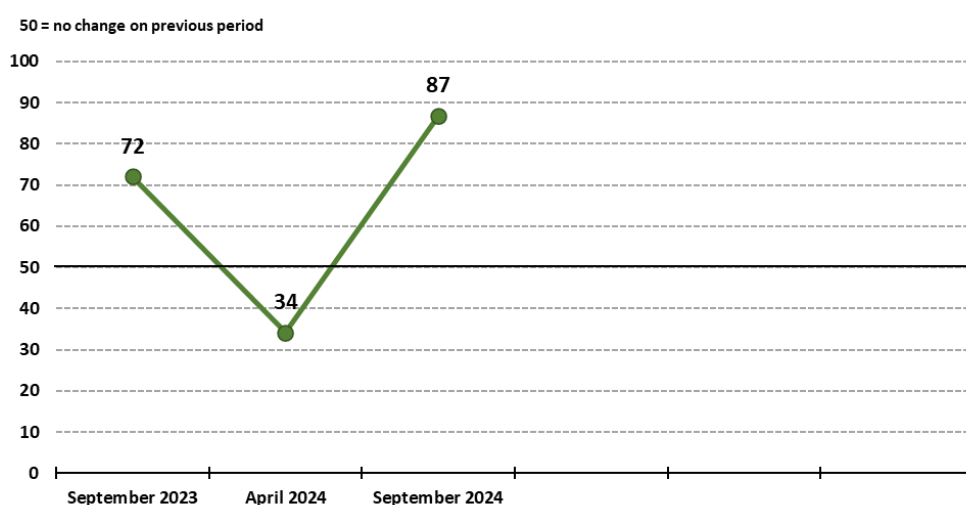
### UTIPULP market index

September 2024

19 answers have been received (17 companies, 2 national associations). 20 answers had been received during the survey of April 2024.

1. Regarding your pulp supply, has the situation improved or worsen since the last meeting (April 2024)?

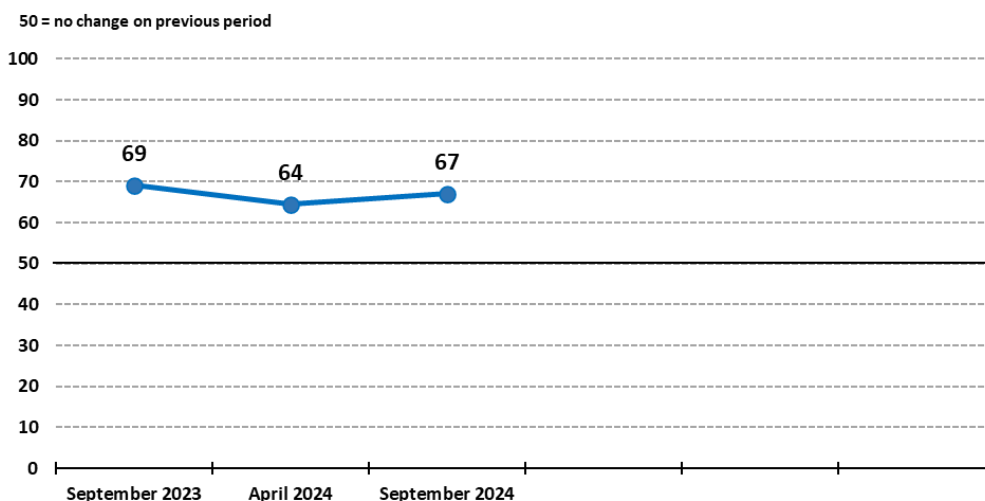
UTIPULP market index (past periode)



Compared to April 2024, respondents have experienced a strong improvement of the pulp supply conditions. The situation is also seen as better compared to last year at the same period.

2. In H1 2025, according to your forecasts, will the pulp supply improve or worsen?

UTIPULP market index (forecast)



### **3. Please specify the reasons of your forecast**

Respondents anticipate an improvement the pulp supply conditions (the index is above 50). Answers are a little more optimistic compared to April 2024, but with no real difference.

As in the last survey, answers are rather heterogeneous. Indeed, answers rank from “strong improvement” (3 times) to “slight deterioration” (3 times). None of the respondents anticipate a “strong deterioration”. The bulk of the answers is around “slight improvement” (with “plus” or “minus”).

Reasons for this heterogeneity lie in the different forecast regarding the balance between supply and demand. Optimistic respondents anticipate that the growing pulp supply will exceed the demand.

Regarding the pulp supply:

- As in April, there is a broad consensus that new capacities in Lat. Am. (and Asia) will ramp up (or have already started) and improve the market conditions (especially for short fibers). As examples are several times mentioned Cerrado Suzano and local new Chinese capacities. Moreover, Metsä Kemi is back to normal. It is also reported that Pöls will switch partly from NBSK to UKP.
- Although the worldwide capacity of pulp is expected to grow (particularly for short fibres, some shutdowns have been announced (Metsä, UPM, Asian pulp producers) and that could change the market quickly.
- All production issues have been solved.

Regarding the pulp demand, the forecasts are diverse:

- The general perception is that, during the next months, the pulp demand will remain relatively low in the EU (especially in the printing and writing segment), in line with the economic slowdown.
- One question mark is if Chinese demand will increase significantly (will the Chinese buyers enter a new cycle of restocking; how will evolve the soft internal Chinese pulp consumption?).
- The supply/demand ratio should continue to improve, considering the low demand for pulp across all segments and the new capacities coming on stream. Moreover, pulp price started to decline in July in Europe and the same dynamic was seen in China.

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

Respondents do not anticipate substantial changes in capacities of paper mills in Europe. There are, nevertheless, some exceptions, as two new tissues machines are expected to start up in Poland and in Italy. Some other changes in paper capacities are expected to have less impact on the pulp market.

Long lasting trend are expected to continue in our industry (demand drop in the graphic sector, conversion of paper machines from graphic to packaging ...).

As the future becomes hard to predict, work will be increasingly short-term.

At a global level, the role of China in the coming months remain a question mark.

The EUDR is also mentioned as a “nightmare” (quick decisions needed).

One respondent regrets the high volatility of the market, and wonders if more financial instruments could help to stabilize it.

As a final remark, one respondent mentions that big suppliers influence too much the market via public announcement.

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