

Preliminary Statistics 2010

European Pulp and Paper Industry



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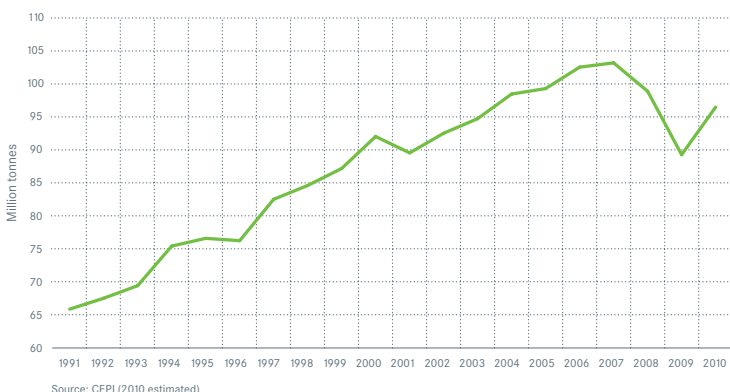
Paper and board output by CEPI member countries in 2010 rises by around 8%

Paper production in CEPI countries increases by around 8%

Following the severe economic downturn experienced in late 2008 and throughout 2009 the industry had a much more positive 2010, although overall volumes remain some way below pre-crisis levels. Indications are that CEPI member countries produced more than 96 million tonnes of paper and board in 2010, representing a rise in the region of around 8% over 2009. Paper production reached 103 million tonnes in 2007 and decreased by 13% between 2007 and 2009. The paper industry did slightly better than the European manufacturing industry taken as a whole. Based on data for January to September 2010 it would appear that the overall recovery in performance of the CEPI countries in total during 2010 is similar to that of most of the other major paper producing regions of the world.

Quarterly production levels for 2010 were consistently higher than in the previous year, being in the region of 24 million tonnes. In 2006 and 2007 the average quarterly production was in the region of 25.5 to 26 million tonnes.

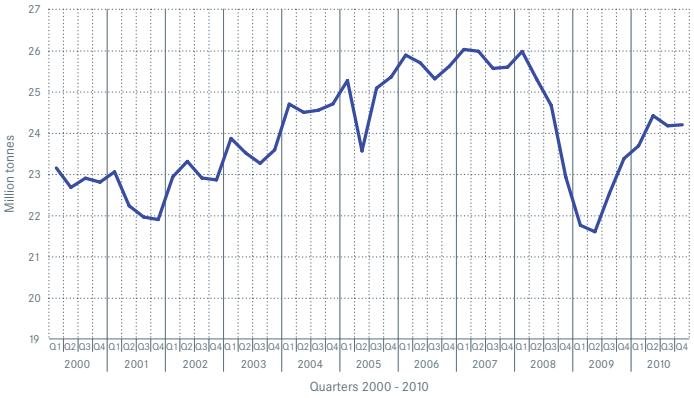
Production of paper & board in CEPI countries 1991 - 2010



Production increases across all grades when compared to 2009

With the recovery evident throughout the industry, all grades are expected to show higher annual production levels in comparison to 2009, but with some differences by grade. In graphic grades overall production is likely to have risen by around 7.5%. Output of newsprint recorded an increase of approximately 5%. Production of uncoated graphic grades is expected to show an increase of between 4% and 5%. Coated mechanical grades recorded a rise in production of about 16% and the output of coated woodfree grades increased by about 9%. The result is that coated paper production is

Production of paper & board in CEPI countries, quarterly trend 2000 - 2010



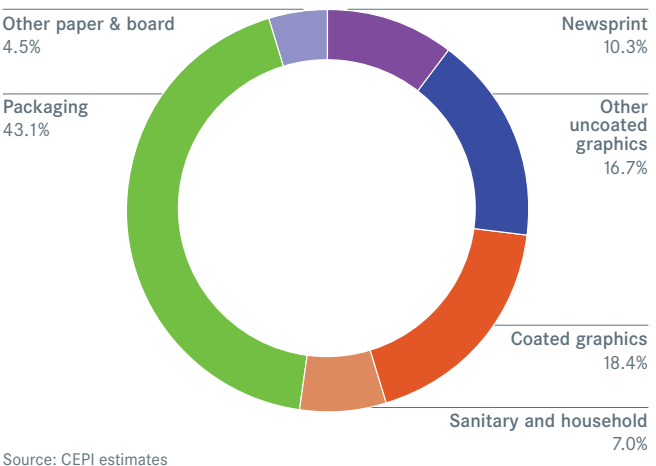
Source: CEPI (Q4 2010 Estimated)

expected to show the largest increase in production of any grade of between 12% and 13% over 2009, having suffered the largest decline in production in 2009 over 2008 (-20%).

The production of packaging grades is estimated to have increased by approximately 9% when compared with 2009. Within the grades, case materials recorded an increase in production of between 9.5% and 10% and output of wrappings increased by a similar level. The output of carton board plus all other packaging is estimated to have increased by about 8%. Because only tonnage variations are being measured it should be noted that these volumes are affected by the continuing trend towards light-weighting.

Hygienic paper manufacturers are estimated to have seen a more restricted rise in output of between 2% and 3% when compared with 2009, which mirrors the fall in production experienced in 2009 and thus returns volumes to more or less the 2008 level. This is mainly due to the more stable developments in the retailing sector and the fast moving consumer goods industry. Production of all other grades of paper and board – mainly for industrial and special purposes increased by around 11%.

Production of paper & board by grade in CEPI countries in 2010

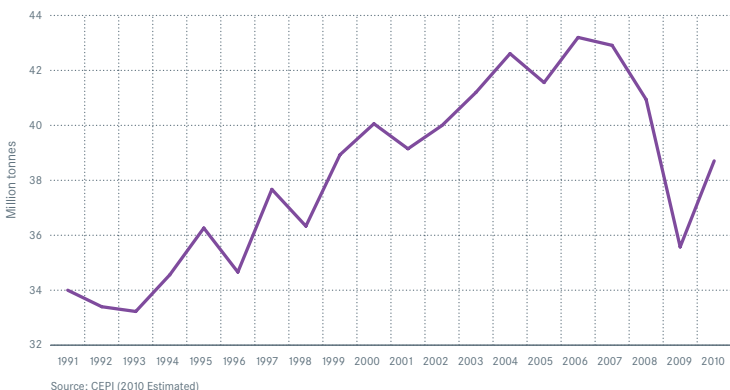


Source: CEPI estimates

Pulp production rises by over 8%

It is estimated that the production of pulp has increased by between 8.5% and 9%, after a decline of 13.5% the previous year, with total output of approximately 38 million tonnes. Output of mechanical pulp is believed to have increased by over 10% and production of chemical pulp rose by around 8% over the 2009 level. The average quarterly production of pulp in 2010 was 9.6 million tonnes. This compares with a quarterly average production of around 10.6 million tonnes in 2006 and 2007.

Production of pulp in CEPI countries 1991 - 2010



Paper deliveries by CEPI countries increase by around 8%

Based on the cumulative data up to the end of the third quarter of 2010 it is expected that total paper deliveries for the year will have risen by approximately 8% when compared to 2009. This may equate to an increase of between 6% and 7% for the whole of 2010 over 2009. This comes after a 10% decrease the year before. By the end of September, deliveries of graphic grades had increased by over 8% and packaging grades by a similar percentage. Exports to outside of the CEPI region had risen by 16% by the end of September, with a possible annual increase of around 11%. The main markets for exports by CEPI countries were non-CEPI European countries, which took about 34% of all exports, with deliveries to Asian countries taking around 28%.

Preliminary indications at the end of the third quarter are that imports of paper into the region appear to have increased by around 3% over 2009, with a probable annual increase of between 1% and 2%. Imports from North America accounted for 41% of all imports in the first three quarters and imports from non-CEPI European countries had a share of 26%.

Overall paper consumption rises by between 5% and 6%

It appears that the overall consumption of paper and board in CEPI countries in 2010 will increase by between 5% and 6% when compared to 2009, based on the latest data from the third quarter. According to Eurostat the GDP growth rate for EU27 in 2010 will have increased by 1.8% on 2009, with GDP growth forecast to increase by 1.7% in 2011.

Issue dates for production statistics

4th Quarter Report 2010
March 2011

1st Quarter Report 2011
June 2011

2nd Quarter Report 2011
September 2011

3rd Quarter Report 2011
December 2011

4th Quarter Report 2011
March 2012

Issue dates for other statistics

Annual Statistics 2010
June 2011

Key Statistics 2010
June 2011

Trade Statistics 2010
August 2011

Historic Statistics 1991 - 2010
August 2011

Preliminary Statistics 2011
February 2012

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More detailed statistics (monthly, quarterly & annually) can be ordered. For information on statistics subscription, please contact Ariane Crèvecoeur, Statistics Assistant – a.crevecoeur@cepi.org

