

# Waste Paper News

INCORPORATING  
*Recycling Markets*

MONTHLY NEWSLETTER SERVING THE EUROPEAN RECOVERED FIBRE INDUSTRY

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## Surprise change by WRAP

On the 11 January WRAP, the Waste and Resources Action Programme, made a surprise announcement of a change in the preferred bidder status of the two companies remaining in WRAP's competition for support for newsprint reprocessing capacity. This competition will enable an extra 321,000 tonnes of recovered newspapers and magazines to be recycled each year by 2004.

Effective immediately, Shotton Paper Company of Deeside, North Wales, were selected as the preferred bidders to receive support under the competition replacing Aylesford Newsprint, who were appointed preferred bidder by the WRAP Board in November 2001.

Following the announcement of the Board's decision on 16th November, WRAP and Aylesford Newsprint had been in intensive discussions with a view to finalising the contract for provision of financial support. At the beginning of January, Aylesford Newsprint made a significant change in the proposals they were putting forward.

On 8th January 2002, the WRAP Board noted with concern that Aylesford was not in a position to execute a

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## Recovered Paper Market Fourth Quarter 2001 Report

The fourth quarter 2001 international recovered paper report from the Bureau of International Recycling shows a mixed picture with some countries ending the year on a high note and others subject to mill downtime, low stock holdings and a slow-down in demand. Country by country reports include:

**Baltic countries** - There is renewed confidence in recovered paper demand for the Baltic countries. Mills in Latvia and Lithuania have been buying larger volumes of recovered paper and prices have risen slightly. The Singapore-owned Horizon paper mill in Estonia has been bought by South African interests and an increase in capacity is now anticipated.

**Czech Republic** - Sales of recovered paper were stable in the final quarter of 2001 and collectors have been left with low stocks. There has also been price stability with the exception of newspaper and bleached woodfree PE-coated board which suffered a slight decrease. In terms of exports, there has been no substantial change to report. Looking to the first quarter of 2002, board and mixed paper prices are expected to come under pressure while paper mills are thought likely to reduce their orders if production capacities cannot be fully utilised.

**France** - Last year ended on a high note in terms of both volume and demand, while stocks in recovered paper depots dwindled to almost nothing. Paper production had fallen by 5 per cent or 280,000 tonnes at the end of September whereas there has been a 50,000 tonnes increase in secondary raw material utilisation. This is a direct consequence of sustained demand for recovered paper at a time when the paper industry has talked mainly of lower production which, of course, is not necessarily linked to lower sales — particularly for corrugated.

This new year is unlikely to be as difficult as some analysts have predicted and it will be interesting to see the results of the papermakers who have effectively cut the recovered paper industry's prices by a factor of three since July 2000, when prices of finished products made from the industry's materials have dropped globally by 8% since September 2001.

**Germany** - Several paper and board manufacturers temporarily reduced production in early December amid complaints of decreasing orders. However, these moves affected only sorted graphic paper for deinking. Reduced domestic orders for unsorted mixed paper and board and supermarket corrugated paper and board were offset by high demand from the

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