

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Singapore

Paper Division: **Rebound in China's fibre imports**

Brussels, 27 May 2011

China, easily the world's leading importer of recovered fibre, is expected to buy in around 26m tonnes of this vital secondary raw material in 2011 - an increase of around 3.8m tonnes over 2010. However, such a total would still fall well short of the all-time high of more than 27.6m tonnes imported by China in 2009, delegates to the BIR Paper Division meeting in Singapore on 25 May 2011 were informed by its President, Ranjit Baxi of UK-based J&H Sales International.

He went on to suggest that another of the world's leading emerging nations, India, would create a demand for an additional 9m tonnes of fibre per year if it were to double its paper consumption from the current low level of around 9kg per person per annum. In this context, guest speaker Jogarao Bhamidipati of ITC Ltd in India indicated that the country's per-capita consumption of paper is already twice what it was as recently as the year 2000.

Although not on the same scale as China, the Paper Division meeting also learned that Indonesia continues to emerge as an importer of recovered fibre: of the 2.47m tonnes purchased overseas last year, some 1.51m tonnes was in the form of OCC, while ONP and OMG accounted for a further 660,000 tonnes, explained Susanna Agus of Indah Kiat Pulp & Paper. Some 51% of Indonesia's year-2010 imports were drawn from Europe and more than 12% from North America and Japan combined; however, according to the guest speaker, uncompetitive freight rates from the USA and Japan could mean these two countries lose volume to Australia, New Zealand and the Middle East this year.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

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Fellow guest speaker Iris Tan of Likok Paper Trading provided an even more local perspective by revealing that host city state Singapore currently achieves a paper and board recycling rate of 53% compared to 46% seven years ago.

Among a series of regional market reports, Jean-Luc Petithuguenin of Paprec in France marvelled at the 18 months of continuous strong recovered fibre prices in Western Europe, arguing that a collapse appears unlikely in the foreseeable future. Jaroslav Dobes of Remat SRO in the Czech Republic noted that fibre demand is exceeding supply to an increasing extent in Eastern Europe, while collection volumes in Northern Europe have yet to fully recover following the harsh winter weather, according to Lars-Gunnar Almryd of Sweden-based IL Recycling AB. In contrast, Francisco Donoso of Reciclajes Dolaf SL in Spain indicated that stocks in parts of Southern Europe have increased substantially in recent weeks owing to lower demand from Asia.

In an update of developments at the European Recovered Paper Association, the body's President Merja Helander of Lassila & Tikanoja in Finland confirmed that revision work on the European List of Standard Grades of Recovered Paper and Board "has been finalised this spring". She added: "The next step will be the standardisation process in CEN."

Mr Baxi confirmed to the meeting in Singapore that the Paper Division's latest Papyrus Prize had been awarded to container transportation specialist APL. He also revealed that Dominique Maguin of France, immediate Past President of BIR, had been elevated to the position of Honorary President of the world organisation's Paper Division; and that the three guest speakers in Singapore - Jogarao Bhamidipati, Susanna Agus and Iris Tan - had agreed to join the divisional board as special advisors. "So our board is slowly expanding east," he stated.

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