



BIR
Bureau of International
Recycling

BIR is the international trade association of the recycling industries. More than 55 countries are represented through their national trade associations and individual companies which are involved in recycling. BIR comprises four commodity divisions: iron and steel, non ferrous metals, paper and textiles, and has committees dealing with stainless steel and special alloys, plastics and rubber. BIR's primary goals are to promote recycling and recyclability, thereby conserving natural resources, protecting the environment and facilitating free trade of secondary raw materials.

PRESS RELEASE

FOR IMMEDIATE RELEASE

Brussels, 9th June 2006



Paper Division: **China's paper and board production soars**

China's production of paper and board had soared more than 150% over the last decade and was currently around 50 million tonnes per annum. The country's recovered paper imports had leapt from 12.3 million tonnes in 2004 to 17 million tonnes last year, according to BIR Paper Division Vice-President Ranjit Baxi of UK-based J&H Sales International.

The American share of Chinese recovered paper imports fell from 51% to 44% last year despite an increase in volumes from 6.23 million tonnes to 7.47 million tonnes; the American share had then risen to 48% in the first quarter of 2006, Mr Baxi pointed out. Europe claimed a 27% share of the Chinese import market last year in boosting its shipments to 4.57 million tonnes; the 2.66 million tonnes exported from Europe to China in 2004 accounted for 22% of the same market. Shipments from elsewhere in Asia - notably Japan and Hong Kong - maintained their 23% share of the market in 2005.

David Symmers of the Independent Waste Paper Processors Association underlined the UK's status as the leading European exporter of recovered paper to China, with

BIR

Avenue Franklin Roosevelt 24, B-1050 Brussels (Belgium)

Tel: + 32 2 627 57 70 - Fax: + 32 2 627 57 73 - E-mail: bir.sec@skynet.be -

<http://www.bir.org>

around 1.5 million tonnes shipped in 2005 alone. UK exports to all countries “may well exceed domestic consumption” in the current year, he added.

The rapid and on-going development of China’s paper and board industry was illustrated by guest speakers at the BIR Paper Division meeting in Beijing. Mr Zhang Cheng Fei, Executive Director and Principal Deputy CEO of producer giant Nine Dragons confirmed plans to increase its current annual capacity of 3.3 million tonnes to 5.3 million tonnes as early as next year. Peter Wang, CEO of America Chung Nam, suggested China’s apparent consumption of recovered paper would jump from 30.9 million tonnes this year to 33.6 million tonnes in 2007. Domestic collection would advance from 13 million tonnes to 14.2 million tonnes over the same period, while imports would surge from 17.9 million tonnes in 2006 to 19.4 million tonnes next year.

Bold expansion plans were also revealed by Billy Leung, Managing Director of the Hong Kong-based Fook Woo Group. His company, which collects and processes more than 290,000 tonnes of recyclable materials every year, was aiming to improve product quality and efficiency through automation, delegates learned.

Other market reports delivered to the Paper Division meeting in Beijing emphasised the impact of restructuring within the European paper and board industry. Divisional President Dominique Maguin of Soulier in France pointed to the closure of four Smurfit mills in his home country while Hubert Neuhaus of BVSE in Germany said the merger of Kappa and Smurfit would mean domestic capacity losses. Merja Helander of Paperinkera Oy in Finland noted that UPM was planning to cut 680,000 tonnes of annual coated paper production in her country while Stora Enso, M-Real and Myllykoski were also engaged in restructuring programmes.

In his submission to the Beijing convention, the President of the European Recovered Paper Association (ERPA) Maarten Kleiweg de Zwaan explained that the Confederation of European Paper Industries had decided to publish the “Guidelines on Responsible Sourcing” without ERPA’s agreement. Noting that it had not been possible to find a common position on fundamental issues relating to food safety, ERPA’s President said his organisation felt strongly that “recovered paper and board from households, if intended for use as grades that come into contact with foodstuffs, must be sorted before being forwarded to a mill”.

ends