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## I. Recovered Paper

**US Market.** After a short upswing in early December, US domestic demand for OCC slipped in the middle of the month. More maintenance downtimes and sufficient fiber stocks at US containerboard mills were the main drivers to the fall in price. As reported by OBM, US domestic sales price of OCC varied from coast to coast. While faring at US\$165-175/ton in Los Angeles, price fell to US\$125-135/ton in Chicago. For export, price remained steady from the previous month at US\$200-210/ton, FAS East Coast and US\$220-225/ton, FAS West Coast.

In comparison, ONP price stood steady and edged up a little in some areas, as a result of shrinking generation and rising export demand. Price rose US\$10/ton to US\$132/ton in average for domestic sales. For export, price advanced US\$2-3/ton to transact at US\$163-167/ton, FAS East Coast and US\$178-179/ton, FAS West Coast.

The narrowed price gap between ONP and sorted mixed paper tempted more bailers to sell mixed paper that contained substantial

volume of ONP. For domestic market, price remained at US\$90/ton in average. For export, price went up US\$2/ton to move at US\$147-178/ton, FAS East Coast and US\$164-165/ton, FAS West Coast.

US domestic market for high de-inking and pulp substitute grades softened in December. Price of #40 SWL tumbled US\$20/ ton to trade at US\$330-340/ton in Los Angeles and US\$300-310/ton in Chicago. Market for #37 SOP also gave up US\$10/ton to move at US\$230-240/ton in San Francisco and US\$185-195/ton in the Southwest regions of USA.

**China Mainland Market.** The last month of 2010 saw diverse performance of imported recovered paper in the China market. While ONP from USA and Europe continuing their modest rise, price of OCC dipped. Market observers attributed the weakening of OCC market to the unsteady demand and sales price of containerboard in the China market. On the other hand, market for ONP remained strong. The step-up efforts to rebuild fiber stocks by mainstream newsprint mills and the additional purchase by Huatai Paper (Guangzhou) in preparation for the start-up of its 200,000/mtpy newsprint machine in Xinhui, Guangdong pushed price of ONP to go up steadily.

The new orders of high de-inking waste through bidding by Yueyang Paper and the restart-up of a de-inking line at Lee&man (Changshu) increased China's demand for the high grades in December.

In much of the 2010, price of recovered paper shipment from offshore origins rose consistently. In particular, the upswing performance in OCC price and tightness in

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supplies sustained for more than 6 months. In 2011, there will be more than 2 million/mtpy new containerboard capacity coming on stream. These, together with commercial launches of newsprint and fine paper PMs (consuming de-inking pulp), will increase China's demand for recovered paper. And the weak dollar will allow Chinese buyers to take more aggressive steps in the market.

**Price Watch.** Except #8 ONP and #10 OMG, which continued their small, but steady growth in price as a result of replenishment purchase from mainstream newsprint mills and the preparatory orders from Huatai Paper (Guangzhou) for its new mill, price for all other grades ex USA dipped in December.

By the last week of December, price of OCC ex USA lost US\$15-16/tonne from 30 days ago. However, price of ONP edged up US\$2-3/tonne, which was also gaining US\$45-46/tonne from a year ago. Strong demand prompted price of #10 OMG to move up US\$5-6/tonne from late November.

Business for sorted mixed paper ex USA slowed down without clear impacts on prices in December, as a result of the government's delay in renewing the allocation for 2011 to eligible mills.

China Waste Paper Price Watch - 2011			
(In US\$/mt, CIF CMP)			
Grade	Early Jan.	Early Dec.	Change %
Sorted Mixed (USA, Soft)	215	215	0.0%
Sorted Mixed (USA, Hard)	216	216	0.0%
Sorted Mixed (Japan)	241	241	0.0%
Sorted Mixed (Europe A2)	209	208	0.5%
#8 ONP (USA)	238	235	1.3%
ONP (Europe 80/20)	229	227	0.9%
ONP (Japan)	251	254	-1.2%
#9 ONP (USA)	272	270	0.7%
#10 OMG (USA)	276	270	2.2%
#11 OCC (USA)	264	279	-5.4%
OCC (Europe 90/10)	232	234	-0.9%
OCC (Japan)	241	245	-1.6%
#37SOP (USA)*	325	337	-3.6%
#40 SWL (USA)	416	426	-2.3%

*Note: List price. For reference only. \*Unshredded.*

Price of #37 SOP ex USA tumbled US\$12-

13/tonne from end-November and price of #40 SWL ex USA gave up US\$9-10/tonne at the same time.

**European Recovered Paper** performed steadily in the China market in December. By the last week of the month, the offer price of sorted mixed paper ex Europe gained US\$1-2/tonne. However, price of OCC A5 (90/10) dipped US\$1-2/tonne from end-November. ONP ex Europe (80/20) advanced US\$2-3/tonne, which was also a gain by US\$34-35/tonne from a year ago.

**Japanese recovered paper** fared steadily in the China market in general in December. However, price of ONP ex Japan dipped. Though unexpectedly, market observers believed it was more of a correction from excessive rise in price in the past several weeks.

At end-December, quoted price of sorted mixed paper ex Japan fell US\$1-2/tonne from 30 days ago and price of ONP ex Japan also gave up US\$2-3/tonne and OCC ex Japan lost US\$3-4/tonne from late November.

**Market for domestic recovered paper** continued active and speared at new historical records, unaffected by the softening of the imports.

In Southern China, both Nine Dragons and Lee&man raised their procurement prices in December. For prime box plant cuttings, Nine Dragons would pay RMB1,850-1,890/tonne (US\$278-284/tonne), cash payment against delivery to mill). This was up RMB40-50/tonne (US\$6-7.52/tonne) from the previous month. For bulk OCC, Nine Dragons paid US\$1,780-1,800/tonne (US\$268-271/tonne), cash payment against delivery to mill. This was also up RMB40-50/tonne (US\$6-7.52/tonne). For ONP, price rose RMB50-60/tonne (US\$7.52-9.02/tonne) to deal at RMB1,820-1,840/tonne (US\$274-277/tonne), cash payment against delivery to mill.

In Eastern China, mainstream mills were ready to pay more as well. Price of locally generated OCC gained RMB100-110/tonne (US\$15-16.54/tonne) from the previous month. For example, Nine Dragons (Taicang) paid RMB1,980-2,000/tonne (US\$298-301/tonne, payment against invoice) for prime box plant cuttings and RMB1,870-1,890/tonne (US\$281-284/tonne, payment against invoice) for bulk OCC.

For ONP, mainstream mills would pay RMB1,870-1,920/tonne (US\$281-289/tonne, payment against invoice) for materials with +80% newspaper and RMB1,810-1,840/tonne (US\$272-277/tonne, payment against invoice) for materials with +50% newspaper.

**Government.** AQSIQ – the authority regulating China’s imports of scrap materials, including recovered paper, approved the renewal application of 250 offshore exporters in mid-December. The combined shipment from these exporters accounted for nearly 90% of the total recovered paper shipment to China in 2009. The approval, though belated, paved the way for the continuous shipment of recovered paper from overseas origins to China in 2011.

**Imports.** The increase in shipment arrivals in November eased the tightness in OCC supplies in the China market. And the step-up procurement by newsprint mills after October also resulted in rise of ONP imports. Latest reports from China Customs showed that China imported more than 2.02 million/tonne of recovered paper in November, +15.9% from October. And the YTD imports were very close to 22 million/tonne. However, this was off by -12.7% from the corresponding period of 2009.

By grade, OCC imports in November grew to 1.27 million/tonne, +14.8% from October and +8.29% from a year ago. The country’s ONP imports in November increased +18.4%

from October to 436,890/tonne. However, this was down -16.81% from 12 months ago. In November, shipment arrivals of sorted mixed paper totaled 286,010/tonne, +15.8% from October, yet -21.36% from a year ago.

For high de-inking and pulp substitute grades, China’s imports in November grew to 38,570/tonne, +27% from October and +52.24% from a year ago. ([Return to Page 1](#))

## II. Market Pulp

**Global Review.** The holiday month of 2010 eased demand for market pulp in Europe and North America. And suppliers only lowered sales price of NBSK by US\$20/tonne. In Asia, however, suppliers lifted up their offer of NBSK as much as US\$20/tonne for January to meet with revived demand.

According to PPC, global market pulp shipment in November was near to 3.45 million/tonne, +2.7% from October and +1.4% from a year ago. YTD shipment totaled 37.08 million/tonne, -1% from that of 2009 however. Producer inventories reduced to 32 days of supply by end-November, down 2 days from October, yet up 8 days from a year ago. By grade, BSK inventories edged up 1 day from October to 26 days of supply and BHK inventories equaled 39 days of supply, down 2 days from October, yet up 9 days from a year ago.

**In North America,** market pulp shipment in November rose to 607,000/tonne, +1.3% from October and +2.7% from a year ago. YTD shipment totaled 6.92 million/tonne, +5.3% from that of 2009. Prices of most of the regular grades remained unchanged from November. List price of NBSK stood at US\$970/tonne and SBSK at US\$920/tonne. Price for Bleached Northern Mixed Hardwood pulp remained at US\$890~900/tonne, which

was US\$20/tonne above Bleached Southern Mixed Hardwood pulp. For eucalyptus pulp, market was quiet at US\$900/tonne.

**Continental European market** for BHK dipped after the announcement by Fibria to lower the price of its eucalyptus pulp by US\$20/tonne in December. According to Europulp, consumer inventories in November fell to 674,500/tonne, -1.8% from October and -2.3% from a year ago. Consumption in November totaled 1.04 million/tonne, -4.3% from October and -0.6% from a year ago. Stocks at European ports were 979,710/tonne, -0.7% from October, yet +50.4% from a year ago.

FOEX reported that NBSK was listed at US\$948.92/tonne in Europe on December 28, down US\$4.37/tonne from end-November, yet up US\$150.29/tonne from early January, 2010. Price of BHK was US\$869.99/tonne, down US\$20.78/tonne from November, yet up US\$149.21/tonne from early 2010.

**China Mainland Market.** China's contract and spot markets continued to head at their conflicting directions. For contract business, revived demand, mostly from mainstream mills who began to rebuild stocks of BSK, allowed mainstream suppliers not only to achieve easily a US\$10-30/tonne up-charge for December, but also triggered another US\$10- 20/tonne price increase for the China market for January, 2011. Market for BHK appeared stabilized in December after months of falls, thanks to the decisive price cuts from mainstream suppliers led by Fibria. Orders improved and no further slips in price throughout December.

Although market for fine paper and high-end box board, which are the prime consumers of market pulp, continued sleepy and fiber stocks at mainstream mills remained high, the announcement of a series of new greenfield capacity start-ups, including the

trial runs of a 750,000/mtpy fully coated paper machine at Huatai Paper (Dongying) in Shandong, upper eastern China in late December, enhanced China's demand for market pulp imports from overseas. The growth of demand will become more consolidated along with the elimination of more small and obsolete capacity. In particular, chemical pulp mills whose capacity is less than 50,000/mtpy and containerboard and coated recycled board mills at the capacity of 10,000/mtpy are of the prime targets in 2011.

It is generally agreed that the China market will be less active in January in view of the New Year holidays and incoming Chinese Spring Festival in early February. Contract business for BHK will stay stagnant and market for BSK may also cool down.

**Contract business.** More BSK suppliers announced price increases for the China market effective from January 2011. The most aggressive was Ilim, Russia, who took to a US\$20/tonne rise. For BHK, market was waiting for new offers for January at the last week of December. Most market observers believed that price would stay unchanged from December.

Offers for January contracts from regular suppliers to the China market at the last week of December were: US\$840-850/tonne, CIF China Main Ports (CMP) for NBSK from Canada, up US\$10/tonne from the previous month. SBSK from Chile was quoted at US\$830/tonne, CIF CMP, up US\$10/tonne. And those from Russia went up US\$20/tonne to US\$840/tonne, CIF CMP (by rail). Russian suppliers did not quote price by ocean shipment in concern of tight supplies.

No new offered prices on BHK for January yet and market observers would agree that prices of December would remain valid as US\$750/tonne CIF CMP for offers from Brazil,



US\$730/tonne CIF CMP for offers from Chile and US\$670/tonne CIF CMP for offers from Indonesia.

Although market was also waiting for new offers for chemi-mechanical pulp, observers believed price for January would go up in light of the strong demand, which prompted price to go up US\$30/tonne price in December.

For UKP, market remained active throughout December. Offers from Chile stood firm at US\$750/tonne, CIF CMP, while offers from Canada gaining US\$10/tonne to US\$810/ tonne, CIF CMP. Offers from Russia surged US\$20/tonne to hit US\$655/tonne, CIF CMP (by rail) and US\$685/tonne, CIF CMP (by ocean shipment).

**Spot market** presented a mixed picture. In the first half of December, price for BSK rose in response to demand from chemical fiber processors to convert it into dissolving pulp. By the second half of the month, however, excessive supplies of BSK led to the fall in price in the market. And demand for BHK remained dull. Rumors of a “price war” between BHK from APP’s Hainan Island Mill and APRIL’s mill in Shandong, upper eastern China prompted price to dip further.

At the last week of December, transaction price of SBSK shipment from Chile was down RMB90-100/tonne (US\$113.53-15.03/ tonne) and NBSK from Canada lost RMB130-150/ tonne (US\$19.55-22.56/tonne) and NBSK shipment from Russia gave up RMB50-60/ tonne (US\$7.52-9.02/tonne).

For eucalyptus pulp, price dipped further. In comparison with the previous month, price of BHK shipment from Indonesia and Brazil fell as much as RMB100/tonne (US\$15.03/ tonne).

The competition for market share between APP’s Hainan Island Mill and APRIL’s Mill in Shandong resulted in a general fall in price of domestically produced BHK. By late

December, shipment from APP’s Hainan Island Mill was transacted at RMB5,250/ tonne (US\$789.47/ tonne, delivered and V.A. tax paid). And shipment from APRIL’s Shandong Mill matched the price by giving up as much as RMB130/tonne (US\$19.55/tonne).

China’s spot market for chemi-mechanical pulp also softened. In December, price of shipment from Canada fell RMB100/tonne (US\$15.03/tonne) and shipment from New Zealand tumbled as much as RMB150/tonne (US\$22.56/tonne) from the previous month.

China Market Pulp Price Watch - 2011					
Brand Name	Type	Origin	Early Jan.	Early Dec.	Change%
Northwood	NBSK	Canada	6,900	7,050	-2.1%
Cariboo	NBSK	Canada	6,850	7,000	-2.1%
Silver Star	SBSK	Chile	6,800	6,900	-1.4%
Usk	NBSK	Russia	6,800	6,850	-0.7%
Butterfly	BHK	Brazil	5,900	6,000	-1.7%
Little Leaf	BHK	Indonesia	5,550	5,650	-1.8%
Gold Star	UKP	Chile	6,150	6,050	1.7%
Winstone 75	CMP	New Zealand	4,200	4,350	-3.4%
West Fraser	CMP	Canada	4,250	4,350	-2.3%

\*List price in RMB per metric ton, V.A. tax included.  
Note: For reference only. Transaction price varies

In spite of the uncertainties in containerboard business, transaction for UKP in the spot market continued active in December. With tight supplies, price rose further. Shipment from Chile gained RMB100/tonne (US\$15.03/tonne) to conclude at RMB6,150/tonne (US\$924.81/tonne, delivered and V.A. tax paid). Shipment from Qingshan Paper went up RMB50/tonne (US\$7.52/tonne) to conclude at RMB5,950/ tonne (US\$894.74/ tonne, delivered and V.A. tax paid), while shipment from Nine Dragons’Xing-An Mill gaining RMB100/tonne (US\$15.03/tonne) to reach RMB5,100/tonne (US\$766.92/tonne, delivered and V.A. tax paid).

**Imports.** The price cuts took by offshore suppliers in the 3<sup>rd</sup> Quarter 2010 seemed to have revived China’s market pulp imports. According to China Customs, China’s paper-grade market pulp imports in November rose to 1.01 million/tonne, [\(Continue on Page 6...\)](#)

### III. Packaging Paperboard

**US Market.** US packaging paperboard business slowed down in December when more containerboard mills took maintenance downtime. However, the rising production cost prompted producers to go for a US\$30-40/ton price increase for coated/uncoated recycled board and SBS board.

Latest reports from AF&PA showed that US corrugated box shipment in November dropped below 28.56 billion/feet<sup>2</sup>, -4.6% from October, yet +5.4% from a year ago. Operating rate also fell from 95.7% in October to 94.9% in November. Overall containerboard inventories rose to 2.27 million/ton. And linerboard exports declined

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(...market pulp from Page 6) +33.5% from October and +14.4% from a year ago. From January to November, market pulp shipment arrivals were nearly 10.20 million/tonne (including dissolving and other specialty pulps), -19% from the corresponding period of 2009. Among them, paper-grade market pulp imports totaled 9.25 million/tonne, -21.2% from the same period of 2009.

By grade, UKP imports in November rose to 57,800/tonne, +63.2% from October, yet -0.65% from a year ago. Shipment arrivals of BSK in November totaled 393,860/tonne, +11.6% from October and +31.08% from 12 months ago. For BHK, imports in November grew +77.3% from October to 416,710/tonne. However, this was still off by -3.24% from a year ago. The country's mechanical pulp imports in November totaled 7,080/tonne, -11.35 from October, yet +65.08% from a year ago. And chemi-mechanical pulp shipment arrivals in November reached 138,500/tonne, +8.1% from October and +48.83% from a year ago. [\(Return to Page 1\)](#)

-6.5% from October to 274,000/ton in November.

Thanks to the gradual recovery of the market, US containerboard producers were able to achieve two major price increases in 2010. And it is more probable that producers will hike for another price increase in the first quarter of 2011.

**Europe** demand for containerboard also slipped in December and will remain low in the low season of January.

Price indicators released by FOEX showed that Euro Kraftliner was listed at €602.04/tonne on December 28, up slightly by €2.17/tonne from end-November. And price of Testliner2 dipped €1.59/tonne to €443.58/tonne.

**China Mainland Market.** The last month of the year used to be a busy month with active transactions by tradition. This year, however, market observers were surprised by the sleepiness in the market and containerboard mills in Southern China had to wrap up the year by price cut promotions. The good news was that by end-December, there were signs of market recovery, which prompted producers in Southern China to announce price increases for January. In Eastern China, containerboard suppliers lost no time to declare price increases for January in expectation of rising demand for the Spring Festival consumption. After the increase, price of corrugating medium went to its highest in 12 months.

Looking forward, most sales executives of packaging paperboard mills were optimistic of business revivals in January. At the same time, more mills have disclosed plans for maintenance downtime beginning from mid-January. This included Nine Dragons (Dongguan) who would stop its machine for maintenance from January 28 to February 10.

However, more uncertainties will likely

come into the market with a number of new machine start-ups after February. These include PM29 and PM30 at Nine Dragons (Taicang).

**Government.** China's National Economic Development & Reform Committee (CNEDRC) declared that effective from December 22, 2010, prices of gasoline and diesel oil went up RMB310 (US\$47) and RMB300 (US\$45) per metric ton respectively. This was the peak since October 2008. Shortly after, the People's Bank of China – China's Central Bank – announced to raise benchmark interest rate by 0.25 percentage point effective from December 24, 2010. All these quickly drove up production cost of packaging paperboard mills.

**Linerboard.** Market performed variably in December. In Southern China, mainstream mills had to battle with falling demand at the start of the month by cutting sales prices. Such unfavorable environment continued until the last week when signs of recovery appeared. Mills responded immediately by raising sales price by RMB100/tonne (US\$15.03/tonne) for all regular grades.

Lee&man (Hongmei), for example, saw insufficient orders at the start of December. To deal with it, the company took to a RMB80-100/tonne (US\$12.03-15.03/tonne) price cut, which halted the declines. On December 24, the company joined other mainstream producers for a RMB100/tonne (US\$15.03/tonne), which restore price to that of the previous month at RMB3,800-3,850/tonne (US\$571-579/tonne, delivered, V.A. tax paid) for Q Class 110g/m<sup>2</sup> testliner and RMB3,700-3,750/tonne (US\$556-564/tonne, delivered, V.A. tax paid) for T Class 110g/m<sup>2</sup> testliner. However, orders for kraft-top linerboard continued its decline and price for H Class 160g/m<sup>2</sup> liner dropped RMB50/tonne (US\$7.52/tonne) from the previous month to

RMB4,550-4,600/tonne (US\$684-692/tonne, delivered, V.A. tax paid).

Market in Eastern China appeared less stringent than the South. Still, this was far from the previous years when both demand and supply had been active in December. The rebuild of PM20 at Nine Dragons (Taicang) reduced linerboard supplies in the market, but did not render more opportunities for suppliers in the area to take more orders at higher prices.

Longchen Paper (Zhejiang) reported of full production runs, fair sales and shipment in December, thanks to increased test liner orders, which made up for the decline in kraft-top linerboard orders. The company was able to add RMB50/tonne (US\$7.52/tonne) during the month to some of its products. For B1 linerboard at 140g/m<sup>2</sup>, price edged up to RMB3,850-3,900/tonne (US\$579-586/tonne, delivered, V.A. tax paid) and for B2 linerboard at 140g/m<sup>2</sup>, price went up to RMB3,700-3,750/tonne (US\$556-564/tonne, delivered, V.A. tax paid). However, price for kraft-top linerboard remained unchanged from the previous month at RMB4,500-4,550/tonne (US\$677-684/tonne, delivered, V.A. tax paid). At end-December, mill inventories rose 2 days from 30 days ago to 18 days of supply.

China Containerboard Price Watch - 2011					
(In RMB/MT)	Origin	Substance	Early-Jan.	Early-Dec.	Change%
<b>Linerboard</b>					
Georgia Pacific	USA	175gsm	5,950	5,950	0%
Weyerhaeuser	USA	175gsm	6,000	6,000	0%
Bratsky	Russia	180gsm	5,900	5,900	0%
Jingxing (Kraft-top)	Zhejiang	150gsm	4,550	4,600	-1%
Nine Dragons (Kraft-top)	Dongguan	150gsm	4,550	4,650	-2%
Lee&man (Kraft-top)	Dongguan	150gsm	4,550	4,650	-2%
<b>Medium</b>					
Nine Dragons Class A	Dongguan	100gsm.	3,500	3,400	3%
Jinzhou Paper Class A	Dongguan	105gsm.	3,500	3,400	3%
Shun Yu Paper Class A	Dongguan	100gsm.	3,500	3,400	3%
Lee&man Class A	Changshu	105gsm.	3,650	3,450	6%
Luping Yongfa Class A	Shandong	110gsm.	3,100	3,000	3%
Changfeng Class A	Jiangsu	105gsm.	3,350	3,250	3%
Note: For reference only. Price varies in transaction.					



**Corrugating medium** market performed similarly to linerboard, with more uncertainties in Southern China than Eastern China. Jinzhou Paper in Dongguan, Southern China encountered order declines at the start of the month. Continuing running its two machines at full speed, the company took to a RMB100/ tonne (US\$15.03/tonne) price cut, which effectively stopped the decline. By the second half of the month, the company joined other producers in the area to install RMB100/tonne (US\$15.03/tonne) in product sales. The increase brought price back to its previous position at the end of November where Class A 100g/m<sup>2</sup> prime medium was close at RMB3,450-3,500/tonne (US\$519-526/tonne, delivered, V.A. tax paid). However, mill sources admitted that they were not of the sustainability of the market strength. At end-December, mill inventories at Jinzhou Paper rose 5 days from the previous month to equal 29 days of supply.

In Eastern China, market maintained its active momentum in both supply and demand in December. Longchen Paper (Wuxi) reported of full runs for its two machines and the company was able to exercise two price increases – the combination of which totaled as much as RMB200/tonne (US\$30.06/ tonne) – in light of influx of orders. Mill inventories dropped two days from end-November to equal 12 days of supply by end-December.

Nearby, Nine Dragons (Taicang) had to temporarily swing back its PM21, which was set to convert into a fine paper machine by March 2011, to run medium to meet with strong demand for lightweight medium. The company's PM30 will start up in February to run medium.

**Coated recycled board** market reactivated. Beginning from the 3<sup>rd</sup> week of December, mainstream mills in Eastern and Southern China, who had benefited from the closure of

small and environmentally unfriendly mills in Fuyang, Zhejiang, disclosed plans to raise prices in expectation of rising demand prior to the Chinese Spring Festival.

Changjiang Paper in Jiangsu Province confirmed growth of orders in December. And the company geared up running of its two machines. At the same time, a RMB200/tonne (US\$30.07/tonne) price increase was installed. The new price stimulated sales and shipment. Mill inventories reduced 2 days from the previous month to equal 10 days of supply at end-December.

Also in Jiangsu, Nine Dragons was completing the rebuild of its PM20. Upon restart-up in February, the machine will be able to run coated boxboard and linerboard. Market observers believe this will add new variables to the market in Eastern China.

In Dongguan, Southern China, Jianhui Paper ran its two jumbo machines at full speed in response to growing orders. On December 7<sup>th</sup>, the company announced a RMB200/tonne (US\$30.07/tonne) price increase. Active sales and shipment helped reduce mill inventories by 7 days and at end-December, mill inventories dropped to 15 days of supply.

Coated Carton Board Price Watch - 2011					
(In RMB / MT)	Origin	Substance	Early-Jan.	Early-Dec.	Change%
<b>Coated Newsback Board</b>					
APP Ningbo Zhonghua	Ningbo	250 gsm (In rolls)	5,400	5,300	2%
Changjiang Paper	Jiangsu	250 gsm (In rolls)	5,200	5,100	2%
Jianhui Paper	Dongguan	250 gsm (In rolls)	5,400	5,300	2%
Nine Dragons	Dongguan	250 gsm (In rolls)	5,400	5,300	2%
<b>Coated SBS Board</b>					
Sun Paper	Shandong	230gsm (In rolls)	6,950	6,800	2%
Bohui Paper	Shandong	230gsm (In rolls)	6,950	6,800	2%
APP Ningbo Zhonghua	Ningbo	230gsm (In rolls)	7,000	6,850	2%
Hengxing Paper	Henan	230gsm (In rolls)	6,850	6,700	2%
Meili Paper	Ningxia	230 gsm (In rolls)	6,900	6,750	2%

Note: For reference only. Price varies in transaction.

**Coated SBS Board** market also revived. Difficult to absorb the mounting production cost, mainstream SBS board producers, including APP Ningbo and Meili Paper

(Ningxia), took to rising price by RMB200/tonne (US\$30.06/tonne) in early December. The move was quickly echoed by Chenming Paper (Shouguang) and Xinya Paper (Henan). Chenming Paper (Shouguang) insisted that it would not accept orders for its 250g/m<sup>2</sup> one-side coated SBS board at price below RMB7,000/tonne (US\$1,053/tonne, delivered, V.A. tax paid). This was in fact a rise of RMB200-250/tonne (US\$30.06-37.59/tonne) from the previous month. Company sources confirmed that at the new price, sales and shipment remained active and mill inventories reduced 12 days from the previous month to equal 21 days of supply at end-December.

**Imports & Exports.** The expectation of consumption spree in the forthcoming Chinese Spring Festival in early February prompted more activities in China's packaging paperboard imports and exports. Latest reports from China Customs showed that China imported 67,300/tonne of linerboard from overseas in November, +18.4% from October, though still off by -16.1% from 12 months ago. However, shipment arrivals of corrugating medium in November fell to 15,810/tonne, -24.5% from October and -15.29% from a year ago.

The country's coated SBS board imports in November grew to 66,690/tonne, +3.4% from October and +4.52% from a year ago.

In November, China exported 8,840/tonne of linerboard to the overseas markets, +53.3% from October and +44.4% from 12 months ago. Shipment of corrugating medium to overseas destinations in November slowed down to 3,330/tonne, -26.7% from October, yet +81.32% from a year ago. For coated SBS board, Chinese exports in November totaled 74,810/tonne, +14.4% from October and +3.38% from November, 2009.

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## IV. Printing & Writing Papers

**North American** demand for uncoated freesheet slipped to 741,000/tonne in November, -2.7% from a year ago and reduced the positive growth in demand in the first 11 months to +0.8% vs. that of 2009. Based on data available in the 3<sup>rd</sup> Quarter, market softened after summer and such softness will extend into the 1<sup>st</sup> Quarter of 2011.

Price of most printing and writing papers managed to stand steady from November, with the exception of a US\$10/tonne slip in 20lb. sheeted copy paper and 50lb. uncoated free sheets, market reports said.

**In Europe,** market continued its ride toward a positive direction. According to CEPIPRINT, overall shipment of groundwood paper in November exceeded 1.40 million/tonne, the 3<sup>rd</sup> consecutive months of such outstanding performance. This was +10% more than the shipment 12 months ago.

Demand from continental Europe in November rose close to 1.20 million/tonne, +8.2% from a year ago. Most of the increase came from coated and uncoated groundwood paper, which grew +9.2% and +9.8% respectively from a year ago. From January to November, overall demand from continental Europe totaled 11.50 million/tonne, +5.8% from that of 2009.

Price stood steady in general. Thanks to healthy demand, especially from export, mainstream producers began to plan for a new round of price increase after the turn of the year. According to FOEX, list price of 60g/m<sup>2</sup> LWC dipped €0.45/tonne from end-November to €652.16/tonne on January 4, 2011. However, price of 100g/m<sup>2</sup> coated free sheets edged up €0.78/tonne to €716.27/tonne.

**China Mainland Market.** Market slowed

down in December, without surprises either way, although demand from the printers remained low. Subject to the start-up of new capacity, price of fully coated paper dropped RMB100/tonne (US\$15.03/tonne). For LWC, mills began to demand for as much as RMB200/tonne (US\$30.06/tonne) price increases to cope with rising fiber cost.

**Fully coated paper.** The general slow-down in printing business drove down the price of fully coated paper by RMB100/tonne (US\$15.03/tonne). APP Hainan Island Mill began to ship two new brands of fully coated papers – both at 157g/m<sup>2</sup> in basis weight - at promotion prices of RMB5,900/tonne (US\$887.22/tonne) for A7 and RMB5,700/tonne (US\$857.14/tonne) for B7 in the Southern China market.

In Eastern China, the 128g/m<sup>2</sup> fully coated paper from Oji Paper (Jiangsu) was available in the local market by mid-November, but no further promotions were reported since then. Nearby, APP Goldeast reported of positive response from the market for its new 105g/m<sup>2</sup> fully coated paper, which was shipped to the market in late November.

In upper Eastern China, Huatai Paper (Dongying) began to test run its 750,000/ mtpy fully coated machine in December. The company plans the trial production on January 5, 2011. To deal with a series of market and human resources uncertainties, Huatai Paper had to stop a few small machines and allocate workers to the new machine. In Tianjin, Daewoo Paper (Tianjin) continued its downtime and no announcement on the time of production resumption.

China's fully coated paper industry is now facing challenges both at home and abroad. With new capacity start-ups, which will overwhelm the home market and need to find outlets overseas, more and more foreign

governments begin anti-dumping and countervailing investigations against fully coated paper shipment from China. Many market analysts are getting more concerns on the industry's performance in year 2011.

Fully Coated Freesheet Price Watch - 2011				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
APP Jindong Grade A	Jiangsu	6,950	7,025	-1.1%
APP Jindong Grade A2	Jiangsu	6,600	6,675	-1.1%
Stora-Enso (Suzhou)	Jiangsu	6,950	7,000	-0.7%
Sun Paper	Shandong	7,000	7,000	0.0%
Dawoo (Mudanjiang)	Heilongjiang	6,500	6,500	0.0%
Chenming Paper	Shandong	6,200	6,300	-1.6%
Tralin Paper	Shandong	6,300	6,350	-0.8%

Note: For reference only. Price varies in transaction.

**Imports & Exports.** China's fully coated paper exports edged up in November. According to China Customs, shipment to overseas markets during the month rose to 95,260/tonne. However, this was still off by -2.2% from a year ago. Japan, India and Hong Kong were the top three destinations of Chinese exports. Shipment to India, in particular, grew more than 100%, while shipment to Japan and Hong Kong falling -31.4% and -40.1% respectively. From January to November 2010, China's fully coated paper exports topped 1 million/tonne. Still, this was off by -13.9% from the corresponding period of 2009.

Under the impact of punitive actions taken by the European Union and USA, China's fully coated paper exports to the two markets suffered. In UK, for example, a number of printers, who were consuming Chinese papers, had to turn to European products and incurred 4-5% increase in production cost.

According to reports, APP (China) is now paying 19.7% interim duty for its fully coated paper shipment to countries within the European Union, while all other Chinese exporters, including Chenming Paper, paying 39.1% interim duty. The interim duty will remain valid until May, 2011.

Official reports said that authorities in Pakistan rule in early December to begin anti-dumping investigation on fully coated paper shipment from China and Indonesia. Also, the Argentine government acknowledged the receipt of request from local industries to launch anti-dumping investigation on fully coated paper shipment from USA and China.

**Lightweight Paper** business also slowed down in December. Without active demand, transaction was modest. As more uncertainties brewing as a result of the rising fiber cost and flat demand, mainstream mills shall have to fight with rising mill inventories. Informed sources say most producers have geared down production to boost demand and sales price. Chenming Paper (Jiangxi), for example, slowed down production runs to 26,000/tonne in December, down more than 4,000/tonne from November. At the same time, the company is asking a RMB200/tonne (US\$30.06/tonne) price increase for its products. Such strategy was followed by Yueyang Paper in the neighboring province of Hunan.

Lightweight Coated/Uncoated Paper Price Watch - 2011				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
<b>Chenming Paper</b>				
Coated (56-60gsm)	Jiangxi	6,350	6,200	2.4%
Uncoated (60gsm)	Jiangxi	6,150	6,000	2.5%
Uncoated (60gsm)	Wuhan	6,050	6,000	0.8%
<b>Yueyang Paper</b>				
Coated (56-60gsm)	Hunan	6,350	6,150	3.3%
Uncoated (60gsm)	Hunan	6,100	6,000	1.7%
<b>Huatai Paper</b>				
Uncoated (60gsm)	Shandong	6,150	6,000	2.5%

*Note: For reference only. Price varies in transaction.*

**Imports & Exports.** Performance of China's LWC exports in November was similar to that of October. During the month, 8,140/tonne were shipped to overseas markets, -34.4% from a year ago. Much of the shipment landed in South Korea, Japan and Iran. From January to November, China's LWC

exports totaled 87,040/tonne, -27.1% from the same period of 2009.

In November, China imported 1,900/tonne of LWC from foreign countries, +70% from October and +1.9% from 12 months ago. Japan, Germany and Finland were the top three exporters to China. From January to November, China's LWC imports totaled 23,620/tonne, +54.1% from that of 2009.

**Offset Printing Paper.** Most suppliers were busy collecting receivables and shipping inventories at unknown discounts to speed up cash flows in December. While no positive response from the market for price increase proposals from some mills, no improvement in sales either for those suppliers who chose to discount their prices. The confusion in the market resulted in very conflicting views in near term.

Sources said the shipment of offset paper from trail runs of Oji Paper (Jiangsu) in early November enabled the company to determine prices for its commercial runs. For Class A products, the list price to distributors in the area was RMB6,600/tonne (US\$992.48/tonne, delivered and V.A. tax paid). And there was room for negotiation.

In Central South China, Yueyang Paper was offering the fully virgin fiber offset paper from its PM#9 to distributors in Eastern China at RMB6,600/tonne (US\$992.48/tonne, V.A. tax paid and delivered) and products from its PM#10 at RMB6,000/tonne (US\$902.26/tonne V.A. tax paid and delivered).

Uncoated Offset Printing Paper Price Watch - 2011				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
UPM (Changshu)	Jiangsu	7,100	7,150	-0.7%
APP Gold Huasheng	Jiangsu	7,010	7,100	-1.3%
Sun Paper	Shandong	7,200	7,250	-0.7%
Chenming Paper	Shandong	6,300	6,300	0.0%
Tralin Paper	Shandong	5,900	6,050	-2.5%
Yin-Ge Paper	Henan	5,900	6,050	-2.5%

*Note: For reference only. Price varies in transaction.*

In Southern China's Guangxi Province, Guangxi Guitang Paper [\(Continue on Page 12...\)](#)

## V. Newsprint

**North American** newsprint mills maintained high operation in November, thanks to active exports, which more than making up for the shrinking demand in the local market. According to PPPC, overall shipment during the month was 652,000/tonne, -4.5% from a year ago. From January to November, shipment totaled 7.16 million/tonne, +7.0% from that of 2009. Shipment to overseas markets in November came close to 200,000/tonne, +9.9% from a year ago and making the YTD total to nearly 2.30 million/tonne. Healthy export shipment helped reduce mill inventories, which drop 197,000/tonne, down 19,000/tonne from October. Demand, however, fell to 456,000/tonne in November, -10.5% from a year ago and bringing the first 11-month demand below 4.93 million/tonne, -6.2% from that of 2009.

According to FOEX, 48.8g/m<sup>2</sup> newsprint

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(...*Printing & Writing Papers from Page 11*) will restart its 3 machines in mid-February 2011, which took downtime from October. At the moment, the company is pursuing a price of RMB6,000/tonne (US\$902.26/tonne, V.A. tax paid and delivered) for its 100g/m<sup>2</sup> grade.

**Exports.** China's uncoated printing and writing paper exports remained active in November. According to China Customs, shipment to overseas markets during the months reached 63,250/tonne, up 4,210/tonne from October and +40.7% from a year ago. Japan, Hong Kong and Iran were the primary destinations of Chinese shipment. For Iran alone, shipment grew nearly 150% from 12 months ago. In the first eleven months, China's uncoated printing and writing paper exports totaled 634,520/tonne, +40.7% from the corresponding period of 2009.

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was listed at US\$625.60/tonne at end-December, up US\$1.31/tonne from end-November and 45g/m<sup>2</sup> newsprint was listed at US\$669.30/tonne, up US\$2.40/tonne.

**In Europe,** local demand improved against slow-downs in exports, which was under the impact of rising Euros.

In November, overall shipment totaled 952,000/tonne, +3.0% from a year ago. Shipment to continental Europe accounted for 87% of the total and grew 6.0% from a year ago. Shipment to overseas markets, however, slipped -13.3% from that of 2009. Overall, shipment in the first 11 months exceeded 9.80 million/tonne, +3.5% from the same period of 2009.

Demand from continental Europe rose to 851,000/tonne in November, +4.2% from 12 months ago and making the 11-month total over 8.50 million/tonne, +1.5% from 2009.

Newsprint sale price remained steady in Europe. According to FOEX, list price of 45g/m<sup>2</sup> newsprint stayed at €420.54/tonne, same as end-November.

**China Mainland Market.** Latest reports from CNSB showed China's newsprint production fell to 305,000/tonne in November – the sixth consecutive monthly reduction. This was off by -21.8% from November 2009. From January to November, China's newsprint production totaled 3.95 million/tonne, -2.9% from the corresponding period of 2009.

**Market** in December improved after more than six months of weak performance. In Northern China, in particular, publishers began to place large and last-minute orders before the increase of prices installed by large newsprint producers. Such active buying speeded up shipment from mainstream mills in the area. In Eastern and Southern China, mainstream mills also announced price increases, though at less aggressive margins.



**Producer Watch.** While Shixian Paper in Northeast China's Jilin Province continuing its downtime as a result of insufficient finance and fiber stocks in December, Huatai Paper in upper Eastern China's Shandong Province was able to trim mill inventories by 20,000/tonne upon hectic shipment to publishers in the Beijing-Tianjin area. And the completion of maintenance downtime enabled Huatai Paper (Dongying) to run machines at full speed. The company's sister mill – Huatai (Hebei) – was also reporting rising operation during the month. With improved sales and shipment, mill inventories reduced. A greenfield newsprint mill of Huatai Paper (Group) in Xinhui, Southern China's Guangdong Province is scheduled to trial runs in January, 2011. The company is now inquiring for recovered paper supplies to Xinhui Port, though details are yet to be available subject to the release by the authorities of the environmental permit to the mill.

Chenming Paper (Shouguang) also reported of full-gear runs in December. During the month, the mill turned out nearly 31,000/tonne and mill inventories fell below 20,000/tonne thanks to active shipment.

Having insufficient fiber stocks, Chenlong Paper – a mid-size newsprint producer in Shandong Province – was only able to produce 6,000/tonne in December. Sales improved and mill inventories reduced to less than 4,000/tonne at end-December.

In Eastern China, Shanying Paper ran 10,000/tonne of newsprint in December. Mill sources confirmed of active sales and shipment and mill inventories were trimmed below 3,600/tonne by end-December.

In Fujian Province, Nanping Paper maintained its production momentum from November. In December, the company produced 17,000/tonne of newsprint and mill inventories fell to 7,000/tonne after healthy

shipment.

Guangzhou Paper in Guangdong, Southern China, geared down production in December in preparation for relocation of the mill from Guangzhou city proper to Nansha. Shipment in December rose to 50,000/tonne and mill inventories eased to 40,000/tonne by end-December.

**Price Watch.** After a series of aborted attempt in the past 3 quarters, Chinese newsprint producers were able to raise the price before the end of 2010. Throughout the country, suppliers were able to achieve price increases at various levels, with the biggest rise in upper China markets where sales price exceeded that of the South China market by RMB100/tonne (US\$15.03/tonne). Market analysts cautioned, however, that the current increase was primarily driven by rising production cost – such as fiber and energy, not by the recovery of newsprint consumption. After the increase, standard 48.8g/m<sup>2</sup> newsprint was listed at RMB4,600-4,700/tonne (US\$692-707/tonne, delivered and V.A. tax paid) in the key markets. And Huatai Paper even attempted the price of RMB4,850/tonne (US\$729/tonne, delivered and V.A. tax paid) with the ultimate goal to RMB5,000/tonne (US\$752/tonne, delivered and V.A. tax paid). However, company sales executives viewed the current spree with a mixed feeling. Happy to see mill inventories reduction on the one hand, they feared of the

China Newsprint Price Watch - 2011				
Producer	Substance	Early Jan.	Early Dec.	Change%
Guangzhou Paper	48.8/45gsm.	4600-4700	4550-4650	1.1%
Huatai Paper	48.8/45gsm.	4700-4800	4500-4600	4.4%
Chenming (Shouguang)	48.8/46gsm.	4700-4800	4500-4600	4.4%
Fujain Nanping Paper	48.8/45gsm.	4600-4700	4550-4650	1.1%
Chenming (Wuhan)	48.8/45gsm.	n.a.	n.a.	
Shanying Paper	48.8/45gsm.	4650-4750	4550-4650	2.2%
Shixian Paper	48.8/45gsm.	n.a.	4500-4600	0.0%

*\* In RMB per metric ton, FOB Mill, VAT included.  
Note: For reference only. Price varies in transaction.*

aftermath of such fast sales. Any slip in sales

in the near future will have serious impacts on future price stability.

**Imports & Exports.** China's newsprint exports failed to extend its healthy performance into November. Only 8,060/tonne were shipped to overseas markets during the month, -52.8% from October, though +20.6% from a year ago. India and Hong Kong remained the primary destinations of Chinese shipment. From January to November, China's newsprint exports totaled

10,521/tonne, -46.8% from the corresponding period of 2009.

China's newsprint imports in November were only 180/tonne, the lowest since January 2010 and -92.2% from a year ago. Much of the shipment came from Canada, Finland and Japan. From January to November, imports totaled 36,200/tonne, +130% from the same period of 2009.

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## VI. Statistics

### A. Market Pulp

China's Unbleached Kraft Pulp Imports						
(In US\$000/MT000)	Nov/10	Nov/09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>37,880.65</b>	<b>29,673.65</b>	<b>27.66%</b>	<b>247,422.79</b>	<b>244,422.28</b>	<b>1.23%</b>
<b>Total Volume</b>	<b>57.80</b>	<b>58.18</b>	<b>-0.65%</b>	<b>389.81</b>	<b>564.33</b>	<b>-30.92%</b>
<b>Key origins:</b>						
Russia	16.87	8.80	91.77%	139.48	132.64	5.16%
Chile	12.43	14.24	-12.71%	73.32	156.67	-53.20%
USA	12.31	19.04	-35.34%	57.37	83.08	-30.94%
Source: China Customs Administration/Chinapaperonline						

China's Bleached Softwood Kraft Pulp Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>323,121.25</b>	<b>183,008.03</b>	<b>76.56%</b>	<b>2,767,394.72</b>	<b>2,320,253.73</b>	<b>19.27%</b>
<b>Total Volume</b>	<b>393.86</b>	<b>300.47</b>	<b>31.08%</b>	<b>3,539.30</b>	<b>4,466.21</b>	<b>-20.75%</b>
<b>Key origins:</b>						
Canada	134.78	82.76	62.85%	1198.65	1190.55	0.68%
USA	78.75	82.30	-4.31%	701.32	830.43	-15.55%
Russia	64.83	45.35	42.95%	497.63	564.48	-11.84%
Source: China Customs Administration/Chinapaperonline						

China's Bleached Hardwood Pulp Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>291,562.45</b>	<b>228,737.98</b>	<b>27.47%</b>	<b>2,857,158.96</b>	<b>2,380,562.28</b>	<b>20.02%</b>
<b>Total Volume</b>	<b>416.71</b>	<b>430.67</b>	<b>-3.24%</b>	<b>4,059.99</b>	<b>5,485.29</b>	<b>-25.98%</b>
<b>Key origins:</b>						
Indonesia	134.60	64.10	109.99%	886.99	1142.91	-22.39%
Brazil	102.42	186.62	-45.12%	1649.51	2284.98	-27.81%
Uruguay	77.48	35.80	116.39%	403.09	478.24	-15.71%
Source: China Customs Administration/Chinapaperonline						

## China Pulp & Paper Report

China's Mechanical Pulp Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change %	YTD 2010	YTD 2009	Change %
<b>Total Value</b>	<b>3,926.43</b>	<b>2,254.87</b>	<b>74.13%</b>	<b>27,558.86</b>	<b>20,467.95</b>	<b>34.64%</b>
<b>Total Volume</b>	<b>7.02</b>	<b>4.26</b>	<b>65.08%</b>	<b>51.71</b>	<b>45.27</b>	<b>14.24%</b>
<b>Key origins:</b>						
Canada	4.96	4.14	19.73%	44.52	41.86	6.36%
Estonia	2.01	0.00	N.A.	2.01	0.00	N.A.
USA	0.05	0.00	6399.40%	0.05	0.10	-47.84%
Source: China Customs Administration/Chinapaperonline						

China's Chemimechanical Pulp Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change %	YTD 2010	YTD 2009	Change %
<b>Total Value</b>	<b>77,740.31</b>	<b>46,899.77</b>	<b>65.76%</b>	<b>729,424.70</b>	<b>511,291.92</b>	<b>42.66%</b>
<b>Total Volume</b>	<b>138.50</b>	<b>93.06</b>	<b>48.83%</b>	<b>1,213.92</b>	<b>1,190.50</b>	<b>1.97%</b>
<b>Key origins:</b>						
Canada	100.33	71.13	41.05%	985.94	973.83	1.24%
New Zealand	12.51	5.81	115.16%	82.79	80.33	3.06%
Russia	10.28	2.00	413.90%	29.12	28.19	3.28%
Source: China Customs Administration/Chinapaperonline						

### B. Printing & Writing Paper

China's Uncoated Printing & Writing Paper Exports						
(In US\$000/MT000)	Nov-10	Nov-09	Change %	YTD 2010	YTD 2009	Change %
<b>Total Value</b>	<b>58,430.14</b>	<b>36,637.08</b>	<b>59.48%</b>	<b>569,092.58</b>	<b>384,494.61</b>	<b>48.01%</b>
<b>Total Volume</b>	<b>63.25</b>	<b>44.95</b>	<b>40.70%</b>	<b>634.52</b>	<b>451.01</b>	<b>40.69%</b>
<b>Key destinations:</b>						
Japan	7.37	8.04	-8.31%	97.10	72.86	33.28%
Hongkong	5.75	7.09	-18.82%	62.33	57.29	8.79%
Iran	5.19	2.08	149.52%	38.44	16.74	129.70%
Source: China Customs Administration/Chinapaperonline						

China's Fully Coated Paper Imports & Exports						
(In US\$000/000 mt)	Nov/10	Nov/09	Change %	YTD2010	YTD2009	Change %
<b>Exports</b>						
<b>Total Value</b>	<b>90,597.10</b>	<b>80,430.32</b>	<b>12.64%</b>	<b>949,222.34</b>	<b>882,188.53</b>	<b>7.60%</b>
<b>Total Volume</b>	<b>95.26</b>	<b>97.41</b>	<b>-2.21%</b>	<b>1,046.93</b>	<b>1,215.50</b>	<b>-13.87%</b>
<b>Key destinations:</b>						
Japan	20.96	30.53	-31.36%	196.05	231.09	-15.16%
India	7.55	3.49	115.96%	52.16	57.26	-8.90%
Hongkong	6.08	10.16	-40.14%	85.45	101.62	-15.91%
<b>Imports</b>						
<b>Total Value</b>	<b>30,387.15</b>	<b>28,791.17</b>	<b>5.54%</b>	<b>361,281.47</b>	<b>268,706.60</b>	<b>34.45%</b>
<b>Total Volume</b>	<b>27.04</b>	<b>29.64</b>	<b>-8.77%</b>	<b>355.69</b>	<b>277.29</b>	<b>28.27%</b>
<b>Key origins:</b>						
South Korea	5.56	2.94	89.47%	44.05	43.49	1.29%
Japan	5.22	7.94	-34.29%	100.88	50.61	99.35%
Taiwan	3.16	3.93	-19.57%	42.85	41.71	2.73%
Source: China Customs Administration/Chinapaperonline						

## China Pulp & Paper Report

China's Lightweight Coated Paper Imports & Exports						
(In US\$000/000 mt)	Nov-10	Nov-09	Change %	YTD2010	YTD2009	Change %
<b>Exports</b>						
<b>Total Value</b>	<b>6,239.50</b>	<b>8,789.33</b>	<b>-29.01%</b>	<b>66,658.93</b>	<b>89,714.67</b>	<b>-25.70%</b>
<b>Total Volume</b>	<b>8.14</b>	<b>12.42</b>	<b>-34.44%</b>	<b>87.04</b>	<b>119.34</b>	<b>-27.06%</b>
<b>Key destinations:</b>						
South Korea	1.65	2.84	-41.66%	23.95	23.37	2.47%
Japan	1.47	5.35	-72.62%	37.42	58.40	-35.93%
Iran	0.66	0.92	-28.00%	2.63	4.34	-39.50%
<b>Imports</b>						
<b>Total Value</b>	<b>1,534.36</b>	<b>1,434.44</b>	<b>6.97%</b>	<b>18,482.51</b>	<b>11,995.33</b>	<b>54.08%</b>
<b>Total Volume</b>	<b>1.90</b>	<b>1.87</b>	<b>1.91%</b>	<b>23.62</b>	<b>15.33</b>	<b>54.11%</b>
<b>Key origins:</b>						
Japan	0.64	1.52	-57.95%	11.88	8.28	43.46%
Germany	0.45	0.15	205.49%	4.57	4.03	13.45%
Finland	0.44	0.00	N.A.	4.32	1.02	322.71%
Source: China Customs Administration/Chinapaperonline						

### C. Newsprint

China's Newsprint Imports/Exports						
(In US\$000/000mt)	Nov-10	Nov-09	Change %	YTD2010	YTD2009	Change %
<b>Exports</b>						
<b>Total Value</b>	<b>5,091.55</b>	<b>3,402.34</b>	<b>49.65%</b>	<b>60,282.80</b>	<b>112,768.21</b>	<b>-46.54%</b>
<b>Total Volume</b>	<b>8.06</b>	<b>6.68</b>	<b>20.57%</b>	<b>105.21</b>	<b>197.82</b>	<b>-46.82%</b>
<b>Destination</b>						
India	3.38	3.58	-5.38%	31.63	107.28	-70.52%
Hongkong	1.81	1.79	0.62%	43.48	29.88	45.52%
Thailand	0.90	0.00	N.A.	0.90	1.74	-48.01%
<b>Imports</b>						
<b>Total Value</b>	<b>127.96</b>	<b>1,178.04</b>	<b>-89.14%</b>	<b>17,918.08</b>	<b>8,979.56</b>	<b>99.54%</b>
<b>Total Volume</b>	<b>0.18</b>	<b>2.33</b>	<b>-92.22%</b>	<b>36.20</b>	<b>15.90</b>	<b>127.68%</b>
<b>Origin</b>						
Canada	0.07	0.00	N.A.	1.76	0.52	237.52%
Finland	0.04	0.29	-84.75%	1.13	2.97	-61.82%
Japan	0.04	0.04	12.17%	0.62	4.01	-84.42%
Source: China Customs Administration/Chinapaperonline/ Im. Price: In US\$						

### D. Recovered Paper

China's OCC Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change %	YTD 2010	YTD 2009	Change %
<b>Total Value</b>	<b>305,199.67</b>	<b>197,540.36</b>	<b>54.50%</b>	<b>2,847,673.14</b>	<b>2,001,450.30</b>	<b>42.28%</b>
<b>Total Volume</b>	<b>1,270.78</b>	<b>1,173.53</b>	<b>8.29%</b>	<b>12,795.13</b>	<b>14,860.81</b>	<b>-13.90%</b>
<b>Key origins:</b>						
USA	523.50	457.56	14.41%	5,161.92	5,500.27	-6.15%
UK	171.47	124.67	37.55%	1,666.42	1,613.62	3.27%
Japan	134.65	181.10	-25.65%	1,675.49	2,010.95	-16.68%
Source: China Customs Administration/Chinapaperonline						

## China Pulp & Paper Report

China's ONP Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>95,347.59</b>	<b>89,496.32</b>	<b>6.54%</b>	<b>1,147,515.74</b>	<b>915,759.63</b>	<b>25.31%</b>
<b>Total Volume</b>	<b>434.36</b>	<b>522.11</b>	<b>-16.81%</b>	<b>5,398.06</b>	<b>6,658.63</b>	<b>-18.93%</b>
<b>Key origins:</b>						
USA	256.25	297.90	-13.98%	2,981.51	3,508.23	-15.01%
Hongkong	58.32	42.54	37.10%	526.95	402.83	30.81%
Canada	32.78	35.66	-8.07%	440.33	328.07	34.22%
Source: China Customs Administration/Chinapaperonline						

China's Sorted Mixed Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>57,405.02</b>	<b>57,469.39</b>	<b>-0.11%</b>	<b>660,001.99</b>	<b>428,376.03</b>	<b>54.07%</b>
<b>Total Volume</b>	<b>286.02</b>	<b>363.71</b>	<b>-21.36%</b>	<b>3,370.66</b>	<b>3,425.28</b>	<b>-1.59%</b>
<b>Key origins:</b>						
USA	79.55	94.43	-15.76%	860.32	686.64	25.29%
Japan	73.52	80.00	-8.10%	965.92	1,034.26	-6.61%
UK	37.36	50.07	-25.38%	401.68	361.40	11.15%
Source: China Customs Administration/Chinapaperonline						

China's De-inking Imports						
(In US\$000/MT000)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Total Value</b>	<b>12,480.21</b>	<b>6,189.77</b>	<b>101.63%</b>	<b>133,064.35</b>	<b>53,040.40</b>	<b>150.87%</b>
<b>Total Volume</b>	<b>38.57</b>	<b>25.33</b>	<b>52.24%</b>	<b>431.18</b>	<b>253.89</b>	<b>69.83%</b>
<b>Key origins:</b>						
USA	17.55	12.57	39.56%	154.24	123.72	24.66%
Japan	7.13	2.62	171.68%	114.59	42.25	171.20%
Hongkong	3.91	1.04	275.86%	41.53	19.35	114.67%
Source: China Customs Administration/Chinapaperonline						

## E. Packaging Paperboard

China's Linerboard Imports & Exports						
(In US\$000/000mt)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Exports</b>						
<b>Total Value</b>	<b>6,423.14</b>	<b>3,875.12</b>	<b>65.75%</b>	<b>60,490.40</b>	<b>24,450.99</b>	<b>147.39%</b>
<b>Total Volume</b>	<b>13.55</b>	<b>9.38</b>	<b>44.40%</b>	<b>140.77</b>	<b>53.10</b>	<b>165.11%</b>
<b>Key Destinations:</b>						
Iran	3.61	3.29	9.82%	27.99	15.97	75.25%
Guatemala	2.70	0.00	N.A.	2.70	0.000	N.A.
Philippines	2.16	1.11	94.87%	20.85	7.19	189.88%
<b>Imports</b>						
<b>Total Value</b>	<b>50,433.62</b>	<b>48,905.74</b>	<b>3.12%</b>	<b>505,276.25</b>	<b>453,348.45</b>	<b>11.45%</b>
<b>Total Volume</b>	<b>67.30</b>	<b>80.22</b>	<b>-16.10%</b>	<b>761.11</b>	<b>791.48</b>	<b>-3.84%</b>
<b>Key Origins:</b>						
USA	22.88	32.84	-30.32%	247.33	217.70	13.61%
Australia	9.68	4.17	132.07%	80.73	62.53	29.10%
Russia	7.54	12.97	-41.90%	129.92	167.58	-22.47%
Source: China Customs Administration/Chinapaperonline						



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<b>China's Medium Imports &amp; Exports</b>						
(In US\$000/000mt)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Exports</b>						
<b>Total Value</b>	<b>4,666.48</b>	<b>1,515.29</b>	<b>207.96%</b>	<b>22,177.06</b>	<b>12,330.12</b>	<b>79.86%</b>
<b>Total Volume</b>	<b>9.44</b>	<b>2.90</b>	<b>225.37%</b>	<b>42.77</b>	<b>26.34</b>	<b>62.37%</b>
<b>Key Destinations:</b>						
Ecuador	4.98	0.00	N.A.	4.99	1.62	208.87%
Hongkong	0.99	0.69	44.11%	8.66	7.46	16.11%
Vietnam	0.12	0.36	-68.14%	2.66	2.82	-5.75%
<b>Imports</b>						
<b>Total Value</b>	<b>6,205.92</b>	<b>6,565.90</b>	<b>-5.48%</b>	<b>83,148.18</b>	<b>144,819.98</b>	<b>-42.59%</b>
<b>Total Volume</b>	<b>15.81</b>	<b>18.66</b>	<b>-15.29%</b>	<b>224.41</b>	<b>437.55</b>	<b>-48.71%</b>
<b>Key Origins:</b>						
Indonesia	3.99	0.00	N.A.	29.39	31.06	-5.39%
Taiwan	2.32	6.25	-62.89%	50.78	135.26	-62.46%
Spain	2.17	1.13	92.08%	14.54	14.24	2.13%
Source: China Customs Administration/Chinapaperonline						

<b>China's Coated SBS Board Imports &amp; Exports</b>						
(In US\$000/000 mt)	Nov-10	Nov-09	Change%	YTD 2010	YTD 2009	Change%
<b>Exports</b>						
<b>Total Value</b>	<b>65,440.44</b>	<b>52,222.01</b>	<b>25.31%</b>	<b>651,782.84</b>	<b>550,423.77</b>	<b>18.41%</b>
<b>Total Volume</b>	<b>74.81</b>	<b>72.37</b>	<b>3.38%</b>	<b>800.02</b>	<b>706.38</b>	<b>13.26%</b>
<b>Key destinations:</b>						
USA	9.63	15.94	-39.60%	75.99	150.83	-49.62%
Taiwan	5.48	2.45	124.23%	39.81	33.46	18.96%
India	5.25	2.70	94.25%	39.09	42.01	-6.95%
<b>Imports</b>						
<b>Total Value</b>	<b>63,309.90</b>	<b>58,143.86</b>	<b>8.88%</b>	<b>733,735.02</b>	<b>636,275.28</b>	<b>15.32%</b>
<b>Total Volume</b>	<b>63.39</b>	<b>60.65</b>	<b>4.52%</b>	<b>743.96</b>	<b>678.04</b>	<b>9.72%</b>
<b>Key origins:</b>						
Sweden	19.20	19.97	-3.86%	205.47	206.06	-0.29%
Taiwan	9.76	8.42	16.01%	84.04	101.46	-17.17%
South Korea	8.93	9.45	-5.50%	105.32	119.59	-11.93%
Source: China Customs Administration/Chinapaperonline						

### A Note From The Editors

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