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I. Packaging Paperboard

Global Review. US containerboard market slowed down in the last two months of 2012, after completion of holiday orders by mills and box plants. Data from AF&PA showed US linerboard production dropped slightly by -1.4% from October to 2.87 million/ton in November. However, this was still up +1% from a year ago. Combined mill and box plant inventories totaled 2.05 million/ton, with much of the 37,000/ton rise from box plants. Linerboard shipment fell below 28.58 billion/feet², -11% from October and -1.2% from a year ago. Exports net at 294,000/ton in November, +3.9% from October, but -3.2% from 12 months ago. YTD shipment totaled 330.86 billion/feet², +0.2% from that of 2011.

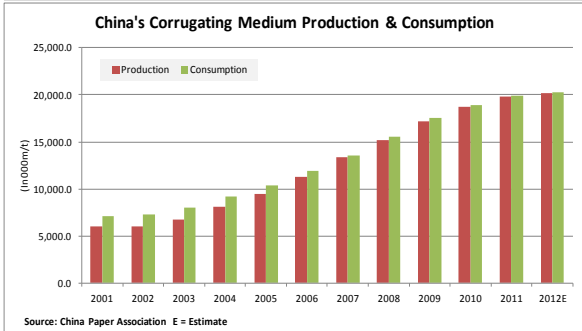
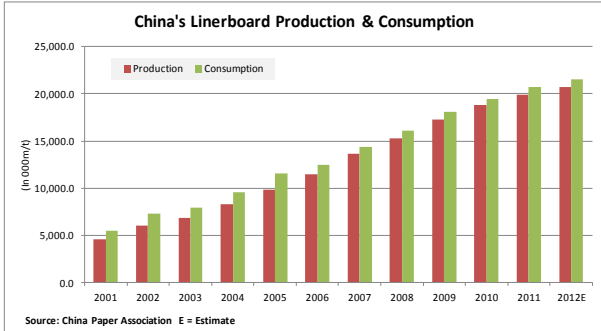
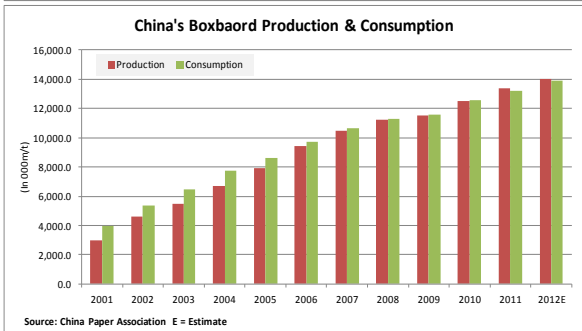
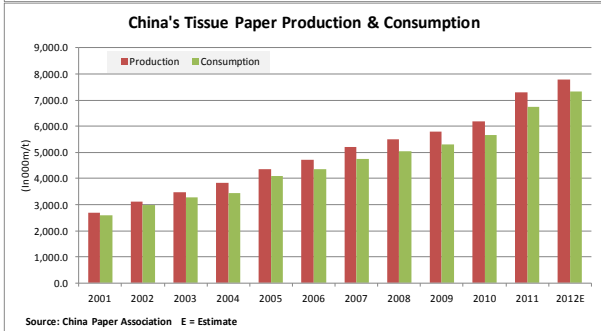
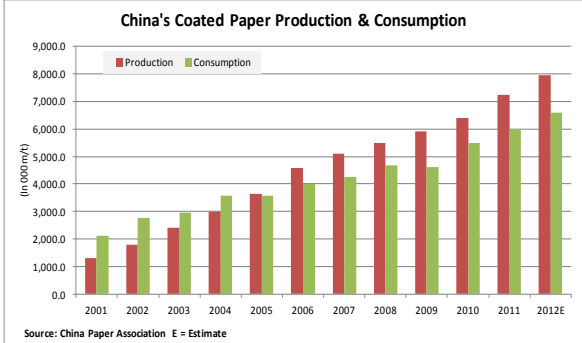
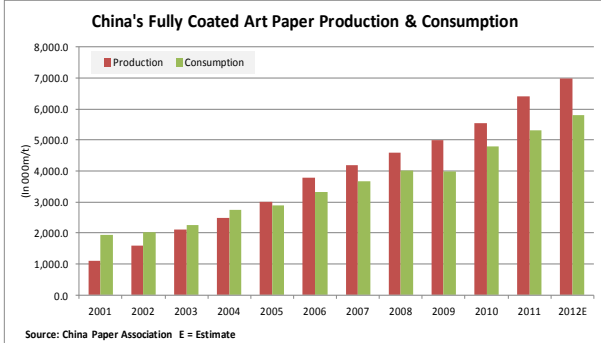
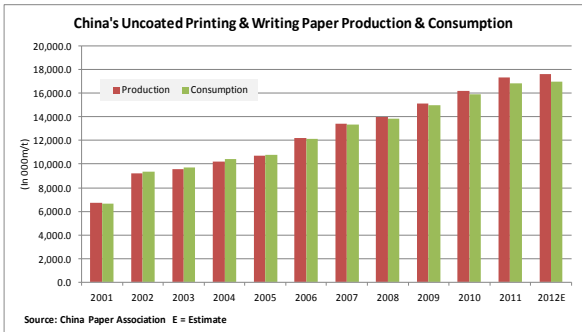
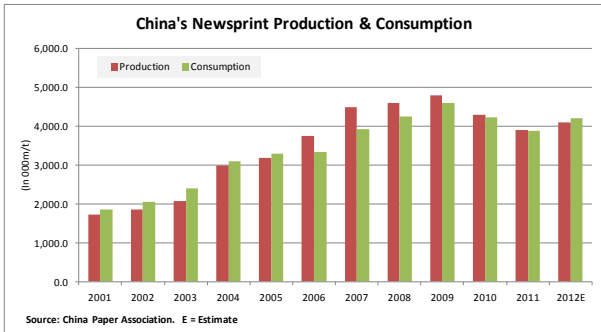
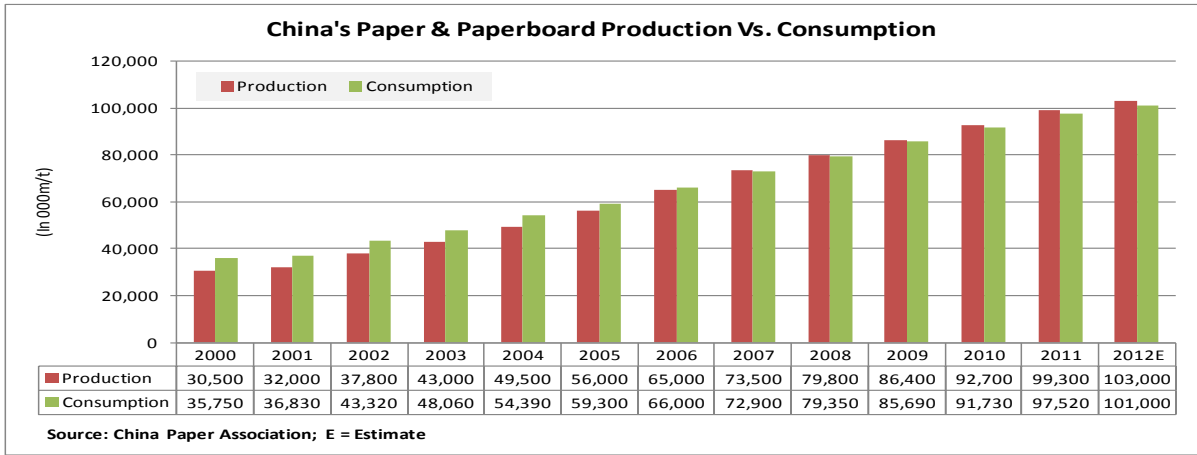
Industry news said 42 lb. (200g/m²) kraft-top liner continued to list at US\$600-610/ton and 26 lb. (127g/m²) semi-chemical medium at US\$560-570/ton in Eastern USA. Though already high for 2 months, the possibility for suppliers' attempting a new price increase may not be ruled out in the 1st Quarter 2013.

In Europe, linerboard demand softened in December too. Except kraft-top linerboard which stood firm under tight supply, price of testliner slipped and may continue the decline into January when market enters into its traditional low season.

FOEX said kraft-top linerboard was listed at €584.03/tonne on December 27th, up €2.09/tonne from end-October and €49.05/tonne from January 2012. Testliner, however, showed the opposite. List price lost €0.72/tonne from end-November to €426.44/tonne on December 27th. And this was a loss of €14.41/tonne from January 2012. Market observers believed the negative performance was the result of excessive capacity expansion in recent years.

China Mainland Market. While the buying spree in the final months of a year became a memory of the good old days, Chinese industrial packaging paperboard market managed to stay steady and mainstream producers kept their machines in normal runs till the last week of December. In Southern and Eastern China markets, corrugating medium suppliers were even able to elbow up a RMB50/tonne price rise. This was very much envied by linerboard, coated duplex board and coated SBS board producers who had to lump with either stagnant sales or even struggled to keep sales from further declines. With the Chinese New Year coming on February 10th and news of general low stocks of paperboard at the converters and printers revived hope of packaging board producers to improve sales in January.

Production & Consumption. Preliminary data released by China Paper Association (CPA) showed China's industrial packaging



paperboard production reached 54.90 million/tonne in 2012, +3.39% from that of 2011. Consumption in 2012 was estimated at 55.70 million/tonne, +3.42% from 2011.

Mergers & Acquisition. Ji-An Paper and Shanying Paper unveiled the definite deal on the merger of the two companies on December 22nd. Under the agreement, Shanying Paper – a publicly listed company at the Shanghai Stock Exchange – will merge entirely with Ji-An Paper. With the latter's assets of roughly RMB3.05 billion, the new company will receive funding from no more than 10 designated private investors to cover 25% of the transaction (estimated at RMB1.02 billion). Sources believe the private investors are from Ji-An Paper. The merger, once approved by the authorities, will expand paper and board production capacity of the new company from 900,000/mtpy to 2.25 million/mtpy and box converting capacity from 600 million/m² per year to 1 billion/m² per year. This will significantly enhance the company's position in the China market.

Linerboard market appeared to be well positioned for the coming Chinese New Year. Thanks to growing orders from mainstream box plants and flute makers in Eastern and Southern China who began to build linerboard stocks for holiday converting, most linerboard mills were able to keep active sales and shipment and reduce mill inventories. And in regional markets, producers were even able to elbow up the price. In Eastern China, for example, Longchen Paper (Zhejiang) successfully added RMB50-100/tonne (US\$8.06-16.13/tonne) to its testliner. However, the company had to keep price unchanged for its kraft-top liner in exchange for more orders. Until end-December, the company was delivering its 140g/m² B1 testliner at RMB3,400-3,450/tonne (US\$548.39-566.45/tonne) and 140g/m²

S-Class testliner at RMB3,500-3,550/tonne (US\$564.52-572.58/tonne). For 170g/m² kraft-top liner, price remained unchanged for nearly five consecutive months at RMB3,750-3,800/tonne (US\$604.84-612.90/tonne) at delivered terms. Because of smooth sales and shipment, mill inventories at Longchen Paper (Zhejiang) were reduced to 16 days of supply at end-December, which was 5 days less than the previous month.

As most suppliers in Eastern China interpreted the current activeness in the market as a short-term holiday buying, no one would venture a major change in the price. Nine Dragons (Taicang) would keep the price of its 140g/m² testliner unchanged from the previous month at RMB3,100-3,150/tonne (US\$500-508.06/tonne).

In Southern China, market also appeared busy under active demand. Still, producers were cautious not to spoil sales and shipment with price increases. In fact, some producers, including Lee&man (Hongmei), cancelled the RMB50/tonne (US\$8.06/tonne) price increase of the previous month.

Thanks to smooth sales and shipment, together with the lifting of the RMB50/tonne (US\$8.06/tonne) price rise, Lee&man (Hongmei) was able to postpone the planned maintenance downtime of its PM15. By end-December, the mill's product inventories reduced to 17 days of supply, down 6 days from the previous month.

New Capacity. Shenglian Paper in Fujian Province, Southeast China reported of a smooth trial run of its #6 linerboard machine from mid-December. At the designed capacity of 400,000/mtpy, the machine expands the company's overall industrial packaging board capacity to more than 1 million/mtpy which secures the company the No. 1 position in packaging paperboard production in the province.

China Containerboard Price Watch - 2013					
(In RMB/MT)	Origin	Substance	Early-Jan.	Early-Dec.	Change%
Linerboard					
Georgia Pacific	USA	175gsm	5,300	5,250	1%
Weyerhaeuser	USA	175gsm	5,300	5,250	1%
Bratsky	Russia	180gsm	5,100	5,050	1%
Jingxing (Kraft-top)	Zhejiang	150gsm	3,700	3,750	-1%
Nine Dragons (Kraft-top)	Dongguan	150gsm	3,700	3,700	0%
Lee&man (Kraft-top)	Dongguan	150gsm	3,700	3,700	0%
Medium					
Nine Dragons Class A	Dongguan	100gsm.	2,950	2,900	2%
Jinzhou Paper Class A	Dongguan	105gsm.	2,950	2,900	2%
Shun Yu Paper Class A	Dongguan	100gsm.	2,950	2,900	2%
Lee&man Class A	Changshu	105gsm.	2,950	2,900	2%
Luping Yongfa Class A	Shandong	110gsm.	2,680	2,650	1%
Changfeng Class A	Jiangsu	105gsm.	2,820	2,800	1%

Note: For reference only. Price varies in transaction.

Corrugating medium market also revived under holiday demand. Mainstream producers in Eastern and Southern China took advantage to add RMB30-50/tonne (US\$4.84-8.06/tonne) to the sales price.

In Eastern China, Longchen Paper (Wuxi) was able to keep its two medium machines at full gear runs in December. After the RMB50/tonne (US\$8.06/tonne) price increase, the company was delivering its 100g/m2 medium to customers at RMB2,950-3,000/tonne (US\$475.81-483.87/tonne). Active sales and shipment reduced mill inventories to 14 days of supply, down 5 days from the previous month.

In Southern China, Shunyu Paper in Dongguan ran its 4 machines at high speed to entertain growing orders and active shipment. Still, mill inventories reduced 8 days from the previous month to equal 9 days of supply at end-December. After the RMB50/tonne (US\$8.06/tonne) increase, price of the company's medium reached RMB2,950-3,000/tonne (US\$475.81-483.87/tonne).

Coated recycled board producers had to envy containerboard producers. Any rise from holiday demand would be quickly swallowed by ample supplies.

In Southern China, Lee&man (Hongmei) applied uniformed price at RMB3,400/tonne (US\$548.39/tonne) for all grades to allow its 600,000/mtpy coated duplex board machine to run in full speed. And because of the

strategy, the company was able to keep consistent sales and shipment and reduce mill inventories to 10 days of supply by end-December.

Nearby, Nine Dragons (Dongguan) also held its coated duplex board price unchanged from the previous month. For January, the company announced a RMB50/tonne (US\$8.06/tonne) price increase. To the interpretation of most market observers, however, this was more of a desire than action.

In Eastern China, Changjiang Paper switched 20% of their machine times to run play card board. With less production of coated duplex board and consistent sales price of its core 250g/m2 coated duplex board in roll at RMB3,800-3,850/tonne (US\$612.90-620.97/tonne), the company was able to keep shipment and reduce mill inventories to 30 days of supply, down 3 days from the previous month.

Also in Eastern China, Nine Dragons (Taicang) began its holiday promotion. For an order at or over 2,000/tonne and at cash payment for its 250g/m2 coated duplex board, the company would give a special price at RMB2,900/tonne (US\$467.74/tonne).

Coated Carton Board Price Watch - 2013					
(In RMB / MT)	Origin	Substance	Early-Jan.	Early-Dec.	Change%
Coated Newsback Board					
APP Ningbo Zhonghua	Ningbo	250 gsm (In rolls)	4,050	4,050	0%
Changjiang Paper	Jiangsu	250 gsm (In rolls)	3,830	3,850	-1%
Jianhui Paper	Dongguan	250 gsm (In rolls)	4,050	4,050	0%
Nine Dragons	Dongguan	250 gsm (In rolls)	4,000	4,000	0%
Coated SBS Board					
Sun Paper	Shandong	230gsm (In rolls)	5,350	5,500	-3%
Bohui Paper	Shandong	230gsm (In rolls)	5,350	5,500	-3%
APP Ningbo Zhonghua	Ningbo	230gsm (In rolls)	5,300	5,400	-2%
Hengxing Paper	Henan	230gsm (In rolls)	5,150	5,350	-4%
Meili Paper	Ningxia	230 gsm (In rolls)	5,100	5,300	-4%

Note: For reference only. Price varies in transaction.

Market for Coated SBS Board remained inactive as well. Throughout December, most mills were able to secure limited orders. News of 2 million/mtpy of greenfield capacity start-ups in the next 3 months slowed down the pace of distributors and converters in placing new orders.

In upper Eastern China, Sun Paper had to abandon the RMB50/tonne (US\$8.06/tonne) price increase planned for December. Until the last day of December, Sun Paper was delivering its core coated SBS board to customers' warehouse at the price of RMB5,050-5,100/tonne (US\$814.52-822.58/tonne). Nearby, Chenming Paper kept the price of its 250g/m² coated SBS board at RMB5,200-5,250/tonne (US\$838.71-846.77/tonne) in December. As a result of inactive sales and shipment, mill inventories rose 1 day from the previous month to 36 days of supply at end-December. Huajin Paper was perhaps the most aggressive, who lowered the sales price of its 250g/m² coated SBS board to RMB4,700/tonne (US\$758.06/tonne) at FOB Mill.

Imports & Exports. China's linerboard imports slipped to 59,900/tonne in November, -18.5% from October and -7.1% from a year ago, according to China Customs. Some market observers blamed the price rises demanded by US suppliers for the decline. China's corrugating medium imports also fell to 9,830/tonne in November, -10.6% from October and -41.4% from 12 months ago.

Surprisingly, China's coated SBS board imports rose to 60,440/tonne in November, +29.1% from October, though -10.0% from a year ago.

On the other hand, China shipped 8,190/tonne of linerboard to overseas markets in November, though -7.9% from October, +42.1% from 12 months ago.

In November, China's corrugating medium exports declined in November. Only 5,330/tonne were shipped to overseas, -9% from October and -9.8% from November 2011.

The country's coated SBS board exports in November managed to edge up +0.24% from October to 69,970/tonne. But this was off by -9.1% from 12 months ago. [\(Return to Page 1\)](#)

II. Newsprint

Global Review. While still waiting for latest data from PPPC, **North American** market continued in the direction of moderate improvement. However, unsteady performance in exports to overseas remained a headache to the industry. The Snowflake mill shut-down tightened newsprint supplies on the West Coast of USA, yet the production resumption of Stadacona Mill added concerns on supplies on the East Coast. Overall, market will be confronted again by downward pressure on price, especially on the East Coast in year 2013.

Reports from FOEX showed 48.8g/m² standard newsprint was listed at US\$620.08/tonne and 45g/m² standard newsprint at US\$660.15/tonne in the US open market at the start of the New Year. Both dipped slightly from 30 days ago.

In Europe, overall newsprint shipment in November fell to 874,000/tonne, -1.8% from October and -5.3% from a year ago. According to EURO-GRAPH, shipment to continental Europe declined by -7.2% from October, contrary to the continuous growth of exports. From January to November 2012, total European newsprint shipment came close to 9.18 million/tonne, -3.3% from that of 2011.

Slow progress in 2013 annual contract negotiation between suppliers and consumers is arousing concerns in the market. While suppliers seeking for a 5% price increase to cover rising production cost, consumers would turn down any price rise attempts, however tiny, in view of shrinking newspaper subscription and advertising business.

FOEX said 45g/m² standard newsprint was listed at €495.57/tonne at the start of the New Year, off slightly from 30 days ago.

China Mainland Market. Preliminary data from China Paper Association (CPA) showed

China's newsprint production in 2012 would grow +3% from the previous year to 4.10 million/tonne. At the same time, consumption would reach 4.2 million/tonne, +7.97% from 2011.

Market remained relatively calm throughout December 2012 without much inquiries and orders from the newspaper publishers. Inactive sales and shipment caused general rises in newsprint mill inventories and most producers had to gear down running during the month.

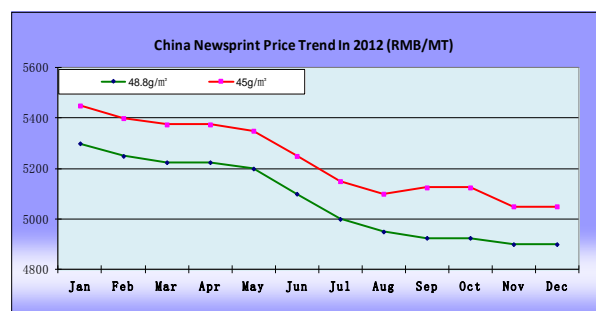
Producer Watch. Both Huatai Paper and Chenming Paper in upper Eastern China's Shandong Province had to lower their operation in December. Pending significant improvement in sales and shipment, the two companies were paying extra attention to their production and mill inventories. The good news was that ONP stocks at both companies were at safely low levels to ease the burden on their cash flows.

In Eastern China, Shanying Paper turned out 15,000/tonne of newsprint through normal runs in December. Steady orders from local customers, which were largely kept by the company's steady sales price from November, enabled Shanying Paper to keep mill inventories as low as the previous month. The announced merger of Shanying Paper with Ji-An Paper, though largely affecting both companies' industrial packaging board business, has also aroused market attention on the future of Shanying Paper's newsprint business.

In Guangdong, Southern China, Guangzhou Paper kept its two newsprint machines in normal runs and produced nearly 45,000/tonne of newsprint in December. The company was also happy with orders over 45,000/tonne in the month which helped reduce mill inventories by 10% from the previous month. And the company continued

to move its 48.8g/m² standard newsprint at RMB5,000/tonne (US\$806.45/tonne) and 45g/m² standard newsprint at RMB5,100/tonne (US\$822.58/tonne) at FOB Mill terms. These prices were better than those in upper China.

Price Watch. Foreseeing the challenges along the road, all the mainstream newsprint producers in China would keep their sales price unchanged and seasoned with promotional discounts when necessary. Throughout December, price in upper China



stayed at the delivered price of RMB4,900-4,950/tonne (US\$790.32-798.39/tonne) for standard 47-48.8g/m² newsprint, following the consensus of a RMB50/tonne (US\$8.06/tonne) premium for 1g/m² less in substance.

China Newsprint Price Watch - 2013				
Producer	Substance	Early Jan.	Early Dec.	Change%
Guangzhou Paper	48.8/45gsm	4950~5000	4950~5000	0.0%
Huatai Paper	48.8/45gsm	4800~4900	4800~4900	0.0%
Chenming (Shouguang)	48.8/46gsm	4800~4900	4800~4900	0.0%
Fujain Nanping Paper	48.8/45gsm	4900~5000	4900~5000	0.0%
Shanying Paper	48.8/45gsm	4900~5000	4900~5000	0.0%
Jindaxin Paper	48.8/45gsm	4900~5000	4900~5000	0.0%

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

Imports & Exports. No improvement in China's newsprint exports. Shipment to overseas in November were only 230/tonne, -26.8% from a year ago, according to China Customs. From January to November, China's newsprint exports fell to 3,810/tonne, -75.8% from the corresponding period of 2011. It is estimated that the country's full year newsprint exports will shrink to about 4,000/tonne in 2012.

China's newsprint imports presented a

brilliant picture in 2012. In November, shipment arrivals reached 8,400/tonne, up nearly 4 times from 12 months ago! South Korea and Canada remained the leading suppliers to China.

From January to November, China's newsprint imports topped 120,000/tonne, up 8.7 fold from that of 2011! It won't be a surprise that China's 2012 newsprint imports to exceed 130,000/tonne. ([Return to Page 1](#))

III. Printing & Writing Paper

North America. AF&PA said US printing and writing paper shipment fell -4% from a year ago in November. Coated freesheet was the only grade that grew +1% to 330,800/tonne. Uncoated freesheet shipment, in reverse, fell -2% to 705,500/tonne, and so were coated and uncoated mechanical which lost -24% and -5% respectively.

NewPage survived from starting the Chapter 11 process as the bankruptcy hearing allowed the company to hold from immediate turn-over of ownership to first-lien lenders in December. NewPage has been battling against bankruptcy and liquidation with efforts to improve its full-year financials. These included the restart-up of the 395,000/mtpy mill at Port Hawkesbury in November.

In Europe, coated freesheet shipment fell to 625,000/tonne, -1.3% from a year ago. According to EUROP-GRAPH, shipment to continental Europe dropped -2.7% to 526,000/tonne, in spite of the +7.4% growth in export. For uncoated freesheet, overall shipment in November reduced to 618,000/tonne, -2.0% from 12 months ago. At the same time, coated mechanical paper shipment fell to 686,000/tonne, -8.8% as a result of the -9.8% declines in shipment to continental Europe. For uncoated mechanical paper, shipment in November rose +4.7% to

210,000/tonne, thanks to active exports.

In Asia, Mitsubishi Paper in Japan announced on December 19th to shut down PM#3 at its Hachinohe Mill, which will reduce the company's fully coated paper capacity by 146,000/mtpy. The mill runs 6 fine paper machines at the combined capacity of 849,000/mtpy.

China Mainland Market. Based on preliminary data from China Paper Association (CPA), **China's fine paper production in 2012** was estimated at 25.45 million/tonne, which would be an increase by +3.7% from 2011. Consumption could reach 23.50 million/tonne, +2.8% from that of 2011.

Market Overview. China's PMI remained the same as November at 50.6% in December. Among the 11 indexes that form the PMI, purchase price index rose to 53.3%. Analysts are elated by the indicators, though cautioning of the time span and uncertainties to produce positive impacts on the country's paper industry.

Nevertheless, there was no further price erosion on fully coated paper in the 4th Quarter and in fact price edged up a little in December as a result of the improvement in operation of the printers and publishers.

Printing Market. Boosted by holiday printing business, printers in upper China began to expand orders for fine paper. And news of planned price increases by APP further expanded orders for fully coated paper.

The conclusion of school teaching material printing season was immediately followed by the national book show, which stabilized market for mid-to-low end offset printing paper. More mills, especially those in central and eastern China, began to gear up running and suppliers were able to hold on or even raise the price slightly to cover the rising production and freight cost.

Market in Southern China was not as positive, however. Most printers and converters complained of shrinking holiday business. Some would suffer as much as 15% loss in export orders. Still, this was within expectation by market analysts. At a closer look, printing market for gift packs and paper bags fared better than others and price stood steady since November.

Nationwide, operating rate for mainstream printers went up to 65%, with some topped 70% for the first time in 12 months. At end-December, paper stocks at large printers stayed around 6-10 days of consumption, up slightly from the previous month. But mid-to-small operators would rather keep zero stocks to ease cash flow burden.

Fully coated paper market, though still under the pressure of excessive supplies, has finally seen the light at the end of the tunnel. In December, APP actualized its first price increase by RMB100/tonne (US\$16.13/tonne) after three unsuccessful attempts in the past. While price of its heavy weight fully coated paper from the Hainan Island mill went beyond RMB5,000/tonne (US\$806.45/tonne), price of products from the company's mills in East China exceeded RMB5,150/tonne (US\$830.65/tonne). Convinced of revived sales on prime grades, the company began to reduce production and shipment of mid-to-low end products, which spurred at least RMB100/tonne (US\$16.13/tonne) price rise for such products as well.

Oji Paper (Jiangsu) followed by terminating price discounts to distributors, which was interpreted as a price increase no less than RMB100/tonne (US\$16.13/tonne) in the market.

In upper Eastern China's Shandong Province, Chenming Paper and Sun Paper also told their customers of plans to raise price in

January 2013.

So far, market showed reasonable acceptance to the price increases, given the fact that most producers had been struggling to breakeven since July. However, more market observers would believe that price could not rise too much and could only last till the end of the 1st Quarter.

Fully Coated Freesheet Price Watch - 2013				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
APP Jindong Grade A	Jiangsu	5,550	5,500	0.9%
APP Jindong Grade A2	Jiangsu	5,450	5,400	0.9%
Stora-Enso (Suzhou)	Jiangsu	5,550	5,550	0.0%
Sun Paper	Shandong	5,500	5,500	0.0%
Dawoo (Mudanjiang)	Heilongjiang	5,500	5,350	2.8%
Chenming Paper	Shandong	5,000	4,900	2.0%
Trailin Paper	Shandong	5,000	4,950	1.0%

Note: For reference only. Price varies in transaction.

Also, some market observers would question APP's strategy to reduce production of low-end products to boost demand for mid-to-high end products. While sale price going up, orders could fall as cost reduction is also a top priority of the consumers.

Imports & Exports. China imported 17,643/tonne of fully coated paper in November 2012, -6% from October. From January to November 2012, shipment arrivals totaled 252,000/tonne, -10% from that of 2011, according to China Customs. South Korea remained as the top supplying origin, accounting for 21.7% of China's overall coated freesheet imports in the eleven months. This was followed by USA (19.3%), Taiwan (13.5%), Japan (12.1%) and Germany (6.1%).

In November 2012, China exported 132,704/tonne of fully coated paper in November, +13% from October. From January to November, Chinese shipment to overseas markets came close to 1.60 million/tonne, +15% from the corresponding period of 2011. The top-5 destinations were Japan, accounting for 23.9% in China's overall coated paper exports in the period, followed by India (6.8%), Hong Kong (6%), Thailand (4.5%) and Brazil (4.3%).

Lightweight Paper market hitch-hiked the revival of the fully coated paper market and price stopped from further erosion in December.

Survey to mainstream printers in upper and eastern China showed holiday printing increased demand for coated lightweight paper by as much as 10%, which was rare in the past few quarters.

In an effort to build customer relationship, Chenming Paper assured its key accounts of the company's intention to keep LWC price steady. The move was appreciated by the customers and helped reduce speculative deals in the market.

Long term, however, China's LWC producers have to worry about the aggressive growth of electronic media, which has rapidly encroached on subscription and advertising business once dominated by traditional hard copy magazines. And short term, the price of LWC will not go up very much and can drop quickly once fully coated and uncoated paper market weakens.

Lightweight Coated/Uncoated Paper* Price Watch - 2013				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
Chenming Paper				
Coated (56-60gsm.)	Jiangxi	5,550	5,550	0.0%
Uncoated (60gsm)	Jiangxi	5,500	5,530	-0.5%
Uncoated (60gsm)	Wuhan	5,500	5,520	-0.4%
Yueyang Paper				
Coated (56-60gsm.)	Hunan	5,550	5,550	0.0%
Uncoated (60gsm)	Hunan	5,500	5,530	-0.5%
Huatai Paper				
Uncoated (60gsm)	Shandong	5,500	5,520	-0.4%

*Note: For reference only. Price varies in transaction. *Low-end/mixed fiber based.*

Imports & Exports. In November, China's LWC imports tumbled. According to China Customs, only 780/tonne were shipped into the country, -40.91% from October and -63.78% from a year ago. However, imports in the first eleven months of 2012 reached 24,710/tonne, +22.74% from the same period of 2011.

China's LWC exports also suffered in November. Shipment to overseas markets fell to 2,430/tonne, -8.99% from October and -79.43% from 12 months ago. From January

to November, exports to overseas reduced to 52,870/tonne, -36.97% from that of 2011.

Offset Printing Paper market remained flat, contrary to the revival in fully coated paper market.

Initiating a RMB100/tonne (US\$16.13/tonne) price increase for virgin wood fiber based offset paper at the start of December, APP Goldhuasheng was only able to hit half of the target and stayed alone in the market without immediate rallies from other mainstream producers. The good news was that Sun Paper would go for a price increase for its fully coated paper, which could also lift up the price of its offset printing paper. With more than one tier-one producers heading for price increases in the market, UPM (China) may likely join the price hike.

Market for mid-end offset paper may be misled by the transitional products from PM#3 of APP Goldeast. Though low in price, the product was not ideal for mid-end market overtime.

Market for low-end grades, once under the pressure of price erosion as a result of the change into cash payment terms by mid-to-small producers in Henan, central China, seemed to regain strength and producers stood firm on their prices since late November. Market observers believe a new round of price increase may take place soon when more and large producers join in to seek price changes.

At end-December, inventories at most mainstream producers and distributors stayed around 30 days of supply, relatively steady from the previous month. [\(Continue on Page 9...\)](#)

Uncoated Offset Printing Paper Price Watch - 2013				
(In RMB/MT)	Origin	Early Jan.	Early Dec.	Change%
UPM (Changshu)	Jiangsu	6,400	6,400	0.0%
APP Gold Huasheng	Jiangsu	6,500	6,450	0.8%
Sun Paper	Shandong	6,400	6,400	0.0%
Chenming Paper	Shandong	5,800	5,800	0.0%
Tralin Paper	Shandong	5,500	5,500	0.0%
Yin-Ge Paper	Henan	5,400	5,300	1.9%

Note: For reference only. Price varies in transaction.

IV. Market Pulp

Global market pulp demand did not turn extra strong. Efforts of North American and European buyers to build stocks for the holidays were offset by further decrease of orders from China.

Reports from PPPC said global market pulp shipment reached 3.72 million/tonne in November, +3.7% from October and +4.9% from a year ago. From January to November, shipment totaled 39.71 million/tonne, +3% from that of 2011. Producer inventories fell to 32 days, down 1 day from October and 7 days from 12 months ago.

In North America, mainstream producers announced a US\$30/tonne price rise for BSK effective from January 2013. After the rise, list price of NBSK will hit US\$900/tonne and SBSK price will top US\$860/tonne. This will also help NBHK price to reach US\$795/tonne,

(...Printing & Writing Paper from Page 8) **Imports & Exports.** China Customs said the country's offset paper imports in November stood the same from October at 16,140/tonne. However, imports in the first eleven months of 2012 fell to 252,000/tonne, -8.9% from the corresponding period of 2011. The top-5 supplying origins were Indonesia (51.4%), Japan (11.9%), Taiwan (11.1%), Thailand (4.2%) and USA (3.9%).

On the other hand, China shipped 95,259/tonne of offset paper to overseas destination in November, +22% from October. From January to November, China's offset paper exports totaled 793,000/tonne, +17.2% from the same period of 2011. Japan stayed at the top of the 5 largest markets, accounting for 12.8% in China's overall offset paper exports in the period. This was followed by Australia (9.4%), Hong Kong (7.8%), Iran (6.3%) and USA (5.9%). [\(Return to Page 1\)](#)

SBHK price to US\$785/tonne and eucalyptus pulp price to US\$850/tonne. Market observers were skeptical of the success of the price increases in view of the 4% decline of North American printing and writing paper shipment in November.

European NBSK producers, though unable to achieve the targeted US\$30/tonne price increase, were making progress in sales price in December and aimed at US\$840/tonne for NBSK and US\$800/tonne for eucalyptus pulp in January 2013.

Reports from EUROPULP showed market pulp consumption was 960,382/tonne in November, -4.9% from October and consumer inventories rose +3.5% from October to 634,497/tonne in November. Stocks at European ports fell to 920,856/tonne, -6.1% from October and -34.2% from a year ago.

China Mainland Market. China's market remained inactive toward the last day of 2012, following significant reduction in order volume from both mill buyers and traders from November. The uncertainties in the China market also cautioned offshore market pulp suppliers to exclude China for a US\$20-30/tonne price increase for BSK. What surprised the market was the announcement by mainstream South American eucalyptus pulp producers to add US\$30/tonne to their price for China effective from January 2013. And the announcement also triggered a US\$20/tonne price rise for China from Canadian BHK producers. Undoubtedly, the move will encounter stronger resistance from Chinese buyers and more market observers believe chances of price increase is minimal.

Both analysts and mill operators in China argue that the country's paper market, with printing and writing paper in particular, is struggling and more mills are suffering from tight cash flows. Except a few large companies, such as Chenming Paper and Huatai Paper,

who are able to float bonds in the market to raise funds to replenish fiber stocks, many others will have to take massive maintenance downtime in the first two months of 2013, as part of the industry efforts to deal with the prolonged market downturns.

Production & Consumption. Preliminary reports from China Paper Association (CPA) showed China's paper-grade pulp production grew +1.6% from 2011 to 78.50 million/tonne in 2012. Consumption rose +3.4% from 2011 to 93.40 million/tonne in 2012.

Analysts believe among the total pulp production, about 13% comes from wood fiber, 70% from recycled and the balance from non-wood fiber.

Contract business. Until end-December, offshore BHK and eucalyptus pulp suppliers were still firm for a US\$30/tonne price increase for January. If fully implemented, price of eucalyptus pulp from South America will exceed NBSK from North America by US\$20/tonne, which is rare in history in the China market.

For NBSK, offers from Canada remained unchanged from December at US\$680/tonne, CFR CMP for prime grades and US\$660/tonne, CFR CMP for regular grades for January 2013. Price of NBSK from Russia also stayed the same as the previous month at US\$650/tonne, CFR CMP by rail. SBSK offers from Chile remained at US\$640/tonne, CFR CMP.

Market was waiting for January offers of chemi-mechanical pulp. But observers could not see reasons for any price increases for January as Canadian suppliers had to sweeten their offer of US\$550/tonne, CFR CMP with a US\$10/tonne discount for December.

Contract business for UKP appeared calm as offers from Chile remained at US\$580/tonne, CFR CMP. Those from Russia and Japan also stayed steady at the US\$555-570/tonne range.

Spot market. Contrary to rising shipment arrivals, Chinese mill buyers and traders were reluctant to build stocks. This caused the market to dip and will remain inactive until after the Chinese New Year.

For NBSK from most suppliers, there was a general drop of RMB50/tonne (US\$8.06/tonne), except shipment from Russia which lost RMB100/tonne (US\$16.13/tonne).

Spot price of BHK also gave up RMB50/tonne (US\$8.06/tonne) for January transaction. But chemi-mechanical pulp was not as fortunate as list price had to go down as much as RMB100/tonne (US\$16.13/tonne).

Inactive performance in containerboard market reduced interest in UKP. And this was furthered by the growth in shipment arrivals. Spot price thus lost another RMB100/tonne (US\$16.13/tonne) from the previous month for shipment from all sources.

China Market Pulp Price Watch - 2013					
Brand Name	Type	Origin	Early Jan.	Early Dec.	Change %
Northwood	NBSK	Canada	4,700	4,750	-1.05%
Cariboo	NBSK	Canada	4,600	4,650	-1.08%
Silver Star	SBSK	Chile	4,550	4,600	-1.09%
Usk	NBSK	Russia	4,500	4,600	-2.17%
Butterfly	BHK	Brazil	4,650	4,700	-1.06%
Little Leaf	BHK	Indonesia	4,450	4,550	-2.20%
Gold Star	UKP	Chile	4,350	4,450	-2.25%
Winstone 75	CMP	New Zealand	4,000	4,100	-2.44%
West Fraser	CMP	Canada	4,000	4,100	-2.44%

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

China's domestic producers suffered from the general declines in the spot market. Mainstream bamboo pulp mills in Southwest China had to stop running. For mills in other parts of China, operating rate had to be geared down in order to keep list price steady from the previous month. For example, Lee&man (Chongqing) continued to quote its bamboo pulp at RMB4,700/tonne (US\$758.06/tonne) and Yuen Foong Yu Paper (Sichuan) held its bamboo pulp also at RMB4,700/tonne (US\$758.06/tonne) at delivered terms.

Surveys to mainstream BSK and BHK mills in China showed most were able to stay in

normal runs in December, except Heda Pulp & Paper and Yuejing Pulp in Guangxi, Southern China. APRIL's Pulp mill in upper Eastern China's Shandong Province took a 2 day downtime in December. Thanks to active orders, mill inventories remained low and price stayed at RMB4,600-4,650/tonne (US\$741.94-750/tonne) at delivered and 90 day payment terms.

Market for Chinese produced chemi-mechanical pulp slipped as price of products from APP's mill in Guangxi, Southern China fell to RMB4,000/tonne (US\$645.16/tonne), FOB Port. Still, buyers were not interested as price of imported chemi-mechanical pulp fell as low. APP will reduce sales of chemi-mechanical pulp to the open market when their 1.20 million/mpty coated SBS board mill starts up.

Nine Dragons (Xing-An) had to lower price by RMB100/tonne (US\$16.13/tonne) of its UKP to RMB4,100-4,150/tonne (US\$661.29-669.35/tonne) to keep sales and shipment.

Imports. In spite of the general slowdown in China's economy, China's market pulp imports reached a new height. From January to November, imports came close to 15 million/tonne, +15.5% from the same period of 2011! In which, 13.48 million/tonne were paper-grade pulp (+13.8%). In November, however, the growth momentum seemed to have waned as shipment arrivals of paper-grade market pulp only grew slightly by +1.8% from October to 1.26 million/tonne. Still, this was +7.4% from a year ago.

China's UKP imports in November rose to 61,130/tonne, +20.8% from October and +59.8% from November 2011.

For BSK, shipment arrivals in November totaled 565,680/tonne, +3.7% from October and +12.8% from 12 months ago.

BHK imports in November also rose +2.5% from October to 542,690/tonne. This was also

a +2.9% increase from a year ago.

However, the country's chemi-mechanical pulp imports fell to 93,450/tonne in November, -18.9% from October and -8.3% from 12 months ago. [\(Return to Page 1\)](#)

V. Recovered Paper

US recovered paper market suffered in the last month of 2012 and price of all export grades fell the most in two months. The announced strikes in 15 eastern US ports at end-December caused the ocean carriers to charge as much as US\$1,000 per container as port congestion.

Data from AF&PA showed US domestic consumption of recovered paper fell to 2.36 million/ton in November, -5% from October. From January to November, consumption was down -4% from the same period of 2011.

At end-December, US domestic sales price of OCC fell to US\$90-95/ton FOB New York and US\$115-125/ton FOB Los Angeles. For export, price lost US\$15/ton to move at US\$150-152/ton, FAS East Coast and US\$163-173/ton, FAS West Coast.

Market for ONP also slipped, though moderately due to less generation. For domestic sales, price gained US\$5/ton to US\$60-65/ton, FOB New York. However, it lost US\$10/ton to move at US\$95-105/ton FOB Long Beach. For export, price gave up US\$8-10/ton to close at US\$115-134/ton, FAS East Coast and US\$132-140/ton, FAS West Coast.

Significant declines in export orders brought the greatest sufferings to sorted mixed paper. While price for domestic sales down US\$20/ton to close at US\$75-85/ton FOB Oakland, export price also tumbled US\$20-25/ton and exporters had to move materials at US\$80-90/ton FAS East Coast and US\$100-105/ton FAS West Coast.

Market for high de-inking grades also softened and price lost US\$15/ton in some regions.

China Mainland Market. Mainstream paper and paperboard mills in China had to act more cautiously in fiber sourcing in the last month of 2012, under sleepy demand of finished products. Market stayed abnormally quiet for two straight weeks from mid-December. The good news was the announcement by the government of the first group of approved importers for 2013 imports of recovered paper and their volume allocation. According to the announcement, 160 importers, mostly paper and board mills, are entitled to import up to 30.45 million/tonne of recovered paper – other than sorted mixed paper – in 2013 and 77 importers are eligible to import 6.04 million/tonne of sorted mixed paper and other restricted scrap paper. As usual, there will be additional approvals on importers and allocation on volume in the latter part of the 1st Quarter. This will pave the way for consistent sourcing from Chinese buyers in 2013.

However, flat market in finished paper and board products resulted in high fiber stocks at mid-to-small mills, unlike large mills who were able to bring stocks to a relatively low level. Lee&man (Hongmei) in Dongguan, Southern China, for example, was able to trim fiber stocks to 18 days of consumption. And Huatai Paper – the industry leader in newsprint production – was also able to reduce ONP stocks to 20 days of consumption. Market observers believe while mid-to-small mills waiting for volume allocation from the government and battling for better sales so as to eventually reduce fiber stocks, large players will return to the market for recovered paper prior to the start of the Chinese New Year.

Market for OCC and Sorted Mixed Paper

ex USA tumbled in the first two weeks of December and recovered some of the lost grounds prior to the end of the year. ONP only dipped slightly, thanks to less offers from the USA.

At end-December, OCC price was down US\$10-11/tonne from end-November and down US\$23-24/tonne from a year ago in the China market.

For ONP, price dipped US\$3-5/tonne from the previous month and US\$8-9/tonne from December 2011. Market for OMG followed. Price lost US\$6-8/tonne from 30 days ago and US\$22-24/tonne from a year ago.

Sorted mixed paper was most unfortunate as price tumbled US\$14-15/tonne in December. This was also off by US\$15-16/tonne from 12 months ago.

Negatively impacted by bulk grades, market for high de-inking and pulp substitutes declined. At end-December, price of #37 SOP lost US\$4-6/tonne from the previous month. Yet, this was still up US\$6-7/tonne from a year ago. Price of #40 SWL also gave up US\$3-4/tonne from end-November, but gained US\$6-7/tonne from that of 2011.

China Waste Paper Price Watch - 2013			
(In US\$/mt, CIF CMP)			
Grade	Early Jan.	Early Dec.	Change%
Sorted Mixed (USA, Soft)	159	175	-9.14%
Sorted Mixed (USA, Hard)	158	174	-9.20%
Sorted Mixed (Japan)	202	209	-3.35%
Sorted Mixed (Europe A2)	145	165	-12.12%
#8 ONP (USA)	185	186	-0.54%
ONP (Europe 80/20)	181	182	-0.55%
ONP (Japan)	210	225	-6.67%
#9 ONP (USA)	220	225	-2.22%
#10 OMG (USA)	215	221	-2.71%
#11 OCC (USA)	204	215	-5.12%
OCC (Europe 90/10)	185	194	-4.64%
OCC (Japan)	210	210	0.00%
#37SOP (USA)*	245	250	-2.00%
#40 SWL (USA)	341	343	-0.58%

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

Price of Recovered paper ex Europe performed no differently than its American counterparts. At the last week of December, sorted mixed paper from continental Europe

was listed US\$18-20/tonne down from 30 days ago in the China market, which was also down US\$22-24/tonne from 12 months ago.

For OCC (A5 90/10), list price was down US\$8-9/tonne from the previous month and from a year ago as well.

European ONP (80/20) dipped slightly by US\$2-3/tonne from end-November and down US\$9-10/tonne from 12 months ago.

Recovered paper ex Japan performed less unsteadily in the China market in December. The tiny drop in price of sorted mixed paper ex Japan was really amazing in view of the dramatic price declines of materials from USA and Europe.

However, price of Japanese ONP and OCC suffered major losses in the China market. At the last week of December, list price of ONP ex Japan was down US\$14-16/tonne from end-November and US\$33-34/tonne from a year ago. OCC ex Japan also lost US\$18-19/tonne from end-November and US\$30-31/tonne from 12 months ago.

Market for China's domestic recovered paper responded to the two months declines in imported materials, with most price loss in locally generated OCC.

In Southern China, mainstream mill buyers, including Nine Dragons (Dongguan) and Lee&man (Hongmei) were able to lower their buying price for locally baled OCC 3 times in the month. At end-December, they were only paying RMB1,280-1,330/tonne (US\$206.45-214.52/tonne) for prime box plant cuttings and RMB1,100-1,150/tonne (US\$177.42-185.48/tonne) for regular OCC at delivered and cash payment terms.

Market for locally baled ONP also dipped, though much less than OCC. In December, mainstream mills in Guangdong, Southern China would pay RMB1,640-1,700/tonne (US\$264.52-274.19/tonne) for prime ONP with +80% newspaper yield and RMB1,500-

1,560/tonne (US\$241.94-251.61/tonne) for ONP with +50 newspaper yield at delivered and cash payment terms.

In Eastern China, market for locally baled OCC and ONP also dipped, though less significantly than Southern China.

After two price concessions, local balers would deliver their prime box plant cuttings to Nine Dragons (Taicang) at RMB1,280-1,320/tonne (US\$206.45-212.90/tonne) and regular OCC at RMB1,150-1,180/tonne (US\$185.48-190.32/tonne). Nearby, Lee&man (Changshu) lowered their buying price by RMB70/tonne (US\$11.29/tonne) and paid for prime box plant cuttings at RMB1,220-1,250/tonne (US\$196.77-201.61/tonne) at delivered and cash payment terms.

For locally baled ONP, mainstream buyers would lower their purchase price to RMB1,650-1,670/tonne (US\$266.13-269.35/tonne) for materials with +80% newspaper yield and RMB1,550-1,600/tonne (US\$250-258.06/tonne) for materials with +50% newspaper yield at delivered and cash payment terms.

Imports. To feed more recycled fiber based new capacity start-ups from 2011, China's recovered paper imports in 2012 will set a new record in history. In the first eleven months of 2012, shipment arrivals totaled 27.38 million/tonne, +11.8% from the corresponding period of 2011. According to China Customs, imports in November alone topped 2.57 million/tonne, +23.8% from October and +3.4% from a year ago.

OCC continued to lead in China's recovered paper imports. In November, shipment arrivals grew to 1.53 million/tonne, +22.7% from October and +6.3% from 12 months ago. Combined imports of ONP and OMG totaled 565,040/tonne in November, +43.5% from October, though -10.8% from 12 months ago. Sorted mixed paper imports

followed with the growth of +24.8% from October to 398,360/tonne in November. This was also a gain by +9.2% from a year ago.

In November, China imported 74,020/tonne of high de-inking waste and pulp substitutes, +22.8% from October and +60.2% from November 2011.

Market analysts cautioned, however, that the significant growth of China's recovered paper imports in November was partly the result of ocean carriers' slow-down of shipment in October to avoid arrivals during China's National Day and Moon Festival holidays. [\(Return to Page 1\)](#)

VI. Statistics

A. Packaging Paperboard

China's Linerboard Imports & Exports						
(In US\$000/000mt)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Exports						
Total Value	8,447.53	13,791.28	-38.75%	117,926.02	98,650.37	19.54%
Total Volume	8.19	5.76	42.13%	73.73	115.57	-36.20%
Key Destinations:						
Indonesia	1.88	1.09	71.96%	12.06	10.75	12.12%
VietNam	1.06	0.27	299.56%	6.62	3.94	67.82%
Iran	0.72	0.83	-12.84%	3.97	31.39	-87.35%
Imports						
Total Value	46,332.73	50,197.27	-7.70%	603,484.75	684,675.84	-11.86%
Total Volume	59.96	64.55	-7.11%	827.78	902.23	-8.25%
Key Origins:						
USA	19.90	20.82	-4.45%	283.67	374.41	-24.24%
Russia	14.00	10.99	27.40%	144.90	137.88	5.09%
Sweden	5.91	4.84	22.10%	61.90	49.02	26.28%
Source: China Customs Administration/Chinapaperonline						

China's Medium Imports & Exports						
(In US\$000/000mt)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Exports						
Total Value	9,088.47	6,074.94	49.61%	68,945.72	34,763.31	98.33%
Total Volume	5.33	5.91	-9.83%	57.09	56.05	1.86%
Key Destinations:						
USA	2.05	0.19	1002.75%	8.50	2.05	313.76%
Hongkong	0.83	1.54	-46.01%	12.09	13.10	-7.67%
Malaysia	0.37	0.02	2318.66%	0.51	2.77	-81.40%
Imports						
Total Value	4,361.01	7,294.67	-40.22%	60,874.73	66,754.08	-8.81%
Total Volume	9.83	16.77	-41.40%	132.68	146.13	-9.20%
Key Origins:						
Taiwan	5.42	4.64	16.72%	61.13	53.62	14.00%
Korea	1.58	0.02	9254.96%	9.09	11.62	-21.73%
Spain	1.48	2.09	-29.00%	12.78	11.69	9.28%
Source: China Customs Administration/Chinapaperonline						

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China's Coated SBS Board Imports & Exports						
(In US\$000/000 mt)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Exports						
Total Value	61.62	62,125.09	-99.90%	817,958.72	975,500.06	-16.15%
Total Volume	69.97	64.13	9.12%	955.15	1,064.72	-10.29%
Key destinations:						
USA	6.87	3.54	94.04%	75.43	46.39	62.61%
Taiwan	6.63	3.99	66.00%	58.74	57.86	1.52%
Turkey	5.17	3.06	69.25%	59.56	72.32	-17.65%
Imports						
Total Value	69,411.23	74,375.76	-6.67%	801,286.74	831,231.94	-3.60%
Total Volume	60.44	67.14	-9.97%	710.23	778.52	-8.77%
Key origins:						
Sweden	23.96	19.54	22.61%	252.10	247.94	1.68%
USA	10.76	13.49	-20.26%	132.37	139.76	-5.29%
South Korea	6.43	5.88	9.26%	84.18	94.87	-11.27%
Source: China Customs Administration/Chinapaperonline						

B. Market Pulp

China's Mechanical Pulp Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	103.39	4,204.15	-97.54%	5,689.29	31,017.75	-81.66%
Total Volume	0.18	7.21	-97.50%	10.55	55.46	-80.98%
Key origins:						
Germany	0.18	0.11	62.11%	1.70	1.43	18.84%
Source: China Customs Administration/Chinapaperonline						

China's Chemimechanical Pulp Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	49,415.90	56,850.95	-13.08%	696,407.51	670,276.17	3.90%
Total Volume	93.45	101.93	-8.32%	1,287.86	1,231.32	4.59%
Key origins:						
Canada	85.14	86.31	-1.35%	1,038.11	1,030.18	0.77%
Finland	2.56	0.28	813.54%	53.12	16.07	230.63%
New Zealand	2.41	7.48	-67.82%	104.81	97.15	7.89%
Source: China Customs Administration/Chinapaperonline						

China's Unbleached Kraft Pulp Imports						
(In US\$000/MT000)	Nov/12	Nov/11	Change%	YTD 2012	YTD 2011	Change%
Total Value	32,149.84	25,322.33	26.96%	338,001.02	361,170.39	-6.42%
Total Volume	61.13	38.25	59.82%	608.83	526.95	15.54%
Key origins:						
Chile	24.49	3.01	712.68%	147.40	108.93	35.32%
Russia	18.55	17.63	5.23%	181.55	172.66	5.15%
Japan	6.63	6.05	9.43%	96.12	105.94	-9.27%
Source: China Customs Administration/Chinapaperonline						

China's Bleached Softwood Kraft Pulp Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	356,184.67	399,862.98	-10.92%	4,008,259.00	4,521,012.03	-11.34%
Total Volume	565.68	501.54	12.79%	6,063.10	5,323.14	13.90%
Key origins:						
Canada	152.64	169.76	-10.08%	2104.91	2082.49	1.08%
USA	124.00	117.73	5.33%	1069.58	863.02	23.93%
Chile	98.72	54.06	82.62%	1000.82	745.08	34.32%
Source: China Customs Administration/Chinapaperonline						

China's Bleached Hardwood Pulp Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	325,295.86	345,010.94	-5.71%	3,250,533.08	3,261,915.38	-0.35%
Total Volume	542.69	527.33	2.91%	5,509.36	4,707.81	17.03%
Key origins:						
Brazil	233.28	241.31	-3.33%	2043.13	1645.57	24.16%
Indonesia	167.75	95.89	74.94%	1453.83	1206.01	20.55%
USA	34.01	46.43	-26.74%	423.70	340.32	24.50%
Source: China Customs Administration/Chinapaperonline						

C. Recovered Paper

China's OCC Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	300,660.60	376,066.97	-20.05%	3,388,271.37	3,658,210.19	-7.38%
Total Volume	1,532.93	1,442.07	6.30%	15,687.02	13,922.75	12.67%
Key origins:						
USA	701.75	623.51	12.55%	6,856.72	6,180.51	10.94%
Japan	186.55	112.05	66.49%	1,710.54	1,389.40	23.11%
UK	165.94	169.12	-1.88%	1,076.72	1,120.32	-3.89%
Source: China Customs Administration/Chinapaperonline						

China's ONP Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	98,314.51	165,798.04	-40.70%	1,270,295.28	1,496,458.62	-15.11%
Total Volume	565.04	633.26	-10.77%	6,230.05	5,880.40	5.95%
Key origins:						
USA	343.62	338.42	1.54%	3,406.91	3,182.23	7.06%
Japan	50.54	40.86	23.68%	536.76	542.40	-1.04%
Canada	49.33	54.74	-9.88%	592.88	492.82	20.30%
Source: China Customs Administration/Chinapaperonline						

China Pulp & Paper Report

China's Sorted Mixed Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	63,170.80	88,254.74	-28.42%	882,711.88	954,455.52	-7.52%
Total Volume	398.36	364.94	9.16%	4,703.02	4,050.70	16.10%
Key origins:						
USA	144.05	101.11	42.46%	1,288.84	1,076.73	19.70%
Japan	78.66	76.48	2.86%	1,063.95	997.27	6.69%
UK	61.15	40.87	49.61%	736.78	518.25	42.17%
Source: China Customs Administration/Chinapaperonline						

China's De-inking Imports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	18,557.69	13,913.12	33.38%	194,882.85	202,229.29	-3.63%
Total Volume	74.02	46.26	60.02%	761.99	633.89	20.21%
Key origins:						
USA	26.18	13.52	93.64%	261.18	182.27	43.29%
Japan	17.22	9.38	83.59%	158.21	153.31	3.20%
Australia	10.19	3.49	191.98%	72.28	62.81	15.07%
Source: China Customs Administration/Chinapaperonline						

D. Printing & Writing Paper

China's Uncoated Printing & Writing Paper Exports						
(In US\$000/MT000)	Nov-12	Nov-11	Change%	YTD 2012	YTD 2011	Change%
Total Value	99,444.95	77,094.73	28.99%	867,941.74	758,560.30	14.42%
Total Volume	104.94	57.11	83.75%	890.67	751.77	18.48%
Key destinations:						
Japan	11.49	13.17	-12.80%	138.21	112.14	23.25%
USA	11.13	2.42	360.01%	52.30	31.00	68.69%
Iran	9.25	1.19	676.89%	52.37	30.40	72.29%
Source: China Customs Administration/Chinapaperonline						

China's Fully Coated Paper Imports & Exports						
(In US\$000/000 mt)	Nov/12	Nov/11	Change%	YTD2012	YTD2011	Change%
Exports						
Total Value	122,830.05	133,667.47	-8.11%	1,312,019.60	1,177,212.52	11.45%
Total Volume	132.70	135.09	-1.77%	1,373.55	1,252.14	9.70%
Key destinations:						
Japan	27.61	49.65	-44.39%	347.47	310.72	11.83%
India	12.20	9.33	30.81%	84.74	116.99	-27.56%
Hongkong	8.35	8.40	-0.56%	91.77	90.73	1.14%
Imports						
Total Value	27,691.97	27,050.79	2.37%	311,394.91	329,943.27	-5.62%
Total Volume	22.89	21.79	5.05%	262.07	280.25	-6.49%
Key origins:						
Taiwan	4.65	3.34	39.07%	35.00	33.16	5.55%
Korea	4.03	2.96	36.34%	58.49	50.85	15.03%
USA	3.56	5.04	-29.39%	46.03	40.63	13.29%
Source: China Customs Administration/Chinapaperonline						

China's Lightweight Coated Paper Imports & Exports						
(In US\$000/000 mt)	Nov-12	Nov-11	Change%	YTD2012	YTD2011	Change%
Exports						
Total Value	2,074.29	10,131.19	-79.53%	45,991.59	69,970.11	-34.27%
Total Volume	2.43	11.80	-79.43%	52.87	83.88	-36.97%
Key destinations:						
Japan	1.86	10.17	-81.67%	43.64	40.00	9.11%
Hongkong	0.06	0.17	-66.10%	1.81	5.37	-66.29%
Thailand	0.01	0.23	-97.79%	0.71	2.34	-69.51%
Imports						
Total Value	641.06	1,874.37	-65.80%	20,016.95	16,562.63	20.86%
Total Volume	0.78	2.15	-63.78%	24.71	20.14	22.74%
Key origins:						
Finland	0.24	0.63	-61.98%	4.43	5.30	-16.37%
Germany	0.22	0.62	-63.79%	11.84	5.05	134.41%
Japan	0.09	0.22	-57.11%	4.14	3.36	23.11%
Source: China Customs Administration/Chinapaperonline						

E. Newsprint

China's Newsprint Imports/Exports						
(In US\$000/000mt)	Nov-12	Nov-11	Change%	YTD2012	YTD2011	Change%
Exports						
Total Value	692.35	2,138.49	-67.62%	6,710.56	14,532.65	-53.82%
Total Volume	0.23	0.32	-26.79%	3.81	15.78	-75.83%
Destination						
Hongkong	0.06	0.03	137.34%	0.45	8.19	-94.51%
Germany	0.02	0.00	N.A	0.03	0.006041	409.02%
Brazil	0.01	0.00	N.A	0.02	0.000000	N.A
Imports						
Total Value	5,097.23	1,181.14	331.55%	75,439.08	8,136.91	827.12%
Total Volume	8.40	1.80	367.86%	120.49	12.41	871.02%
Origin						
South Korea	4.84	0.00	N.A	87.43	1.52	5634.85%
Canada	1.83	0.25	623.01%	12.30	2.27	442.30%
USA	0.58	1.52	-62.05%	5.42	7.50	-27.69%
Source: China Customs Administration/Chinapaperonline/ Im. Price: In US\$						

A Note From The Editors

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