Timber Regulation Enforcement Exchange
China’s Papermaking Fiber Resources

Import /Export Analysis
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Overview

• This presentation updates a 2014 Forest Trends report looking at the environmental aspects of China’s papermaking fiber supply

• Covered import data up to 2012

• Concluded that China’s use of waste paper in 2012 alone was equivalent to the use of up to 85.5 million tonnes of green timber
Overview

• Also concluded that 11% of virgin fiber used in 2012 came from questionable source countries (Russia and Indonesia)
• Equivalent to 4% of total fiber usage
Trends since 2012

• China’s production of pulp and paper has ended its phase of rapid growth
• Asian paper demand increasing by 5% p.a. – packaging, hygiene and tissues are drivers
• China is no longer the low cost producer in SE Asia – Viet Nam has a lower cost structure and has targeted the paper sector as strategic
Trends since 2012

• China is taking more aggressive steps to curb pollution and reduce industrial water use – state mandated closures of old mills

• In 2013, 6.21 million tonnes of capacity closed by government order; perhaps up to 1.7 million tonnes closed in 2015

• Much of this capacity used non-wood fiber sources
China’s Imported Papermaking Fiber Resources (2002-2016)
China’s Imports of Wastepaper by Grade (2012-2016)
China’s Wastepaper Imports by Country (2002-2016)
China’s Pulp Imports (2002-2016)
China’s Imports of Hardwood Pulpwood by Country (2002-2016)
Transparency Ratings

- Finland
- Canada
- US
- Chile
- Brazil
- China
- Indonesia
- Russia

Years: 2012 to 2016
Conclusions

• Imports of pulp and hardwood pulpwood have both increased since 2012
• Russia and Indonesia provided 6.5% of imported fiber supply in 2016 vs 6.2% in 2012
• Brazil may have become a questionable source since 2012 – rates of illegal deforestation have started to increase in 2015 & 2016
• If Brazil is considered questionable, then up to 14.5% of China’s 2016 imported fiber supply is of questionable legality