



Pulp empire?

How China is rewriting
the rules of the industry, again...

AIAC Spring Event Milano 2026

AFRY Management Consulting
a presentation by Mr João Cordeiro



Pulp Empire?

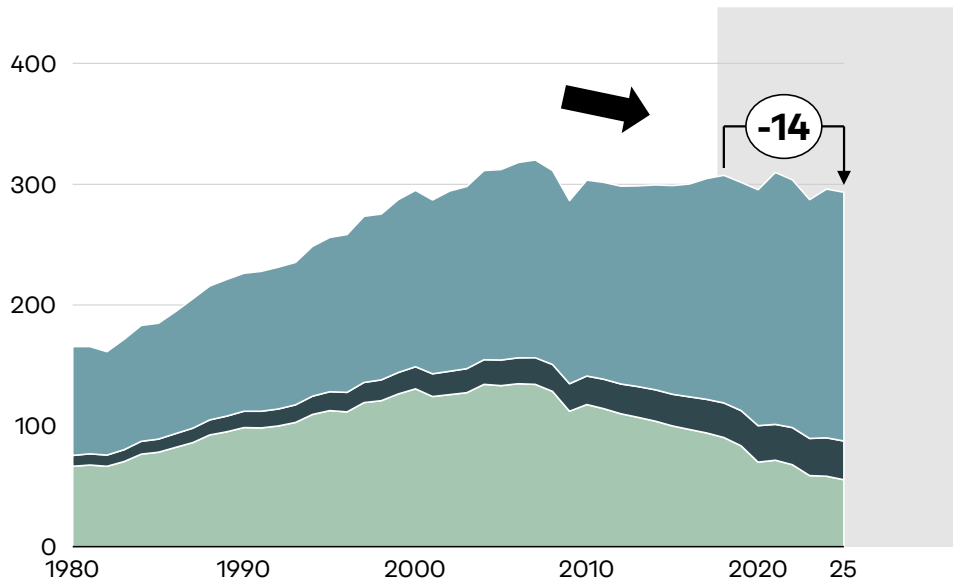
01. Pulp made in China?

02. Is there wood in China?

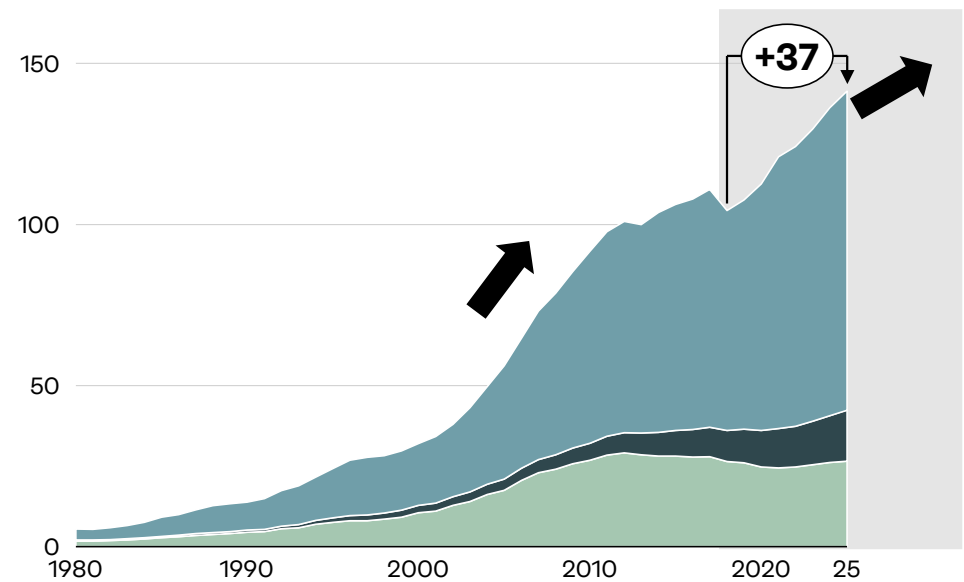
03. What are the consequences?

China has been key for the entire global paper & board industry for decades. But this latest expansion is somewhat different...

World paper & board production Ex China, million tons



Paper & board production in China, million tons

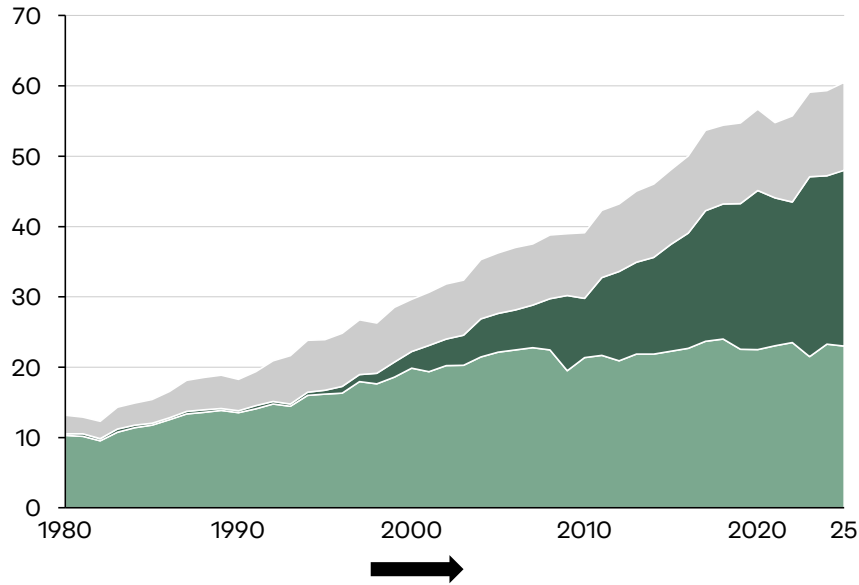


■ Packaging & Other
 ■ Tissue
 ■ Graphic

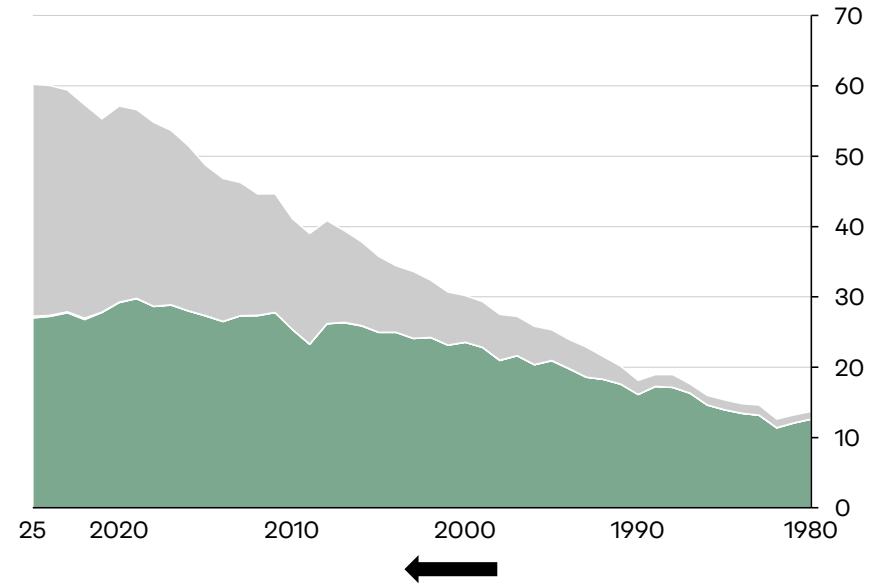
Global market pulp relies on China as the main demand growth engine

All major pulp exporters from South America, Europe and North America have benefited from Chinese imported fibre demand during the last 30 years

Global bleached kraft pulp Imports by region, million tons



Global bleached kraft pulp Exports by region, million tons

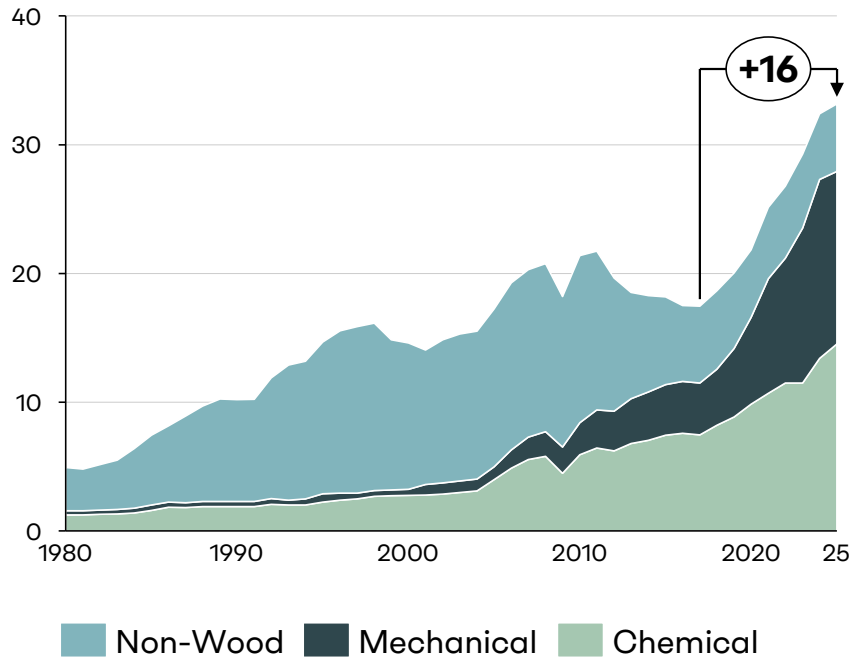


West China Other

West = Europe, North America, Oceania and Japan

Chinese domestic pulp production has expanded quickly for some years already and the appetite exists for more...

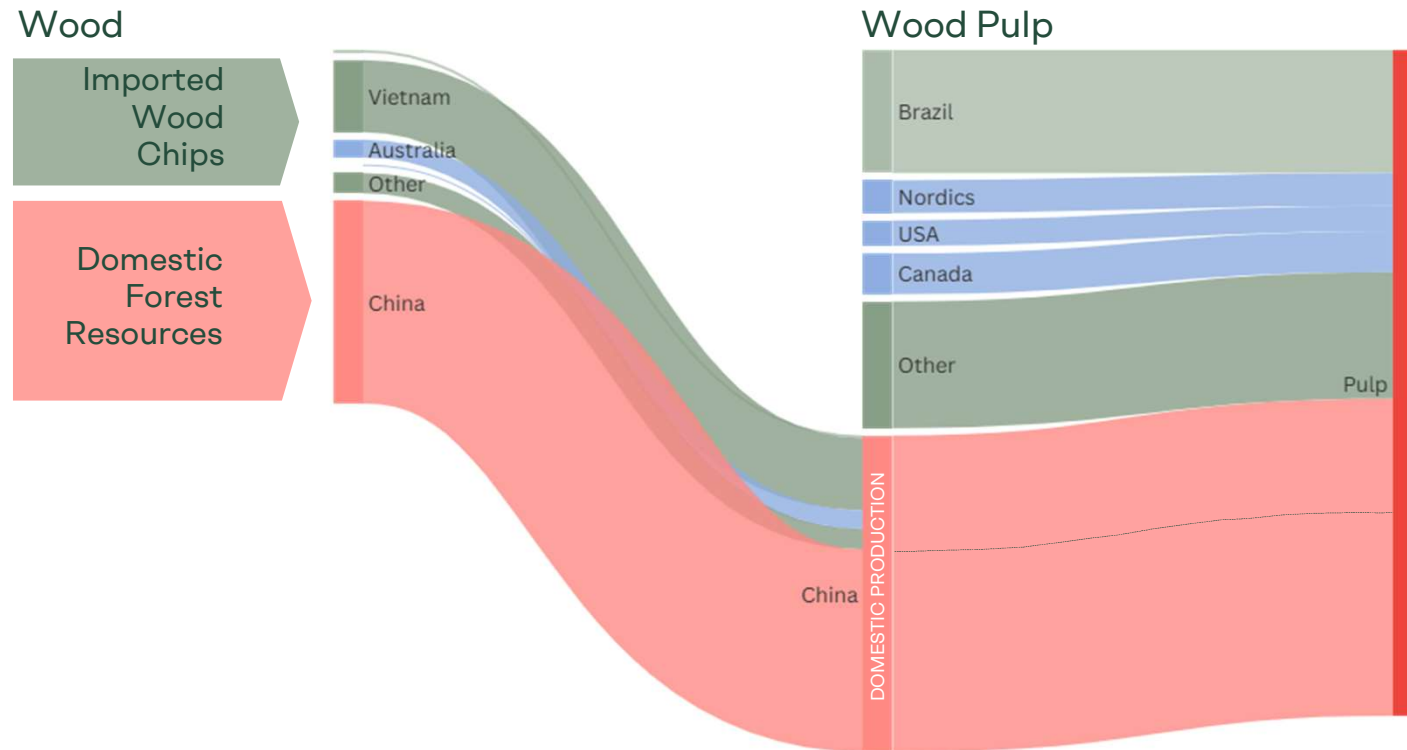
China virgin pulp production, million tons



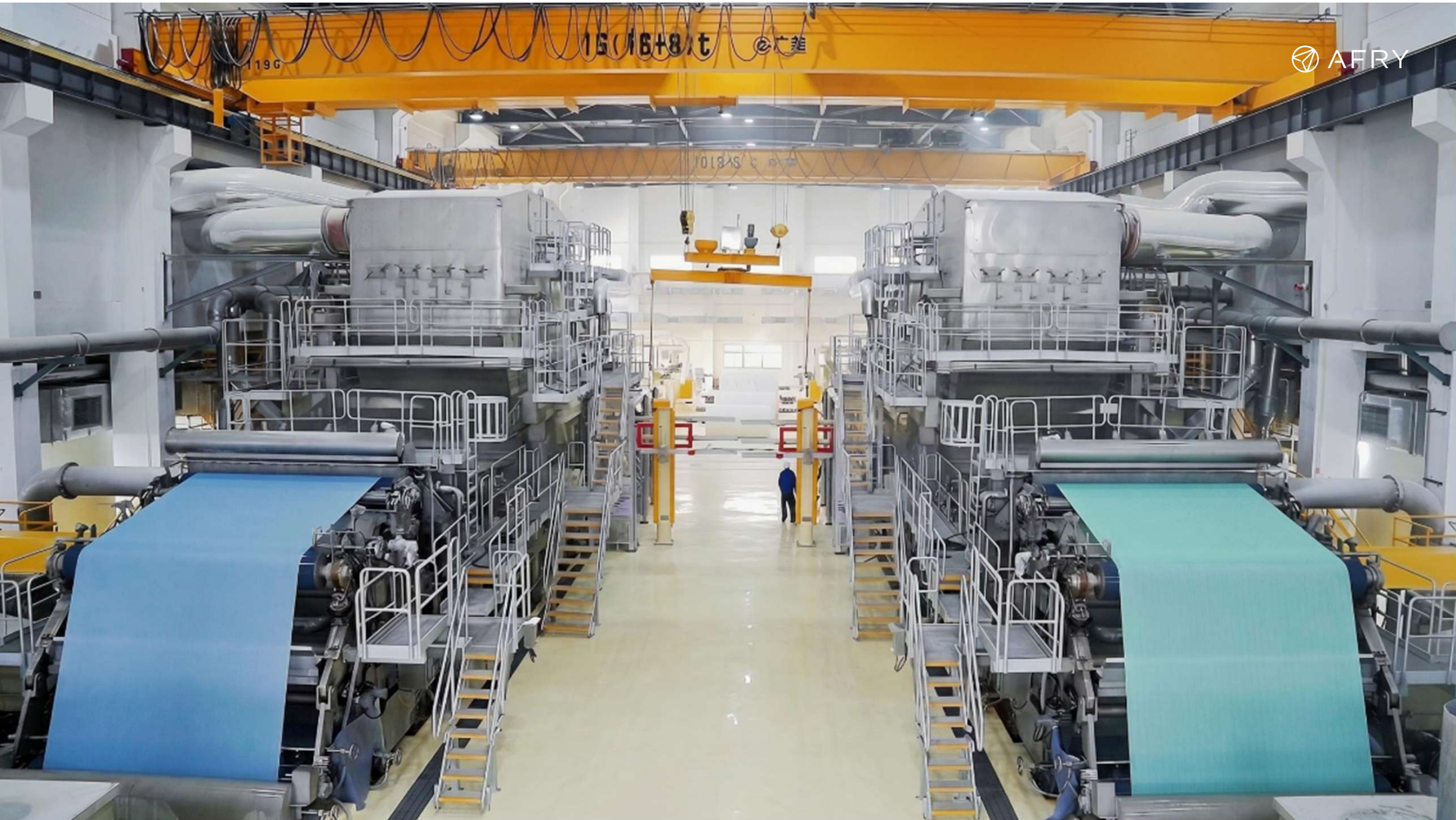
Multiple fibre solutions, mostly integrated

- Quick expansion of integrated mechanical pulp production supporting packaging grades since 2010's
- Rapid expansion of kraft pulp mills since 2015 linked to integrated tissue, specialties and packaging grades, even graphic papers
- Aged non-wood pulp mills were replaced by wood-based in the early stages, but now a rebirth of modern bamboo-based pulps is observed

The share of domestic pulp production is increasing rapidly, reducing import pressure for pulp and increasing dependence on wood







Pulp Empire?

01. Pulp made in China?

02. Is there wood in China?

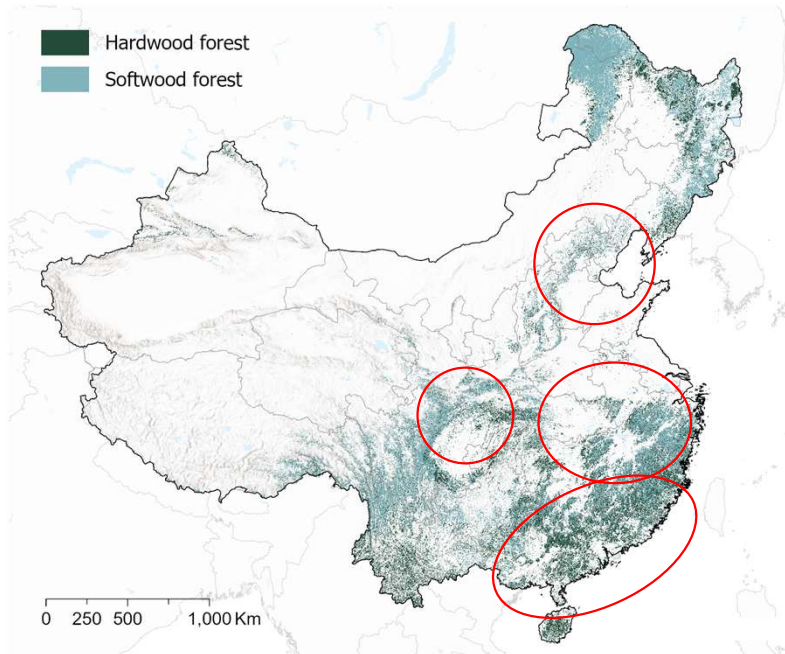
03. What are the consequences?



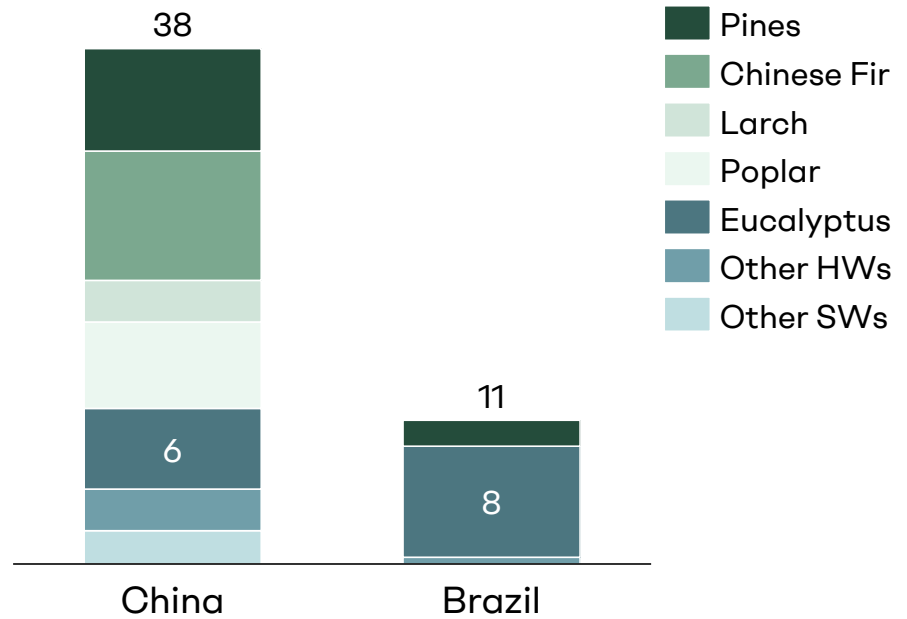


China has the world's largest plantation forest resource, despite a relatively lower productivity

China forest map 2024



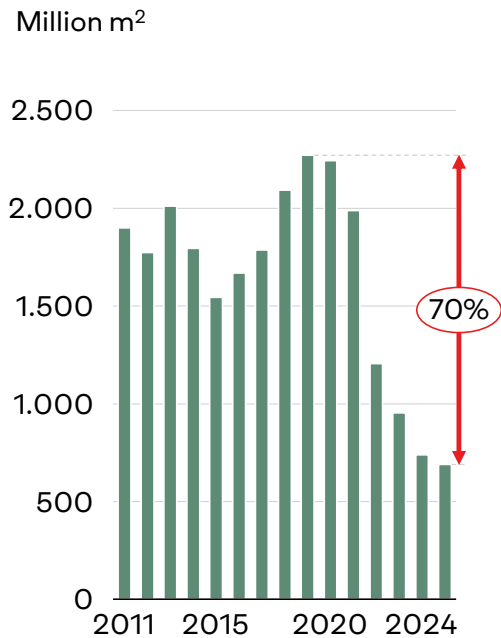
Commercial timber plantations in China and Brazil, 2024, million ha



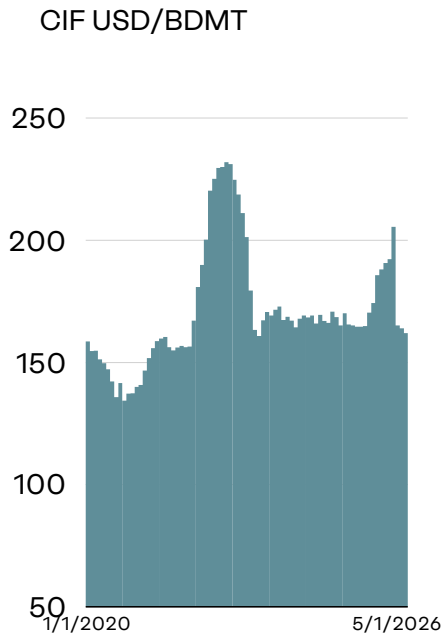


Declining use of wood in construction allows Chinese pulp mills to procure pulpwood also domestically

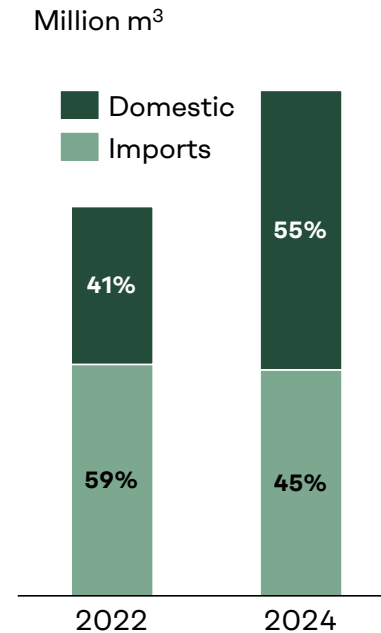
Newly started floor space* in China



Hardwood woodchip import price level*



HW pulpwood supply for pulping in China

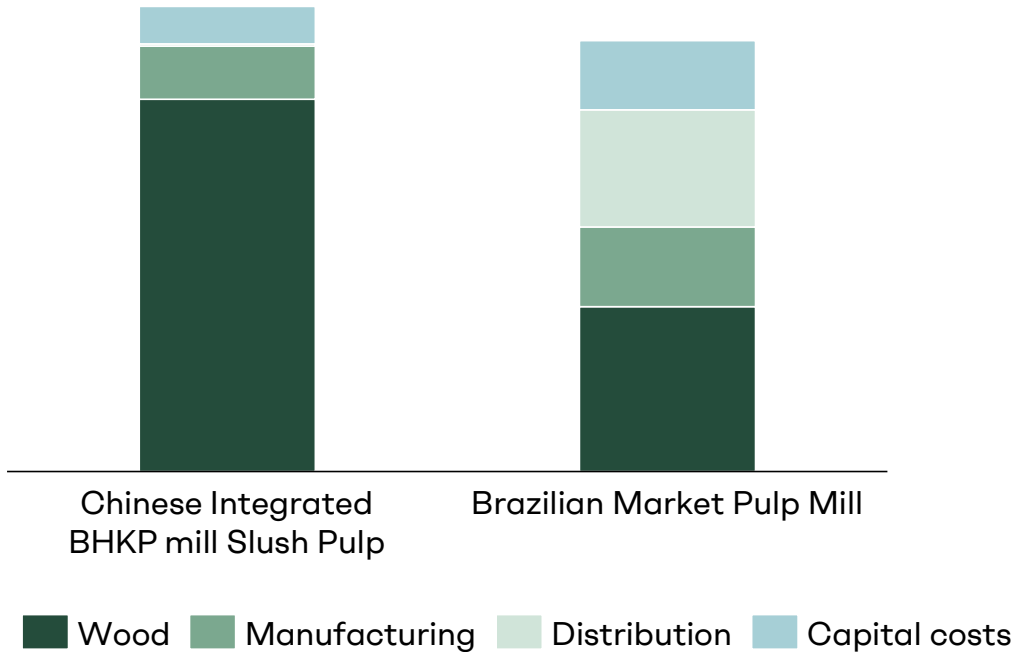


- Pulp mills in China count on slow recovery of the construction sector,
- Quick rise of domestic pulp capacity, however, can put pressure on domestic wood prices

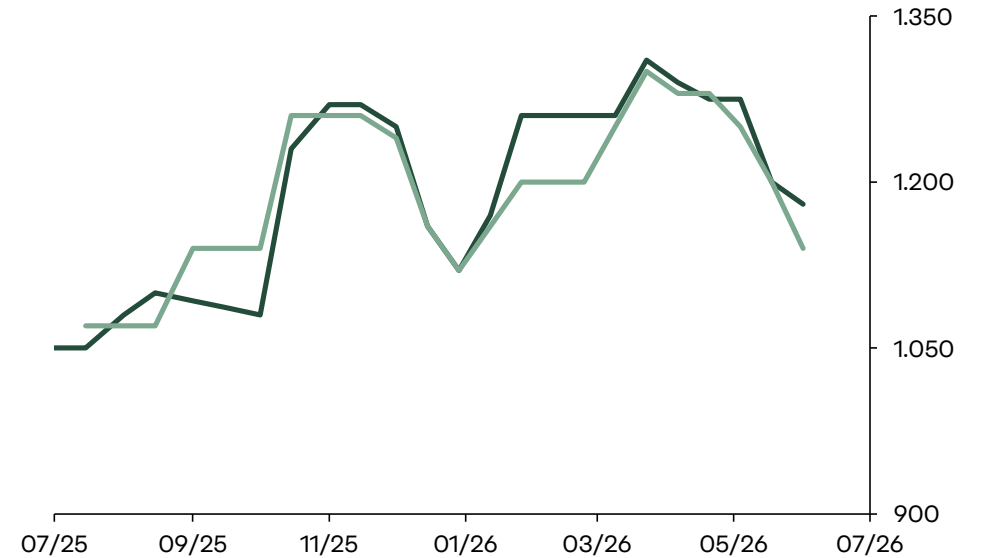
Source: Floor space from China National Bureau of Statistics, Wood chip import prices from Vietnam, AFRY analysis

Integrated production of pulp in China does not come inexpensively, but it can be relatively competitive for integrated usage

Illustration of BHKP pulp full costs delivered to a paper machine in China



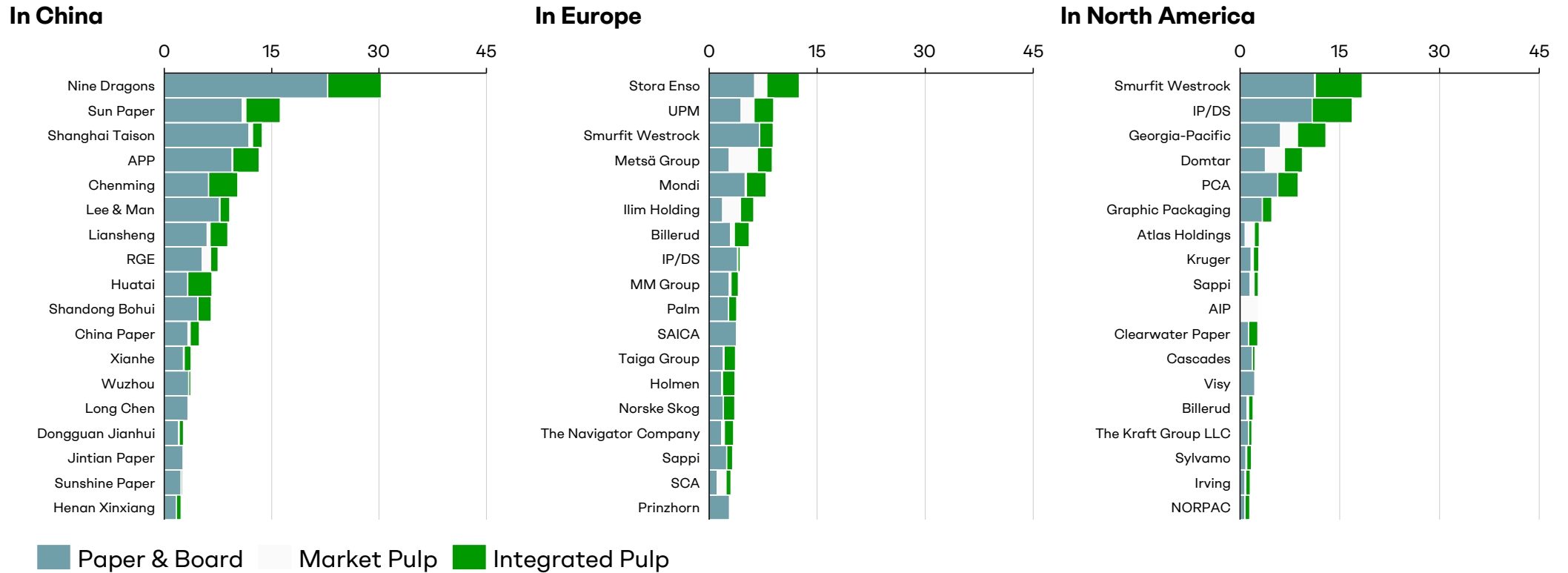
Development of domestic hardwood wood chips assortments price in Southern China, RMB/BDMT



As China capacity continues to grow, so does the size of Chinese companies

Main Paper, Paperboard and Pulp Producers in the World 2026

million tons of cumulative capacity



Pulp Empire?

01. Pulp made in China?

02. Is there wood in China?

03. What are the consequences?

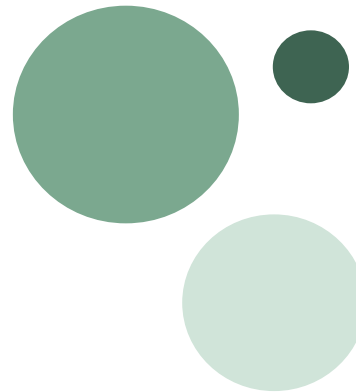
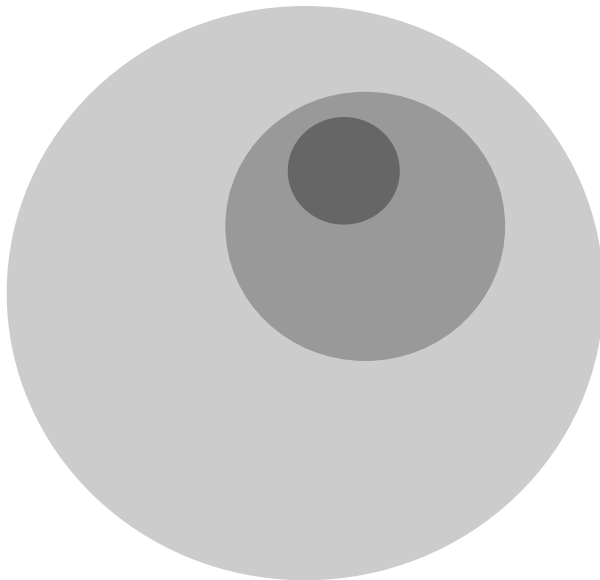
Structure of the Chinese Pulp & Paper Industry: historical perspective

1960's-2010's

State Owned

"Role Models"

Privately Owned

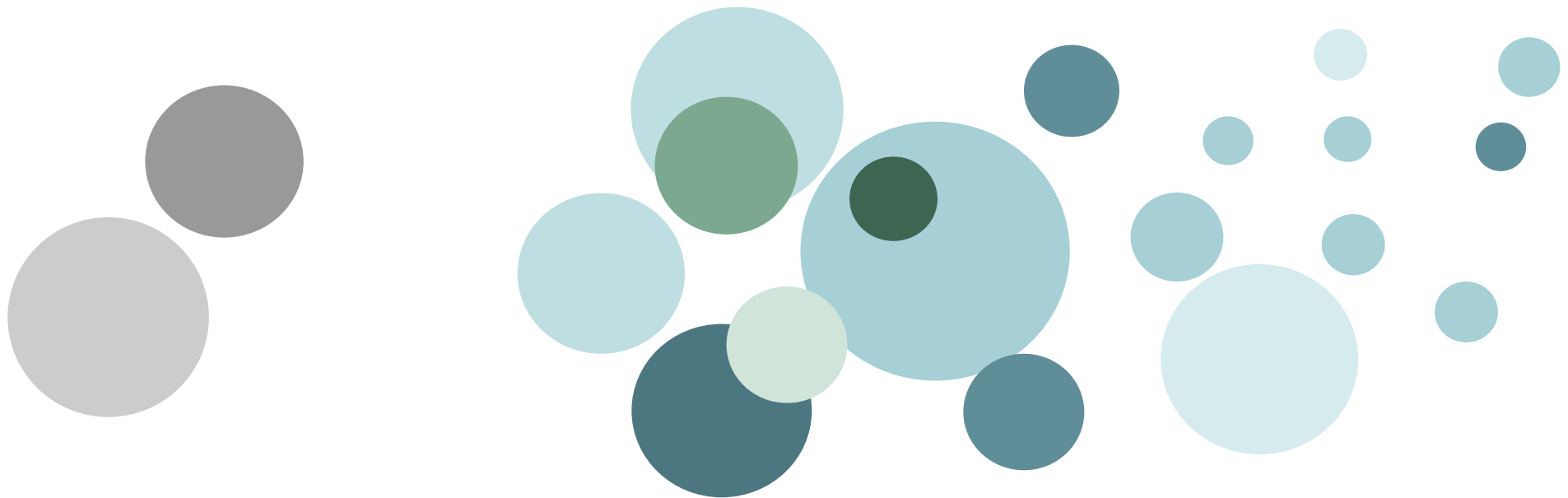


The changing structure of the Chinese Pulp & Paper Industry

2015-2030

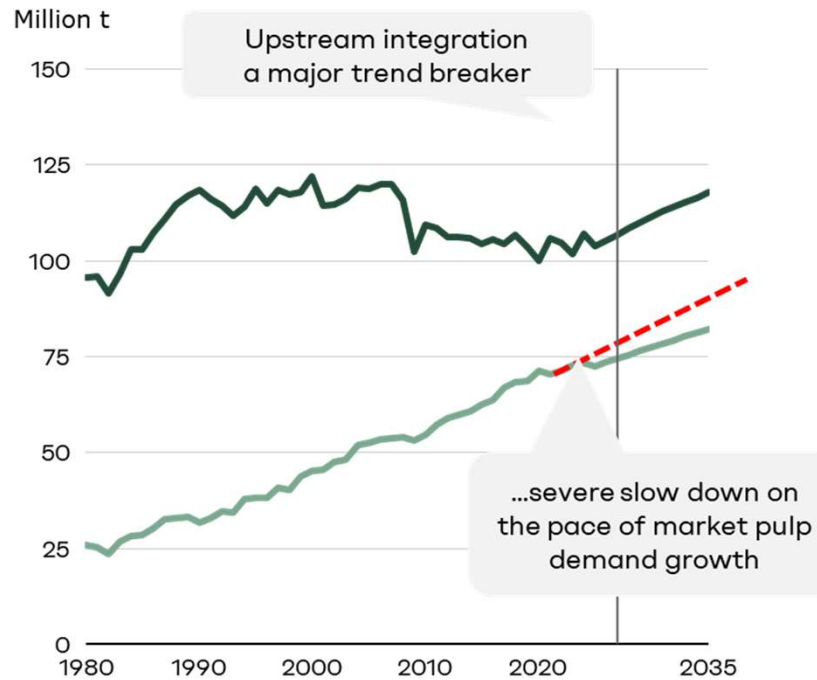
State Owned

Privately Owned

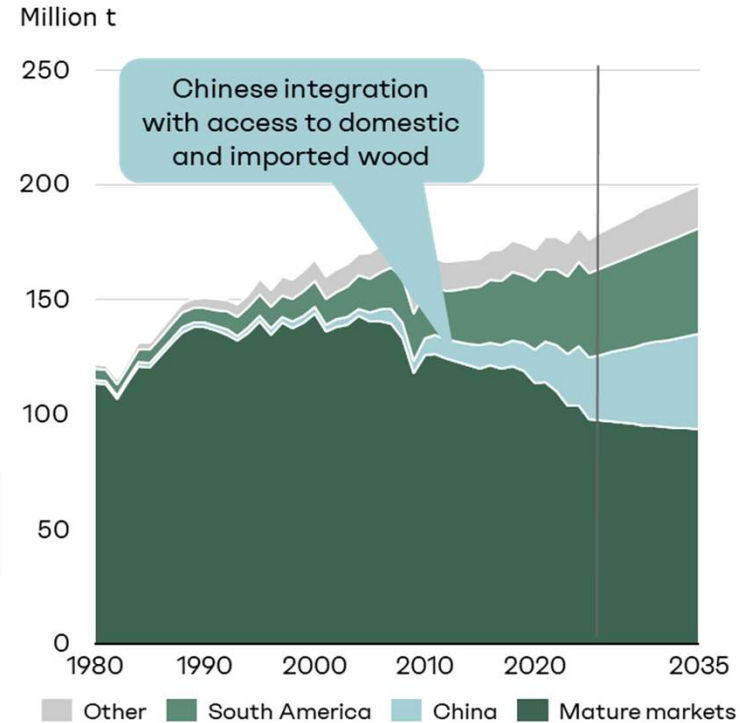


China's upstream integration is going to reshape the entire global industry dynamics

Market vs. integrated wood pulp demand



Papermaking fibre production by region



Key Takeaways

01.

China remains the anchor of global pulp trade while increasing exports of paper industry products

02.

Wood costs will eventually rise to a level that discourages speedy pulp capacity built up in China

03.

Traditional pulp exporters are sharpening their strategies, accelerating diversification and enhancing customer reach



Grazie per la vostra attenzione!

