



“The International Recovered Paper Market: India vs. Europe”

**Jori Ringman, Recycling Director CEPI
COMIECO, 12 October 2006**

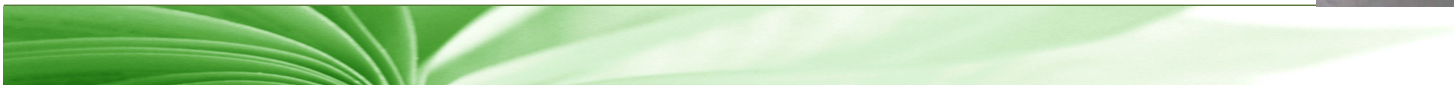
Confederation of European Paper Industries

CEPI members:

19 National Paper Associations representing

- 856 companies (from global to SME)
- 1,244 mills
- 74 bio EUR
- 275,000 jobs
- 1.7 million indirect jobs (excl. distribution)
- 60% of direct & indirect jobs in rural areas

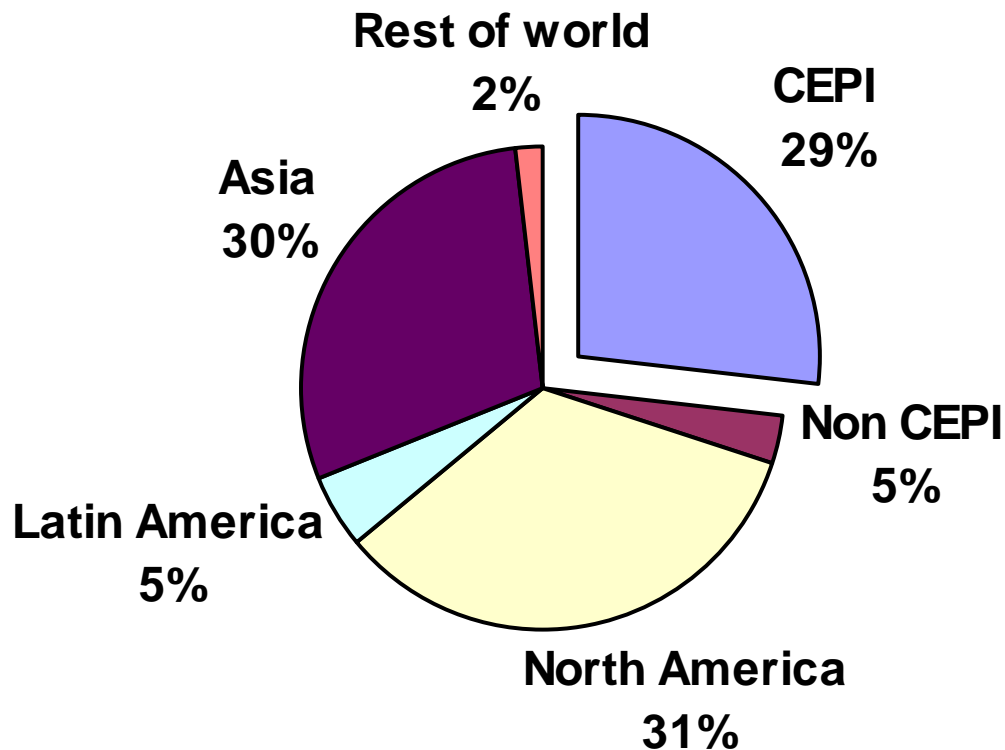
25 billion € value added to EU GDP



29% of world paper production (2003)



The European sector is a net exporter.
In 2004, 15% of total production was exported.



European production:

50% graphic papers

39% packaging paper & board

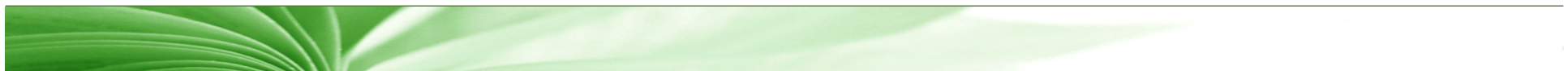
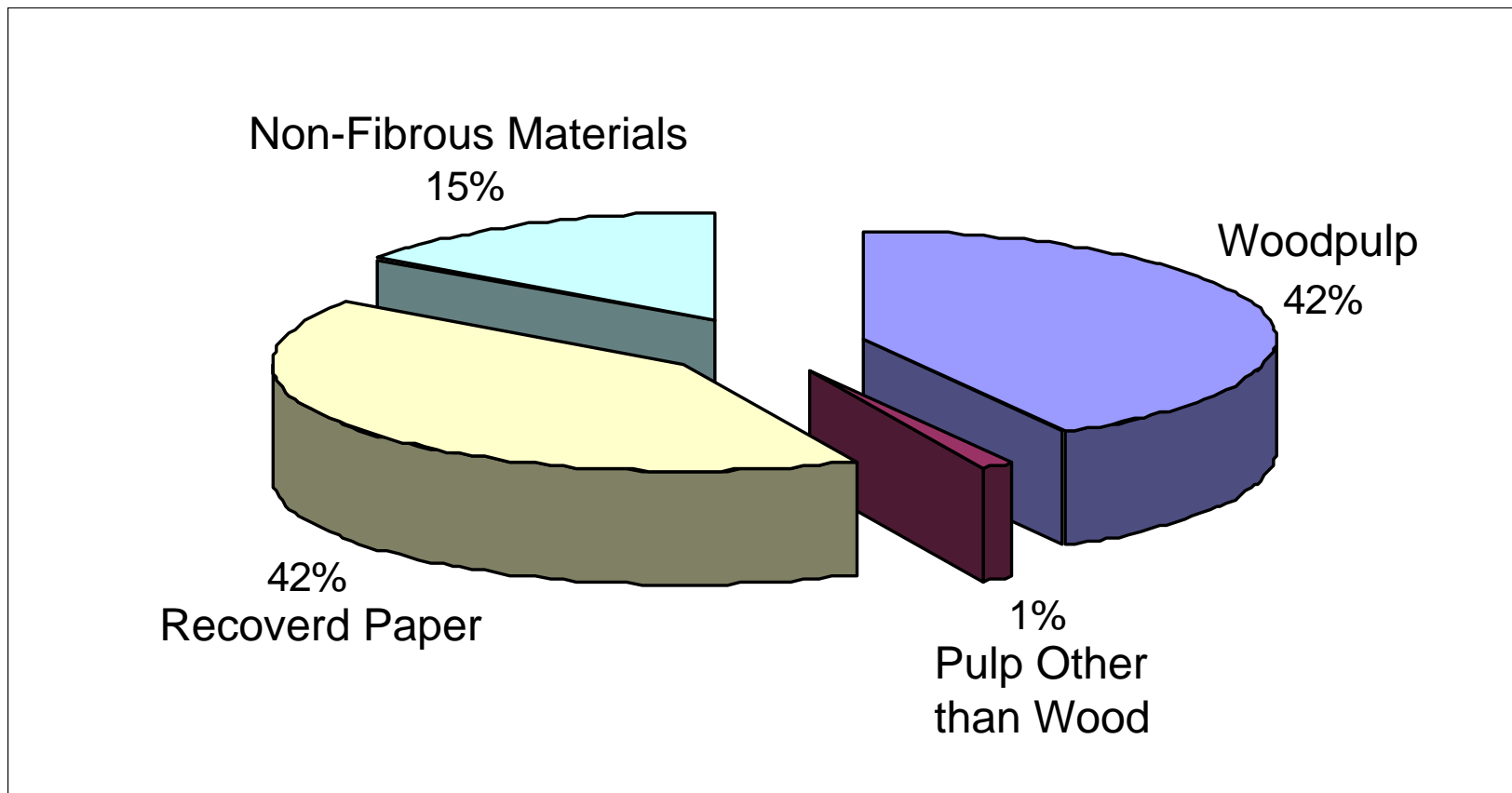
6% hygiene papers

5% specialities

Raw Materials Use in Papermaking



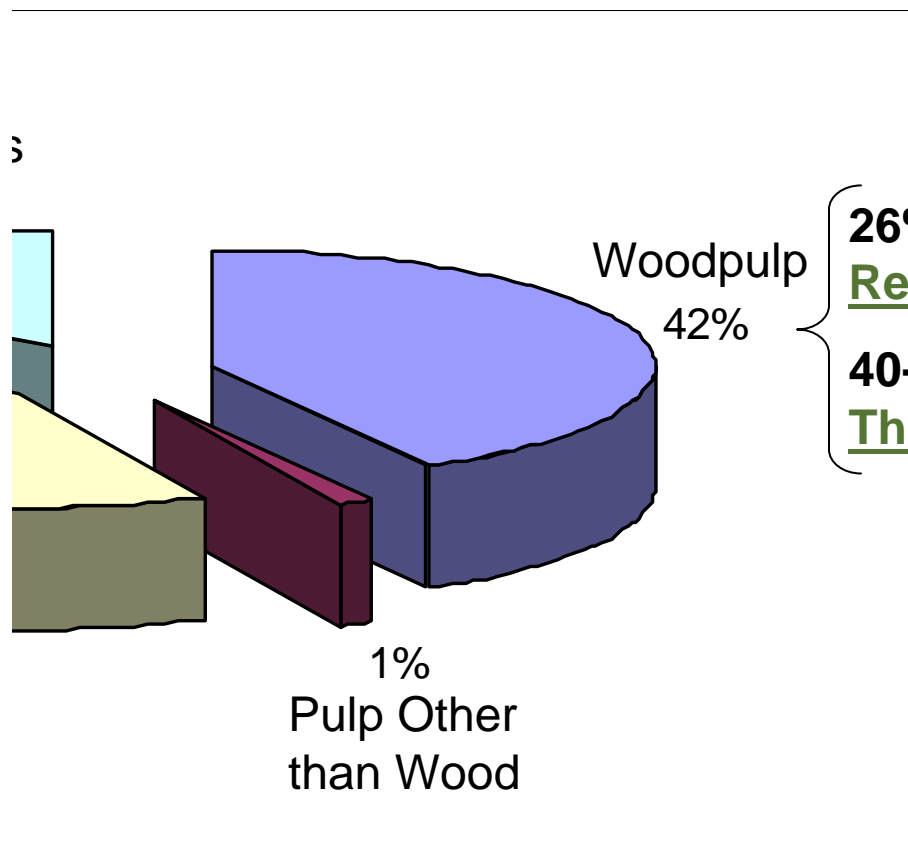
CEPI Countries 2005



Raw Materials Use in Papermaking



CEPI Countries 2005



26%

Residues from other industries

40-60%

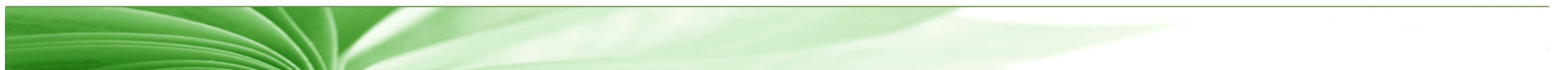
Thinnings from sustainable silviculture

The forest area of Europe
GROWS
by 4.363 football pitches per day
(or 6.450 square km per annum)

Contents



- European Business Environment
- Globalisation in Paper Industry
- Conclusions





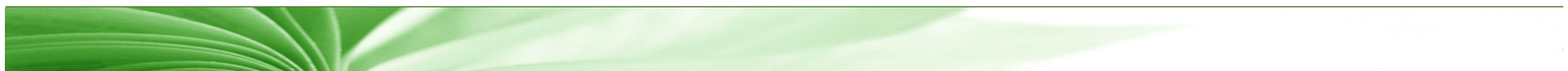
European Business Environment for Paper Industry

European Business Environment



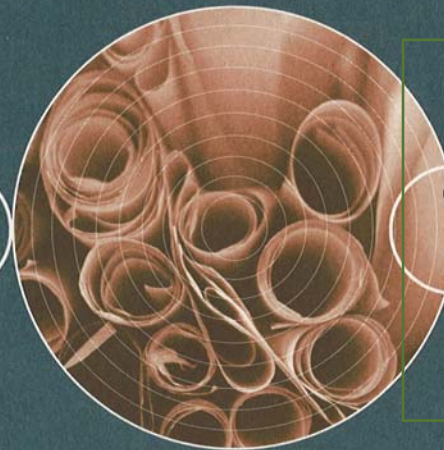
Paper Industry operates in a highly regulated business environment:

- Particular focus on environmental protection (IPPC, Kyoto,...)
- Increasing understanding for competitiveness?
- Weaknesses:
 - High labour cost and
 - Increasingly high energy cost
 - Real performance not well known?
- Strong points:
 - Knowledge base and
 - **Availability of recovered paper**

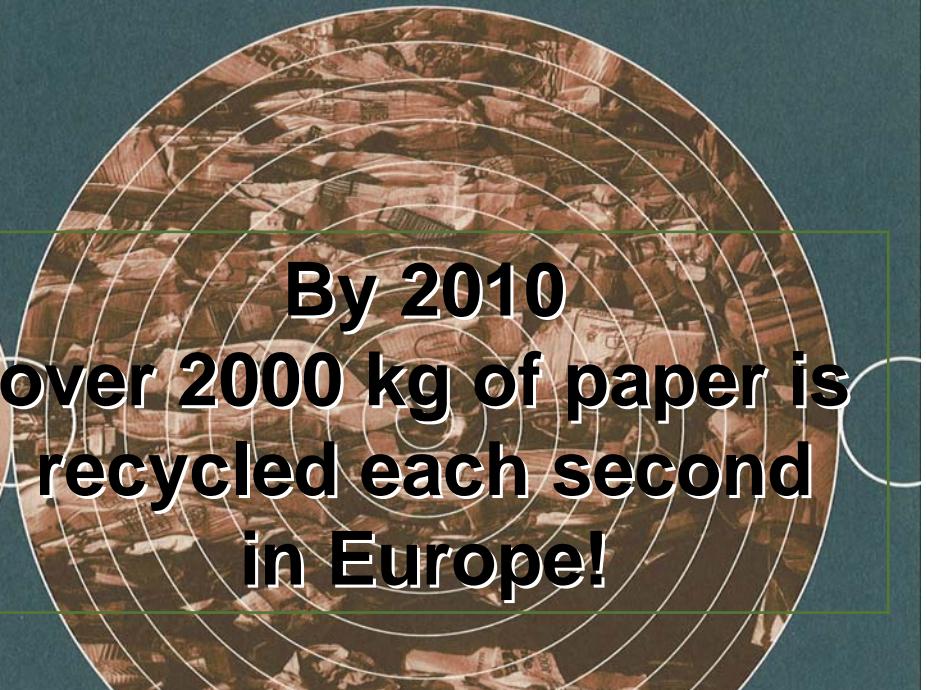


Taking producer responsibility: European Declaration on Paper Recycling 2006-2010

- Voluntary industry commitment
- New opportunities
 - Focus on quality – meeting higher requirements
 - Eco-design for recyclability
 - Political trust increased



**By 2010
over 2000 kg of paper is
recycled each second
in Europe!**

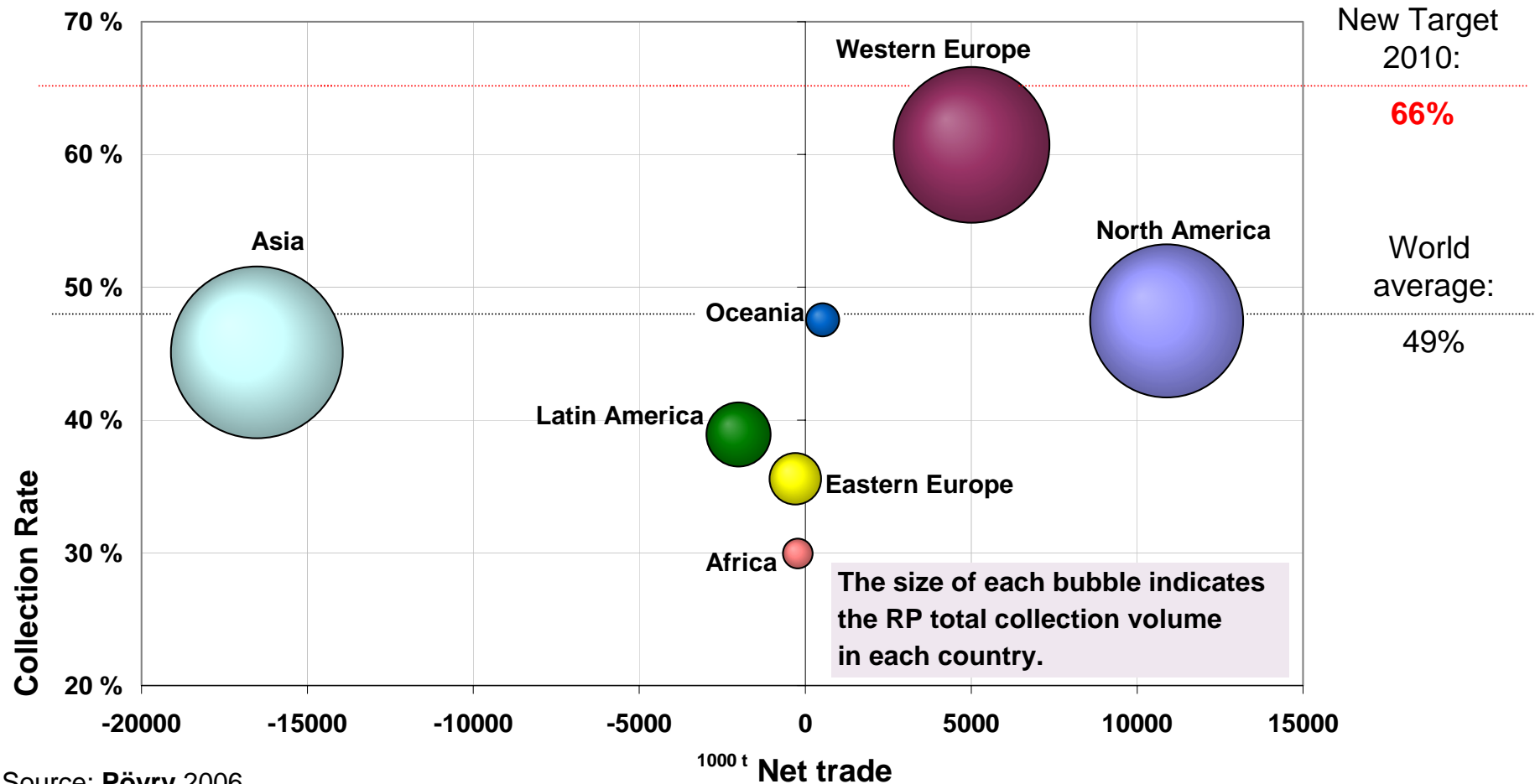


World – RP in 2004

Collection Rate vs. Net Trade



North America, Western Europe, Asia = 90% of World Recovered paper markets



Calculation for the 2010 target



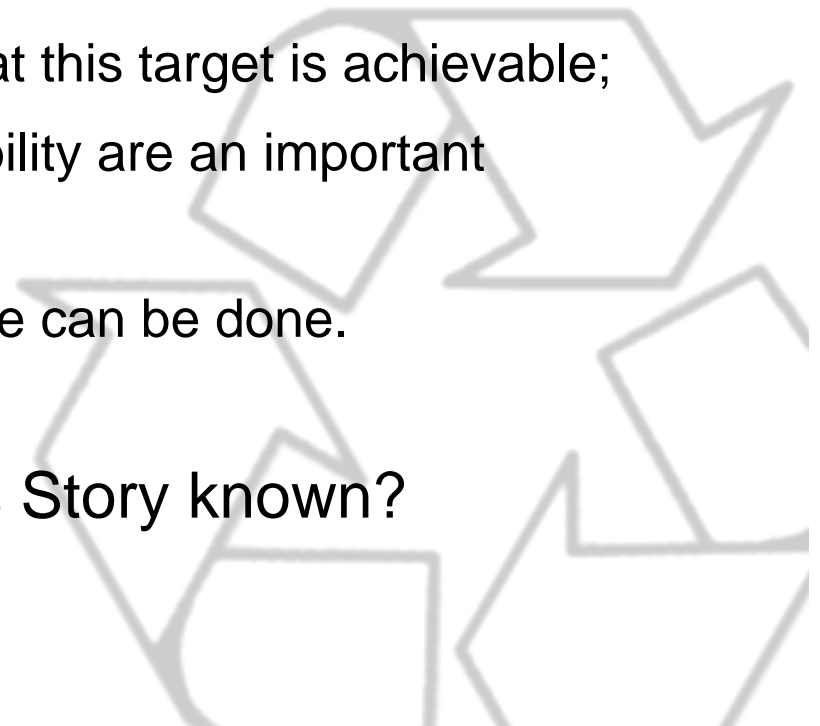
Indicator	Actual 2004*	Forecast 2010
	(Mill. Tons)	(Mill. Tons)
Paper Production	101.1	111.2
Paper Consumption	88.0	96.2
RP Utilisation	47.5	57.2
RP Collection	52.5	64.0
RP Net Trade	5.0	6.8
	(%)	(%)
Utilisation Rate	47.0	51.4
Recycling Rate	59.6	<u>66.0</u>

*Using new target scope: 29 European Countries



EU waste policy revision

- 'Towards Recycling Economy':
 - Paper recycling is an example that this target is achievable;
 - Recycling and increased recyclability are an important contribution to waste prevention;
 - If the legislation allows, even more can be done.
- Making Paper Industry Success Story known?

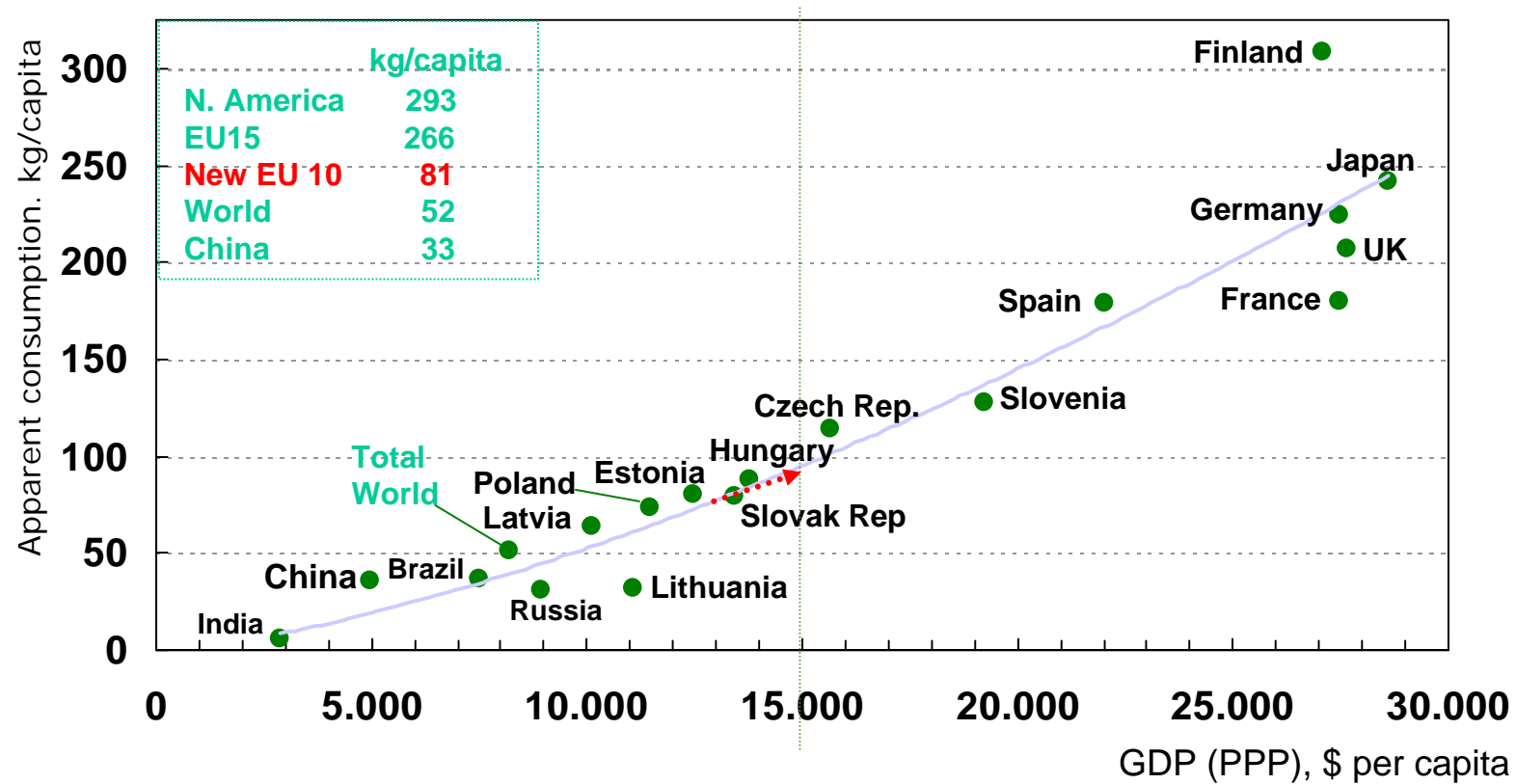




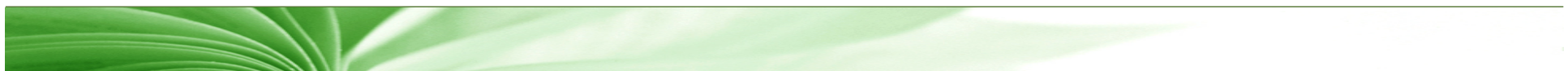
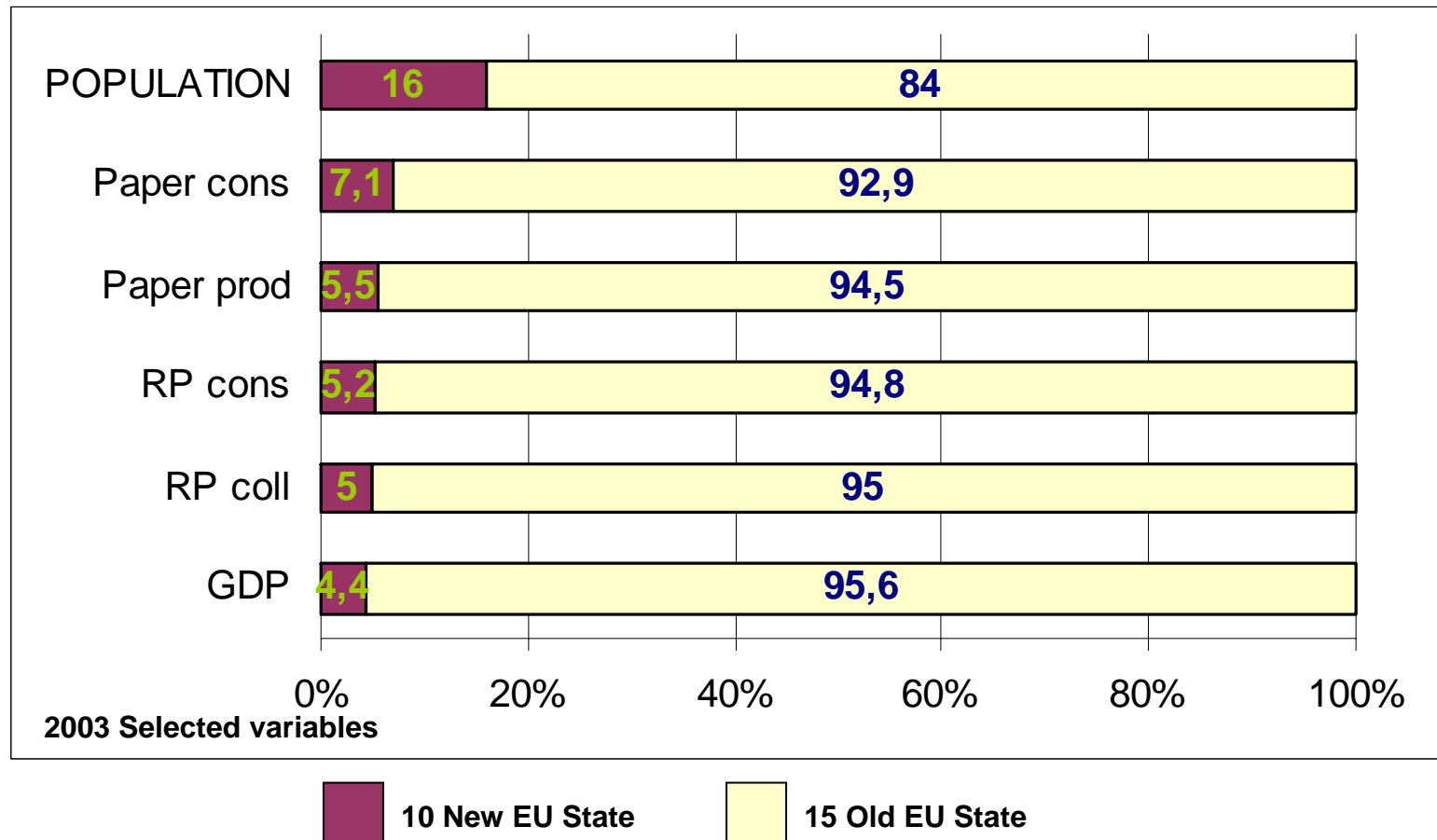
Globalisation?

Global situation: Paper consumption

Clear correlation between paper consumption and income:
paper consumption will grow an estimated 4.5% pa in Eastern Europe.



Europe will move towards balance





Investments in Paper Industry

Pulp and recovered paper

'000 tonnes	2006	2007	2008	2009	2010
EU-27	77		606		
Asia	4.473	3.019	2.089	975	-
India	2.239	581	105	165	

Paper & Board

'000 tonnes	2006	2007	2008	2009	2010
EU-25	279	1.143	1.922	827	-
Asia	2.621	9.046	6.037	2.479	2.767
India		901	1.320	220	331

Source: RISI 2006



Conclusions

Conclusions



- Europe and India face very different business environment
- European Internal market split in two
- Situation will eventually balance out both inside Europe and globally
- European Paper Industry favours raising the bar on voluntary bases
- Recycling remains European strong point

