



"International recovered paper market: a comparison between India and Europe",

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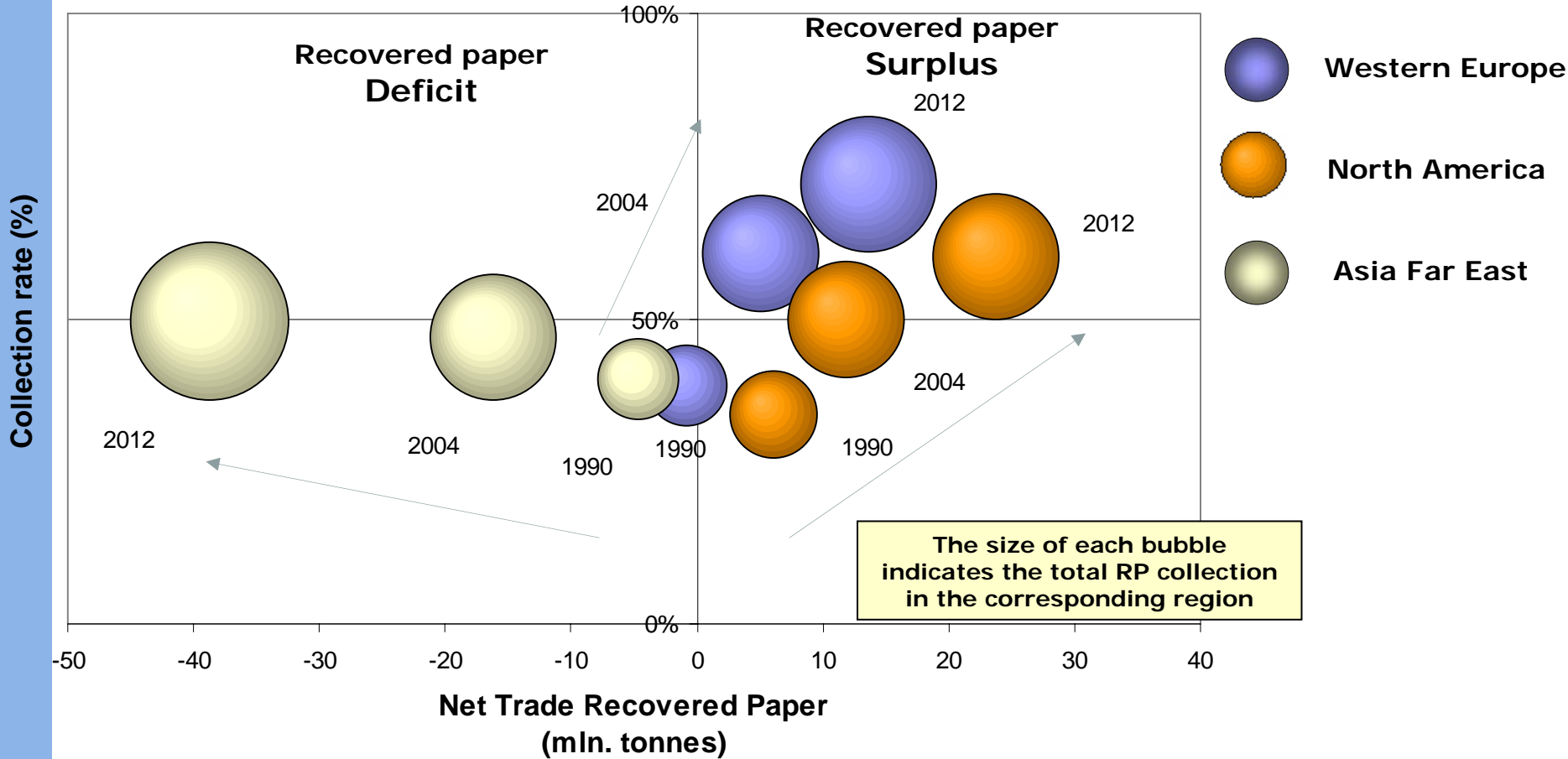
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A. Smurfit Kappa Group

- **The Smurfit Kappa Group is the leading packaging supplier in Europe with a continuing strong position in Latin America.**
- **With sales in excess of euro 7 billion, operations at some 400 locations and over 40,000 employees, Smurfit Kappa Group is the European leader in containerboard, solid board, graphic board, corrugated and solid board packaging. It has a key position in several other packaging and paper market segments.**
- **Actual Smurfit Kappa recovered paper consumption in Europe amounts 5 mio. tonnes.**

B. Recovered paper market



B. European recovered paper market

- **Overshoot in Western Europe will grow further (12 million tonnes in 2012)**
- **Internal recovered paper flow within Europe will change**
- **UK's growing export surplus replaces more than falling German exports**
- **Germany lost its position as key recovered fiber market**

B. European recovered paper market

	Utilisation		Collection			
	2004	2005	2004	2005		
AUSTRIA	2.141	2.260	1.316	1.422	-838	net importer
BELGIUM	921	876	2.135	2.228	1.352	net exporter
CZECH REPUBLIC	447	480	571	644	164	net exporter
DENMARK	410	400	834	824	424	net exporter
FINLAND	740	599	796	791	192	net exporter
FRANCE	5.943	5.953	6.418	6.592	639	net exporter
GERMANY	13.219	14.354	14.312	15.063	709	net exporter
HUNGARY	377	377	405	417	40	net exporter
IRELAND	47	0	343	346	346	net exporter
ITALY	5.474	5.488	5.593	5.792	304	net exporter
NETHERLANDS	2.380	2.462	2.440	2.510	48	net exporter
NORWAY	478	441	612	621	180	net exporter
POLAND	979	1.041	1.137	1.248	207	net exporter
PORTUGAL	297	310	439	596	286	net exporter
SLOVAK REPUBLIC	208	211	215	231	20	net exporter
SPAIN	4.474	4.617	3.927	4.321	-296	net importer
SWEDEN	2.015	2.020	1.501	1.568	-452	net importer
SWITZERLAND	969	939	1.164	1.244	305	net exporter
UNITED KINGDOM	4.625	4.507	7.204	7.790	3.283	net exporter
TOTAL CEPI	46.144	47.335	51.362	54.248	6.913	net exporter
Greece	345	350	445	483	133	net exporter
	46.489	47.685	51.807	54.731		

B. Recovered paper market: China Import Statistics

China Import Statistics
Commodity 4707, Waste and Scrap of Paper or Paperboard
Year to Date: January-July 2006

Partner						% Change
Country	Unit	2005	2006	2005	2006	2006/2005
World	T	9.563.781	11.365.411	100,00%	100,00%	18,84%
CEPI	T	2.521.616	3.206.102	26,37%	28,21%	27,14%
United States	T	4.280.827	5.001.577	44,76%	44,01%	16,84%
Japan	T	1.706.785	1.846.158	17,85%	16,24%	8,17%
Rest of World	T	1.054.553	1.450.947	11,03%	12,77%	37,59%

Source CEPI recovered paper monthly survey

C. Recovered paper quality issues

- **Getting higher in recycling rate means lower quality of recovered paper**
- **EN 643 cornerstone, but not sufficient alone**
- **Systematic quality management becomes integral part of customer-supplier relationships**
- **European identification system for recovered paper will be introduced within 24 months**

D. Future paper recycling business

- **Industry commitment to reach 66% recycling rate:
9 million tonnes more for recycling in 2010 compared
to 2004**
- **Risks of financial, logistical, and quality problems
could cause export volume to diminish**
- **Impact would lead to fundamental changes**

Thank you for your attention!