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**I. Packaging Board**

**North America.** The seasonal rise in demand for containerboard wrestled with holiday breaks and downtimes taken by the producers in December. Operating rate at mainstream mills dipped. The weak dollar facilitated US containerboard exports. However, the rising oil price is to cost more in containerboard production and discount the export drive.

In December, the 42 lb. kraft-top liner continued to list at US\$565~575/ton and 26 lb. semi-chemical medium at US\$540~545/ton in the US domestic market.

According to AF&PA, domestic corrugated box shipment in November totaled 30.7 billion/feet<sup>2</sup>, -13.3% from October and -1.1% from a year ago. Linerboard production in November was near 2.93 million/ton, -1.9% from October and +0.6% from a year ago. Mill operating rate geared down to 93.9% from 96.6% in October and 98.1% from 12 months ago. Overall inventories improved slightly from the 12 year low of October to 2.21 million/ton. This included mill

inventories of 288,600/ton (+22,200/ton from October) and box plant inventories of 1.92 million/ton (-4,100/ton from October). Exports in November totaled 303,000/ton, +5.2% from October, yet -1.3% from a year ago.

**European demand & supply** of containerboard remained steady in December. As the price rises were checked, industry observers began to look more seriously at the uncertainties in the market. Data released by FOEX on December 27 showed that price of Euro Kraftliner retreated to €20.31/tonne, -€5.68/tonne from 30 days ago and €1.61/tonne from January 2007. Price of Testliner 2 went for a different direction. It rose €1.06/tonne from end-November to €177.91/tonne. This was €3.46/tonne more than that of January 2007. Europe was the market where price of recycled fiber based containerboard advanced the most in 2007.

**China Mainland Market:** December was the high season for packaging paperboard demand in China. After the turn of the year and with the incoming Chinese New Year holiday in mid-Feb. however, market became less active and the order delivery date for containerboard would reduce from 12~15 days to 5~6 days. Same trend for coated box board where shipment slowed down and mill inventories rose.

2007 was year in which Chinese packaging board producers experienced the rapid increases in fiber and energy costs and congested start-ups of new capacity. Thanks to aggressive exports, the challenge to the domestic market was eased. The mandatory shut-down of environmentally unfriendly mills – mostly small to mid-size mills – also

helped large mills to build market for their new capacities.

**Linerboard.** In spite of the market acceptance of the RMB100/tonne (US\$13/tonne) price increase, there were no further forces to drive the price up and the order delivery time reduced surely. On the other hand, the rising fiber cost more than offset the RMB100/tonne price rise.

Shanying Paper in upper eastern China's Anhui Province reported of continued full production and quick shipment. However, there was a RMB200/tonne (US\$26/tonne) rise in production cost primarily caused by the rising fiber prices. To deal with rising cost, the company further reduced UKP consumption to around 70~80kg. for the production of 1/tonne of linerboard. At the same time, the company replaced imported UKP with local UKP, which successfully saved RMB60~70/tonne (US\$8~10/tonne) in linerboard production. Mill inventories remained the same as the previous month at 7 days of supply along with a RMB100/tonne (US\$13/tonne) increase in sale price for its Class A linerboard.

China Containerboard Price Watch: Early-Jan. 08			
(In RMB/MT)	Origin	List Price	Substance
<b>Linerboard</b>			
Georgia Pacific	USA	5,350	200gsm
Weyerhaeuser	USA	5,350	175gsm
Bratsky	Russia	5,200	180gsm
Jingxing Class A	Zhejiang	4,550	150gsm
Nine Dragons Class A	Dongguan	4,600	150gsm
Lee&man Class A	Dongguan	4,600	150gsm
<b>Medium</b>			
Nine Dragons Class A	Dongguan	3,280	100gsm.
Jinzhou Paper Class A	Dongguan	3,250	105gsm.
Shun Yu Paper Class A	Dongguan	3,280	100gsm.
Lee&man Class A	Changshu	3,250	105gsm.
Luping Yongfa Class A	Shandong	2,850	120gsm.
Changfeng Class A	Jiangsu	3,180	105gsm.

Note: For reference only. Price varies in transaction.

**Corrugating medium.** Market remained active throughout December. Demand was especially strong for lightweight medium. The

continuous rises in OCC price forced more small-to-mid size mill to shut down or cut production, leaving more market potentials to the large players.

In eastern China's Jiangsu Province, Lee&man (Changshu) switched at least 12 days of production time of its #8 PM to run lightweight medium, in addition to the full medium production by its #6 PM. Mill sources said the company could not entertain any new orders for medium exports until July 2008. Sales price also went up RMB100/tonne (US\$13/tonne) across-the-board. Mill inventories equaled to 3 days of supply, down 1 day from the previous month.

Encouraged by the healthy market performance, Lee&man and a few other mainstream producers announced a RMB200/tonne (US\$26/tonne) price increase effective from January 2008. This was to pass on the rising cost in OCC.

In view of more capacity start-ups in 2008, industry observers believe demand for OCC will grow more strongly and competition for product sales will become tougher.

**Coated Boxboard** market began to slip in December. Sales fell during the high season. The rapid rise in fiber and energy costs gave no time to producers to pass the costs to the board consumers.

Changjiang Paper in Jiangsu Province had to gear down operating rate to 85% in December. And mill inventories rose 2 days from the previous month to 15 days of supply. At end-December, the company was able to keep **coated recycled board** price unchanged.

For **coated SBS board**, demand and supply stood steady in December. Sun Paper in upper eastern China's Shandong Province reported of full operation under rapid shipment. Mill inventories remained unchanged from the previous month.

Meili Paper in northwest China's Ningxia

Hui Autonomous Region had to further postpone the start-up of its 300,000/mtpy coated SBS board machine. Originally scheduled to run in September 2007, the PM is 4.88 meter in trim width and runs at 600m/min. Mill sources said the realistic start-up time would be late February 2008.

Coated Carton Board Price Watch: Early-Jan.08			
(In RMB / MT)	Origin	List Price	Substance
<b>Coated Newsback Board</b>			
APP Ningbo Zhonghua	Ningbo	4,200	250 g up
Sun Paper	Shandong	4,190	250 g up
Jianhui Paper	Dongguan	4,190	250 g up
Nine Dragons	Dongguan	4,200	250 g up
<b>Coated SBS Board</b>			
Sun Paper	Shandong	n.a.	230g up
Bohui Paper	Shandong	7,080	230g up
APP Ningbo Zhonghua	Ningbo	7,050	230g up
Hengxing Paper	Henan	7,000	230g up

Note: For reference only. Price varies in transaction.

**Imports & Exports.** China imported 945,400/tonne of linerboard in the first 11 months of 2007, -10.16% from the same period of 2006, according to China Customs. In November alone, shipment arrivals reached 81,720/tonne, +4.8% from October, yet -20.98% from a year ago.

Medium imports in the first 11 months totaled 500,300/tonne, -24.44% from the corresponding period of 2006. Shipment arrivals in November went down to 37,520/tonne, -2.3% from October and -38.18% from a year ago.

From January to November, China's coated SBS board imports totaled 772,700/tonne, -4.26% from that of 2006. Shipment arrivals in November were 63,250/tonne, +4.6% from October and +11.83% from a year ago.

On the other hand, China's packaging board exports made much headway in 2007, driven by the heavy start-ups of new capacity. According to China Customs, linerboard exports in the first 11 months hit 220,930/

## II. Market Pulp

**Global Overview.** Global tightness in supply continued throughout December, which enabled the producers of BSK and BHK to nearly complete their US\$20~30/tonne price rise by the end of the month. It was amazing to see that market for BHK remained extremely strong against the start-up of new capacities.

According to PPPC, global market pulp shipment in November totaled 3.36 million/tonne, -3.6% from October, yet +5.5% from a year ago. Overall inventories equaled to 29 days of supply, up 1 day from October, yet 1 day less than a year ago. Inventories of BSK equaled to 27 days of supply, 1 day more than October, yet 3 days less than a year ago. For BHK, inventories equaled to 32 days of supply, which was 1 day more than October but 2 days less than a year ago. [\(Continue on Page 4...\)](#)

tonne, +131.88% from the same period of 2006. Shipment to overseas markets in November alone reached 29,780/tonne, +31.7% from October and +60.14% from a year ago.

Medium exports in the 11 months totaled 332,620/tonne, +243.27% from that of 2006. In November, shipment to overseas destinations were 43,750/tonne, though -16.14% from October, yet +243.27% from a year ago.

Exports of coated SBS board in the 11 months reached 747,410/tonne, +89.13% from the same period of 2006. Shipment in November reached the 2<sup>nd</sup> highest at 99,350/tonne, +30% from October and +83.88% from a year ago.

It is expected that the strong momentum of Chinese packaging board exports will continue with more new capacity start-ups in 2008. [\(Return To Page 1\)](#)

(...Market pulp from Page 3) **In North America**, list price of NBSK broke the previous historical record of US\$860/tonne set in 1986. Accord to FOEX, it reached US\$864.67/tonne by December 27. This was US\$14.67/tonne more than the previous month and a US\$94.67/tonne gain for the whole year of 2007. Strong demand also pushed BEK price to hit US\$805/tonne, +US\$90/tonne from a year ago.

North American market pulp shipment in November totaled 726,000/tonne, -3.6% from October, yet +4.9% from a year ago. This partly explained the outcome of more fine paper capacity cuts. It is expected that further mill closures in 2008 in North America will add uncertainties to the pulp market down the road.

**Europe** continued to show the strongest demand in the world. In December, the across-the-board price increase demanded by the producers went through smoothly, which made the European price of NBSK to exceed that of the North America for the first time. Data released by FOEX on December 27 showed that NBSK was listed at US\$869.30/tonne, +US\$20.52/tonne from the previous month and +US\$139.05/tonne since January 2007. List price of BHKP reached US\$775.23/tonne, +US\$25.23/tonne from the previous month and +US\$104.44/tonne from January 2007.

Consumer inventories in November fell to 1 million/tonne in November, -0.1% from October and -2.0% from a year ago, according to EUROPULP. Consumption in November totaled 1.19 million/tonne, -3.8% from October and -2.1% from a year ago.

**China Mainland Market. Contract Business** remained in favor of the suppliers in December. The US\$10/tonne price rise for BSK and US\$30/tonne rise for BHK went through without difficulty, which sent prices

to their historical heights in 10 years. The halt from supply to the China market at the second half of December by APP's Hainan Mill in order to meet internal demand added to the tightness of BHK supplies in China.

At end-December, NBSK from Canada was quoted at US\$750~760/tonne. SBSK from Chile stood at US\$740/tonne, so was quotation from Russia at US\$730/tonne.

For BHK, offers from Indonesia were US\$720/tonne at limited volume. BHK from Brazil stayed at US\$720/tonne.

UKP market remained unchanged from November. Offer from Chile continued at US\$570/tonne, though transaction seemed less active.

**Spot market** showed strength in BHK and weakness in BSK. List price of BSK dipped further, though not significantly, as a result of the switch by mid-to-small paper mills to less expensive local fibers. At the last week of December, SBSK from Chile lost RMB30~50/tonne (US\$4~7/tonne) and NBSK from Canada gave up RMB40~60/tonne (US\$5~8/tonne) from 30 days ago.

The strong demand and limited supplies triggered further price increases of BHK. At the last week of December, BHK from Indonesia and Brazil was transacted RMB80~100/tonne (US\$11~14/tonne) more than end-November. The benchmark "Dragon" BHK from APP's Hainan Mill surged to RMB6,300~6,350/tonne (US\$863~869/tonne, V.A. Tax included).

Spot business for UKP presented a horrible picture! Shipment from Chile tumbled RMB150~200/tonne (US\$20~27/tonne). Sales price of domestically produced UKP, primarily from Qingshan Paper, also lost RMB100~150/tonne (US\$20~27/tonne) to deal at RMB4,700~4,800/tonne (US\$644~658/tonne, V.A. Tax included).

Less consumption by containerboard

producers vs. more shipment arrivals were the main force to drive the market low.

#### China Market Pulp Price Watch - Early Jan.08

Brand Name	Type	Origin	Price*
Northwood	NBSK	Canada	6,530
Cariboo	NBSK	Canada	6,450
Silver Star	SBSK	Chile	6,320
Usk	NBSK	Russia	6,300
Butterfly	BHK	Brazil	6,450
Little Leaf	BHK	Indonesia	6,350
Gold Star	UKP	Chile	5,000

\*List price in RMB per metric ton, V.A. tax included.

Note: For reference only. Transaction price varies

**Imports.** In the first 11 months of 2007, China imported 7.22 million/tonne of paper-grade market pulp from overseas, +4.15% from the corresponding period of 2006. According to China Customs, shipment arrivals in November reached 703,030/tonne, +18.5% from October and +9.27% from a year ago. During the month, UKP imports totaled 69,580/tonne, +14.5% from October and +8.67% from a year ago. BSK imports reached 281,620/tonne, +17.1% from October and +13.3% from a year ago. Although shipment arrivals of BHK in November going up +27.1% from October to 263,270/tonne, it was -2.36% less than a year ago. Imports of mechanical pulp rose to 7,410/tonne, +28% from October and +33.75% from a year ago. Shipment arrivals of chemi-mechanical pulp in November totaled 81,150/tonne, +3.11% from October and +45.90% from a year ago.

As mentioned earlier, the congested shipment arrivals of UKP contributed to the weakness in local spot price. However, the stand-still in shipment arrivals of BHK in 2007 vs. 2006 tightened the local supplies and boosted prices.

**Forest-Paper Integration Projects.** The on-going Jin-Gui Forest & Paper Integration Project in Guangxi, south China is to spend RMB2.1 billion (nearly US\$269 million for

### III. Recovered Paper

**US Market.** US waste paper generation entered into its seasonal increase starting from December. However, the decrease in supply of ocean bound containers significantly slowed down the export shipment. The build-up of export materials at the bailers, together with the growing generation of bulk grades forced price of OCC to slip in certain regional markets in the USA in December. In general, the rising oil prices will push the inland and ocean freight to rise further. And the tight pulp market will lead to the rise in demand and prices of de-inking waste paper and other pulp substitutes.

According to OBM, price of OCC for domestic sales lost US\$5/ton in Los Angeles and San Francisco, US\$10/ton at southeast and west markets, and US\$15/ton at northwest market. As a result of the erosion, the price ranged between US\$135~145/ton in Los Angeles-San Francisco and US\$95~100/ton in southwest regions. For export, OCC price also

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Year 2007). As a JV between APP (China) and Qinzhou Huahui Forest Co. Ltd. under the equity ownership ratio of 95:5, the project is to receive total investment of RMB7.93 billion (about US\$1.1 billion) to build a 300,000/mtpy thermo-mechanical pulp mill and a 600,000/mtpy food packaging SBS board mill. When in commercial operation, annual sales of the board mill will reach RMB4.3 billion (US\$615 million) and pre-tax earnings will be RMB1.87 billion (US\$267 million). The pulp mill will consume eucalyptus chips to be supplied from a 70,000/hectare plantation locally. Together with warehouses, chip yards, power plants, etc., the project will be completed by the end of 2008.

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(...Recovered paper from Page 5) lost US\$2~5/ton as reported by OBM. It went down to US\$175~178/ton at FOB Los Angeles and US\$167~170/ton at FOB New York.

For ONP, price remained fairly steady, except a US\$5/ton slip in the Los Angeles-San Francisco market. It ranged between US\$135~145/ton in Los Angeles and US\$90~95/ton in Buffalo, New York.

Market for high grades continued to follow the market pulp business and their price rises had been expected. Most noticeable was #37 SOP, whose price gained more than US\$20/ton in almost all markets, except the West Coast. Under the increase, #37 was transacted between US\$185 and US\$225 per short ton, according to OBM.

Price of #31 hard white envelope cuttings (HWEC) rose US\$10/ton in the southwest of USA and US\$20/ton in southeast and east regions. It ranged between US\$445~455/ton in the East Coast and US\$390~400/ton in the West Coast.

Latest data from the US Chamber of Commerce showed a total of 494,600/ton of OCC was exported in October 2007, +11.4% from a year ago. YTD exports totaled 4.20 million/ton. Also in October, exports of ONP went down to 350,400/ton, -2.4%. YTD exports totaled 3.40 million/ton, +13.8% from that of 2006. Exports of high grade de-inking waste fell to 55,900/ton in October, -13.5% from a year ago, yet YTD totaled at 595,500/ton, +4.8% from that of 2006. Exports of pulp substitutes surged +40.6% from a year ago to 94,300/ton in October and making the YTD total at 920,000/ton, +42.3% from that of 2006.

**China Mainland Market** remained firm and upward in December. The reluctance to ship by European and US suppliers further the tightness. While more suppliers joining the rank to stop offers to China at the second half

of December, major ocean carriers announced to raise freight effective on January 2008. In summary of the market performance in 2007, both volume and price set new record heights. The rise in Chinese currency against US dollar apparently fell behind the price increases of all grades of recovered paper, which wrote off the gains by the appreciation of the Chinese currency. It is unquestionable that Chinese paper and board producers, especially the packaging board producers, will have to rely more on imported recovered paper in view of a series of planned capacity start-ups in 2008.

**Price.** Chinese consumers, led by the newsprint producers, became more aggressive in inquiries and building fiber stocks in December. Such eagerness met with great uncertainties in container availability and the holiday breaks overseas. Contrary to the slip in North America, OCC price in China climbed steadily. By the last week of December, US OCC was quoted US\$12~13/tonne more than end-November, or US\$65~67/tonne over a year ago. Demand for ONP went on its 6-month consecutive growth. The start-up of the #9 PM - a 400,000/mtpy newsprint - at Guangzhou Paper in December as well as a 200,000/mtpy SC machine at Stora-Huatai Paper earlier added to the on-going strength of the demand. At the last week of December, imported ONP was transacted US\$12~14/tonne more than 30 days ago and US\$48~50/tonne above that of a year ago.

Sorted mixed waste paper demand seemed less hectic with moderate rise in price. At end-December, price gained US\$3~5/tonne from 30 days ago and US\$46~48/tonne from a year ago.

With the surge in Chinese consumption, demand for #10 OMG from USA continued to grow strongly. At end-December, transaction price went up another US\$15~16/tonne from

end-November and gained US\$64~66/tonne from a year ago.

High grade de-inking waste and pulp substitutes followed the strength of the market pulp business. Price for #37 SOP rose US\$8~10/tonne from end-November and US\$100~104/tonne from a year ago. Demand grew continuously.

Price Watch-Early Jan. 2008	
(CIF CMP In Metric Ton)	
Grade	US\$
#3 Mixed (USA)	198
#3 Mixed (Japan)	200
#8 ONP (USA)	230
#8 ONP (Europe)	215
#8 ONP (Japan)	233
#9 ONP (USA)	240
#10 OMG (USA)	238
#11 OCC (USA)	230
#11 OCC (Europe 90/10)	205
#11 OCC (Japan)	225
#37SOP (USA)	310
#40 SWL (USA)	335

Note: List price. For reference only. Price varies in transaction

**Price of recovered paper from Europe and Japan** in December also went up. This was especially true for shipment from Japan which benefited from the geographic vicinity. At the last week of December, OCC from Japan was transacted US\$13~14/tonne more than 30 days ago and stood roughly the same as shipment from USA. Because of quick delivery, OCC from Japan was favored by mills in eastern part of China.

Price of Japanese ONP marched up apparently driven by improved domestic demand in Japan. At end-December, its transaction price in China was US\$6~7/tonne more than 30 days ago.

Following the same trend, price of sorted mixed waste from Japan also moved up US\$2~3/tonne from end-November.

By end-December, OCC from Europe (90/10) gained US\$14~15/tonne from 30 days

## IV. Newsprint

At the operating rate of 91%, **North America** produced 888,000/tonne of newsprint in November, -6.6% from a year ago, according to PPPC. Shipment during the month was 919,000/tonne, -5.6% from that of 2006.

Newsprint consumption in November went down to 653,000/tonne, -7.6% from a year ago. Consumption by the dailies totaled 504,000/tonne, -11.2%.

Exports slowed down during the month to 196,000/tonne, growing only +2.2% from a year ago, yet 24,000/tonne less than the previous month. From January to November, exports were near 2.24 million/tonne.

European and Latin American markets

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**Imports.** According to latest data from China Customs, China's import of recovered paper in the first 11 months of 2007 totaled 20.91 million/tonne, +17.17% from the same period of 2006. This also exceeded the full-year imports of 19.66 million/tonne in 2006. In November alone, imports of all grades of recovered paper reached 1.95 million/tonne, +25.6% from October and +9.3% from a year ago. The greatest contributor to the growth was OCC, whose shipment arrivals net at 1.07 million/tonne, +23.29% from October and +10.06% from a year ago.

Imports of ONP in November reached 475,550/tonne, +35.52% from October and +9.6% from a year ago.

Sorted mixed waste imports in November went up by +9.5% from October to 382,950/tonne. This was also a +9.625 growth from a year ago.

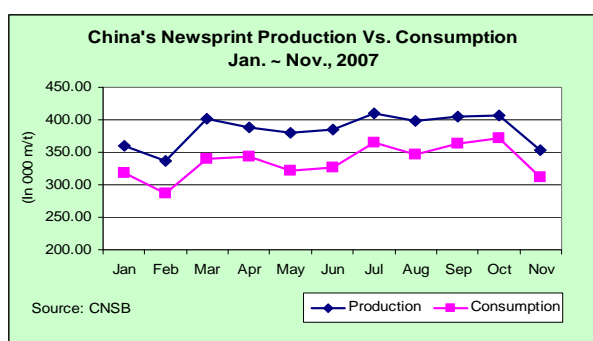
Shipment arrivals of de-inking grades in November surged to 19,690/tonne, +61.8% from October and +10.03% from a year ago.

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(...Newsprint from Page 7) remained as the two primary destinations. Shipment to Europe in November grew 57.7% from a year ago vs. the weak performance of shipment to Japan and other parts of Asia, which were down 16.4% and 10.0% respectively.

At end-November, North American mill inventories stood at 356,000/tonne, down by 30,000/tonne from October.

Contrary to the European market, price in North America improved as a result of the production cuts undertaken by mainstream producers including AbitibiBowater and Norske Skog. By the last week of December, the standard 30 lb. newsprint gained US\$2.97/tonne from end-November. The price rise in wood pulp, recovered paper and energy also contributed to the improvement. The US\$20~25/tonne price increase announced in the fall seemed to have gone through by December and was led by the world's largest newsprint producer – AbitibiBowater who accounts for 45% of North American newsprint capacity, more mills are now planning to seek another US\$60/tonne price rise in the 1<sup>st</sup> Quarter 2008, or US\$20/tonne rise each month.



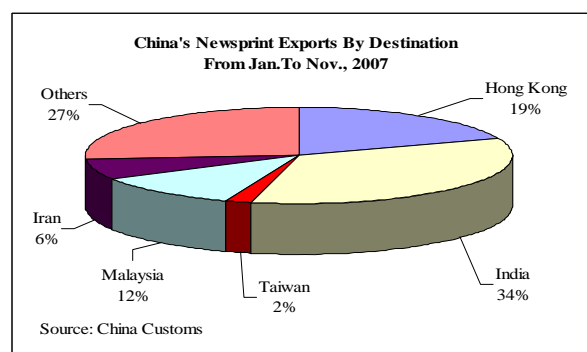
**China Mainland Market.** As a result of the mandatory closure of small and environmentally unfriendly mills, China's newsprint production in November fell to 353,600/tonne, which was 52,800/tonne less than the previous month, according to China National Statistics Bureau (CNSB). This was the first time of a negative monthly growth in

two years. From January to November, production totaled 4.22 million/tonne, +17.0% from the same period of 2006.

Consumption in November was 312,300/tonne, -1.0% from a year ago and YTD consumption neared 3.70 million/tonne, +10.6% from that of 2006.

**Import & Export.** Shipment to overseas market rose to 42,490/tonne in November, +15.3% from October and +2.3% from a year ago. YTD exports totaled 542,640/tonne, +93.9% from the corresponding period of 2006.

Shipment to Hong Kong, India and Malaysia accounted for 68.6% of the total in November.



China imported 1,163/tonne of newsprint in November, +22.0% from a year ago. And YTD imports totaled 14,400/tonne, predominantly from Japan and Finland.

**Export Price.** China Customs data also showed that export price, on FOB basis, averaged at US\$516/tonne in November, down US\$8/tonne from the 1<sup>st</sup> Quarter 2007. In view of the appreciation of Chinese currency and the rise in fiber and energy costs, some Chinese producers began to seek a US\$20~30/tonne price increase in December.

**Domestic price.** To ease the burden of rising production cost caused by the price rises in fiber and energy, mainstream producers in China took to an average RMB100~150/tonne (US\$13~20/tonne) price rise in their newsprint sales for December. The most aggressive

producer was Guangzhou Paper who, until then kept its price at the low-end, announced to add RMB300~400/tonne (US\$41~55/tonne) to its sales price.

<b>China Newsprint Price Watch - Early Jan. 08</b>		
<b>Producer</b>	<b>Substance</b>	<b>Price*</b>
Guangzhou Paper	48.8/45gsm.	4700~4750
Shandong Huatai	48.8/45gsm.	4750~4800
Fujain Nanping Paper	48.8/45gsm.	4700~4750
Chenming (Wuhan)	48.8/45gsm.	4730~4800
Shixian Paper	48.8/45gsm.	4700~4750

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

**Producer Watch.** Chenming Paper announced on December 11 of its successful production of 48 gsm. SC paper in its Shouguang Mill in Shandong.

The new product, which is welcomed by the market, will hopefully be a profit generator in 2008.

In Dongyin, a neighboring town to Shouguan where Stora-Huatai Paper's SC Mill is located, the 200,000/mtpy SC machine went into commercial runs on December 19. At the moment, the machine is producing 300/mtpd and consumes roughly 1/tonne of recovered paper for 1/tonne of SC paper production.

The machine is a JV between Stora-Enso and Huatai Paper. Aiming to achieve 15%~20% savings in production cost while maintaining the same whiteness and runnability as LWC, Stora-Huatai is targeting at high-end catalog, magazine and mail ad business in China.

In Guangzhou, southern China, Guangzhou Paper inaugurated the start-up of its #9 PM on December 27. At the trim width of 10.2 meters and 2,000m/min. in speed, the #9 PM is to add more than 400,000/mtpy of newsprint capacity to Guangzhou Paper. Built by Metso, the #9 PM is equipped with most advanced de-inking, pulping and waste treatment facilities. RMB2.6 billion (US\$325 million) was spent on the project.

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## V. Printing & Writing Papers

**North America.** As compared with the same period of 2006, US printing paper demand dropped -4% in the first 11-months of 2007. The main driver of the fall was demand shrink in coated freesheet, which was caused by change in product code in export of coated papers from Asian producers. However, price of coated freesheet rose in December 2007. It is expected that coated freesheet demand in 2008 will drop further in view of the weak economy and slow down in advertising business growth. As a result of the energy and freight increases, price of coated freesheet went up in late December and as projected will continue to grow by 11~17% in 2008.

Demand for uncoated woodfree paper remained steady in December thanks to the capacity cuts. From January to December 2007, a total of 1.70 million/mtpy capacity shut-down was witnessed. This equaled to 12% of total North American capacity. Operating rate in early 2007 was only 90%. Following the capacity cuts, it went up to 95~98% by late 2007. In 2008, it will stay around 97%.

Price for uncoated wood free in the first few months of 2008 will stay steady and move up US\$55/tonne after the 2<sup>nd</sup> Quarter of 2008. This will be a 6~8% improvement from the same period of 2007.

**China Mainland Market.** Demand for fine paper remained active throughout December. Contrary to a minor dip in virgin fiber offset paper, demand for mixed fiber offset paper stood firm. As business for commercial packaging, printing and publishing entering into a high season in January, there is room for prices of coated freesheet and LWC to move up. Market for mid-to-low-end mixed fiber offset paper will stay tight under more demand than supply.

**Coated Paper.** Following the active printing business in December, publishers geared up orders of coated paper. This was especially true for textbooks printers. Transaction for products above RMB7,000/tonne (US\$959/tonne) was minimum vs. the hectic deals for products below RMB7,000/tonne by the majority of printers.

As compared with that of November, operating rate of commercial printing facilities went up. More orders of commercial catalogues and handouts contributed to the rise.

Fully Coated Freesheet Price Watch				
(In RMB/MT)	Origin	Early Jan08	Early Dec07	Change%
APP Jindong Grade A	Jiangsu	7,700	7,700	0.0%
APP Jindong Grade A2	Jiangsu	7,450	7,450	0.0%
Stora-Enso (Suzhou)	Jiangsu	7,400	7,400	0.0%
Sun Paper	Shandong	7,100	7,000	1.4%
Dawoo (Mudanjiang)	Heilongjiang	6,950	6,800	2.2%
Chenming Paper	Shandong	7,100	7,000	1.4%
Tralin Paper	Shandong	6,800	6,800	0.0%

Note: For reference only. Price varies in transaction.

Distributors reported of steady sales and prices of products from APP, Stora-Enso and Tralin Paper. However, sales prices of products from Sun Paper, Daewoo (Heilongjiang) and Chenming Paper went up RMB50/tonne (US\$6.84/tonne) as a result of reduced supplies.

**Imports & Exports.** Latest data released by the China Customs showed that China exported 74,020/tonne of fully coated paper, -18% from October and -28.57% from a year ago. Imports in November totaled 27,240/tonne, -3.7% from October and -23.075 from a year ago.

**Uncoated Paper.** High demand for **mixed fiber offset paper** continued into January and will go on until early February as publishers begin to build paper stock for text book printing.

According to the time schedules announced on October 31 to eliminate obsolete capacities announced by China's

National Development & Reform Commission, 6.50 million/tonne of capacity are targeted between 2006 and 2010. In 2007 alone, 2.30 million/tonne of capacity were closed. The shut-down of environmentally unfriendly mills, mostly mid-to-small size, led to the apparent shortage in supply of mixed fiber offset paper. Such shortage remained grave and prices went up even after production increases by mainstream producers including Chenming Paper, Sun Paper and Yin-Ge Paper.

Demand for virgin fiber offset paper rose in December, in expectation of New Year and the Chinese Lunar New Year holidays. However, the high cost in market pulp more than discouraged any price increases and forced consumption to dip from November.

Uncoated Offset Printing Paper Price Watch				
(In RMB/MT)	Origin	Early Jan.08	Early Dec.07	Change%
UPM (Changshu)	Jiangsu	7,400	7,400	0.0%
APP Gold Huasheng	Jiangsu	7,450	7,450	0.0%

Note: For reference only. Price varies in transaction.

Overall, supply of virgin fiber offset paper exceeded demand in December. Informed sources said that although sales remained steady, UPM is now facing growing challenges from Sun Paper and others. APP Goldhuasheng also was not able to make much headway in sales and price. Continuing at high runability and low price, products from Sun Paper's PM21 became the top-seller to threaten the traditional market of UPM and APP in China. Offset paper from Chenming Paper was also favored by the publishers because of variety and competitive prices.

**Imports & Exports.** China imported 2,180/tonne of uncoated woodfree paper in November, +3% from October. Exports during the month totaled 21,470/tonne, -54.8% from October and -22.52% from a year ago.

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## VI. Statistics

### A. Market Pulp

China's Bleached Softwood Kraft Pulp Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>205,876.46</b>	<b>165,814.72</b>	<b>24.16%</b>	<b>2,022,513.36</b>	<b>1,464,580.05</b>	<b>38.10%</b>	<b>710.24</b>	<b>574.31</b>
<b>Total Volume</b>	<b>281.62</b>	<b>248.56</b>	<b>13.30%</b>	<b>2,847.67</b>	<b>2,550.14</b>	<b>11.67%</b>		
<b>Origin</b>								
Canada	90.50	88.28	2.51%	930.25	917.25	1.42%	714.28	576.86
Chile	43.56	31.17	39.76%	527.52	352.58	49.62%	710.72	559.74
Russia	45.37	48.34	-6.15%	455.43	480.32	-5.18%	696.47	566.01
USA	55.98	34.97	60.07%	458.84	351.26	30.63%	716.44	592.84
Finland	20.36	12.26	66.13%	165.58	164.94	0.39%	704.54	568.96
Others	25.85	33.54	-22.94%	310.05	283.79	9.25%		
<b>Destination</b>								
Manzhouli	30.28	28.91	4.75%	298.47	336.27	-11.24%		
Shanghai	45.67	61.95	-26.28%	598.09	568.14	5.27%		
Nanjing	63.78	29.75	114.41%	526.30	443.68	18.62%		
Xiamen	12.73	11.68	8.99%	118.33	91.26	29.67%		
Qingdao	72.66	64.95	11.88%	743.13	634.66	17.09%		
Others	56.50	51.33	10.07%	563.35	476.12	18.32%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

China's Bleached Hardwood Pulp Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>163,665.77</b>	<b>161,430.07</b>	<b>1.38%</b>	<b>1,628,200.65</b>	<b>1,495,554.31</b>	<b>8.87%</b>	<b>592.74</b>	<b>539.11</b>
<b>Total Volume</b>	<b>263.27</b>	<b>269.62</b>	<b>-2.36%</b>	<b>2,746.92</b>	<b>2,774.13</b>	<b>-0.98%</b>		
<b>Origin</b>								
Indonesia	70.59	82.93	-14.88%	923.61	1097.52	-15.85%	594.44	540.94
Russia	16.35	17.86	-8.48%	180.24	152.04	18.55%	593.60	550.54
Brazil	96.78	104.83	-7.68%	781.11	863.01	-9.49%	563.68	531.97
Chile	29.26	15.32	90.94%	374.46	139.43	168.57%	624.98	563.72
USA	9.33	12.04	-22.53%	115.03	119.48	-3.73%	615.99	523.63
Others	40.97	36.64	11.83%	372.48	402.66	-7.49%		
<b>Destination</b>								
Manzhouli	9.38	7.28	28.78%	116.33	96.52	20.52%		
Shanghai	30.54	27.89	9.48%	374.35	297.58	25.80%		
Nanjing	137.76	130.66	5.43%	1318.81	1297.59	1.64%		
Qingdao	34.64	47.27	-26.72%	399.64	531.16	-24.76%		
Huangpu	12.26	17.81	-31.16%	138.25	164.30	-15.85%		
Others	38.69	38.71	-0.04%	399.54	386.98	3.25%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

## China Pulp & Paper Report

China's Unbleached Kraft Pulp Imports								
(In US\$000/MT000)	Nov/07	Nov/06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>38,873.26</b>	<b>35,102.74</b>	<b>10.74%</b>	<b>382,869.74</b>	<b>303,472.87</b>	<b>26.16%</b>	<b>572.79</b>	<b>479.35</b>
<b>Total Volume</b>	<b>69.58</b>	<b>64.03</b>	<b>8.67%</b>	<b>668.43</b>	<b>633.10</b>	<b>5.58%</b>		
<b>Origin</b>								
Chile	6.57	4.71	39.41%	74.47	85.00	-12.39%	622.97	479.48
Russia	27.30	18.26	49.55%	196.31	199.03	-1.36%	542.86	447.65
USA	23.29	24.44	-4.71%	229.99	184.85	24.42%	567.39	508.19
Japan	9.14	6.51	40.33%	81.65	78.64	3.83%	566.96	465.37
Others	3.28	10.11	-67.56%	86.01	85.57	0.51%		
<b>Destination</b>								
Manzhouli	9.95	5.53	79.88%	77.14	90.57	-14.83%		
Shanghai	10.76	21.30	-49.46%	176.35	169.92	3.78%		
Qingdao	12.64	8.76	44.24%	102.17	81.34	25.61%		
Huangpu	17.06	11.72	45.61%	135.31	191.58	-29.37%		
Others	19.16	16.72	14.61%	177.46	99.68	78.03%		
* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline								

China's Chemimechanical Pulp Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>45,777.45</b>	<b>29,217.14</b>	<b>56.68%</b>	<b>476,491.73</b>	<b>433,731.36</b>	<b>9.86%</b>	<b>530.63</b>	<b>477.72</b>
<b>Total Volume</b>	<b>81.15</b>	<b>55.62</b>	<b>45.90%</b>	<b>897.97</b>	<b>907.93</b>	<b>-1.10%</b>		
<b>Origin</b>								
Sweden	6.54	2.01	226.06%	33.17	36.92	-10.16%	532.79	466.21
Canada	70.10	46.99	49.18%	763.43	762.51	0.12%	536.04	481.64
New Zealand	4.50	5.83	-22.92%	82.93	75.70	9.55%	483.72	440.29
Others	0.00	0.79	-99.87%	18.44	32.80	-43.79%		
<b>Destination</b>								
Shanghai	8.18	5.33	53.45%	88.19	91.70	-3.83%		
Nanjing	19.40	12.31	57.61%	143.37	201.43	-28.82%		
Ningbo	24.61	20.14	22.16%	286.72	221.17	29.64%		
Qingdao	21.89	13.06	67.63%	281.88	289.84	-2.75%		
Gongbei	6.92	4.51	53.39%	83.18	88.90	-6.44%		
Others	0.15	0.26	-44.15%	14.63	14.88	-1.68%		
* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline								

China's Mechanical Pulp Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>4,238.25</b>	<b>3,080.53</b>	<b>37.58%</b>	<b>31,917.35</b>	<b>33,640.58</b>	<b>-5.12%</b>	<b>543.71</b>	<b>507.02</b>
<b>Total Volume</b>	<b>7.41</b>	<b>5.54</b>	<b>33.75%</b>	<b>58.70</b>	<b>66.35</b>	<b>-11.52%</b>		
<b>Origin</b>								
Canada	7.27	5.41	34.41%	57.13	60.96	-6.28%	541.21	507.08
Others	0.14	0.13	6.20%	1.57	5.40	-70.81%		
<b>Destination</b>								
Nanjing	6.67	0.00	N.A.	40.93	39.32	4.10%		
Others	0.74	5.54	-86.69%	17.78	27.03	-34.24%		
* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline								

## B. Newsprint

China's Newsprint Imports/Exports								
(In US\$000/000mt)	Nov-07	Nov-06	Change%	YTD2007	YTD2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>21,499.53</b>	<b>21,896.74</b>	<b>-1.81%</b>	<b>279,942.06</b>	<b>148,841.33</b>	<b>88.08%</b>	<b>515.89</b>	<b>531.80</b>
<b>Total Volume</b>	<b>42.49</b>	<b>41.53</b>	<b>2.29%</b>	<b>542.64</b>	<b>279.88</b>	<b>93.88%</b>		
<b>Destination</b>								
Hong Kong	11.97	6.44	85.94%	103.98	84.73	22.72%	514.69	519.48
India	11.05	17.31	-36.17%	187.13	126.07	48.44%	501.84	537.84
Taiwan	0.59	0.43	36.60%	9.66	0.96	904.68%	525.35	535.87
Malaysia	6.15	4.94	24.49%	62.78	19.97	214.44%	525.64	547.00
Iran	0.33	4.77	-93.13%	35.21	13.01	170.54%	525.96	534.37
Others	12.41	7.65	62.32%	143.89	35.15	309.41%		
<b>Loading Port</b>								
Fuzhou	4.97	12.48	-60.14%	47.59	48.96	-2.81%		
Qingdao	24.28	16.41	47.97%	331.86	109.46	203.18%		
Guangzhou	6.41	3.04	110.58%	55.37	37.82	46.42%		
Huangpu	2.34	5.91	-60.32%	40.99	34.20	19.85%		
Tianjin	2.01	2.27	-11.29%	46.08	21.53	114.06%		
Others	2.47	1.43	72.45%	20.76	27.92	-25.65%		
<b>Imports</b>								
<b>Total Value</b>	<b>667.35</b>	<b>522.07</b>	<b>27.83%</b>	<b>8,456.13</b>	<b>6,952.94</b>	<b>21.62%</b>	<b>587.15</b>	<b>548.68</b>
<b>Total Volume</b>	<b>1.16</b>	<b>0.95</b>	<b>22.04%</b>	<b>14.40</b>	<b>12.67</b>	<b>13.65%</b>		
<b>Origin</b>								
Japan	0.46	0.52	-11.78%	9.31	10.14	-8.18%	566.08	546.69
Finland	0.32	0.22	44.34%	3.26	0.46	611.57%	654.52	707.55
Others	0.39	0.21	80.84%	1.84	2.08	-11.64%		
<b>Destination</b>								
Tianjin	0.39	0.50	-21.93%	5.12	5.22	-1.99%		
Shenzhen	0.60	0.44	37.24%	1.90	1.57	20.97%		
Others	0.18	0.02	747.62%	7.39	5.88	25.59%		
Source: China Customs Administration/Chinapaperonline/ Im. Price: In US\$								

## C. Printing &amp; Writing Papers

China's Uncoated Printing & Writing Paper Exports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>37,708.24</b>	<b>39,325.90</b>	<b>-4.11%</b>	<b>383,619.52</b>	<b>335,366.94</b>	<b>14.39%</b>	<b>801.19</b>	<b>710.35</b>
<b>Total Volume</b>	<b>43.02</b>	<b>55.51</b>	<b>-22.52%</b>	<b>478.81</b>	<b>472.12</b>	<b>1.42%</b>		
<b>Destination</b>								
Hong Kong	5.17	6.50	-20.48%	53.43	52.03	2.69%	826.98	746.48
Japan	4.76	6.63	-28.18%	59.99	58.83	1.98%	787.46	723.81
South Korea	5.48	4.18	31.05%	43.10	57.74	-25.35%	765.43	728.26
Nigeria	2.78	4.84	-42.61%	20.48	39.57	-48.25%	718.42	649.82
Australia	4.10	4.37	-6.25%	48.68	35.34	37.76%	848.82	712.08
Others	20.73	29.00	-28.50%	253.14	228.62	10.73%		
<b>Loading Port</b>								
Qingdao	14.86	20.41	-27.17%	142.98	141.53	1.02%		
Nanjing	14.88	15.34	-3.01%	179.16	148.85	20.36%		
Shanghai	10.65	16.52	-35.57%	126.99	151.38	-16.11%		
Others	2.63	3.25	-18.99%	29.68	30.35	-2.21%		
* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline								

## China Pulp & Paper Report

China's Fully Coated Paper Imports & Exports								
(In US\$000/000 mt)	Nov/07	Nov/06	Change%	YTD2007	YTD2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>62,196.09</b>	<b>75,922.92</b>	<b>-18.08%</b>	<b>723,377.44</b>	<b>630,138.19</b>	<b>14.80%</b>	<b>847.44</b>	<b>732.79</b>
<b>Total Volume</b>	<b>74.02</b>	<b>103.63</b>	<b>-28.57%</b>	<b>853.61</b>	<b>859.92</b>	<b>-0.73%</b>		
<b>Destination</b>								
Hong Kong	13.29	19.64	-32.33%	108.29	133.11	-18.65%	837.37	731.68
Japan	6.75	8.39	-19.57%	45.21	57.48	-21.34%	874.01	738.23
UK	1.67	2.82	-40.70%	37.14	22.47	65.26%	869.27	719.10
USA	1.34	26.22	-94.90%	136.34	279.24	-51.17%	814.84	735.59
<b>Loading Port</b>								
Shanghai	5.30	13.92	-61.93%	68.27	80.90	-15.61%		
Qingdao	1.92	19.01	-89.90%	80.06	212.98	-62.41%		
Nanjing	65.33	68.91	-5.19%	687.54	544.95	26.16%		
<b>Imports</b>								
<b>Total Value</b>	<b>23,593.34</b>	<b>28,529.62</b>	<b>-17.30%</b>	<b>311,354.81</b>	<b>344,842.54</b>	<b>-9.71%</b>	<b>839.54</b>	<b>830.57</b>
<b>Total Volume</b>	<b>27.24</b>	<b>35.41</b>	<b>-23.07%</b>	<b>370.86</b>	<b>415.19</b>	<b>-10.68%</b>		
<b>Origin</b>								
South Korea	3.65	5.84	-37.53%	58.90	65.34	-9.86%	823.74	787.59
Japan	6.51	5.12	27.19%	69.64	71.48	-2.58%	844.73	811.07
Indonesia	1.94	1.63	19.25%	32.03	26.19	22.31%	890.77	880.36
Taiwan	3.14	3.75	-16.20%	45.27	39.85	13.60%	751.35	796.97
USA	1.44	1.26	14.16%	24.26	36.37	-33.30%	907.82	876.74
<b>Destination</b>								
Shanghai	2.70	2.86	-5.36%	25.67	62.20	-58.73%		
Huangpu	6.01	6.95	-13.62%	61.00	61.10	-0.16%		
Shenzhen	10.51	18.40	-42.87%	178.16	177.92	0.14%		
Source: China Customs Administration/Chinapaperonline / Im. Price: In US\$								

China's Lightweight Coated Paper Imports & Exports								
(In US\$000/000 mt)	Nov-07	Nov-06	Change%	YTD2007	YTD2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>15,855.36</b>	<b>12,735.56</b>	<b>24.50%</b>	<b>144,029.67</b>	<b>166,994.43</b>	<b>-13.75%</b>	<b>728.19</b>	<b>705.90</b>
<b>Total Volume</b>	<b>21.47</b>	<b>17.98</b>	<b>19.39%</b>	<b>197.79</b>	<b>236.57</b>	<b>-16.39%</b>		
<b>Destination</b>								
Japan	4.98	3.59	38.62%	47.04	73.82	-36.28%	701.22	691.17
South Korea	5.22	2.62	99.05%	28.34	29.46	-3.80%	763.30	714.06
Australia	4.67	2.38	96.22%	51.59	27.13	90.19%	721.79	728.66
<b>Loading Port</b>								
Qingdao	4.18	2.86	46.09%	19.15	32.01	-40.18%		
Nanchang	14.94	12.93	15.55%	150.48	116.91	28.71%		
Changsha	1.90	0.25	666.94%	9.07	1.11	713.82%		
<b>Imports</b>								
<b>Total Value</b>	<b>1,525.54</b>	<b>1,210.65</b>	<b>26.01%</b>	<b>20,149.79</b>	<b>20,964.49</b>	<b>-3.89%</b>	<b>681.66</b>	<b>854.02</b>
<b>Total Volume</b>	<b>2.18</b>	<b>1.71</b>	<b>28.09%</b>	<b>29.56</b>	<b>24.55</b>	<b>20.42%</b>		
<b>Origin</b>								
Japan	1.26	0.80	58.15%	7.11	3.98	78.56%	735.17	738.38
Finland	0.40	0.45	-11.45%	9.05	7.31	23.77%	514.59	626.08
Others	0.52	0.45	14.79%	13.40	13.25	1.09%		
<b>Destination</b>								
Ningbo	0.60	0.30	103.04%	8.04	6.50	23.61%		
Huangpu	0.10	0.26	-62.11%	4.02	4.45	-9.66%		
Shenzhen	0.35	0.21	66.19%	4.43	2.79	58.75%		
Source: China Customs Administration/Chinapaperonline / Im. Price: In US\$								

## D. Packaging Paperboard

China's Linerboard Imports & Exports								
(In US\$000/000mt)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>13,317.14</b>	<b>7,921.19</b>	<b>68.12%</b>	<b>102,253.53</b>	<b>53,851.27</b>	<b>89.88%</b>	<b>462.83</b>	<b>408.34</b>
<b>Total Volume</b>	<b>29.78</b>	<b>18.60</b>	<b>60.14%</b>	<b>220.93</b>	<b>131.88</b>	<b>67.53%</b>		
<b>Destination</b>								
Philippines	2.11	3.96	-46.73%	20.27	8.22	146.68%	461.24	412.41
Iran	6.90	2.00	244.81%	51.20	12.71	302.77%	397.23	354.26
United Arab Emirates	2.55	2.18	17.09%	16.29	18.52	-12.04%	395.98	382.17
<b>Loading Port</b>								
Fuzhou	2.74	0.50	446.51%	14.24	7.82	82.07%		
Qingdao	7.76	0.40	1821.78%	53.37	1.58	3288.57%		
Shenzhen	15.15	16.30	-7.04%	104.30	101.73	2.53%		
<b>Imports</b>								
<b>Total Value</b>	<b>48,121.98</b>	<b>52,316.16</b>	<b>-8.02%</b>	<b>510,853.19</b>	<b>504,626.33</b>	<b>1.23%</b>	<b>540.33</b>	<b>479.51</b>
<b>Total Volume</b>	<b>81.72</b>	<b>103.41</b>	<b>-20.98%</b>	<b>945.44</b>	<b>1,052.39</b>	<b>-10.16%</b>		
<b>Origin</b>								
USA	22.46	21.94	2.37%	251.06	213.17	17.77%	552.93	504.77
Russia	16.37	17.65	-7.25%	173.98	221.13	-21.32%	459.13	404.71
Taiwan	13.61	17.84	-23.73%	162.95	189.02	-13.79%	415.52	397.54
Japan	4.84	6.39	-24.26%	56.76	45.63	24.39%	807.34	797.09
<b>Destination</b>								
Manzhouli	6.63	6.94	-4.52%	69.79	84.98	-17.88%		
Shanghai	19.51	21.70	-10.09%	209.24	196.00	6.76%		
Shenzhen	28.05	45.60	-38.49%	351.79	492.69	-28.60%		
Huangpu	6.53	7.71	-15.40%	67.99	67.96	0.05%		

\* Im.Price is "US\$/MT". Source: China Customs Administration/Chinapaperonline

China's Medium Imports & Exports								
(In US\$000/000mt)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>16,172.40</b>	<b>4,317.73</b>	<b>274.56%</b>	<b>116,662.75</b>	<b>23,889.06</b>	<b>388.35%</b>	<b>350.74</b>	<b>343.08</b>
<b>Total Volume</b>	<b>43.75</b>	<b>12.74</b>	<b>243.27%</b>	<b>332.62</b>	<b>69.63</b>	<b>377.69%</b>		
<b>Destination</b>								
UK	11.08	0.00	369366.67%	32.29	0.04	83690.87%	352.52	703.66
Italy	17.45	0.00	13963100.00%	74.51	0.00	5348428.36%	357.58	966.26
USA	2.63	1.66	58.91%	28.99	17.97	61.31%	346.71	326.63
<b>Loading Port</b>								
Shanghai	3.55	0.97	265.64%	30.91	14.89	107.56%		
Shenzhen	9.73	9.28	4.84%	79.68	36.78	116.66%		
Nanjing	30.06	2.09	1340.84%	216.88	14.22	1424.85%		
<b>Imports</b>								
<b>Total Value</b>	<b>11,135.03</b>	<b>17,252.18</b>	<b>-35.46%</b>	<b>143,630.91</b>	<b>185,647.31</b>	<b>-22.63%</b>	<b>287.09</b>	<b>280.40</b>
<b>Total Volume</b>	<b>37.53</b>	<b>60.71</b>	<b>-38.18%</b>	<b>500.30</b>	<b>662.09</b>	<b>-24.44%</b>		
<b>Origin</b>								
Taiwan	26.15	28.06	-6.81%	258.32	271.49	-4.85%	287.21	277.54
S.Korea	4.97	7.39	-32.67%	102.06	118.97	-14.21%	260.50	262.82
<b>Destination</b>								
Huangpu	1.44	1.97	-27.20%	19.13	33.35	-42.64%		
Shenzhen	29.69	49.93	-40.55%	420.26	548.27	-23.35%		

\* Im.Price is "US\$/MT". Source: China Customs Administration/Chinapaperonline

## China Pulp & Paper Report

China's Coated SBS Board Imports & Exports								
(In US\$000/000 mt)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Exports</b>								
<b>Total Value</b>	<b>68,770.87</b>	<b>32,411.53</b>	<b>112.18%</b>	<b>497,877.36</b>	<b>251,783.66</b>	<b>97.74%</b>	<b>666.14</b>	<b>637.14</b>
<b>Total Volume</b>	<b>99.35</b>	<b>54.03</b>	<b>83.88%</b>	<b>747.41</b>	<b>395.18</b>	<b>89.13%</b>		
<b>Destination</b>								
Hong Kong	7.68	8.80	-12.70%	77.38	69.50	11.34%	733.73	697.53
USA	33.70	3.91	762.80%	190.57	42.06	353.12%	809.08	793.31
Iran	3.43	5.46	-37.20%	30.13	32.53	-7.40%	466.88	430.03
<b>Loading Port</b>								
Ningbo	28.87	17.25	67.39%	259.92	153.93	68.86%		
Qingdao	15.49	5.39	187.21%	107.54	70.54	52.45%		
Shenzhen	17.96	19.50	-7.90%	155.29	83.28	86.47%		
Nanjing	20.86	0.00	N.A.	98.19	0.21	47105.77%		
<b>Imports</b>								
<b>Total Value</b>	<b>57,246.60</b>	<b>43,335.13</b>	<b>32.10%</b>	<b>672,535.33</b>	<b>644,605.76</b>	<b>4.33%</b>	<b>870.38</b>	<b>798.73</b>
<b>Total Volume</b>	<b>63.25</b>	<b>56.56</b>	<b>11.83%</b>	<b>772.69</b>	<b>807.04</b>	<b>-4.26%</b>		
<b>Origin</b>								
Taiwan	9.76	9.93	-1.71%	108.47	126.36	-14.16%	535.22	521.72
Sweden	14.92	8.05	85.29%	168.39	121.20	38.94%	1379.61	1433.41
USA	12.96	6.59	96.83%	134.01	90.71	47.74%	917.98	889.19
<b>Destination</b>								
Shanghai	19.26	8.64	122.84%	149.72	85.38	75.35%		
Guangzhou	6.52	6.18	5.45%	74.28	67.33	10.33%		
Huangpu	10.51	11.49	-8.50%	117.87	157.85	-25.33%		
Shenzhen	14.56	17.66	-17.57%	201.50	280.12	-28.07%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

## E. Recovered Paper

China's OCC Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>225,892.74</b>	<b>145,757.07</b>	<b>54.98%</b>	<b>2,015,324.50</b>	<b>1,353,235.09</b>	<b>48.93%</b>	<b>180.79</b>	<b>142.70</b>
<b>Total Volume</b>	<b>1,074.52</b>	<b>976.33</b>	<b>10.06%</b>	<b>11,147.47</b>	<b>9,482.87</b>	<b>17.55%</b>		
<b>Origin</b>								
USA	518.36	405.79	27.74%	4,282.73	4,050.25	5.74%	198.08	152.86
Germany	23.66	44.10	-46.35%	471.13	500.12	-5.80%	164.53	131.59
Holland	94.88	85.51	10.96%	1,089.91	861.02	26.58%	173.37	134.15
Hong Kong	36.94	33.85	9.14%	387.46	318.15	21.79%	155.95	131.26
Belgium	42.91	34.03	26.09%	489.70	319.56	53.24%	175.31	134.01
Japan	99.43	140.82	-29.40%	1,313.04	1,200.62	9.36%	171.33	138.61
Australia	29.41	19.16	53.51%	297.54	188.37	57.95%	168.70	133.44
UK	109.43	115.95	-5.63%	1,346.96	1,087.34	23.88%	170.00	140.76
France	22.98	15.94	44.18%	269.15	134.46	100.17%	169.98	131.76
Canada	9.48	21.36	-55.63%	189.87	190.43	-0.29%	187.38	144.93
Others	87.05	59.82	45.50%	1,009.98	632.55	59.67%		
<b>Destination</b>								
Shanghai	84.30	97.93	-13.92%	989.04	956.99	3.35%		
Nanjing	196.07	147.39	33.03%	2,204.53	1,429.88	54.18%		
Qingdao	103.98	94.28	10.29%	1,022.71	858.26	19.16%		
Huangpu	245.79	140.60	74.81%	1,921.19	1,642.90	16.94%		
Shenzhen	237.02	228.35	3.80%	2,603.71	2,188.89	18.95%		
Others	207.37	267.78	-22.56%	2,406.29	2,405.95	0.01%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

## China Pulp & Paper Report

China's ONP Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>93,196.71</b>	<b>65,996.10</b>	<b>41.22%</b>	<b>965,090.07</b>	<b>645,419.96</b>	<b>49.53%</b>	<b>179.95</b>	<b>141.66</b>
<b>Total Volume</b>	<b>475.55</b>	<b>442.20</b>	<b>7.54%</b>	<b>5,363.01</b>	<b>4,556.21</b>	<b>17.71%</b>		
<b>Origin</b>								
USA	316.37	253.66	24.73%	3,171.82	2,508.04	26.47%	184.46	146.37
Germany	2.91	3.00	-2.97%	55.78	38.90	43.41%	163.41	128.63
Holland	3.34	10.09	-66.86%	209.21	187.90	11.34%	173.10	131.98
Hong Kong	35.80	32.83	9.05%	359.97	327.81	9.81%	164.25	136.97
Belgium	2.96	7.36	-59.78%	93.45	96.58	-3.24%	169.83	127.95
Japan	40.86	59.50	-31.33%	431.24	698.56	-38.27%	187.04	139.65
UK	32.89	39.55	-16.84%	484.78	363.90	33.22%	172.13	133.36
France	1.07	0.61	75.25%	36.92	15.36	140.37%	183.21	131.14
Canada	9.24	10.71	-13.74%	119.51	94.81	26.05%	175.73	137.50
South Korea	5.11	3.74	36.85%	71.15	19.47	265.43%	175.81	143.07
Australia	14.07	8.44	66.67%	124.58	65.29	90.80%	166.81	135.65
Others	10.93	12.71	-14.03%	204.61	139.59	46.58%		
<b>Destination</b>								
Tianjin	31.70	42.51	-25.43%	301.26	323.40	-6.85%		
Shanghai	46.50	41.96	10.82%	420.06	424.34	-1.01%		
Qingdao	162.85	115.66	40.80%	1,736.20	949.56	82.84%		
Hangzhou	47.60	39.50	20.51%	415.16	402.90	3.04%		
Huangpu	56.64	60.14	-5.83%	752.43	684.90	9.86%		
Fuzhou	27.13	23.83	13.83%	331.66	293.51	13.00%		
Others	103.14	118.61	-13.04%	1,406.23	1,477.60	-4.83%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

China's Sorted Mixed Waste Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>70,966.30</b>	<b>44,680.06</b>	<b>58.83%</b>	<b>675,229.29</b>	<b>442,847.19</b>	<b>52.47%</b>	<b>159.81</b>	<b>122.58</b>
<b>Total Volume</b>	<b>382.95</b>	<b>349.36</b>	<b>9.62%</b>	<b>4,225.21</b>	<b>3,612.59</b>	<b>16.96%</b>		
<b>Origin</b>								
USA	90.45	104.69	-13.60%	1,040.14	1,118.76	-7.03%	164.01	124.99
Germany	11.56	8.96	28.97%	168.08	94.20	78.43%	152.27	116.34
Holland	15.59	8.42	85.12%	176.00	119.67	47.08%	154.82	119.02
Hong Kong	23.17	16.94	36.75%	209.63	211.62	-0.94%	147.40	137.80
Belgium	7.20	8.63	-16.60%	111.29	79.88	39.33%	155.06	114.82
Japan	111.52	85.59	30.30%	945.27	929.67	1.68%	164.42	121.76
UK	58.38	64.08	-8.88%	653.42	441.68	47.94%	153.95	115.51
Italy	7.43	5.33	39.46%	109.92	54.73	100.86%	152.97	114.41
Australia	29.27	15.84	84.79%	211.02	217.06	-2.78%	164.20	123.19
France	1.87	1.35	38.43%	29.02	9.60	202.38%	159.58	133.31
Others	26.52	29.54	-10.21%	571.42	335.74	70.20%		
<b>Destination</b>								
Tianjin	27.52	23.15	18.85%	232.80	330.67	-29.60%		
Shanghai	71.59	70.54	1.49%	742.61	601.19	23.52%		
Hangzhou	91.89	117.36	-21.71%	1,106.40	1,037.27	6.66%		
Huangpu	15.87	39.97	-60.28%	575.90	280.77	105.11%		
Qingdao	10.07	24.86	-59.49%	205.51	192.69	6.65%		
Ningbo	65.08	15.56	318.24%	518.49	407.56	27.22%		
Others	100.93	57.91	74.28%	843.50	762.44	10.63%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

## China Pulp & Paper Report

China's De-inking Imports								
(In US\$000/MT000)	Nov-07	Nov-06	Change%	YTD 2007	YTD 2006	Change%	Ave. Price2007	Ave. Price2006
<b>Total Value</b>	<b>4,893.38</b>	<b>3,606.15</b>	<b>35.70%</b>	<b>42,069.21</b>	<b>37,883.59</b>	<b>11.05%</b>	<b>236.88</b>	<b>191.63</b>
<b>Total Volume</b>	<b>19.69</b>	<b>17.90</b>	<b>10.03%</b>	<b>177.60</b>	<b>197.69</b>	<b>-10.16%</b>		
<b>Origin</b>								
USA	11.52	6.54	76.32%	84.76	100.33	-15.52%	266.23	206.44
Germany	0.11	0.23	-53.85%	3.46	3.03	14.25%	242.92	226.38
Holland	1.03	1.38	-25.00%	8.93	8.91	0.26%	212.58	206.63
Hong Kong	1.60	2.69	-40.44%	17.28	32.40	-46.67%	153.10	151.75
Belgium	0.15	0.41	-62.56%	1.80	3.49	-48.35%	238.24	192.66
Japan	3.95	3.39	16.81%	36.00	27.95	28.79%	207.68	161.38
Australia	0.22	0.54	-59.12%	1.96	1.71	14.94%	274.87	214.12
UK	0.42	0.39	6.96%	2.72	5.66	-51.93%	268.38	213.07
Others	0.68	2.34	-70.88%	20.69	14.23	45.42%		
<b>Destination</b>								
Shanghai	6.49	2.46	164.29%	39.75	8.07	392.54%		
Qingdao	3.90	4.74	-17.67%	60.94	69.27	-12.03%		
Jiangmen	1.54	2.58	-40.57%	21.04	23.39	-10.08%		
Tianjin	1.31	2.52	-47.82%	25.33	22.80	11.10%		
Others	6.45	5.60	15.19%	30.54	74.16	-58.82%		

\* Im.Price is "US\$/MT".Source: China Customs Administration/Chinapaperonline

### A Note From The Editors

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