

EUWID Price Watch Pulp Western Europe

June 2024

CIF North Sea ports	June 2024*	May 2024	June 2023
Bleached softwood pulp			
Softwood kraft			
from Scandinavia and Canada in €/t	1,483 - 1,502	1,395 - 1,432	1,093 - 1,111
from Scandinavia and Canada in US\$/t	1,610 - 1,630	1,520 - 1,560	1,190 - 1,210
Southern softwood from the US in €/t	1,410 - 1,419	1,340 - 1,350	1,038 - 1,056
Southern softwood from the US in US\$/t	1,530 - 1,540	1,460 - 1,470	1,130 - 1,150
Bleached hardwood pulp			
Birch pulp from Scandinavia in €/t	1,327	1,322	781
Eucalyptus pulp			
from Portugal/Spain in €/t	1,327	1,322	781
from South America in €/t	1,327	1,322	781
from South America in US\$/t	1,440	1,440	850
Southern hardwood in €/t	1,244	1,239	698 - 716
Southern hardwood in US\$/t	1,350	1,350	760 - 780
Hardwood BCTMP			
from Scandinavia and Canada in €/t	645 - 695	642 - 693	551 - 615
from Scandinavia and Canada in US\$/t	700 - 755	700 - 755	600 - 670

* Exchange rate as of 5 July 2024: US\$1 = €0.921

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Upward price pressure dissipates from European pulp market

Hardwood pulp prices unchanged in June as spot market offers on the rise

Receding demand from some market segments in conjunction with increasing availability at the start of summer are easing the pressure on the pulp market in Europe. The price pressure, which caused both hardwood as well as softwood pulp prices to rise steadily from one month to the next over the last nine months, has dissipated. Market players do not rule out a reversal in the price trend in July and August. Pulp already sells for lower prices on the spot market. How soon contract prices will be corrected remains to be seen.

Hardwood pulp prices stabilised in June on the European pulp market as anticipated. EUWID respondents on both sides of the market report an unchanged list price of \$1,440/t for bleached eucalyptus kraft pulp (BEK). For northern bleached softwood kraft pulp (NBSK), the remaining customers have also agreed to accept the hiked price of up to \$1,630/t. Several EUWID respondents now expect NBSK pulp prices to be carried forward unchanged for deliveries in July. Market players believe that conditions on the spot market will determine how pulp prices develop in Europe. Due to shifts in global delivery streams and demand adjustments, spot market inflow has increased significantly and prices started easing in past weeks. Spot volumes of hardwood as well as softwood sulphate pulp are offered for €50-70/t below the contract price.

As in the previous month, industry sources note that some integrated pulp and paper producers, have opted to produce less paper and sell pulp on the market rather than maintain normal produc-

tion and flood the market with paper, in response to softening demand in the summer, combined with low selling prices, e.g. for fine paper. Here again, integrated mills are not the only ones responsible for the flourishing spot market. Market pulp producers also stepped up pulp deliveries to Europe in recent months. To some extent, the pulp was actually needed and consumed, but inflow also increased because conditions on the European market were more favourable than the languishing market in China. Pulp suppliers are now trying to find buyers for the "free volumes," a pulp trader explained to EUWID.

Because spot market prices are attractive, customers are usually drawn to cover a part of their pulp needs on the spot market rather than from contracted suppliers, another merchant explained. Producers affected by this trend are faced with the choice of selling excess volumes on the spot market or directly offering them to customers at discounted prices, he added.

Several market players therefore expect that pulp prices in contracts will fall. Some pulp producers emphasize that pulp prices will not crash even as they do not rule out a string of corrections before the end of the year. Softwood pulp producers think that they are generally in a better position than those of hardwood pulp because of the capacity cuts undertaken in the last few years especially in North America, a NBSK pulp producer explained.

Meanwhile, the eucalyptus pulp market is waiting for the production to start at the new 2.55 million tpy BEK pulp line in Ribas do Rio Pardo, in Brazil's state of Mato Grosso do Sul. Suzano recently postponed the commissioning of its Project Cerrado from June to July but still expects to offer 700,000 tpy of pulp from the new Cerrado fibre line on the market by the end of the year. □

New PEFC standards in Austria

Austria has adopted and published new PEFC standards. As PEFC Austria reports, the standards will now be revised every five years in a comprehensive participatory process. Representatives from the industry, NGOs, scientists and forest owners were involved in the creation of the current standards, which fulfil international criteria.

The new standards shall strengthen the competitiveness of the Austrian timber industry and ensure the transparent origin of timber for consumers, says PEFC Austria Chairman Dr Kurt Ramskogler. The new 2024 system documents are available on the PEFC Austria website. □