

## Global Pulp, Paper &amp; Forest Products

## Global pulp shipments up 7.6% y/y in Jan

## Industry Overview

## Global pulp shipments up 7.6% y/y in January

The Pulp and Paper Products Council (PPPC) reported global pulp shipments up 7.6% y/y in January to 4,339Kt. Hardwood (HW) shipments again led the y/y increase, up 14.5% y/y in Jan to 2,365Kt, while softwood (SW) shipments were up 0.2% y/y to 1,819Kt, and unbleached kraft pulp (UKP) rose 0.2% y/y to 152Kt. The increase was led by higher shipments to China, up 22.3% y/y (+41% for HW and +2.5% for SW). Shipments to North America were up 7.5% y/y, Western Europe shipments rose 2.2% y/y, Eastern Europe shipments rose 15.1% y/y, Other Asia and Africa was up 2.8% y/y. Shipments to Latin America dropped 16.1% y/y to 297Kt, Japan dropped 11.1% y/y to 146Kt and Oceania - 5.8% y/y to 28Kt.

## China continues to lead growth with volumes up 22.3% y/y

PPPC noted that the strong y/y pulp shipments growth in January were partly due to lower comps, as by early 2023 pulp buyers were destocking. Even coming from a strong base in December, the m/m shipment to China dropped in line with previous Januarys, indicating a strong month in terms of pulp shipments. Chinese HW shipments rose an impressive 41% y/y. Meantime, we also saw rebounds in developed world demand, with North America and Western Europe shipments up y/y, although aided by the soft comps.

## Inventories up one day m/m to 44 days

Total producer inventories increased two days m/m to 44 days of supply, up four days m/m to 47 days for HW and up one day m/m for SW to 41 days. On a y/y basis, total inventories dropped seven days, with HW and SW seven days below January 2023 levels. Operating rates at 82% decreased from 93% in Dec 2023 but was up from 79% in Jan 2023.

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Refer to important disclosures on page 4 to 6.

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**Exhibit 1: Summary table for World Pulp Statistics – Shipments (Kt)**

PPPC reported global pulp shipments up 7.6% y/y to 4,339Kt in January

	Jan-24	m/m %	y/y %	2024 ytd	ytd (%)
<b>Total shipments</b>	<b>4,339</b>	<b>-13.3%</b>	<b>7.6%</b>	<b>4,339</b>	<b>7.6%</b>
Softwood pulp	1,819	-5.6%	0.2%	1,819	0.2%
Hardwood pulp	2,365	-18.9%	14.5%	2,365	14.5%
Others	155	-2.9%	1.4%	155	0.6%
<b>By region</b>					
North America	633	-3.8%	7.5%	633	7.5%
Europe - Total	1,074	5.6%	3.8%	1,074	3.9%
LatAm	297	-22.0%	-16.1%	297	-16.1%
China	1,542	-21.8%	22.3%	1,542	22.3%
Japan	146	-9.9%	-11.1%	146	-11.1%
Other Asia & Africa	620	-20.7%	2.8%	620	2.8%
Oceania	28	-11.7%	-5.8%	28	-5.8%

Source: BofA Global Research, PPPC

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**Exhibit 2: Summary table for World Pulp Statistics – Inventories**

Producer inventories up two days m/m in Jan to 44 days of supply

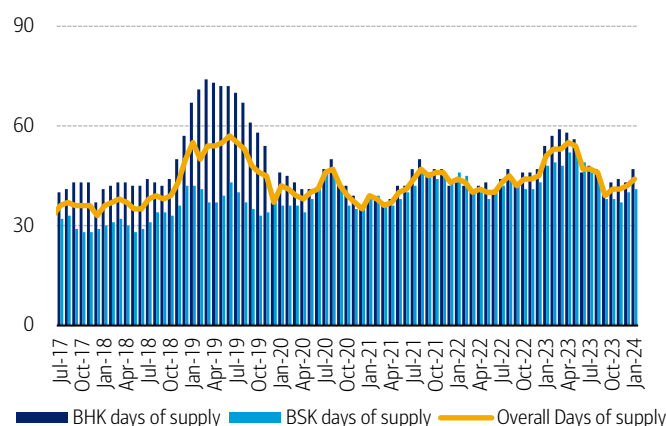
	Jan-24	m/m	y/y
<b>Days of supply</b>	<b>44</b>	<b>2</b>	<b>-7</b>
Softwood pulp	41	1	-7
Hardwood pulp	47	4	-7
<b>Shipment-to-capacity (operating rates %)</b>	<b>82%</b>	<b>-1100bp</b>	<b>+300bp</b>

Source: BofA Global Research, PPPC

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**Exhibit 3: Pulp – producer inventory levels (standard days of supply)**

Producer inventories increased 2 days m/m in Jan to 44 days of supply

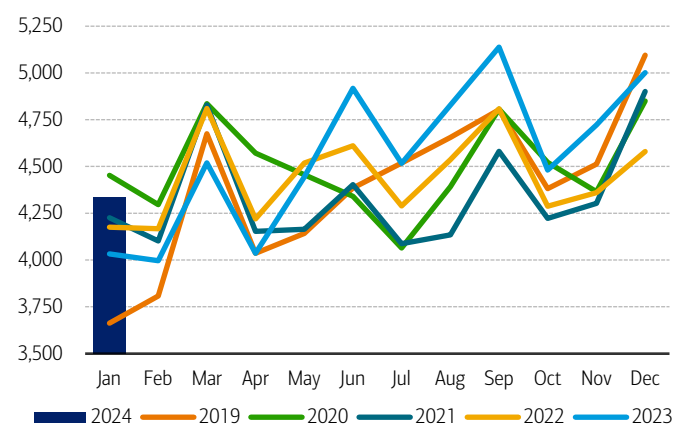


Source: BofA Global Research, PPPC (World-20 report)

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**Exhibit 4: Total pulp shipments (Kt)**

January shipments increased 7.6% y/y

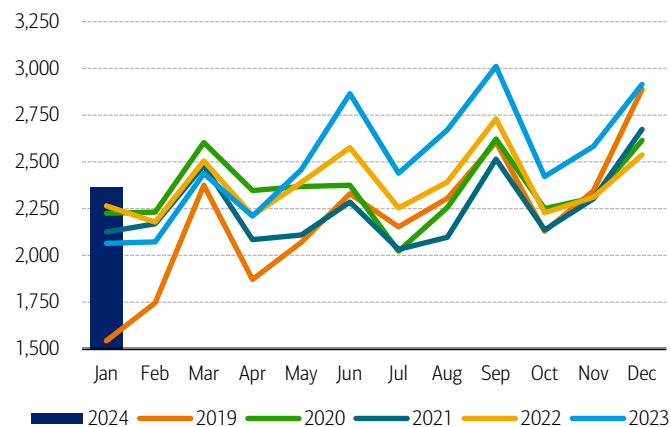


Source: BofA Global Research, PPPC (World-20 report)

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**Exhibit 5: Bleached hardwood kraft (BHK) pulp shipments (Kt)**

January hardwood shipments increased 14.5% y/y

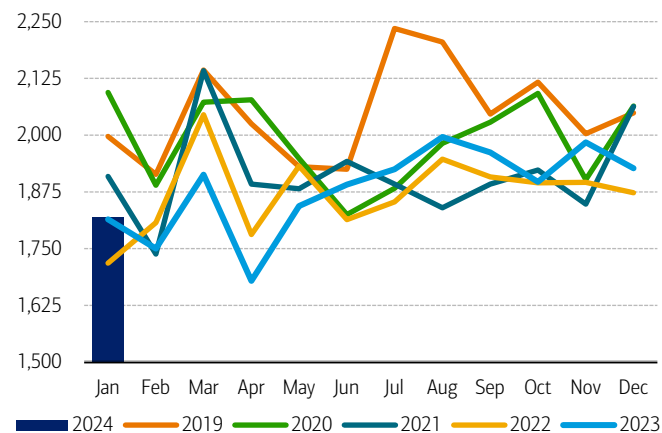


Source: BofA Global Research, PPPC (World-20 report)

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**Exhibit 6: Bleached softwood kraft (BSK) pulp shipments (Kt)**

January softwood shipments increased 0.2% y/y



Source: BofA Global Research, PPPC (World-20 report)

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