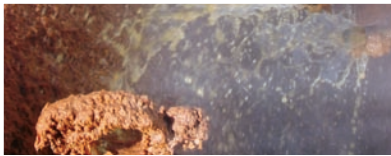




PULP & PAPER STRATEGIC REVIEW 2009

A COMPREHENSIVE ANALYSIS OF THE AUSTRALIAN AND NEW ZEALAND PULP & PAPER INDUSTRY



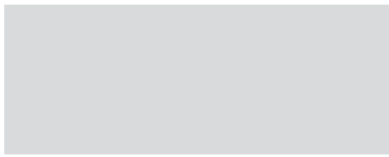
THE AUTHORS

Robert Eastment

is a Director of *IndustryEdge* and is a professional economist and forester. He has a strong background in the corporate finance sector in Australia, as well as Asia and Europe. Robert is the editor of the monthly market intelligence report *Pulp and Paper Edge* and the annual *Pulp and Paper Strategic Review*. He has an intimate knowledge of the pulp and paper sector in Australia and New Zealand and has contributed to a number of leading reports and studies on the forest and wood products sectors in Australia.

Brian Stafford

is an economist by profession with extensive experience in strategic analysis in the forest products and pulp and paper industries going back more than two decades. Subsequent to being employed at senior executive level in the pulp and paper industry, he formed his own market intelligence organization, *Ausnewz Pulp & Paper Intelligence Service*, which he ran for fifteen years. During this time, as well as a monthly pulp and paper intelligence report, he published numerous in-depth analyses of the pulp and paper and forest industries in Australia, Indonesia, Japan and China. In particular, he has written or co-written 20 annual reviews of the industry.



INDUSTRY OVERVIEW

The Publication

The 2009 *Pulp and Paper Strategic Review* presents an unrivalled coverage of the quantitative experience and strategic developments in the Australian and New Zealand pulp and paper industry, both manufacturing and distribution, over the course of the year.

Each sector is placed in an international context and data provided by Hawkins Wright of London is provided on developments in the international pulp market. EMGE (UK) forecasts for the next five years are provided for the four main printing and communication paper grades.

Demand drivers for paper and paperboard are examined in some detail with particular reference to historical trends in advertising expenditure in both countries, especially advertising expenditure on print, contrasting it with expenditure on on-line advertising.

In relation to consumption, *the Review* is highly quantitative, presenting detailed data on the components of demand across a wide range of grades in the four main sectors, plus quarterly and annual pricing information on a money and real price basis. Wherever possible, data is presented in graphical as well as tabular form the latter including cumulative growth rates.

Imports are documented on a volume, country of origin and price/tonne basis showing the quantity and price trend for individual grade imports going back over ten years. Exports are presented on the bases of price/tonne and country of destination, again in a ten-year time frame.

Forecasts for the next five years, based on the consumption experience over the last twenty-one years and BIS Shrapnel GDP projections are presented for the major sectors and the main grades within the printing and communication papers sector.

Comprehensive information on the national production base is provided in map form and a description is provided for the type and capacity of the manufacturing facilities located on each site.

The Context

The global financial crisis has taken its toll on the pulp and paper industry, but the impact has varied considerably between the main sectors. Newsprint and tissue appear to have escaped relatively unscathed, but printing and communication papers and packaging have suffered their biggest turnaround in many years.

For printing and communication papers not only was demand down substantially, but it eroded rapidly over the course of the year. Charts are presented showing the rapidity of this decline for each main grade, with quarterly import data for the last eight periods.

Packaging paper and paperboard consumption was down marginally less than printing and communication papers, but because only a small proportion is supplied from imports it is not possible to gauge the pace of the deceleration in demand.

The trend in sources of supply, which has been observed to be changing fairly rapidly over the last decade, was reversed over 2008-09, with the share of the Euroscan countries increasing their share for the first time in at least a decade.

Total demand for paper and paperboard had been approaching the 4 million tonne-level in Australia, however, it received a setback in both countries over 2008-09 for reasons already stated. The long-term growth rate for Australian is 1.0% pa and in New Zealand 1.3%.

Prices for printing and communication papers had been stable in money terms for almost four years, but this year, somewhat incongruously, they went down and back up again, even though when they rose the currency in both countries was appreciating.

PHOTOS COURTESY OF:
Visy, Australian Paper, IndustryEdge, Amcor, ABC Tissue.

DESIGN & PRODUCTION: Walker Designs

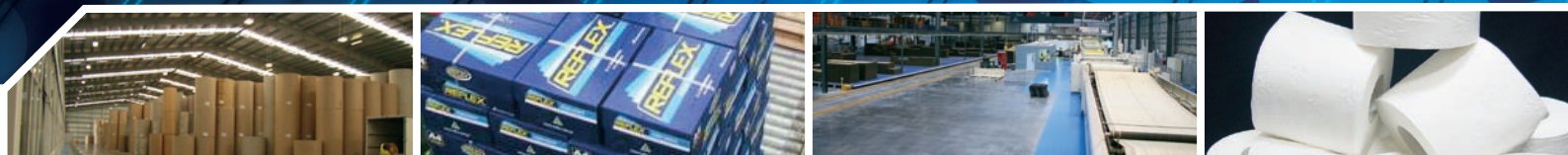


THE PUBLICATION

Following an executive summary, the Australian and New Zealand *Pulp & Paper Strategic Review 2009* proceeds with an in-depth strategic analysis of the sector, establishing the industry's strengths and weaknesses and identifying threats and opportunities. Demand drivers are examined for all sectors, including advertising expenditure, economic activity and changing trends in consumption. Comprehensive data is presented on local production, imported supplies (by grade, country of origin and price), and export shipments (by grade, country of destination and price) for both Australian and

New Zealand in an 11-year time frame. Particular attention is paid to price trends, both money and real, and these are compared to economy-wide benchmark indices over time. Demand forecasts are provided for the next five years for the major sectors and for publication and communication grades in Australia.

Abundant quantitative material is presented in tabular form accompanied by colour charts. The Review is available in hardcopy, spiral bound for convenience of use, or in electronic format.



EXECUTIVE SUMMARY

INDUSTRY OVERVIEW

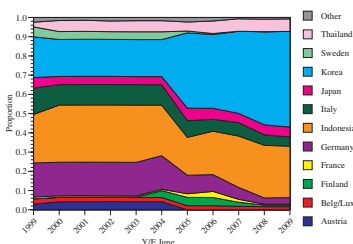
- Demand
- Currency
- Australia
- New Zealand

STRATEGIC OVERVIEW

- World Markets
- Australia
- Strategic Evaluation
- New Zealand
- Currency: Threat & Opportunity

DEMAND DRIVERS

- Publication & Commercial Printing Papers
- The Printing & Publishing Sector
- Communication & Information Papers
- Tissue
- Packaging Paper & Paperboard
- Conclusion



PAPER & PAPERBOARD DEMAND IN AUSTRALIA

- Introduction
- Total Paper & Paperboard Consumption in Australia
- Newsprint
- Printing & Communication Papers
- Packaging Paper & Paperboard
- Forecasts
- Conclusion

FIBRE SUPPLY IN AUSTRALIA

- Introduction
- World Context
- International Pulp Market
- Wastepaper
- Australia
- Wastepaper
- International Trade in Wastepaper
- Conclusion

NEWSPRINT MARKET IN AUSTRALIA

- Introduction
- Apparent Consumption
- Production
- Imports
- Exports
- Prices

PRINTING & COMMUNICATION PAPERS

- Introduction
- Apparent Consumption
- Imports by Region
- Forecasts

UNCOATED MECHANICALS

- Introduction
- Apparent Consumption
- Imports by Region
- Forecasts

COATED MECHANICALS

- Introduction
- Apparent Consumption
- Lightweight Coated Mechanicals (LWC)
- Mediumweight Coated Mechanicals (MWC)
- Total Coated Mechanicals
- Imports by Region
- Forecasts

UNCOATED WOODFREES

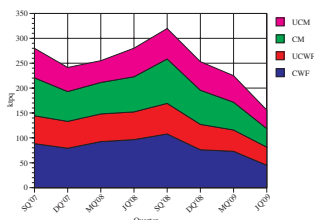
- Introduction
- Apparent Consumption
- Imports by Region
- Forecasts

COATED WOODFREES

- Introduction
- Apparent Consumption
- Import by Region
- Forecasts

SPECIALTY PAPER GRADES

- Introduction
- Self-Adhesive Paper
- Carbonless Copy Paper
- Thermal Paper



TISSUE MARKET IN AUSTRALIA

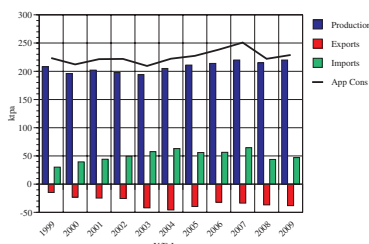
- Introduction
- History
- Capacity
- Apparent Consumption
- Tariffs
- Prices
- Retail Market Share
- Forecasts

PACKAGING PAPER & PAPERBOARD

- Introduction
- Apparent Consumption
- Sack Kraft
- Other Kraft Paper & Paperboard
- Exports of Kraft Paper & Paperboard
- Other Uncoated Paper & Paperboard
- Other Paper & Paperboard
- Forecasts

CONTAINER MATERIALS

- Introduction
- Container Materials
- Kraftliner Board
- Multi-Ply Liner (Testliner)
- Corrugating Medium
- Corrugated Packaging Costs
- Corrugated Box Market Shares



CARTONBOARD

- Uncoated Liquid Packaging Board
- Uncoated Cartonboard
- Coated Cartonboard
- Market Shares

FIBRE MARKET IN NEW ZEALAND

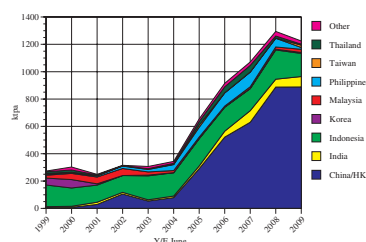
- FoRest Resource
- Pulp
- Chemical Pulp
- Mechanical Pulp
- Wastepaper

PAPER & PAPERBOARD DEMAND IN NEW ZEALAND

- Paper and Paperboard

NEWSPRINT AND PRINTING & COMMUNICATION PAPER MARKET IN NEW ZEALAND

- Introduction
- Newsprint
- Printing & Communication Papers



TISSUE MARKET IN NEW ZEALAND

- Introduction
- Apparent Consumption
- Imports
- Exports

PACKAGING PAPER & PAPERBOARD MARKET IN NEW ZEALAND

- Introduction
- Apparent Consumption

PAPER DISTRIBUTION IN AUSTRALASIA

- Introduction
- Australia
- New Zealand
- Australasia

AUSTRALASIAN MANUFACTURING LOCATIONS & CAPACITIES

- Introduction
- Abc Tissue
- Amcro
- Australian Paper (Nippon Paper Group)
- Carter Holt Harvey
- Encore Tissue
- Gunns
- Kimberly-Clark Australia (K-Ca)
- Norske Skog
- Paperlinx
- Pan Pac Forest Products
- Protavia
- Sca
- Tasmania Paper (Paperlinx)
- Visy
- Winstone Pulp International

AUSTRALASIAN MILL LOCATIONS

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