Outlook for Dissolving Pulp

Supply, Demand, Costs and Prices

A multi-client service, available now

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What our Outlook for Dissolving Pulp service offers...

We launched the Outlook service for Dissolving Pulp Demand, Supply and Prices in March 2013. The service has quickly established itself as one of the most authoritative in the industry, with some of the largest and most knowledgeable companies in the sector commenting on its accuracy and value. Today, dissolving pulp producers who account for over 80% of supply subscribe to the service, as do a vast array of buyers, international agents and trading houses, state and provincial governments and financial institutions. Our unique analysis looks at the performance of the dissolving pulp sector in conjunction with the paper grade pulp sector.

The Outlook for Dissolving Pulp service comprises 4 reports per year that provide analysis of:

- **Dissolving pulp demand.** 2015 review, historical analysis 2000-2015 by region/country. Five year forecast demand by country. End-use market review, including rayon capacity listing by mill. Developments in paper grade pulp market and the impact on DP sector. Specialty cellulose demand by grade.

- **Textile market review.** Overview of supply and demand trends in the cotton and polyester industries and a discussion on the likely impact on the demand for rayon and dissolving pulp.

- **Dissolving pulp supply.** Current capacity by mill and an overview of paper grade capacity and analysis of potential conversions to DP. Capacity forecast summary to 2020, by grade and by mill.

- **Supply/demand balance.** Long term annual projections and a discussion about short term fundamentals.

- **Production costs.** Regional supply costs for commodity grade dissolving wood pulp. The Industry’s cost curve. Trends in global fibre prices. (The cost data is sourced from Hawkins Wright’s unique annual cost survey).


The following pages include a table of contents and list of figures and tables included in a typical Outlook for Dissolving Pulp report.

About Hawkins Wright

Hawkins Wright is an independent consultancy providing a range of strategic, forecasting, market intelligence and business information services to the international forest products and bioenergy industries.

Since 1982 Hawkins Wright has provided authoritative and cost-effective services based on in-depth research of the global forest, pulp & paper and bioenergy industries. These services include private consultancy assignments covering a full range of marketing and strategic subjects as well as regular multi-client reports and newsletters.

Our consultancy services build on our global perspective of the macro- and micro-economic trends driving the international forest industry and downstream product markets. Assignments can range from advice on a client’s business development or feedstock sourcing strategies to highly detailed market feasibility assessments of prospective projects.
The contents of a typical report

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Chemical Cellulose Historical Demand
World chemical cellulose demand by region
World dissolving wood pulp demand by region
World cotton linter pulp demand by region
Specialty grade DP demand
Chinese import demand by country of origin
Chemical cellulose demand in the context of paper grade pulp demand
Global paper and board market review

Section Two:
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Section Five:
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Paper grade cash cost summary

Section Six:
Price Forecast
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Dissolving wood pulp price and BEKP prices
Dissolving wood pulp prices in other currencies
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The chart opposite shows the quarterly evolution of global deliveries of viscose grade dissolving pulp. Shipments weakened through Q4-2014 and Q1-2015 on the back of widespread downtime in the Chinese viscose industry. Shipments started to recover during Q2 as viscose production improved.

The chart opposite shows the quarterly evolution of global deliveries of specialty grade dissolving pulp. Shipments weakened sharply through Q4-2014 and Q1-2015, primarily driven by consumer destocking of both acetate pulp and acetate tow. Consumer destocking of either grade pulp also served to depress demand.

China is the world’s largest viscose producing region, with an estimated 3.8 million t of capacity in 2015. Indonesia is the second largest producing region, with an estimated 0.54 million t of capacity. Europe’s capacity is estimated at 0.53 million t, the same as in India.
The cotton linter pulp producers’ converting margin is the absolute difference between the selling price of cotton linter pulp and the input cost of fibre (cotton linter). We assume that one tonne of cotton linter pulp consumes 1.39t of cotton linter.

Since 2011 the margins of cotton linter pulp producers have trended downwards, leading to widespread curtailment. Although the margin grew through Q2 this year, it has since deteriorated again suggesting there will be little incentive to increase cotton linter pulp production through the remainder of the year.
Deliverables and order form

An annual corporate subscription to the Outlook for Dissolving Pulp service costs £3,950 (or the equivalent in US dollars or euros). Existing subscribers to our other services qualify for a discounted price of £3,450. Discounted subscriptions are available on request for non-dissolving pulp producers. The service comprises:

- Two main reports published in March and September, containing detailed supply, demand and price analyses and five-year forecasts for dissolving wood pulp (both commodity and specialty grade). The reports are distributed as electronic and hard copies.
- Two interim price forecast updates, published in June and December. Taken together with the main reports, these short update reports allow the key forecast data and assumptions – in particular the price forecast – to be updated every quarter. Distributed electronically.
- Hawkins Wright’s response to any questions that the subscriber may have on matters relating to the international dissolving wood pulp market throughout the year. In this way Hawkins Wright can be used as a virtual extension of the subscriber’s own marketing or market research department.
- A personal presentation: it will usually be possible for a Hawkins Wright consultant to meet with each client at least once a year to make a presentation on market developments.

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