HAWKINS WRIGHT

Defining the Specialty Cellulose Market, 2026

A multi-client report available from July 2026

Report prospectus

Supply Discipline Masks Persistent Demand Headwinds

The specialty cellulose market remains notably opaque. Supply is dominated by a small group of producers, while demand is dispersed across a wide range of end-use sectors. In contrast to the paper-grade pulp industry, no formal industry body publishes shipment statistics. As a result, estimates of market size and growth vary significantly, and perceptions of historical and future trends are often conflicting.

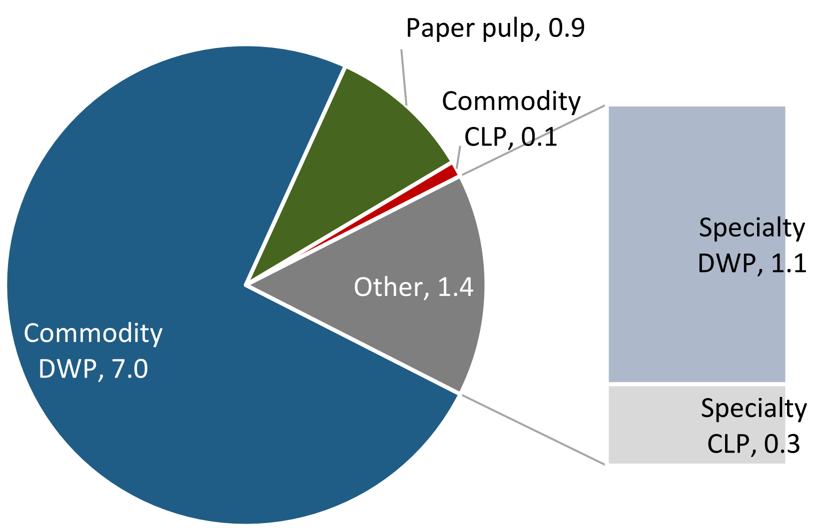
This lack of transparency prompted the launch of this report in 2023. Our objective: to provide a rigorous, data-driven assessment of the sector by mapping shipments by grade and destination. Now in its fourth year, the report draws on a range of sources - including industry interviews, corporate disclosures, and international trade data - to offer the most comprehensive and credible view of market developments available today.

Supply rationalisation offsets falling demand

The specialty cellulose market has undergone a notable shift over the past 18 months. Although prices have strengthened across most specialty grades (sometimes significantly), shipment performance has been considerably more mixed. This apparent disconnect reflects the growing influence of disciplined supply management, changing procurement strategies and increasingly divergent fundamentals across individual end-use markets.

Whether recent price gains can be sustained will depend on a complex interaction between supply discipline and evolving demand. While several specialty cellulose applications continue to demonstrate resilient long-term fundamentals, others face structural challenges arising from changing consumption patterns, substitution and shifting global manufacturing trends. In particular, the report examines how the continued expansion of Chinese cellulose derivative production is reshaping global trade flows and influencing raw material selection, creating both risks and opportunities for producers of specialty dissolving wood pulp.

Shipments of chemical cellulose by grade & furnish type, 2025 (Millions tonnes)



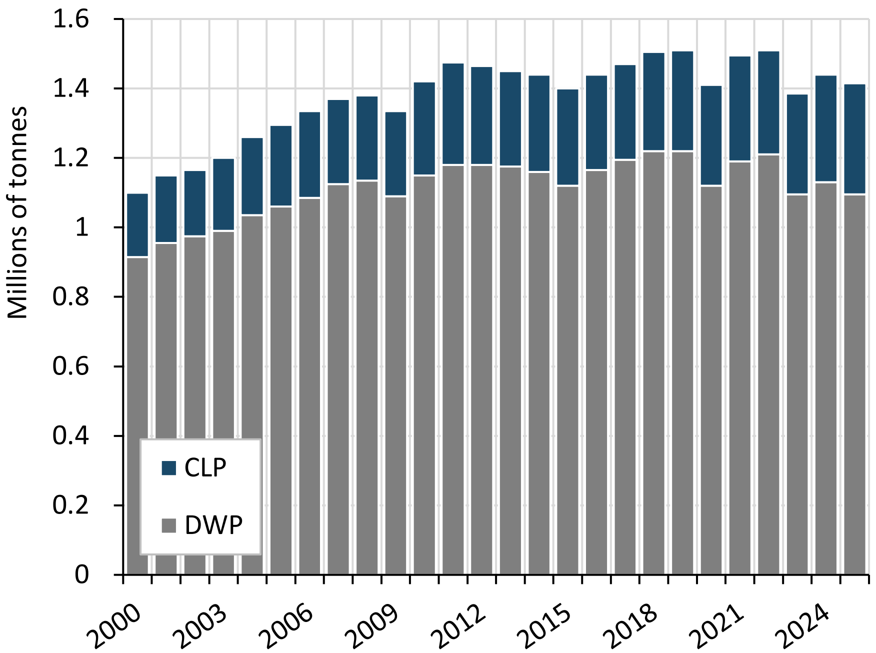
Note: DWP = Dissolving Wood Pulp, CLP = Cotton Linter Pulp

Supply Discipline Masks Persistent Demand Headwinds

Supply-side dynamics have become equally important. The industry continues to operate with a relatively limited pool of qualified suppliers, yet the potential for further specialty capacity expansion remains. The report assesses the strategic significance of recent investment, product qualification programmes and ownership changes, together with the extent to which existing commodity-grade dissolving pulp and fluff pulp capacity could return to specialty production should market conditions justify such a move. These developments have important implications for future security of supply, market balance and pricing.

Pricing itself has become increasingly fragmented. Contract outcomes now vary considerably by customer, application and geography, making headline market indicators less representative of underlying commercial reality than in previous years. The report explores the drivers behind this growing dispersion and considers how evolving demand, substitution trends, input costs and supplier strategies are likely to influence pricing over the medium term.

Specialty Chemical Cellulose Shipments (CLP + DWP), 2000-2025



Longer-term market development will also be shaped by broader structural trends. An ageing manufacturing base, the prospect of further industry consolidation, changing regional competitiveness and sustained cost inflation are all expected to influence investment decisions and supplier behaviour. At the same time, evolving trade policies and geopolitical developments have the potential to alter competitive dynamics across several specialty cellulose value chains.

Defining the Specialty Cellulose Market provides an independent strategic assessment of these issues, supported by detailed analysis of global supply, demand, trade, production costs and pricing across the principal specialty cellulose applications, including acetate, ethers, nitrocellulose, microcrystalline cellulose, filtration, tyre cord and casings. The report identifies the structural forces reshaping the market, evaluates the principal upside and downside risks, and presents long-term forecasts designed to support commercial strategy, procurement and investment decisions.

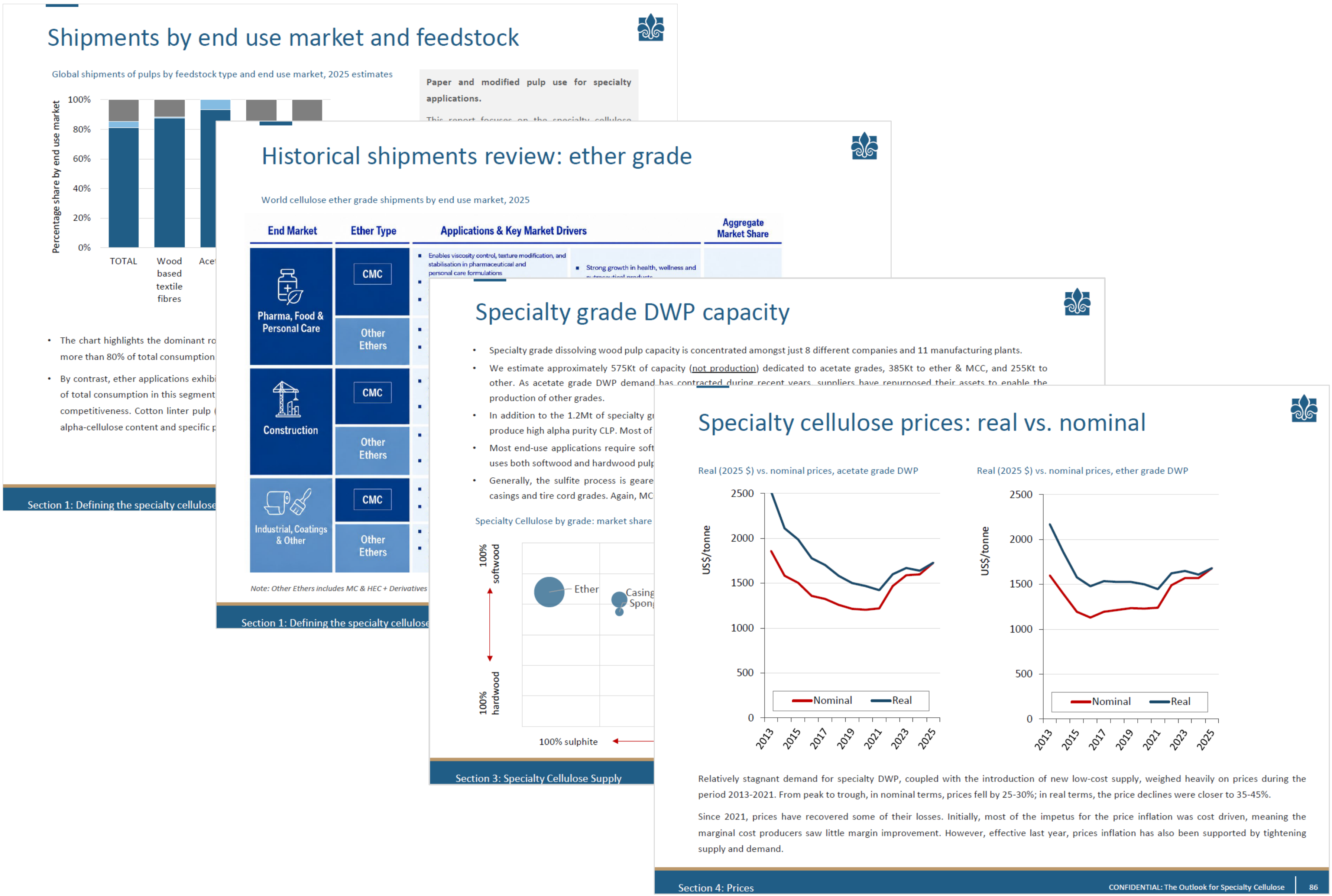
Table of contents

This report provides context to the different end use markets for specialty cellulose (both dissolving wood pulp and cotton linter pulp), providing estimates for shipments by region and subgrade, with forecasts to 2030. An appraisal of current and future global supply by plant is also included. The report concludes with a price forecast for acetate and ether grades, expressed as an index.

METHODOLOGY

This report has been prepared using desk research which has been supplemented by interviews with specialty cellulose suppliers, buyers, traders and other industry participants. We have also made full use of Hawkins Wrights existing information resources, contacts and relevant research material.

Page extracts



Shipments by end use market and feedstock

Global shipments of pulps by feedstock type and end use market, 2025 estimates

Paper and modified pulp use for specialty applications.

- The chart highlights the dominant ro… more than 80% of total consumption
- By contrast, ether applications exhibi… of total consumption in this segment… competitiveness. Cotton linter pulp (… alpha-cellulose content and specific p…

Section 1: Defining the specialty cellulose

Historical shipments review: ether grade

World cellulose ether grade shipments by end use market, 2025

End Market	Ether Type	Applications & Key Market Drivers		Aggregate Market Share
Pharma, Food & Personal Care	CMC	Enables viscosity control, texture modification, and stabilisation in pharmaceutical and personal care formulations	Strong growth in health, wellness and nutraceutical products	
	Other Ethers			
Construction	CMC			
	Other Ethers			
Industrial, Coatings & Other	CMC			
	Other Ethers			

Note: Other Ethers includes MC & HEC + Derivatives

Section 1: Defining the specialty cellulose

Specialty grade DWP capacity

- Specialty grade dissolving wood pulp capacity is concentrated amongst just 8 different companies and 11 manufacturing plants.
- We estimate approximately 575Kt of capacity (not production) dedicated to acetate grades, 385Kt to ether & MCC, and 255Kt to other. As acetate grade DWP demand has contracted during recent years, suppliers have repurposed their assets to enable the production of other grades.
- In addition to the 1.2Mt of specialty gr… produce high alpha purity CLP. Most of…
- Most end-use applications require soft… uses both softwood and hardwood pulp…
- Generally, the sulfite process is geare… casings and tire cord grades. Again, MC…

Specialty Cellulose by grade: market share

Section 3: Specialty Cellulose Supply

Specialty cellulose prices: real vs. nominal

Real (2025 $) vs. nominal prices, acetate grade DWP

Real (2025 $) vs. nominal prices, ether grade DWP

Relatively stagnant demand for specialty DWP, coupled with the introduction of new low-cost supply, weighed heavily on prices during the period 2013-2021. From peak to trough, in nominal terms, prices fell by 25-30%; in real terms, the price declines were closer to 35-45%.

Since 2021, prices have recovered some of their losses. Initially, most of the impetus for the price inflation was cost driven, meaning the marginal cost producers saw little margin improvement. However, effective last year, prices inflation has also been supported by tightening supply and demand.

Section 4: Prices

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Availability and cost

Available from July 2025, a subscription to Defining the Specialty Cellulose Market is priced at £3,450.

Existing subscribers to Hawkins Wright's Outlook for Dissolving Pulp service qualify for a discounted price of £2,550.

The price includes an electronic copy of the main report; Hawkins Wrights responses to any (within reason) questions on global specialty cellulose markets that may arise during the year; and a presentation meetings with one of our consultants. (Such meetings are normally arranged to coincide with major industry events – for example London Pulp Week or MPA – or when a consultant is travelling in the region. However, for specially arranged meetings we reserve the right to charge travel and subsistence costs. Such costs will always be agreed in advance.)

Contact

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