HAWKINS WRIGHT

The Outlook for Unbleached Fibre Demand, Supply, Costs & Prices, 2025-2029

A multi-client report available from July 2025

Report prospectus

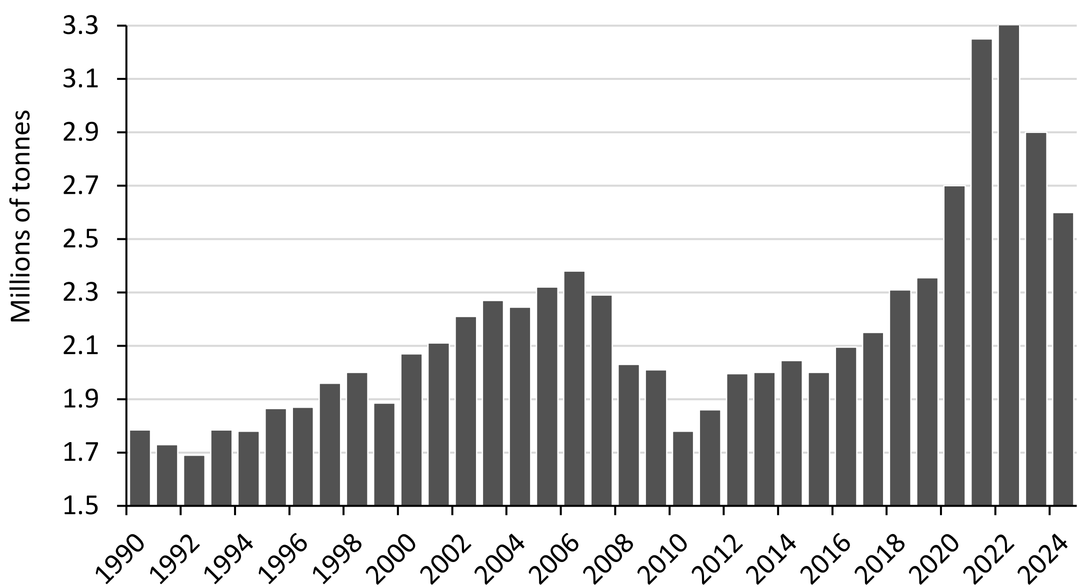
Background

Global UKP production moved within a relatively narrow 33–35Mt band over the thirty years to 2020. In 2021, output expanded sharply by an estimated 1.7 Mt to 36.9Mt, a record high. Since then, production has remained above 36Mt per year, even as containerboard demand in North America and Europe has softened. The step-change has been driven largely by rapid capacity growth in Asia.

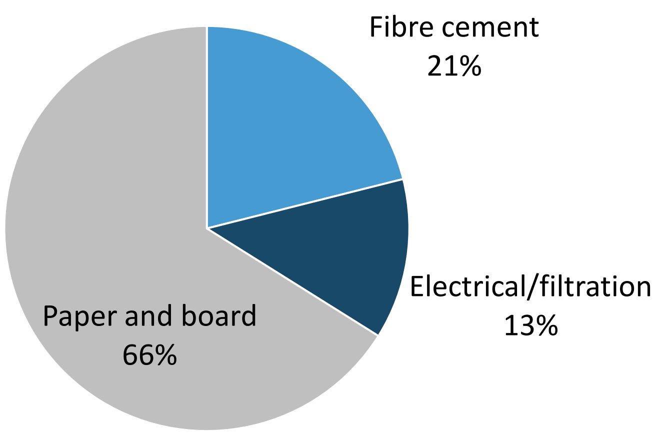
The majority of UKP production is integrated. Looking closer at market pulp, we see that global UKP sales were roughly 2.6Mt last year, with China accounting for the largest share. Shipments of UKP and URP accelerated materially over 2018–2023 as Chinese board producers sought to replace 25–30Mt of imported recovered paper displaced by the phase-out under China's National Sword policy (2018–2020).

Shipments of UKP contracted during 2023–24 due to weak conditions in the global packaging board markets, and because UKP prices were too high relative to containerboard prices and recycled fibre prices. Chinese imports of recycled based linerboard have surged to record highs, and Chinese board mill operating rates have been weak. In addition, a significant volume of domestic pulp capacity has come online as the larger Chinese board producers integrate.

World UKP sales, 1990-2024, Millions of tonnes



World UKP sales by end-use market, 2024

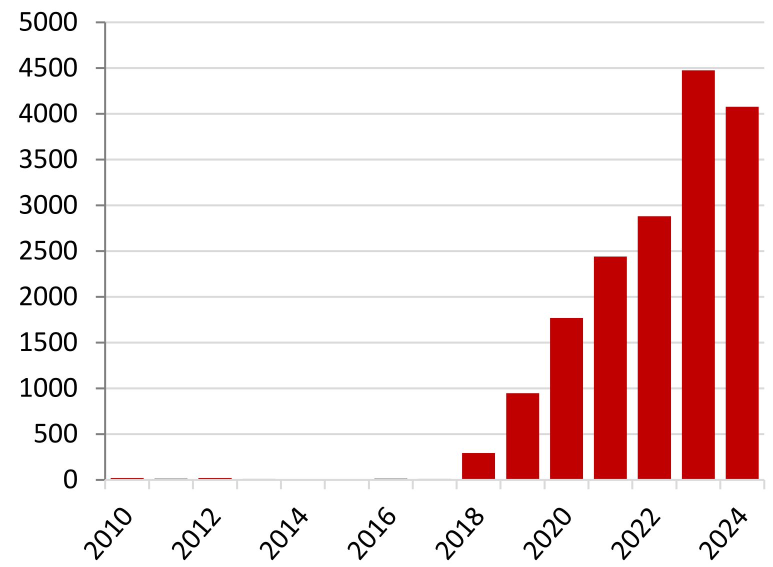


Background

Imports of URP to China rose to 4.5Mt in 2023 and remained above 4Mt last year, from just 300Kt in 2018. All the growth in demand during this period is attributable to recycled content board manufacturers and more than three quarters of the imported volume is sourced from affiliate recycled pulp lines in Southeast Asia and the US. Most of these lines are furnished with waste paper that was previously destined for the China market.

Shipments of UKP are expected to recover moderately in the coming years, though likely remain below 2021 and 2022 levels. Meanwhile, shipments of URP are expected to decline as the largest Chinese board manufacturers are establishing downstream production capacity in other Southeast Asian countries.

Chinese imports of unbleached recycled pulp (URP), 2010-2024



The weakening of market UKP demand in 2023–24 accelerated the structural decline trend for UKP supply in North America, like for bleached softwood, aging assets and shrinking wood supply has forced closures of UKP lines. Total market pulp capacity shuts between 2022 and 2024 amounted to over 4.3Mt/y, of which 0.6Mt/y was UKP. In the absence of new capacity, the supply/demand ratio for UKP will tighten considerably over the next five years.

URP capacity growth has largely stalled after the big expansions following National Sword implementation. A few uncertain projects remain and some projects are still ramping up production. Economics are however challenging currently.

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This report provides context to the different end use markets for UKP and URP, providing estimates for demand by region and subgrade, with forecasts to 2029. A comprehensive appraisal of current and future global supply by mill and grade is also included, with an analysis of production costs by region. The report concludes with a price forecast for UKP and URP, CIF China.

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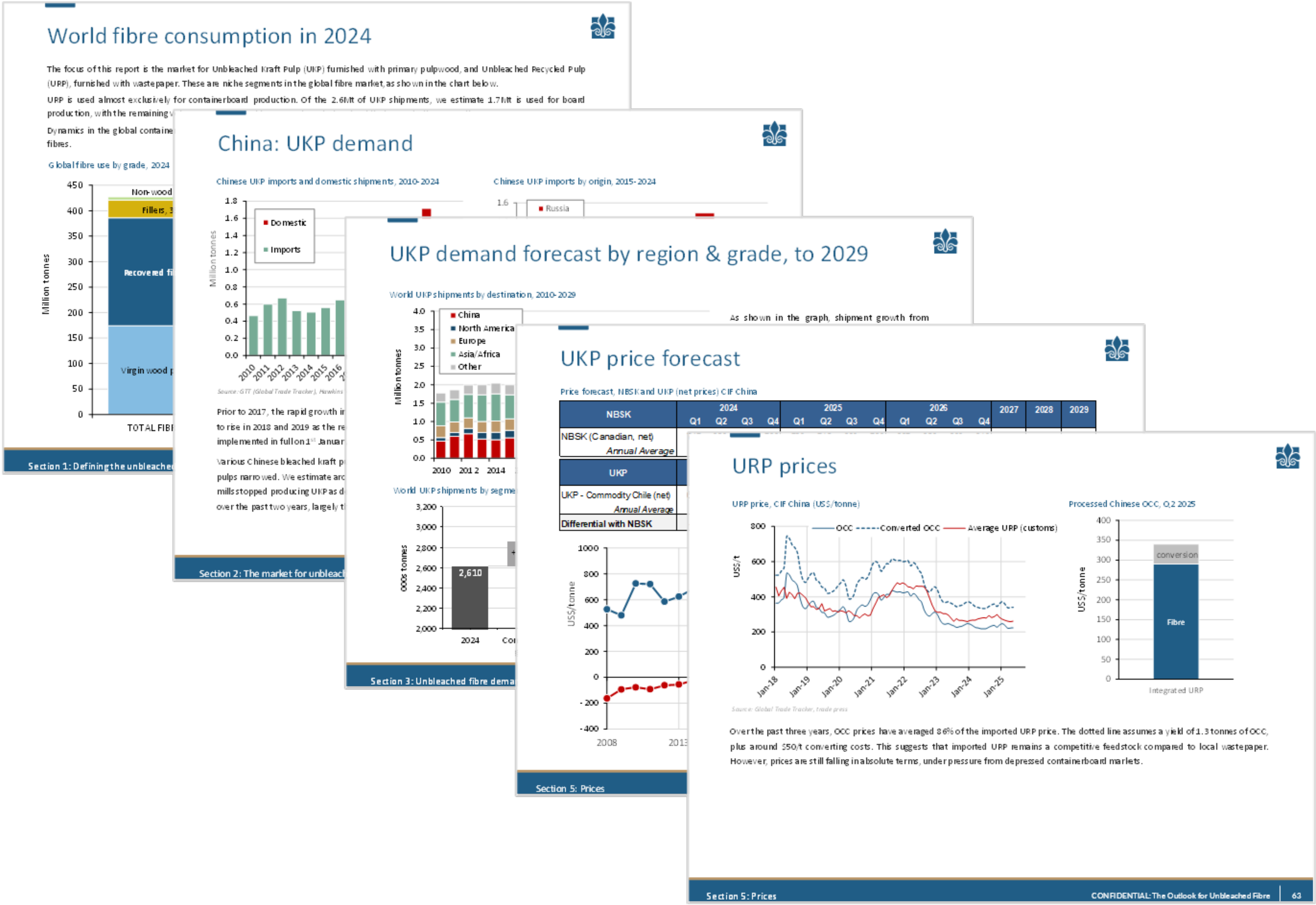
METHODOLOGY

This report has been prepared using desk research which has been supplemented by interviews with existing UKP and URP 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



Availability and cost

Available from July 2025, a subscription to the Outlook for unbleached fibre supply, demand, costs and prices is priced at £3,450.

Existing subscribers to Hawkins Wright's Outlook for market pulp service qualify for a discounted price of £2,750.

The price includes an electronic copy of the main report; Hawkins Wrights responses to any (within reason) questions on global UKP and URP 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.)

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