



HAWKINS WRIGHT

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

A multi-client report available from July 2025

Report prospectus



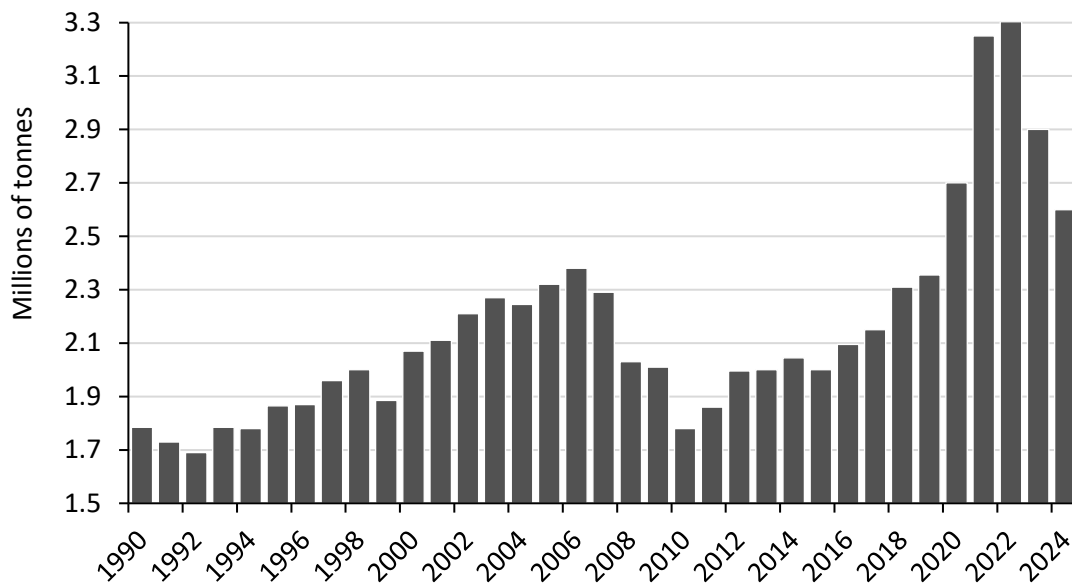
Background

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.

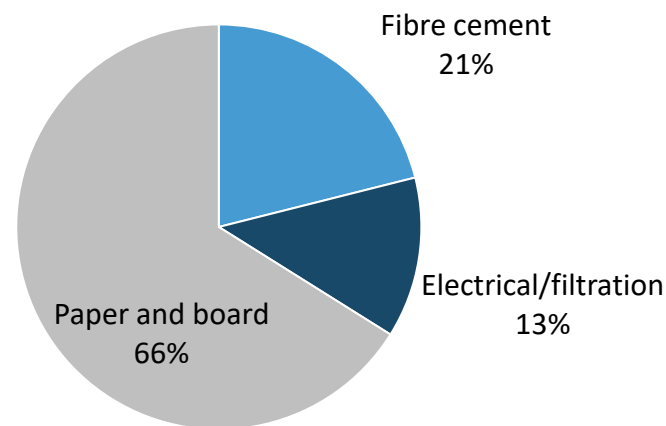
The majority of UKP production is integrated. Looking closer at market pulp, we see that global UKP sales were roughly 2.6Mt last year, with China accounting for the largest share. Shipments of UKP and URP accelerated materially over 2018–2023 as Chinese board producers sought to replace 25–30Mt of imported 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.

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.

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

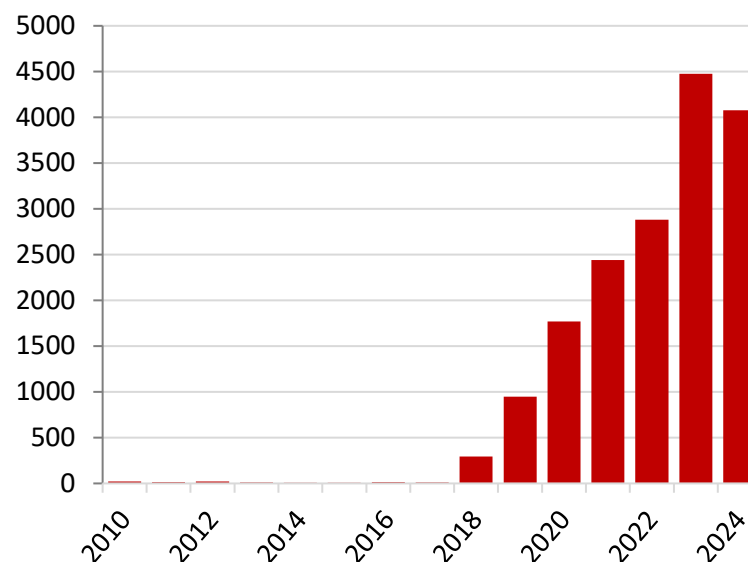




Table of contents

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.

Section 1. Overview of the global unbleached fibre markets

- UKP and URP in the global context
- Containerboard production trends
- Consequences of National Sword

Section 2. UKP & URP market trends

- UKP demand by end-use markets and regions
- World UKP trade matrix 2024
- China focus
 - China UKP demand
 - Pulp capacity growth
 - China containerboard import and capacity
 - URP imports
- Other Asia demand
- West Europe demand



Table of contents

Section 3. Unbleached fibre shipments forecast

- Containerboard production forecast
- Containerboard capacity expansions
- Fibre cement & specialty UKP grades
- UKP shipment forecast by grade & region
- URP shipment forecast

Section 4. Unbleached fibre supply

- UKP capacity, by mill
- Expansion projects & capacity forecast
- Impact of swing production & mill conversions
- UKP Shipment-capacity ratios
- URP capacity

Section 5. Costs & Prices

- UKP & NBSK price trends & differentials
- UKP price forecast to 2029
- OCC price trends, cif China

Appendix

- Global UKP production trends
- UKP capacity by mill
- BSKP cost data
- UKP technical notes
- URP capacity by mill

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

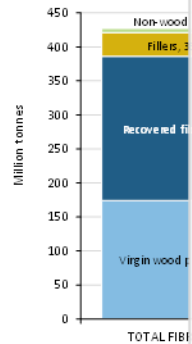
World fibre consumption in 2024

The focus of this report is the market for Unbleached Kraft Pulp (UKP) furnished with primary pulpwood, and Unbleached Recycled Pulp (URP), furnished with waste paper. These are niche segments in the global fibre market, as shown in the chart below.

URP is used almost exclusively for containerboard production. Of the 2.6M t of UKP shipments, we estimate 1.7M t is used for board production, with the remaining 0.9M t used for other purposes.

Dynamics in the global containerboard market are likely to drive demand for UKP and URP in the coming years.

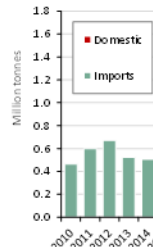
Global fibre use by grade, 2024



Section 1: Defining the unbleached

China: UKP demand

Chinese UKP imports and domestic shipments, 2010-2024



Source: GTT (Global Trade Tracker), Nordisk

Prior to 2017, the rapid growth in demand for UKP in China was largely driven by the implementation of full-scale containerboard production. Various Chinese bleached kraft pulp mills narrowed. We estimate around 1.7M t of UKP is used for board production over the past two years, largely to

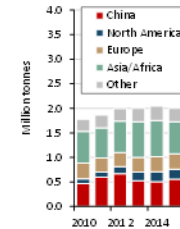
Section 2: The market for unbleached

Chinese UKP imports by origin, 2015-2024

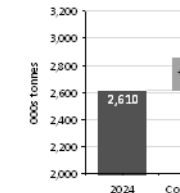


UKP demand forecast by region & grade, to 2029

World UKP shipments by destination, 2010-2029



World UKP shipments by segment



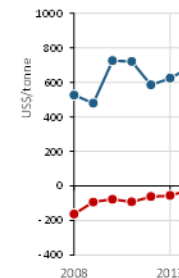
Section 3: Unbleached fibre demand

As shown in the graph, shipment growth from

UKP price forecast

Price forecast, NBSK and UKP (net prices) CIF China

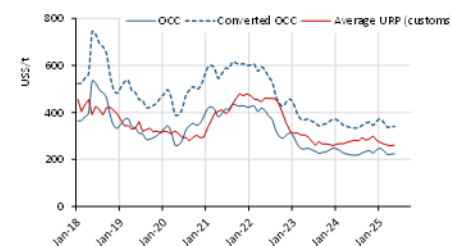
	2024				2025				2026				2027	2028	2029
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
NBSK															
NBSK (Canadian, net)															
Annual Average															
UKP															
UKP - Commodity Chile (net)															
Annual Average															
Differential with NBSK															



Section 5: Prices

URP prices

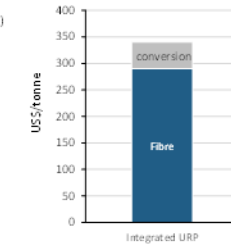
URP price, CIF China (US\$/tonne)



Source: Global Trade Tracker, trade press

Over the past three years, OCC prices have averaged 86% of the imported URP price. The dotted line assumes a yield of 1.3 tonnes of OCC, plus around 250/t converting costs. This suggests that imported URP remains a competitive feedstock compared to local waste paper. However, prices are still falling in absolute terms, under pressure from depressed containerboard markets.

Processed Chinese OCC, Q2 2025



Section 5: Prices

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63



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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