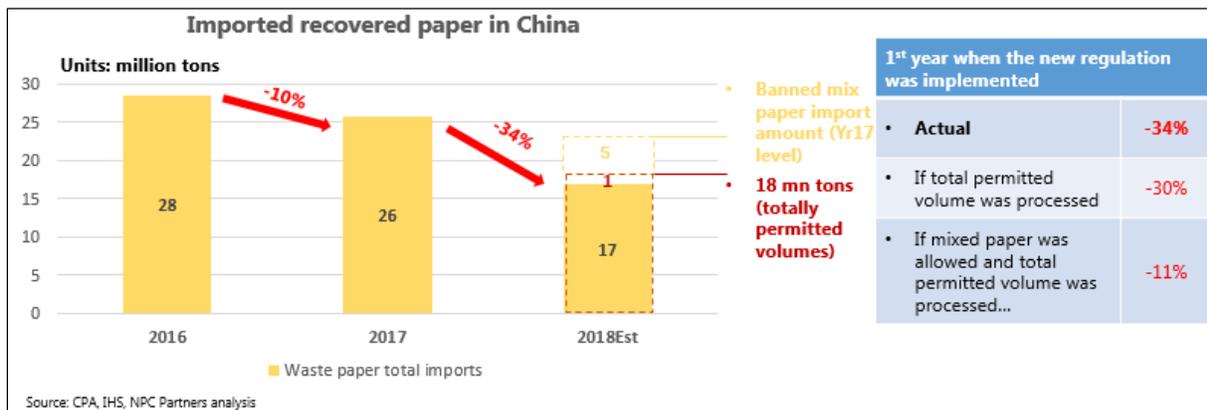


# 2019 China Recovered Paper Market & Policy Advisory Report

## Insights on New Policies, Global Business Impacts, and Changing Opportunities

- Exclusive market analysis and strategic insights that provide in-depth coverage of key metrics in China's recovered paper (RCP) markets, plus review of new policies and regulations.
- Future scenarios are modeled based on alternatives in China's recovered and virgin fiber demand, supply, and trade.



### Insights from NPC Partners' new study:

This research provides in-depth knowledge of the interaction between China's policy changes and the demand and supply dimensions of the Chinese market, and offers strategic direction in terms of managing pulp and paper businesses in light of the new opportunities and threats.

- One of the projected scenarios is double or triple growth in imported paper and board, and fast growth in recovered pulp, in addition to growth in virgin pulp imports.
- There are also other important implications from China's growing overseas investments and new developments in its internal recycling system.

China has been a dominant player in the global RCP business for some time, consuming around one-third of global demand in recent years. Since 2017, the global recycling and paper industries have felt significant impact from China's changing policies on solid waste imports. Total RCP imports to China dropped by 34% in 2018. The USA has been the largest source of imports to China (about a 37% share in 2018), but volume declined by 36% from 2017.

In June 2018, China's State Council announced new policies to improve environmental protection and prevent pollution that indicated **zero imports of solid waste by 2020**. The exact definition of 'solid waste' in these new regulations is unclear and it is unknown to what extent recovered resources could remain acceptable. Meanwhile, China is forming a new policy framework to tackle pollution and is restructuring its ministries, key factors in anticipating future impacts on the recycling and paper industries. Misunderstandings and differing interpretations of China's new regulations have also contributed to volatility in recycled fiber pricing, trade, and investment flows.

**What are realistic future expectations** in light of ongoing changes in the Chinese regulatory environment and rapid change in Chinese and global markets for RCP? How can this complex situation and its impacts be measured and evaluated and what are the best strategies in response? **This new research from NPC Partners will help you find answers and develop long term strategies to address these critical business questions.**

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In the Short Term,	In the Mid to Long Term,
<ul style="list-style-type: none"> <li>Misunderstandings and various interpretations on China's new regulation will contribute to rapid or unexpected changes and variations in recycled fiber pricing, and even virgin fiber pricing.</li> <li>Companies shall first learn and be able to separate the short term impact and the long term impact</li> </ul>	<ul style="list-style-type: none"> <li><b>'China is going to need fiber for its dynamic economy'</b> (Mr. Mark Sutton, Chairman &amp; CEO of IP)</li> <li><b>China's Gov on identification of import waste paper (recyclable green material, or pollution waste? amid trade war..)</b></li> <li><b>Chinese investment in overseas</b></li> <li><b>Product structure</b> in China will be impacted: mixed paper gradually phased out, and use of wood pulp boosted in fiber furnish, etc.</li> </ul>

### Value from NPC Partners' new study:

- Explains the new policies in detail and provides a comprehensive perspective on China's RCP, markets, and potential strategies for companies outside of China.

### NPC Partners – 2019 China Recovered Paper Market & Policy Study Scope

Major Table of Content

- **Insights to changing waste paper policies and the new era of China Paper Industry**
  - Breakdown of China Recovered Paper Demand and Major Buyers/Operators
  - Business landscape for Recovered Paper, Domestic vs Imported
  - Recovered Paper Price Trends, Domestic vs Imported
  - Overview of China paper industry performance in 2017 and 2018
  - New Trends, Capacity Expansions, and New Policy Sets toward 2018-23
- **Guides on paper company operations: insights to new regulations and future impacts**
- **Observations on the nation's solid waste management reform and environmental inspections and impacts to industry supply**
- **Future scenarios on global supply chain and China's recycled fiber & virgin fiber future consumption and trade: align your supply position**
- **Risk assessment of raw material supply as well as trade war scenarios**

**Quantitative Scenarios**

**Coverage:**

- Domestic Pulp, Imported Pulp
- Domestic RCP, Imported RCP
- Imported Recycled Pulp
- Domestic and imported Non-wood Pulp
- Imported Paper & Board

**Answers Key Strategic Questions**

- By pulp & paper grades, which segment is affected the most?
- Impact scale projection (how many tons)
- What impacts will companies take and what actions have been taken?

### The report provides extensive detail and analysis on:

- ✓ Who are the current major buyers/operators in China?
- ✓ How is the recycling business run in China?
- ✓ What are the latest trends in RCP markets and who are the new players, for example, online buying/selling platforms.
- ✓ Current policies and regulations are outlined, and impact on domestic and imported RCP reviewed.
- ✓ What are likely future policy directions and what can realistically be expected in terms of top-level direction and execution, and the quantitative impacts on the market?
- ✓ Other factors such as China's new policy development framework, state council reform and reorganization of ministries, US trade negotiations, and the like are also reviewed.
- ✓ Future scenarios concerning the global supply chain and RCP markets for China are modeled.

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