

INVESTING IN CELLULOSE 2018

Post event Summary

Cel|C^o
Cellulose Consulting

Dear Participants,

Thank you for attending the 8th annual edition of the CelCo conference, Investing in Cellulose, and making it our most successful year since 2011. This year we welcomed more attendees than ever, over 25% of whom were joining us for the first time. We thank you all for your feedback on the day; using this information we will strive to continue providing more downstream presentations on cellulose applications as well as maintaining networking opportunities and extended breaks. We will endeavor to once again include presentations to help us 'Think Outside of the Box' and can already confirm the return of Professor Andrea Boltho in 2019.

This year's focus on Viscose certainly helped us grasp better the challenges and opportunities of the VSF value chain. The sustainability of all VSF players remains key to accelerate demand. As our 2019 theme has yet to be decided feel free to let me know if you have any specific suggestions.

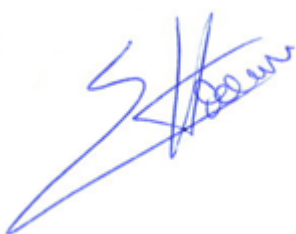
In order to best meet your information needs, CelCo is publishing actual and forecast **market reports** on the DWP industry; Next market reports and trends will be published March 31st 2019 . Please email to know more and reserve coming up edition.

If you want to keep in touch more closely with the worldwide cellulose industry upstream and downstream developments you may want to subscribe to the CelCo **mobile phone app** or to the monthly "**Cellulose Newsletter**", edited jointly by CFF and CelCo.

Details of this and all our consulting services can be provided by emailing info@celco.com.

We wish you a Happy New Year for 2019 and look forward to seeing you on **Monday, November 11th 2019** in London to talk again about the new threats and opportunities for our industry.

Christian Chavassieu



MORNING CONFERENCE SUMMARY

Celco on DWP: No new specialty DWP capacity coming up but significant new Rayon grade DWP capacity expected but switch to DWP could be delayed. Effective new capacity is estimated at only 200Kt in 2019.

- Potential reshuffle of US to China Rayon grade DWP supply depending on outcome of 2019 Anti-Dumping ruling and China trade tariffs.

- CLP supply should remain stable. China CLP export prices may continue to drop further

- Rayon Grade DWP prices could go modestly higher in 2019 due to higher cash costs, supply tightness as paper pulp remains solid and limited new DWP capacity and coming up new VSF coming on stream.

- Acetate and Ether prices may be pushing up ward as specialty grades DWP supply & demand becomes tighter.

CCF Group on China VSF: Uncertainties in Chinese and global economy has increased, and we will adopt neutral and conservative assumptions for 2019.

- The growth rate of China's textile industry will decline further, possibly to about 1.5 %.

- There is still a supply gap in staple fiber raw materials in China, but the gap may be smaller than previously expected and the ways of supply may be diversified.

- China's VSF supply will increase substantially in 2019, and competition will be relatively fierce in H1 2019, but the demand is expected to improve in H2 2019. • DWP supply will be tight in 2019, while the tightness may ease on periodical O/R cut of VSF plants.

- The anti-dumping measures may not continue in 2019. However, China may impose additional tariffs on US if Sino-US relations cannot be eased

PCI on cotton: Current volumes of recycled post consumer textile waste are tiny in comparison with annual textile fiber demand growth. When will emerging technologies catch up?

- Huge growth in textile fiber demand coming from emerging countries: (1) Large populations, highest population growth, rising incomes, digital retailing does not require traditional retail infrastructure (2) Fast fashion, affordable fashion, rising demand for affordable disposable hygiene products

- All countries are struggling with current 'recycling' systems. Creating independent, profitable recycling businesses meeting strict environmental standards still a challenge for many sectors. If 'recycling' is such a 'good' activity, why is so much waste being exported from developed to emerging countries?

- An equally challenging theme is addressing the environmental and social impact of different fibers from production through to end of life.

WRI on Wood Fibers: Only small changes in wood fiber consumption by the global pulp industry in 2017 and 2018.

- Global wood fiber prices increased during 2017 and 2018 reaching their highest levels in three years in the 2Q/18.

- Global trade of wood chip trade continues to grow.

- Outlook for wood fiber prices are mixed, with increases in Europe, Russia, Latin America and Asia, and decreases in N.A.

HEADLINES

**Representatives from
24 countries**

**32% of attendees with Sales
& Marketing Roles**

**26% of attendees with
Purchasing Roles**

**15% of attendees
with G.M. Roles**

9 Speakers

240 pages of presentations

Sponsored by

**ANDRITZ
Pulp & Paper**



Central National Gottesman Inc.

**BOZZETTO
GROUP**

sappi

2018 AGENDA

- **Celco** World DWP Supply & Demand and Emerging New Trends

- **CCFgroup** China VSF, DWP & CLP Supply & Demand and Outlook

- **PCI** World Cotton Supply & Demand Update; How are the USA/China Trade Tariffs Impacting Cotton Trade and Pricing?

- **WRI** Global Supply, Demand & Pricing of Wood Fiber - Current and Future Trends

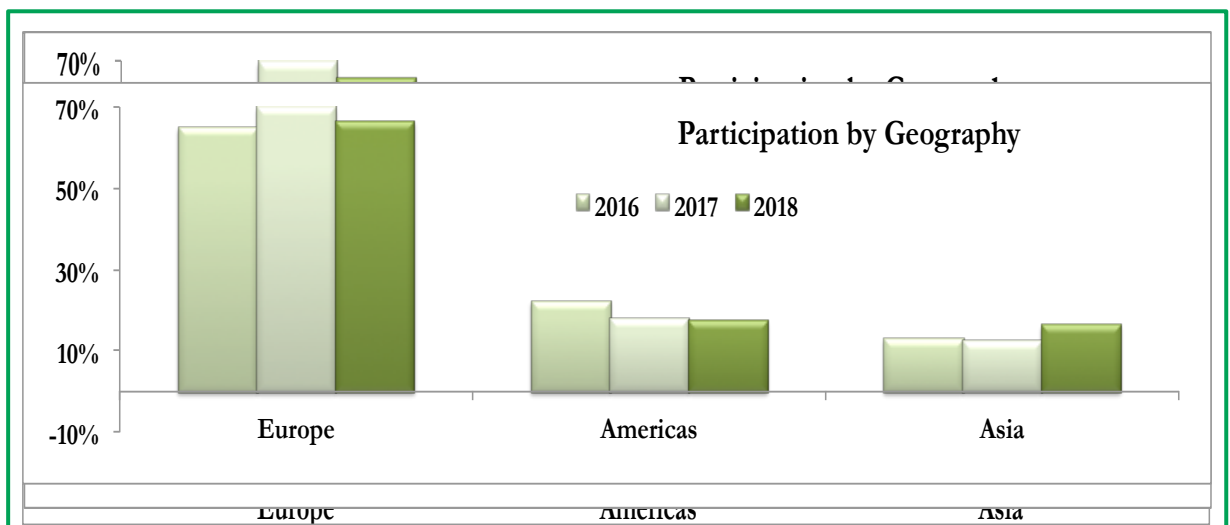
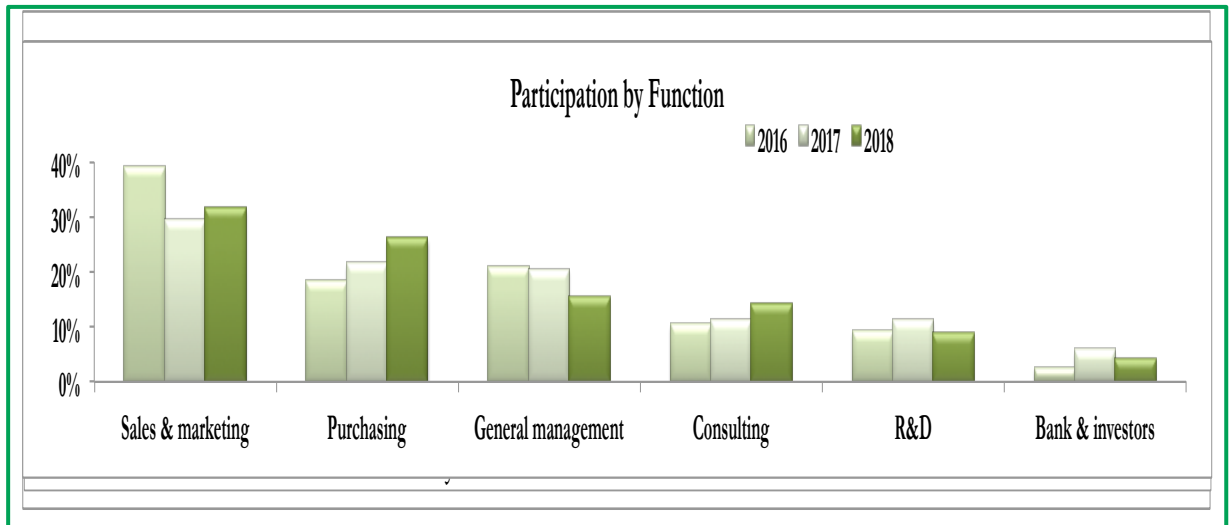
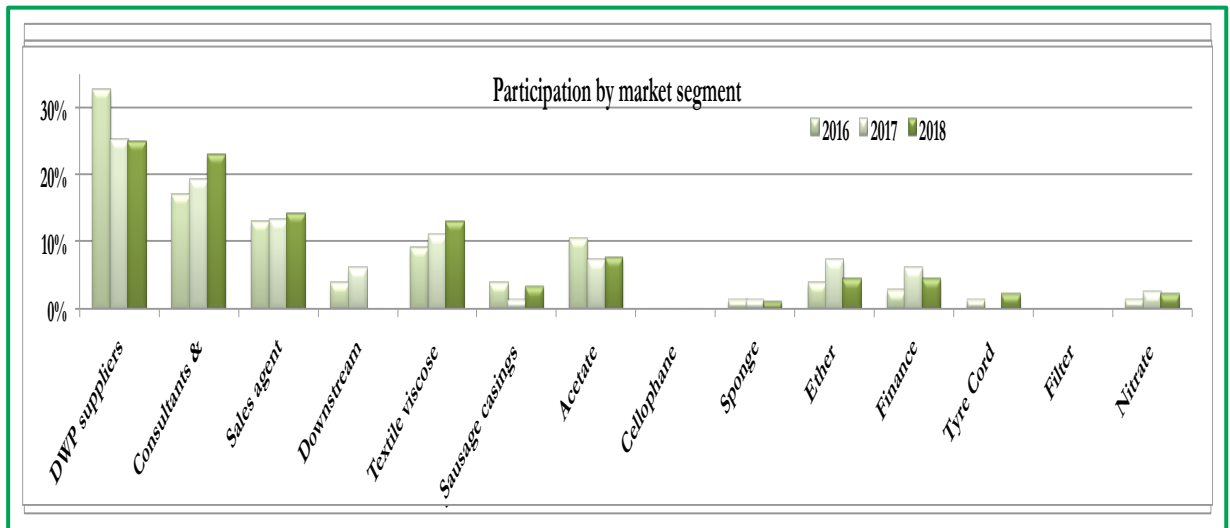
- **Sustainable Fashion** – CTF Award 2018

- **Andritz** New Bioproducts and Biorefinery Options for Pulp Mills

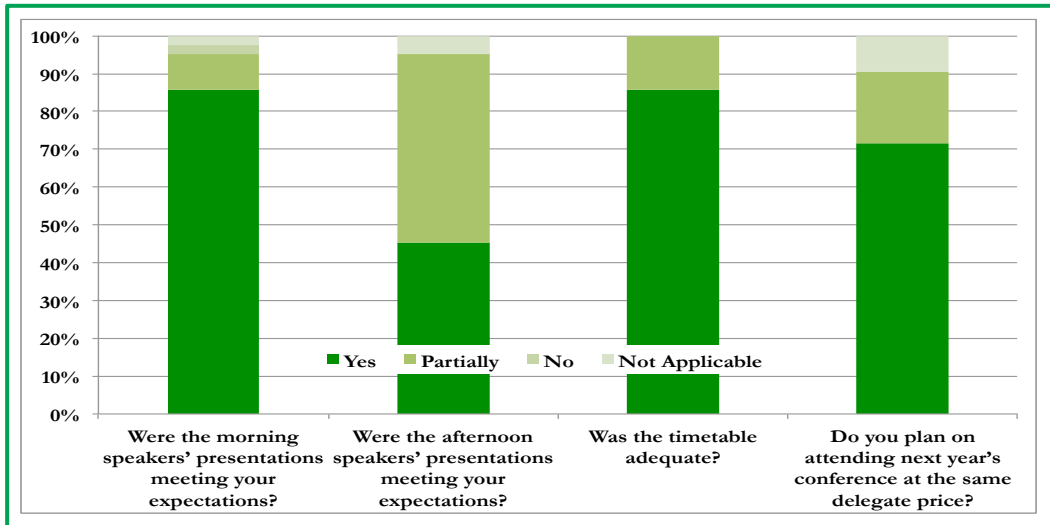
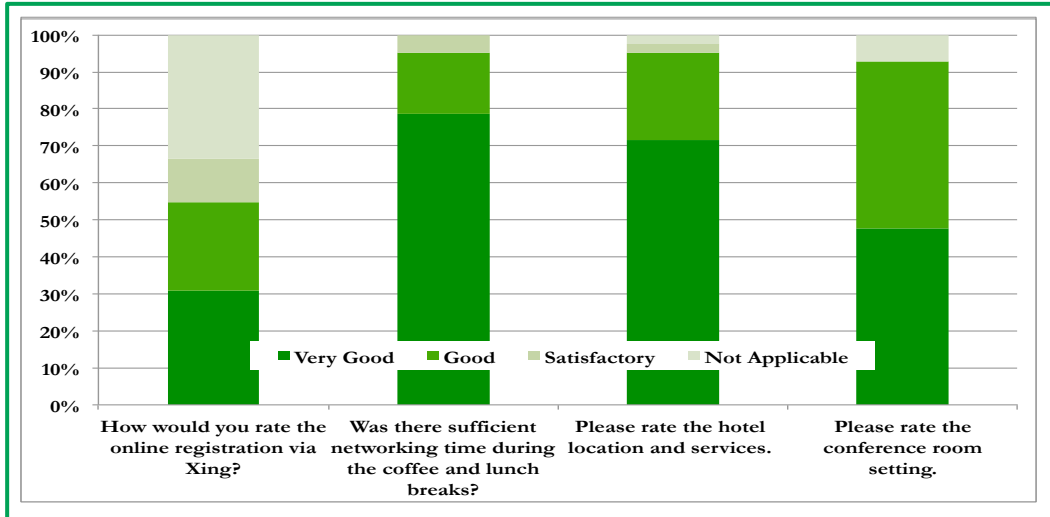
- **Bozzetto's** Leadership in the Viscose Industry: The Sustainable Edge

- **AdityaBirla and Lenzing:** Challenges and Opportunities for the Viscose Market in the next 20 Years

SUMMARY OF PARTICIPANTS



CONFERENCE FEEDBACK



SAVE THE DATE

**INVESTING IN
CELLULOSE 2019**

Monday, November 11th 2019

**The Royal Horseguards Hotel
& One Whitehall Place, London**

CelC^ó
Cellulose Consulting