
SHANGHAI, China - The rapid development of China’s paper industries is highlighted in the latest edition of the ‘Paper Contract with China Report’ from APP-China.

The emergence of high-growth paper companies in the developing countries of Asia, and particularly in China, is redefining the global pulp and paper market, following years of investment in new technology and environmental innovation.

The ‘Paper Contract with China Report’ for Q2 2011 looks at the rise of China’s industry in a global context – following its significant developments in recent years.

The growth in China’s paper industry has led several nations to protect their own paper manufacturers through the imposition of artificial levies and tariffs. In May this year, the European Union began to levy both anti-dumping and anti-subsidy duties on imports of Coated Fine Paper (CFP) from China. This was the first time the EU had imposed such policy on China’s products. In the same period, Brazil began to implement significantly more stringent import licensing requirements - directly targeted on 17 manufacturing industries including paper. Last year, the U.S. International Trade Commission imposed anti-dumping and countervailing duties on certain types of coated paper manufactured in China.

In truth, the increasing number of trade conflicts is an indication that those countries traditionally strong in the paper industry have increasing concerns about the rapidly-developing paper industry in China.

“As could be expected from the way the worldwide pulp and paper industry has developed over the past few years, the real movers and shakers were the Asians.” This was the conclusion from RISI, the leading information provider for the global forest products industry, in an article entitled “The PPI Top 100 – Asian Tiger Pounces.” China’s output of paper and cardboard products in 2009 increased by 54.4 million tons compared with 2001, indicating a growth rate of 170%. Fuelling the fast growth rate is very high market demand in China: the consumption of paper and cardboard in China reached over 85 million tons in 2009, an increase of almost 50 million tons compared with 2001.

In the fast-growing Asian paper industry, China has been the most prominent nation. In 2009, Chinese manufacturers had nine positions in the Pulp and Paper Industry (PPI) Top 100. Beyond exports, China’s consumption of paper and cardboard products has risen from less than 10% of the global total amount in 1993 to 25% today. Starting from 2009, when the output of paper and cardboard products in China exceeded 80 million tons, China has surpassed the US to become the world’s Number One paper manufacturing country, with world leading technologies particularly in producing newsprint, coated paper and tissue products.
Apart from the rapid improvements in both capacity and technology, China’s paper manufacturers have been widely acknowledged for their remarkable contribution to environmental protection. The Chemical Oxygen Demand (COD), a critical environmental index on emissions of the paper industry, dropped from 2.033 million tons down to 1.097 million tons, a decline of 46%.

“APP-China is proud to be part of the story,” said Sophy Huang, PR Director from APP-China. “We have invested very heavily in cutting-edge technologies to make our production as efficient as possible and minimise impact on the environment. By the end of 2010, APP-China had invested more than 5.5 billion RMB (USD 846 million) in environmental protection, substantially reducing our CO2 footprint and the amount of water used in the manufacturing process.”

“China’s paper industry has the world’s most stringent emission standards,” said Dr. Cao Zhenlei, President of the China National Pulp and Paper Research Institute, when commenting on the industry’s performance in energy-saving and emission reduction at the 16th International Symposium on Wood, Fiber and Pulping Chemistry held in Tianjin in June 2011. “Our standards are not only stricter than those of West Europe, but even exceed North America’s by 20 years.” The carbon dioxide discharged by China’s paper industry is equal to just a fraction of the amount emitted by chemical, ceramic, steel or cement industries in the market, according to Cao.

“The latest Paper Contract with China Report may surprise many international commentators,” said Sophy Huang. “There are a number of misconceptions about the China’s paper industry which the report corrects. Among those is the idea that we are ‘lagging behind’ on environmental protection. In fact, the opposite is the case. In both technology and the environment, Chinese companies are leading the world.”

The Paper Contract with China Report sees the next step for the Chinese industry to be a greater concentration of large-scale manufacturers, resulting in even greater international competitiveness.

About the Paper Contract with China (PCwC)

While growing its business in China, APP-China takes into account the growing demand for paper and the impact of papermaking industry on future economic development and natural resources. To better fulfill its social and environmental responsibilities, APP-China launched the “Paper Contract with China” Manifesto in June 2008 to reaffirm its policies and practices for sustainable development. The Manifesto made public APP’s commitments to sustainable plantation, cleaner production and corporate social responsibility. The Declaration has set clear goals for water consumption/waste water emission/COD discharge for paper/pulp per ton. The main commitments in the PCwC include seeking solutions in sustainable forestry and biodiversity protection in the areas in which the
company does its business, contributing to the fight against global warming by implementing measures throughout its business to conserve energy and reduce emissions; continuing its commitment to community development by promoting economic growth, creating job opportunities, investing in infrastructure in rural areas, building schools, and providing job training in the communities where it operates.

Mr. Huang Zhiyuan (T.G. Wijaya), chairman & CEO of APP-China, signed the PCwC and sincerely welcomed all third parties concerned with the sustainable development of papermaking industry (including government bodies, NGOs, media, research institutes, student community and other independent third parties) to offer valuable comments, visit the plantation and paper facilities of APP-China, and evaluate how the company fulfills its commitments. For more information, please visit http://www.papercontract.com.

About APP-China

Founded in Singapore in October 1994, Asia Pulp and Paper (APP) is one of the world’s leading pulp and paper companies and is ranked one of the largest vertically integrated pulp and paper producers in Asia. Since APP started investing in China in the early 1990s, it has over 20 pulp and paper mills in the form of subsidiaries or joint ventures, as well as forest plantations with a total area over 320,000 hectares. With over 38,900 employees, APP-China had a total production capability 8 million tons per year in 2010.

In June 2008, APP-China launched the Paper Contract with China, to showcase the company’s sustainable development strategy and its long-term commitments to China. By the end of 2010, APP-China had spent RMB 5.5 billion (USD 846 million) in environmental protection facilities and RMB 600 million (USD 92.3 million) in various charitable causes and community development projects across the country. For more information, please visit www.app.com.cn and www.rainforestrealities.com.

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