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Quotes for semi-chemical fluting were also stable in May following a hike of €50/t in most cases in April. Capacity utilisation and activity levels remained good, according to producers. They will not rule out another attempt to increase prices in June, since the last increase was unsatisfactory.

Cores and coreboard market shows strong order intake and further price increases

In the coreboard market in Germany, some suppliers continue to confirm volumes but not prices. The daily changes in market conditions make it impossible to give realistic prices for future deliveries, they say. Prices are only announced shortly before delivery. Some buyers complained about the "dictated prices" as well as the lack of negotiations, but paper factories insisted that passing on the exorbitant cost increases is a matter of survival. "We would rather halt production than make any concessions," said more than one coreboard producer.

Similar reports are heard from cores producers, who likewise need to ensure their own survival in the current phase and are unwilling to compromise when it comes to passing on prices. But even though they are quickly passing along rising costs, they can barely keep up with the pace of adjustments in recent months. Therefore, cores producers apparently would rather turn down orders than sell at a loss. Since demand remains high due to worries about future developments, they have the upper hand in price negotiations, more than almost ever before. The industry has good capacity utilisation and expects the booking situation to remain similar over the summer.

Several cores producers are reporting that delivery dates for coreboard are being postponed again, after agreed volumes were recently being delivered punctually. Delays are being attributed to buyers placing multiple orders because of fears about the future trends as well as to smaller technical problems at the plants. Various market participants report partial outages on technical equipment which has been running at full blast for months due to the market situation while maintenance was postponed. However, a few short downtimes were also due to planned shutdowns, EUWID was told.

In terms of pricing, some cores producers are working with an energy price index, while others apply fixed energy surcharges. But, regardless of company-specific contract clauses, prices rose again in the second quarter. The mark-up was smaller than in previous months, but the trajectory is still clearly heading upwards. While the range in the first quarter of 2022 was €820-860/t, companies now report prices of €845-870/t in the EUWID survey. Players also mentioned prices below as well as above this bracket. New announcements have reportedly been made for June, but this was not confirmed by all EUWID respondents. □

Pulp market remains very tight

Prices spiral higher from month to month

The pulp market remained pretty tight at the end of May. Pulp factories who do not have any fixed contracts were sometimes desperately searching for volumes. Even with existing contracts, volumes are apparently being allocated. The multiple disruptions to the supply chain are putting enormous pressure on the pulp market. Nevertheless, it seems that most pulp buyers have been able to secure sufficient supply of pulp – at least there are no reports yet of shutdowns because of acute pulp shortages.

Prices continue to spiral ever-higher. Not all contracts were signed and sealed by the end of the last week of May, but given the tight availability, paper mills were unable to put up much resistance to the demands of pulp producers. It is therefore expected that the targeted price hikes of \$40-50 for northern bleached softwood pulp will go through without any discussions, lifting prices to \$1,450/t. And further mark-ups of \$50 are already being eyed for the coming month.

Players report serious supply problems for eucalyptus pulp, too. Accordingly, players here are also only discussing volumes and not prices. The

implementation of the targeted \$50 hike for May to \$1,300/t is therefore going through again without any problems. For June, another price increase of \$50/t has already been announced.

Global pulp deliveries down by half a million tonnes

Global pulp deliveries declined significantly between March and April. According to the Pulp and Paper Products Council, there was a drop of 554,000 t to 4.12 million t (March 2022: 4.67 million t). Roughly equal declines were recorded for bleached softwood pulp, with a minus of 257,000 t to 1.79 million t (2.05 million t), and hardwood pulp, with a drop of 259,000 t to 2.11 million t (2.37 million t).

According to PPPC, the sharpest decline was seen in deliveries to China, which were down by 251,000 t to 1.23 million t (1.49 million t). This was followed by the region of the Rest of Asia/Africa, where volumes were 85,000 t lower at 580,000 t (665,000 t) and Western Europe, with a drop of 78,000 t to 1.05 million t (1.13 million t).

Pulp stocks held by producers worldwide in-

World market pulp statistics

April 2022

1,000 t	April 2022	March 2022	April 2021
Shipments	4,120	4,674	4,148
Bleached Softwood	1,788	2,045	1,892
Bleached Hardwood	2,111	2,370	2,082
Unbleached kraft pulp (UKP)	217	255	170
Sulphite	4	4	4
Producer inventories	42	41	37
(Days of supply at month-end)			
Bleached Softwood	40	40	36
Bleached Hardwood	45	43	38

Compiled data based on a sample of 20 countries (17 current producers and 3 past producers included in the historical data) which together account for 82 per cent of world chemical market pulp capacity.

Source: Pulp and Paper Products Council

Brazil: value of pulp and paper exports by destination

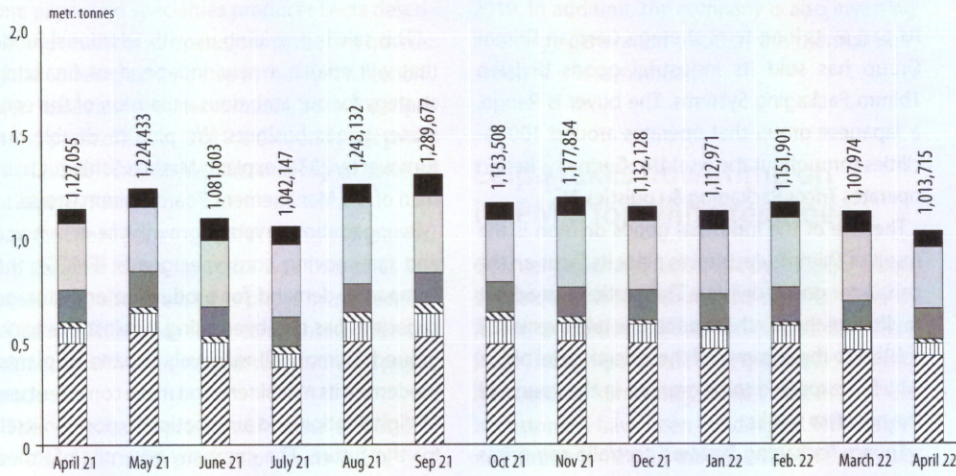
January - March 2022

million US\$ FOB	Pulp		Paper	
	2022	% 2022/2021	2022	% 2022/2021
Latin America	57.1	+ 113.9	429.8	+ 89.3
Europe	519.9	+ 29.8	60.5	+ 50.5
North America	225.7	+ 4.6	46.2	+ 33.9
Africa	30.5	+ 296.1	39.1	+ 26.9
Asia / Oceania	188.5	+ 30.6	45.3	+ 42.0
China	696.8	+ 31.3	8.6	- 33.3
Total	1,718.5	+ 29.6	629.5	+ 66.8

Source: Bracelpa

Stocks of woodpulp in European ports

April 2021 - April 2022



	April 22	Mar 22	April 21
SP	76,788	101,709	69,095
IT	293,122	325,147	316,634
GER	147,457	126,478	153,682
UK	19,870	14,734	27,768
F/CH	58,632	94,352	74,315
NL/B	417,846	445,554	485,561
Total	1,013,715	1,107,974	1,127,055

Source: Europulp

creased by one day between March and April to 42 days. Stocks of bleached softwood pulp remained unchanged at 40 days, while hardwood pulp inventories increased by two days to 45 days.

Pulp stocks in European ports decreasing

The shortage of pulp is also becoming apparent at European port warehouses. According to Europulp statistics, stocks of woodpulp in European

ports fell by 94,000 t between March and April to 1.01 million t (1.11 million t). In April 2021, there were 1.13 million t of pulp stored in European ports, a figure 113,000 t higher than in the same month of this year. □

Mineral Oil Ordinance passé as contaminant legislation sets MOAH limits, claims the PTS

BMEL demands regulation of contamination sources in individual legal fields

A publication of the European Commission's Standing Committee on Plants, Animals, Food and Feed (SC PAFF) on 21 April 2022 renders Germany's planned national Mineral Oil Ordinance obsolete. This is one of the conclusions arrived at by Papiertechnische Stiftung (PTS), the research and service institute of the German paper industry, referring to the Standing Committee's publication that set maximum concentration levels of aromatic hydrocarbons (MOAH) in food in favour of a harmonized EU-wide assessment of these food contaminants. "This means that the regulation of MOAH as contaminants is de facto set. The regulation of MOAH from [...] paper containing recovered paper within a national mineral oil regulation, which is questionable in parts anyway, is now outdated and became redundant," reports the PTS.

According to the PTS, the Standing Committee already commented on the assessment of MOAH findings in infant formula last year. Recently, this opinion was updated and its scope was broadened, as shown in the 21 April meeting summary, which reads as follows: "In order to ensure a uniform enforcement approach throughout the EU, the Member States agreed to withdraw and, if necessary, to recall products from the market, when the sum of the concentrations of MOAH –

i.e. without consideration of fractions – in food are at or above the following maximum LOQs" (= limits of quantification). The limits stipulated are 0.5 mg/kg for dry foods with a low fat/oil content (≤ 4 per cent fat/oil), 1 mg/kg for foods with a higher fat/oil content (> 4 per cent fat/oil) and 2 mg/kg for fats/oils, reports the PTS.

In addition, according to the institute, the responsible public authorities and food companies are demanded to follow up on certain foodstuffs that have been found to contain MOAH and to perform investigations on the source of contamination. This also explicitly includes materials that come into contact with food, reports the PTS.

Setting maximum MOAH levels in contaminant legislation is the only solution

Papiertechnische Stiftung is convinced that in view of the findings gained by official monitoring and by NGOs, given the results of industry cause analyses, and following the many years of efforts undertaken to obtain scientific evidence, there can only be one answer: It is necessary to fix the aforementioned maximum MOAH levels within the legislation governing the maximum levels of certain contaminants in foodstuffs (Regulation No. 1881/2006). According to the PTS, this regu-

latory approach had already been favoured by experts at the beginning of the debate; however, among others, comparable benchmarks for foodstuffs turned out to be lacking that would have allowed the classification of possible food contents according to good manufacturing practice. "With the finalisation of the EU monitoring on mineral oil and the national benchmark levels, the European Commission should now have sufficient data to finalise this assessment and to set achievable levels," explains the institute in its official statement.

National mineral oil ordinance offers no added value for consumer protection

According to the PTS, the German Federal Ministry of Food and Agriculture (BMEL) is determined to stick to what is known as the Mineral Oil Ordinance that was issued in 2011 and the draft of which has since existed in different versions. The institute explains that this Ordinance only addresses food contact materials (FCM) with a recovered paper content as a possible source of mineral oil migration. However, the PTS is convinced that exclusively considering contamination due to MOAH migration from food contact materials that contain recovered paper fails to serve the goal of reducing food contamination. According to the PTS, the Ordinance regards and recognises other sources of contamination, which might well be of central importance, as subordinate. In contrast, defining maximum concentrations as part of contaminant legislation would also cover the

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