



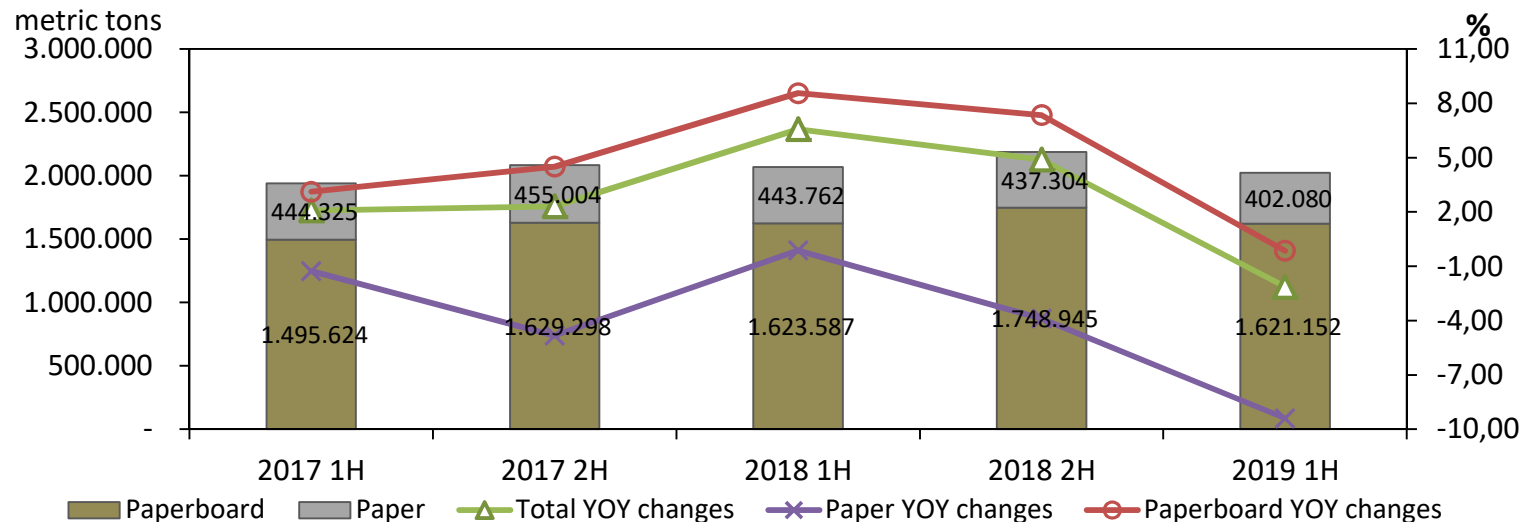
Accompanied effects of China's Waste Import Ban & China-US Trade War: Taiwan Paper Industry Overview

Chinese Taipei Paper Industry Association

2019.11.1

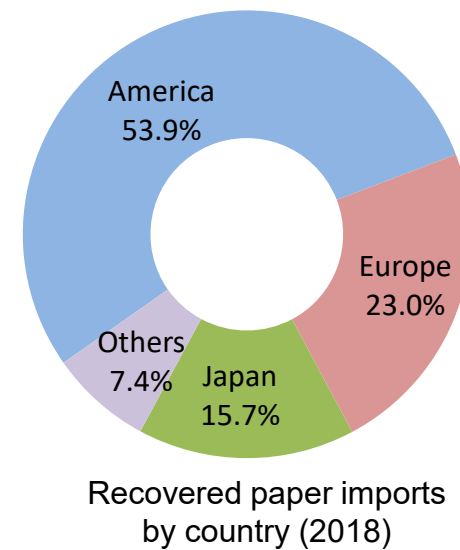
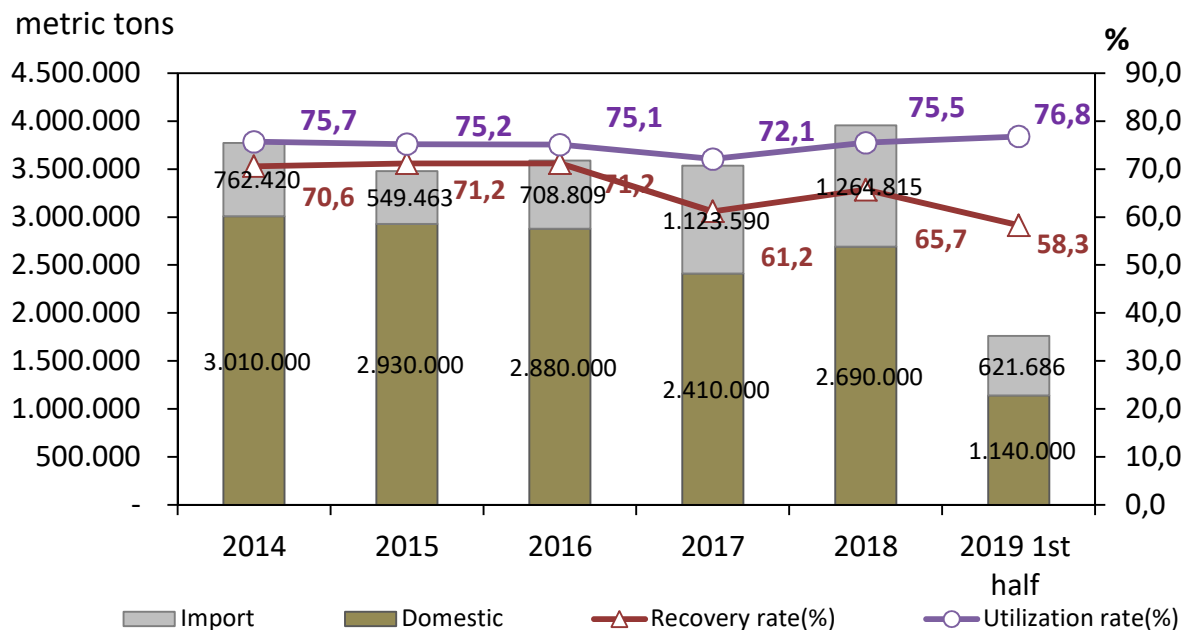
Weakening market demand

- In 2018, production of paper and paperboard (total output) reached 4.25 million metric tons, an increase of 5.7% from 2017 and setting a new 10-year high.
- In 2018, production of paperboard reached 3.37 million metric tones, a new 10-year high; paperboard accounted for 79.3% of total output, a new all-time high.
- Market demand has begun to weaken due to the China-US trade war. In the first half of 2019, paperboard production fell to 1.62 million metric tons, a drop of 7.3% from the previous half-year (2018 2H).



Recovered paper consumption

- In 2018, total consumption of recovered paper was 3.95 million metric tons, an increase of 11.9% from 2017. Domestic volume was 2.69 million metric tons, up 11.6% from 2017; imported volume was 1.26 million metric tons, up 12.6% from 2017. US imports accounted for 53.9% of total imports.
- In the first half of 2019, recovered paper consumption reached 1.76 million metric tons, of which 64.7% was domestic, marking a 7% drop from the second half of 2018 (1.89 million metric tons).



Accompanied effects of China's Waste Import Ban & China-US Trade

Raw material shortages in Mainland China

- Increased operational variables in China market strengthening fundamentals of Taiwanese industry
- China-US trade war accelerating economic slowdown and weakening packaging market, affecting domestic/export sales performance
- Adjust production of recovered pulp — in first half of 2019, recovered pulp exports reached 111,739 metric tons, up 12% from second half of 2018 and up 5-fold year-on-year

Advance growth momentum in Southeast Asia

- Rapid growth in emerging regions apart from China
- Government's "Southbound Policy" to speed up development of industrial chain clusters; Taiwanese papermakers actively building production/packaging cluster points

Improve paper mill facilities & implement circular economy

- Turn waste into fuel and resources, and actively establish cross-industry (cement) waste reutilization chain
- Wastewater recovery and development of biogas power generation

Association mission: Enhance industry image & value



- Maintain sound relationship with government departments by periodically supplying domestic/imported recovered paper data to facilitate their correct understanding and policy decisions
- Educate the public on the correct way to sort recyclables
- Improve media and public impression of the industry and enhance green image



BOXWARS: Jungle Maze Event Video



Thank you

