

Current status & Outlook of Korean pulp and paper industry

Nov 1, 2019



KOREA PAPER ASSOCIATION

Economic indicator

GDP growth rate

%	2018	2019(e)			2020 (e)
		1H	2H	Year	
World GDP	3.6	3.2	3.2	3.2	3.4
Korea GDP	2.7	1.9	2.4	2.2	2.5
Private Consumption	2.8	2.0	2.5	2.3	2.4
Facilities Investment	-2.4	-12.6	2.5	2.6	2.9
Goods Exports	3.3	-0.8	2.0	0.6	2.4

Source : The Bank of Korea

Figure 1. GDP Forecast

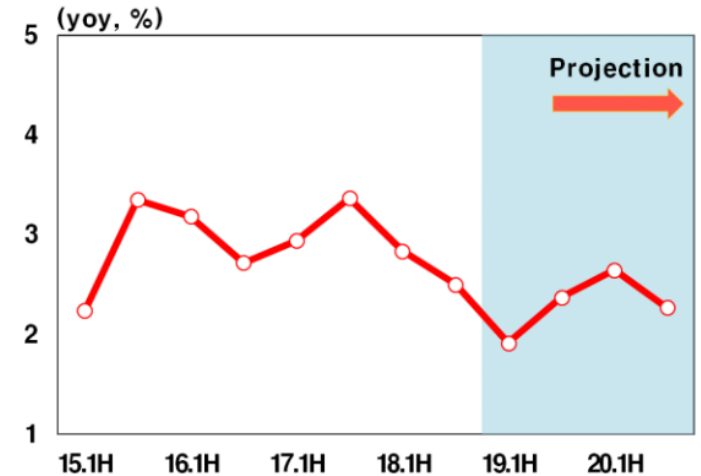
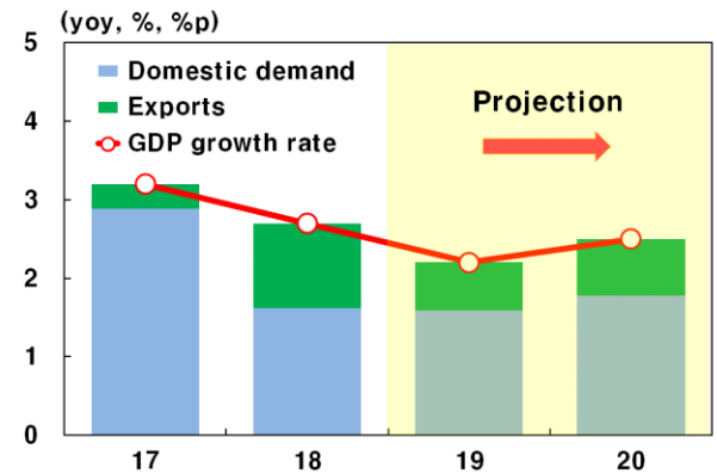
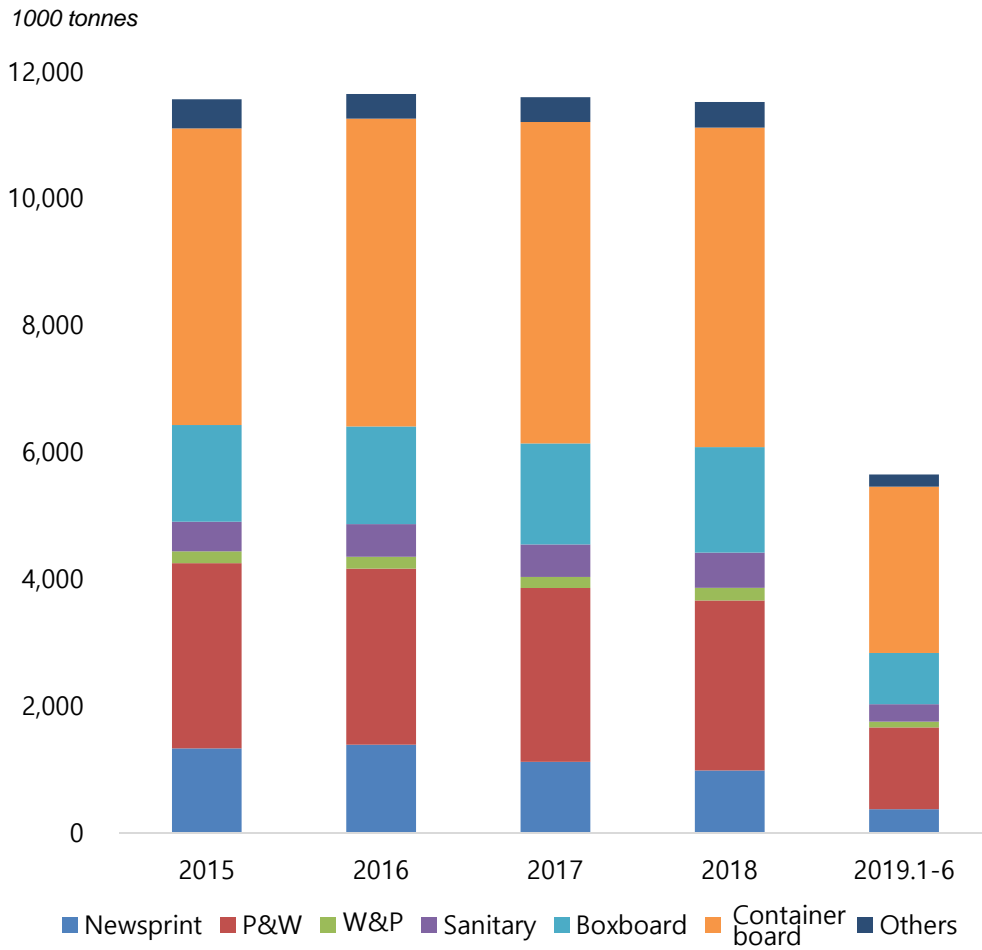


Figure 2. Net Contribution to GDP Growth

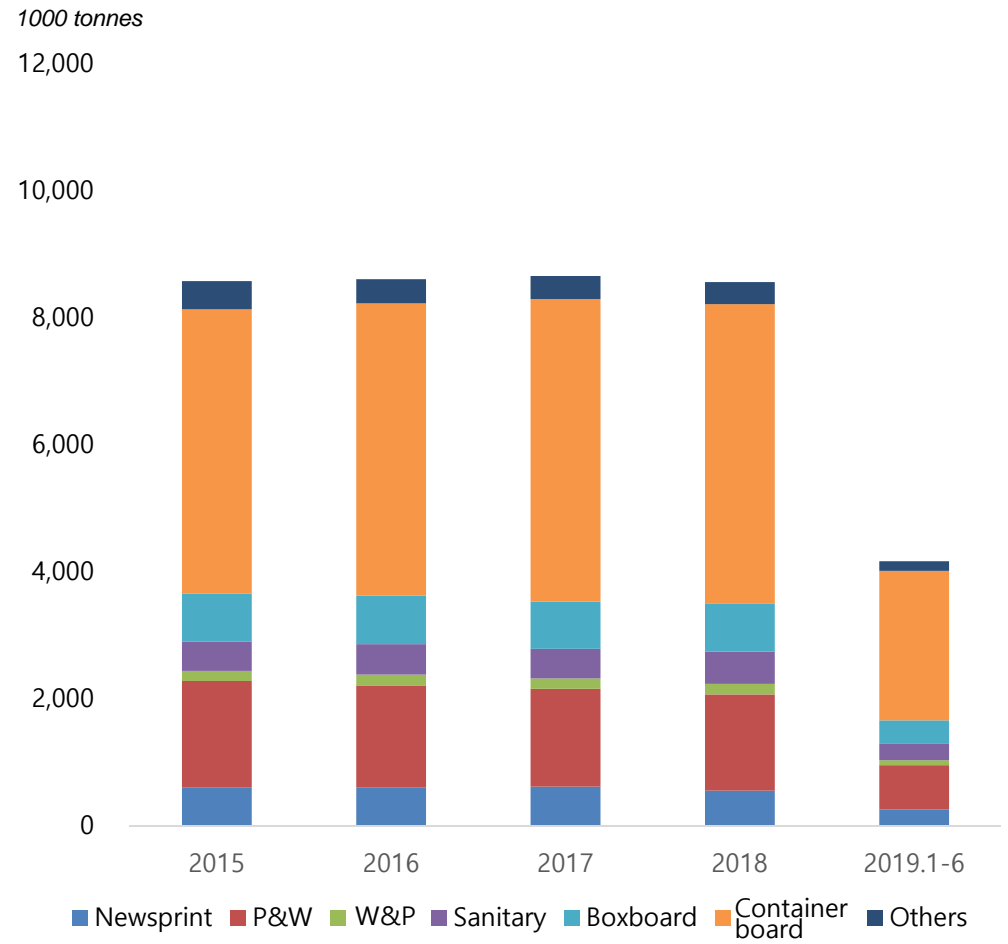


Paper & Paperboard 1

Production



Domestic Shipments



Paper & Paperboard 2

Exports

1000 tonnes

Grade	2018	2019 1H	%
Newsprint	440	118	-46.6
Printing & Writing	1,150	552	-8.0
Wrapping & Packaging	20	10	2.1
Sanitary Paper	47	23	1.8
Boxboard	886	411	-8.5
Containerboard	261	237	99.9
Others	59	30	-1.1
Total	2,863	1,381	-4.3

Imports

1000 tonnes

Grade	2018	2019 1H	%
Newsprint	0	2	-37.2
Printing & Writing	320	150	-6.5
Wrapping & Packaging	85	37	-14.2
Sanitary Paper	62	38	18.3
Boxboard	116	56	-7.4
Containerboard	253	103	-17.9
Others	400	204	-7.5
Total	1,236	590	-8.0

Raw material 1

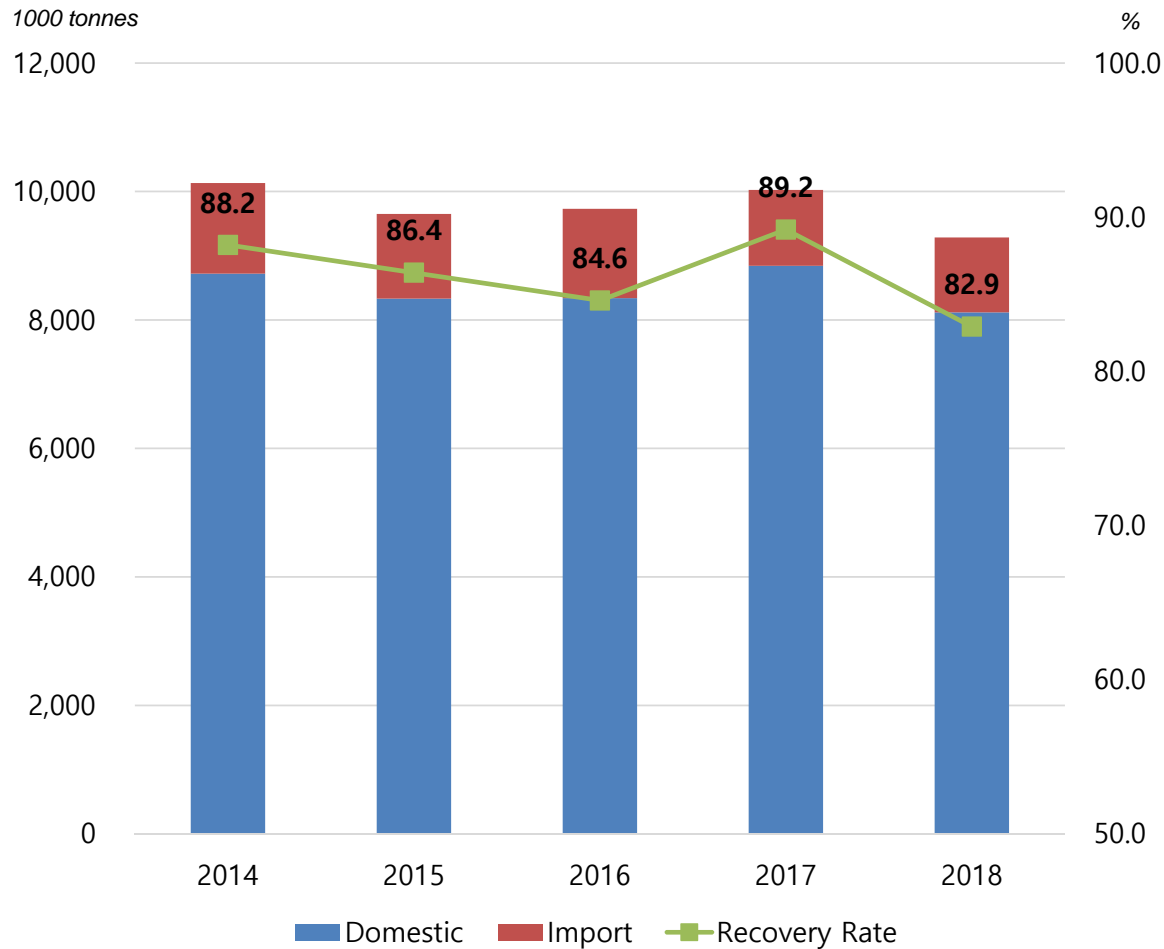
Supply and demand of Pulp

1000 tonnes

		2016	2017	2018	2019 1H	%
Production	MP	71	68	76	29	-23.9
	CP	450	437	499	253	-0.7
	Total	521	505	575	282	-4.1
Consumption	Domestic	443	472	456	219	-3.9
	Imports	2,239	2,266	2,219	1,087	-4.8
	Total	2,682	2,738	2,675	1,306	-4.7
Self-sufficiency rate(%)		16.5	17.2	17.0	16.8	1.2

Raw material 2

RCP Consumption



2018

1000 tonnes

	Domestic	Imports	Total
ONP	945	682	1,627
OCC	6,279	205	6,484
W/L	360	95	455
Others	536	183	719
Total	8,120	1,165	9,285

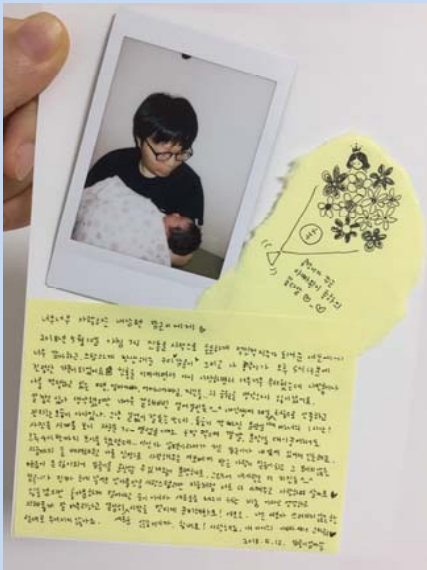
2019.1H

1000 tonnes

	Domestic	Imports	Total
ONP	449	274	723
OCC	3,160	143	3,303
W/L	165	44	209
Others	336	71	407
Total	4,110	532	4,642

Issues ① How to increase paper consumption

Paper Day Promotion



Tree Planting Events



Issues ② Lowering accident rate at workplace


Whole amendment to the Occupational Safety and Health Act

- Strengthening the punishment of the employer and company for fatal accidents
- Expanding the duties of the company hiring subcontractors

Established Safety Committee for Pulp and Paper Industry

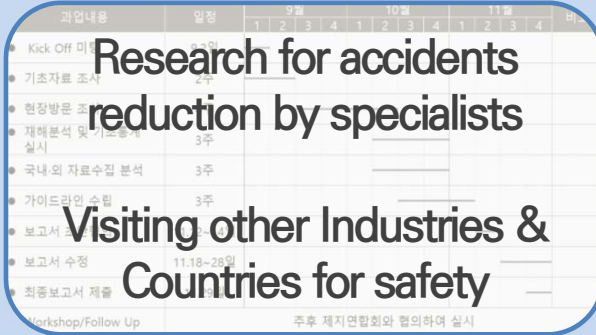


Quarterly meetings for sharing information on “Safety”



Accidents reports gathering by members

Paper Industry's safety Database construction



Research for accidents reduction by specialists

Visiting other Industries & Countries for safety

Efforts to reduce fine dust pollution

Government to step up countermeasure against fine dust pollution

- Special act launched for fighting fine dust pollution(a.k.a. Fine dust Act)
- Government monitors and regulates emission of air pollutants
- Regulatory Enforcement concentration limits on NOx, SOx, TSP etc.

Increased environmental costs

Need to improve management

Thank you!
