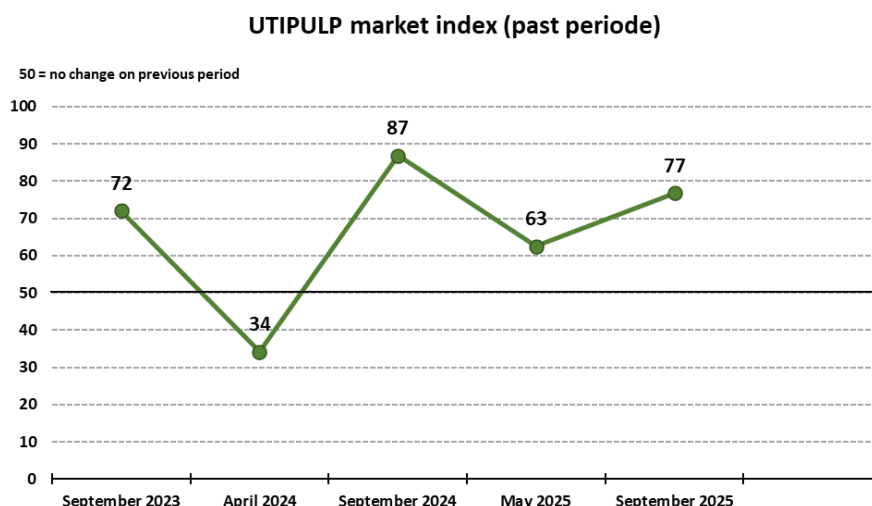


UTIPULP market questionnaire September 2025

- 14 answers have been received (17 during the survey of May 2025).
- This synthesis contains 3 parts on: “market index”, “US tariffs” and “EUDR”.

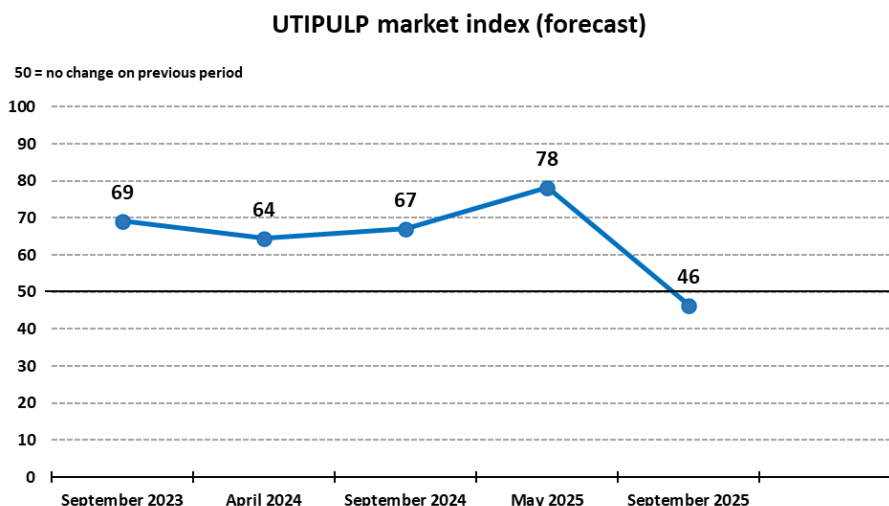
A. Market Index

1. Regarding your pulp supply, has the situation improved or worsen since the last meeting (May 2025)?



- Compared to May 2025, respondents report an improvement in pulp supply conditions (the index is above 50).

2. In H1 2026, according to your forecasts, will the pulp supply improve or worsen?



- Respondents anticipate a slight deterioration in pulp supply conditions, with the index dropping just below 50.
- Responses range from “strong improvement” (1 mention) to “slight deterioration” (5 mentions), with the majority clustered around “steady.”
- None of the respondents expect a “strong deterioration.”

3. Please specify the reasons of your forecast

- Most respondents emphasize a combination of weak demand (especially in Europe and China) and ample pulp supply, keeping prices below Q1 2025 levels. While some anticipate a gradual recovery from H1 2026 onward, most expect a prolonged period of weak demand.
- Regarding the pulp supply:
 - Current availability is ample, but a tightening is expected in the coming months as unprofitable mills in North America, Europe, and China could shut down if prices remain depressed.
 - European suppliers are under pressure from high wood costs and unfavourable exchange rates, while South American producers seek to maximize earnings to finance investments.
 - Canadian producers face challenges related to chip availability.
 - No major new capacities are foreseen in softwood, which may limit future supply growth.
- Regarding the pulp demand, the forecasts are diverse:
 - Demand remains weak across all segments, with no strong signs of imminent recovery.
 - A modest improvement could come from economic stimulus measures in various regions and from speculative buying when prices are perceived as attractive.
 - Chinese demand is expected to rebound gradually from H1 2026, once pulp prices are seen as having bottomed out.
 - Uncertainty around tariff developments between the EU and US adds volatility, with potential positive or negative effects on demand.

4. What key changes will influence pulp consumption in your country during the 12 coming months (new paper mills/capacities, closures...)?

- Pulp consumption over the next 12 months will remain strongly influenced by the general economic environment. Several respondents underline that tariffs and imports from China could shape the competitive landscape, either limiting or supporting demand, depending on how trade measures evolve.
- Most respondents expect a further decline in printing & writing grades market, mainly due to digitalization and structural weakness in demand. Tissue consumption, on the other hand, is considered stable and resilient, ensuring at least one segment of steady demand.

- Competition from imported paper continues to weigh on European domestic production. Even where a slight recovery is foreseen, operating rates are likely to remain relatively low.
- In most countries, the shift away from printing & writing toward packaging has already been completed or is in its final stage. Therefore, no significant changes in pulp consumption are expected there during the next year.
- Most respondents agree that no major structural shifts are likely in the next 12 months. Pulp demand is expected to stay broadly stable, with possible slight increases linked to improving GDP, though the continued reduction in printing & writing capacity will remain a drag on overall consumption.

B. US Tariffs

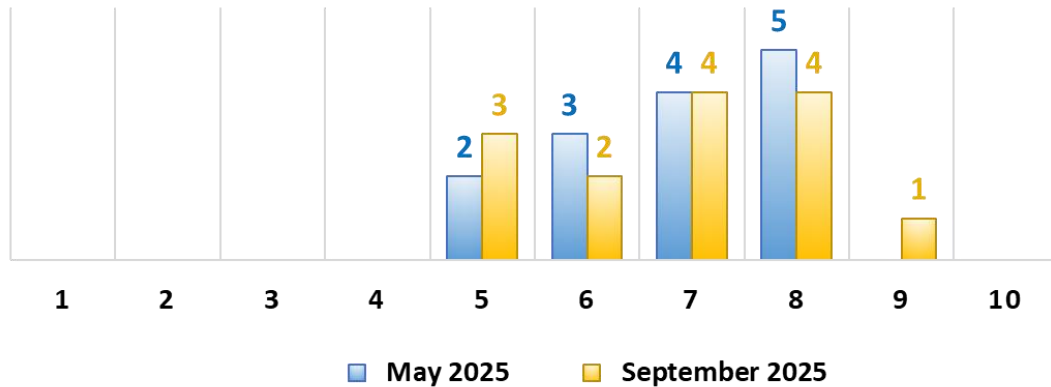
1. Has the announcement made by the US on tariffs already have consequences on the pulp market?

- Most respondents acknowledge that US tariff announcements have created uncertainty, with some signs of pre-buying and shifts in trade flows, but they emphasize that the overall impact on pulp demand and supply remains indirect and not yet clearly defined.
- 62 % of respondents indicate that the U.S. announcement on tariffs has already had an impact on the pulp market.
- Regarding the noted impacts:
 - Some respondents mention pre-buying activities, especially in fluff pulp, as a reaction to tariff uncertainty.
 - Others point to an indirect impact, with slower economic activity and changing international trade flows reducing pulp consumption.
 - Shifts in allocation are expected, particularly in softwood pulp, as trade between Brazil, Europe, and the U.S. adjusts.
 - Several underline that inconsistent tariff policies have created uncertainty and disruption in the global supply chain, affecting price stability and availability.

C. EUDR

1. **Considering a scale of 0 to 10, do you consider that your market pulp suppliers are ready to fulfill the requirement of the EUDR (0 = not ready at all, 10 = absolutely no problem to provide all the requested information).**

Please note that the average figure will be compared to the previous survey.



- Answers are rather heterogeneous and rank from “5” (3 times) to “8” (4 times). Compared to May 2025, the distribution has only shifted slightly, with a marginal increase in higher scores.
- While major South American suppliers are generally well prepared to meet EUDR requirements, respondents note that North American and European suppliers still show gaps. Data transmission remains inconsistent, and progress is described as slow, particularly due to the challenge of aligning all sectors (forest, pulp, paper, converters) to the same start date.

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