

UK Paper Industry Steadies through 2007



Preliminary figures from the Confederation of Paper Industries' analysis of UK mill returns showed a steady in domestic paper and board manufacturing through 2007, and a slowing decline in the usage of recovered paper.

In 2007, the UK produced just over 5.2 million tonnes of paper and board, a 6.4% reduction on the 2006 total. In terms of raw material input, UK paper and board mills used just under 4.1 million tonnes of recovered paper, a decline of 3.0% against 2006 usage.

Two paper mills closed in the UK in 2007, representing around 250,000 tonnes of capacity. Profitability was quoted as a key factor in the decisions to cease production, due to difficult trading conditions with little hope of investment returns at each of the sites.

The further decline in domestic usage of recovered paper means that exports for 2007 are likely to be around the 4.6 million tonne mark, with over 75% of this material destined for the Far East.

The full impact of the 2007 closures has yet to be fully reflected in the yearly production totals. However, with no closures in 2008 and new capacity planned, it is expected that in 2008 around 5.3 million tonnes will be produced with domestic usage of recovered paper falling to around the 4 million tonne mark.

Dr Martin Oldman, Director General of CPI, said: "2007 was a slightly better year for the paper industry. However, the two closures are a reflection of the difficult times the UK industry is still having in securing profitability. We hope that planned new capacity in 2008 and 2009 will reverse the trend of closures and secure a better outlook for the future."

He added: "In the UK, great strides continue to be made in increasing the tonnage of recovered paper being retrieved from the waste stream, and currently there is a very buoyant global market for this material. However, it is vital that the UK retains a strong paper manufacturing industry to ensure that there is a reliable internal market for recovered paper should there be any decline in the global demand for this valuable raw material."

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For further information, please contact Catherine Waterfield, External Affairs Coordinator, on 01793 889612 or email cwaterfield@paper.org.uk.

Notes to Editors

- CPI is the voice of the paper industry in the UK, representing papermakers, tissue manufacturers, corrugated packaging producers, and recovered paper merchants.
- For additional information on the UK paper industry, in the first instance, please contact Catherine Waterfield, External Affairs Coordinator, on 01793 889612 or email cwaterfield@paper.org.uk. Alternatively, please visit: <http://www.paper.org.uk>.