

# Proposed Changes to Asian Packaging Assessments

September 29, 2017

## Summary

RISI is proposing to adjust the coverage of packaging grades in **Asian Pulp and Paper Monitor (APPM)** and **PPI Asia** to reflect better the current market situation and as part of an ongoing effort to separate its price assessment and forecasting activities.

Currently **APPM** publishes monthly assessments and forecasts for several recycled packaging grades delivered Hong Kong. These have over time become much less prevalent. At the same time, trade in East China and Southeast Asia warrants more regular coverage than currently given in **PPI Asia** and **APPM**.

## Details of proposed changes

### Increase coverage of Southeast Asia and East China markets

From January 1, 2018, **PPI Asia** will increase the frequency of the following price assessments to monthly from quarterly:

- Southeast Asia Kraft-top Liner 125g (Price ID 1143)
- Southeast Asia Testliner 125g (Price ID 1144)
- Southeast Asia Recycled Fluting (Price ID 1145)
- Southeast Asia Grayback Coated Duplex Board 350g (Price ID 1146)
- Southeast Asia Whiteback Coated Duplex Board 335g (Price ID 1147)

RISI will change the definition of these price assessments to remove the reference to Hong Kong. This does not represent a material change in methodology and will not affect price levels.

At the same time, **PPI Asia** will launch new monthly price assessments for Unbleached Kraftliner 175g imported into East China from the US, Europe, Russia and Australia.

### Discontinue Hong Kong price assessments

From March 31, 2018, **APPM** will stop assessing Hong Kong prices for the following grades:

- Kraftliner 175g
- Kraft-Top Liner
- Corrugating Medium
- Coated Duplex 350g

Subscribers looking for an alternative reference price to these discontinued price assessments can refer to the equivalent East China price series assessed by RISI. See table 1 below.

(continued...)

## Discontinue Southeast Asia kraftliner price assessments

From March 31, 2018, **PPI Asia** will stop assessing Southeast Asia prices for unbleached kraftliner 175g (Price ID 1142). Trade in this grade has fallen considerably over the last few years. Subscribers looking for an alternative reference price can refer to the equivalent East China price series assessed by RISI. See table below.

Discontinued Price Series	Proposed New Reference Price Series
<b>APPM</b> HK Kraftliner 175g	<b>PPI Asia</b> East China Kraftliner 175g mid-point and <b>APPM</b> forecast
<b>APPM</b> HK Kraft-Top Liner	<b>PPI Asia</b> East China Kraft-Top Liner mid-point and <b>APPM</b> forecast
<b>APPM</b> HK Corrugating Medium	<b>PPI Asia</b> East China High-Strength Corrugating Medium mid-point and <b>APPM</b> forecast
<b>APPM</b> HK Coated Duplex 350g	<b>PPI Asia</b> East Grayback China Coated Duplex 250g mid-point and <b>APPM</b> forecast
<b>PPI Asia</b> Southeast Asia Kraftliner 175g	<b>PPI Asia</b> East China Kraftliner 175g mid-point and <b>APPM</b> forecast

To help subscribers make the transition, **APPM** will continue to publish Hong Kong packaging prices alongside **PPI Asia's** East China and Southeast Asia assessments for a period of three months.

**APPM** will also introduce new forecast series for packaging grades in Southeast Asia and for East China kraftliner from January 1, 2018.

(continued...)

## Illustration of the transition

### Timeline

Series	Current	January 2018	April 2018	July 2018
<b>East China</b> Kraftliner 175g	Not assessed	Assessed monthly in <b>PPI Asia</b> Price Watch Paper & Board. Forecast shown in <b>APPM</b> (Table 12).		
<b>East China</b> kraft-top liner, testliner, corrugating medium, coated	Assessed monthly in <b>PPI Asia</b> Price Watch Paper & Board, forecast shown in <b>APPM</b> (Table 12).	Assessed monthly in <b>PPI Asia</b> Price Watch Paper & Board. Forecast shown in <b>APPM</b> (Table 12).		
<b>East China</b> coated duplex board	Assessed monthly in <b>PPI Asia</b> Price Watch Paper & Board, forecast shown in <b>APPM</b> (Table 14).	Assessed monthly in <b>PPI Asia</b> Price Watch Paper & Board. Forecast shown in <b>APPM</b> (Table 14).		
<b>Hong Kong</b> kraftliner, kraft-top liner, corrugating medium	Shown in <b>APPM</b> (Table 12)	Shown in <b>APPM</b> (Table 12)	Removed from <b>APPM</b> Table 12 with explanation in footnote	Footnote discontinued
<b>Hong Kong</b> coated duplex board	Shown in <b>APPM</b> (Table 14)	Shown in <b>APPM</b> (Table 14)	Removed from <b>APPM</b> Table 14 with explanation in footnote	Footnote discontinued
<b>Southeast Asia</b> kraft-top liner, testliner, fluting,	Assessed quarterly in <b>PPI Asia</b> . Not shown in <b>APPM</b> .	Assessed monthly in <b>PPI Asia</b> . Forecast in <b>APPM</b> (Table 12).		
<b>Southeast Asia Unbleached kraftliner 175g</b>	Assessed quarterly in <b>PPI Asia</b> . Not shown in <b>APPM</b> .	Removed from <b>PPI Asia</b> Price Watch Paper & Board. Footnote included with explanation.	Removed from <b>PPI Asia</b> Price Watch Paper & Board. Footnote included with explanation.	Footnote discontinued
<b>Southeast Asia</b> coated duplex board	Assessed quarterly in <b>PPI Asia</b> . Not shown in <b>APPM</b> .	Assessed monthly in <b>PPI Asia</b> . Forecast in <b>APPM</b> (Table 14).		

(continued...)

## APPM Changes

Hong Kong Prices to be discontinued from **March 31, 2018**

**Table 12**  
**Containerboard Monthly Summary**  
US Dollars per Tonne, Thousand Tonnes

	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017
<b>Transaction Prices in Hong Kong</b>												
Kraftliner 175 gsm	560	560	560	560	585	585	590	590	615	615	615	620
Kraft Top Liner	452	459	459	509	624	624	624	564	549	549	579	589
Corrugating Medium	395	401	401	461	556	606	606	536	456	456	486	491
<b>Transaction Prices in East China*</b>												
Kraft-top Liner 170 gsm	3,300	3,350	3,400	4,100	4,860	4,860	4,980	4,360	4,410	4,560	4,860	4,875
Testliner 140 gsm	3,055	3,105	3,155	3,805	4,565	4,565	4,685	4,165	4,265	4,415	4,715	4,730
Corrugating Medium 120 gsm	2,865	2,905	2,955	3,655	4,415	4,415	4,565	3,415	3,615	3,865	4,315	4,315
<b>OCC Delivered to Asia**</b>	204	190	202	211	222	238	270	280	239	262	289	294
<b>Japan</b>												
App. Consumption	706	765	821	774	736	698	714	800	782	735	784	—
Kraftliner Imports	4	3	4	4	3	2	2	4	3	5	4	—
Other Net Imports	-34	-38	-38	-34	-41	-37	-51	-53	-42	-34	-42	—
Production	736	800	855	804	775	734	763	849	821	764	822	—
<b>South Korea</b>												
App. Consumption	433	415	432	415	416	394	379	419	412	420	—	—
Kraftliner Imports	27	19	15	16	9	10	12	10	13	10	11	—
Other Net Imports	-3	-10	-9	-20	-22	-34	-21	-24	-27	-31	—	—
Production	409	406	426	419	430	418	388	433	426	440	—	—
<b>Taiwan</b>												
App. Consumption	146	139	150	138	144	148	140	152	165	142	—	—
Kraftliner Imports	4	4	3	3	4	4	5	6	6	5	—	—
Other Net Imports	-82	-74	-72	-69	-72	-51	-56	-74	-63	-59	—	—
Production	224	209	219	204	211	195	191	219	222	196	206	—

\*Prices are for domestic grades, renminbi per tonne, East China, including taxes. Containerboard prices are ex-mill. East China includes the provinces of Zhejiang, Jiangsu, Anhui, Jiangxi and Shandong and the municipality of Shanghai.

\*\* Price of OCC (old corrugated containers), CIF China and Southeast Asia from the USA.

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**Please note that these prices are not actual assessments and are for indicative purposes only!**

(continued...)

New forecasts and assessments to be added from **January 1, 2018**

**Table 12**  
**Containerboard Monthly Summary**  
US Dollars per Tonne, Thousand Tonnes

	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017
<b>Transaction Prices in Hong Kong</b>												
Kraftliner 175 gsm	560	560	560	560	585	585	590	590	615	615	615	620
Kraft Top Liner	452	459	459	509	624	624	624	564	549	549	579	589
Corrugating Medium	395	401	401	461	556	606	606	536	456	456	486	491
<b>Transaction Prices in East China*</b>												
Kraft-top Liner 170 gsm	3,300	3,350	3,400	4,100	4,860	4,860	4,980	4,360	4,410	4,560	4,860	4,875
Testliner 140 gsm	3,055	3,105	3,155	3,805	4,565	4,565	4,685	4,165	4,265	4,415	4,715	4,730
Kraftliner 175 gsm	na	na	na	na	na	na	na	na	na	na	na	na
Corrugating Medium 120 gsm	2,865	2,905	2,955	3,655	4,415	4,415	4,565	3,415	3,615	3,865	4,315	4,315
<b>OCC Delivered to Asia**</b>	204	190	202	211	222	238	270	280	239	262	289	294
<b>Transaction Prices in SE Asia</b>												
Kraftliner 175 gsm	na	na	na	na	na	na	na	na	na	na	na	na
Kraft Top Liner	na	na	na	na	na	na	na	na	na	na	na	na
Testliner	na	na	na	na	na	na	na	na	na	na	na	na
Recycled Fluting	na	na	na	na	na	na	na	na	na	na	na	na
<b>Japan</b>												
App. Consumption	706	765	821	774	736	698	714	800	782	735	784	—
Kraftliner Imports	4	3	4	4	3	2	2	4	3	5	4	—
Other Net Imports	-34	-38	-38	-34	-41	-37	-51	-53	-42	-34	-42	—
Production	736	800	855	804	775	734	763	849	821	764	822	—
<b>South Korea</b>												
App. Consumption	433	415	432	415	416	394	379	419	412	420	—	—
Kraftliner Imports	27	19	15	16	9	10	12	10	13	10	11	—
Other Net Imports	-3	-10	-9	-20	-22	-34	-21	-24	-27	-31	—	—
Production	409	406	426	419	430	418	388	433	426	440	—	—
<b>Taiwan</b>												
App. Consumption	146	139	150	138	144	148	140	152	165	142	—	—
Kraftliner Imports	4	4	3	3	4	4	5	6	6	5	—	—
Other Net Imports	-82	-74	-72	-69	-72	-51	-56	-74	-63	-59	—	—
Production	224	209	219	204	211	195	191	219	222	196	206	—

\*Prices are for domestic grades, renminbi per tonne, East China, including taxes. Containerboard prices are ex-mill. East China includes the provinces of Zhejiang, Jiangsu, Anhui, Jiangxi and Shandong and the municipality of Shanghai.

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(continued...)

## PPI Asia Changes

### PRICE WATCH: Paper & Board China

For specifications and details on how RISI determines prices, see [www.risi.com/methodology](http://www.risi.com/methodology)  
Prior to January 2011, prices were collected quarterly.

New Kraftliner assessments to be added from **January 1, 2018**

#### PACKAGING BOARD

Prices are for domestic grades, RMB/tonne, East China<sup>2</sup>, including taxes. Containerboard prices are ex-mill and cartonboard prices are ex-major distributor's

	basis weight	current prices		year ago	rent price - change <sup>1</sup>		
		Jun 2016	May 2016	Jun 2015	month ago	year ago	%
<b>Recycled containerboard</b>							
Testliner	140g	RMB 2870 - 3080	2850 - 3060	2850 - 3060	+20	+20	+0.7%
<b>Kraftliner</b>	<b>175g</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>
Kraft-top liner	170g	3130 - 3310	3130 - 3310	3130 - 3310	-	-	-
White-top liner	140g	3780 - 4050	3760 - 4030	3760 - 4030	+20	+20	+0.5%
High-strength corrugating medium	120g	2670 - 2960	2650 - 2940	2650 - 2940	+20	+20	+0.7%
<b>Cartonboard</b>							
Coated ivory board (premium)	250g	6100 - 6300	6100 - 6300	6050 - 6300	-	+25	+0.4%
Coated ivory board (commodity)	250g	4850 - 5150	4850 - 5150	4650 - 5100	-	+125	+2.6%
Grayback coated duplex board (premium)	250g						
		3800 - 4300	3800 - 4300	3800 - 4300	-	-	-
Grayback coated duplex board (commodity)	250g	3210 - 3500	3230 - 3500	3270 - 3500	-10	-30	-0.9%

<sup>1</sup> Changes calculated based on the midpoint of price ranges.

<sup>2</sup> East China includes Zhejiang, Jiangsu, Anhui, Jiangxi and Shandong provinces, and Shanghai municipality.

\* Converting reels into sheets costs RMB 100-150/tonne in China, and prices for the grades in sheets can therefore be worked out using prices for reels

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(continued...)

The following price assessments will appear in PPI Asia on a monthly basis from January 2018:

**Current Price Watch table:**

PRICE WATCH: FINE PAPER AND PACKAGING			
	2nd quarter 2017	1st quarter 2017	2nd quarter 2016
<b>Fine paper</b>			
Uncoated woodfree (70g)	730 - 775	700 - 745	700 - 745
Coated woodfree (100g)	690 - 735	675 - 720	670 - 715
<b>Containerboard</b>			
Unbleached kraftliner (175g)	595 - 615	580 - 600	560 - 590
Kraft-top liner (125g)	510 - 550	510 - 550	460 - 500
Testliner (125g)	395 - 430	395 - 430	345 - 380
Recycled fluting (110g)	360 - 420	360 - 420	280 - 360
<b>Cartonboard</b>			
Grayback coated duplex board (350g)	490 - 555	490 - 555	450 - 515
Whiteback coated duplex board (350g)	600 - 655	600 - 655	560 - 615

Prices are in US\$/tonne, CIF, for imports to Hong Kong and main ports in Southeast Asia.

Testliner prices reflect mid-range qualities made from 100% imported recycled fiber. Lower-quality grades made from 100% recovered fiber from local sources are priced \$30/tonne below the bottom end of the price range. Higher-quality grades, which have a 'pulp-top' layer, are priced \$20-30/tonne above the top end of the price range. These are also considered to be low-quality kraft-top liner.

**DISCLAIMER:** While the information contained in this price index has been obtained from sources believed to be reliable, RISI does not warrant or guarantee the accuracy and completeness of the information. All prices are best estimates of prices before regular volume and contract discounts and are composite prices as opposed to median or average prices. Actual transaction prices may vary.

**Future Price Watch Table:**

PRICE WATCH: FINE PAPER AND PACKAGING			
	Jan. 2018	Dec. 2017	Jan. 2017
<b>Fine paper</b>			
Uncoated woodfree (70g)	730 - 775	700 - 745	700 - 745
Coated woodfree (100g)	690 - 735	675 - 720	670 - 715
<b>Containerboard *</b>			
Kraft-top liner (125g)	510 - 550	510 - 550	460 - 500
Testliner (125g)	395 - 430	395 - 430	345 - 380
Recycled fluting (110g)	360 - 420	360 - 420	280 - 360
<b>Cartonboard</b>			
Grayback coated duplex board (350g)	490 - 555	490 - 555	450 - 515
Whiteback coated duplex board (350g)	600 - 655	600 - 655	560 - 615

Prices are in US\$/tonne, CIF, for imports to Hong Kong and main ports in Southeast Asia.

Testliner prices reflect mid-range qualities made from 100% imported recycled fiber. Lower-quality grades made from 100% recovered fiber from local sources are priced \$30/tonne below the bottom end of the price range. Higher-quality grades, which have a 'pulp-top' layer, are priced \$20-30/tonne above the top end of the price range. These are also considered to be low-quality kraft-top liner.

\* Unbleached kraftliner 175g assessments were discontinued as of January 2018. Subscribers can refer to PPI Asia's East China kraftliner assessments as a reference guide.

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Southeast Asia assessments increased to monthly from January 1, 2018

Kraftliner 175g assessments removed with explanation in footnote

**Please note that these prices are not actual assessments and are for indicative purposes only!**