



# US Import Trends and Key Drivers for CTD Papers

**Monthly Focus Topic**

# Summary comments



Imports have dropped off at a faster pace than the decline in demand in the US in the last 3 years.

Trends in volume of imports from the regions studied do not correlate with the FX changes between their respective currencies and the USD over the time period reviewed.

The impact of capacity reductions and the duties imposed on Asian importers (both 2007 and current) are evident in the data.

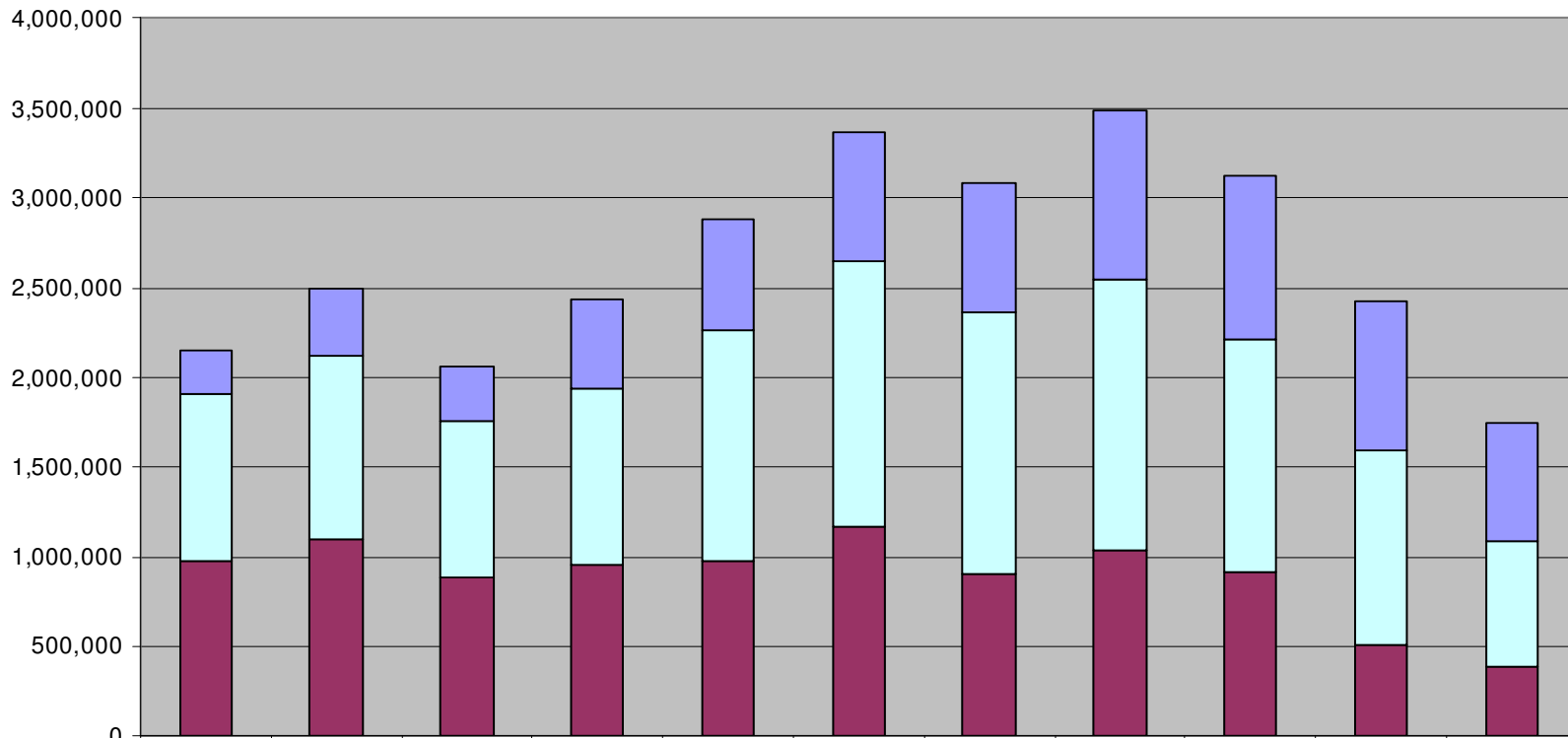
Top 3 countries importing CFS to the US YTD are South Korea (105K tons), Germany (47K tons), and Finland and Japan are similar (25K tons). Chinese imports of CFS had been significant but it is difficult to be sure of the volume since most of it has been categorized as CGW since Q2 2007. In addition, Chinese total coated (CGW+CFS) volume has now dropped dramatically.

Top 3 countries importing CGW to the US YTD are Canada (124K tons), Finland (74K tons), and Germany (19K tons) – the same comments regarding China from the CFS section above applies.

# US Total Coated imports by major region of origin



Coated imports have plummeted the last 3 years. Capacity shuts (Canada, Europe) are a key driver. Currency Exchange rates between USD and EURO have no correlation to trends of European imports – over the period shown here. The decrease in imports is greater than the decline in domestic demand leading to a decrease in share of demand made up by imports.

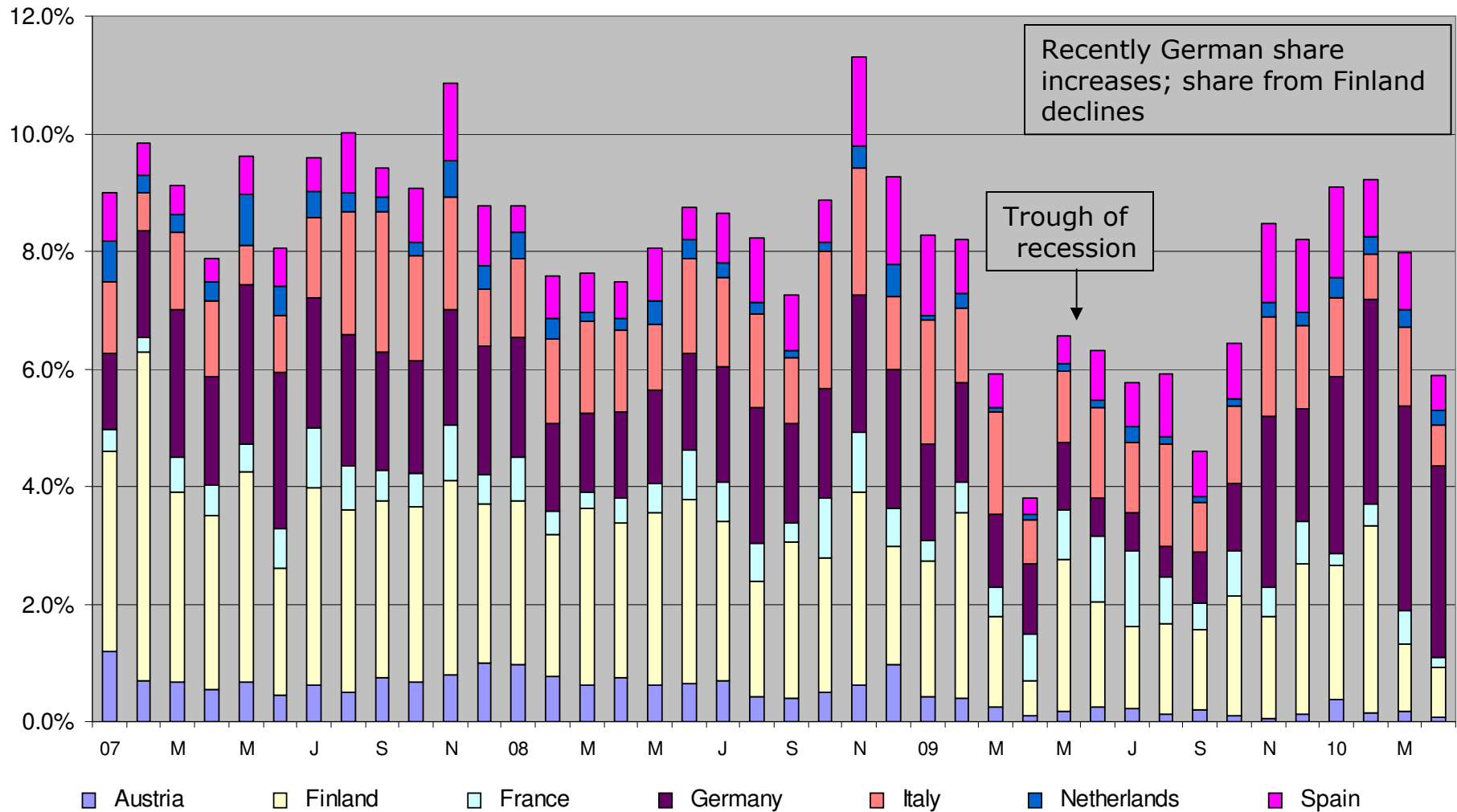


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total W. Europe	241,967	369,824	296,954	498,670	615,317	719,075	714,413	946,939	916,619	826,226	659,950
Total Asia	931,239	1,030,433	873,127	979,504	1,285,027	1,486,970	1,460,587	1,503,635	1,295,584	1,088,044	689,401
Canada	978,148	1,093,293	884,332	958,502	975,983	1,163,051	904,916	1,038,891	910,840	506,814	391,499

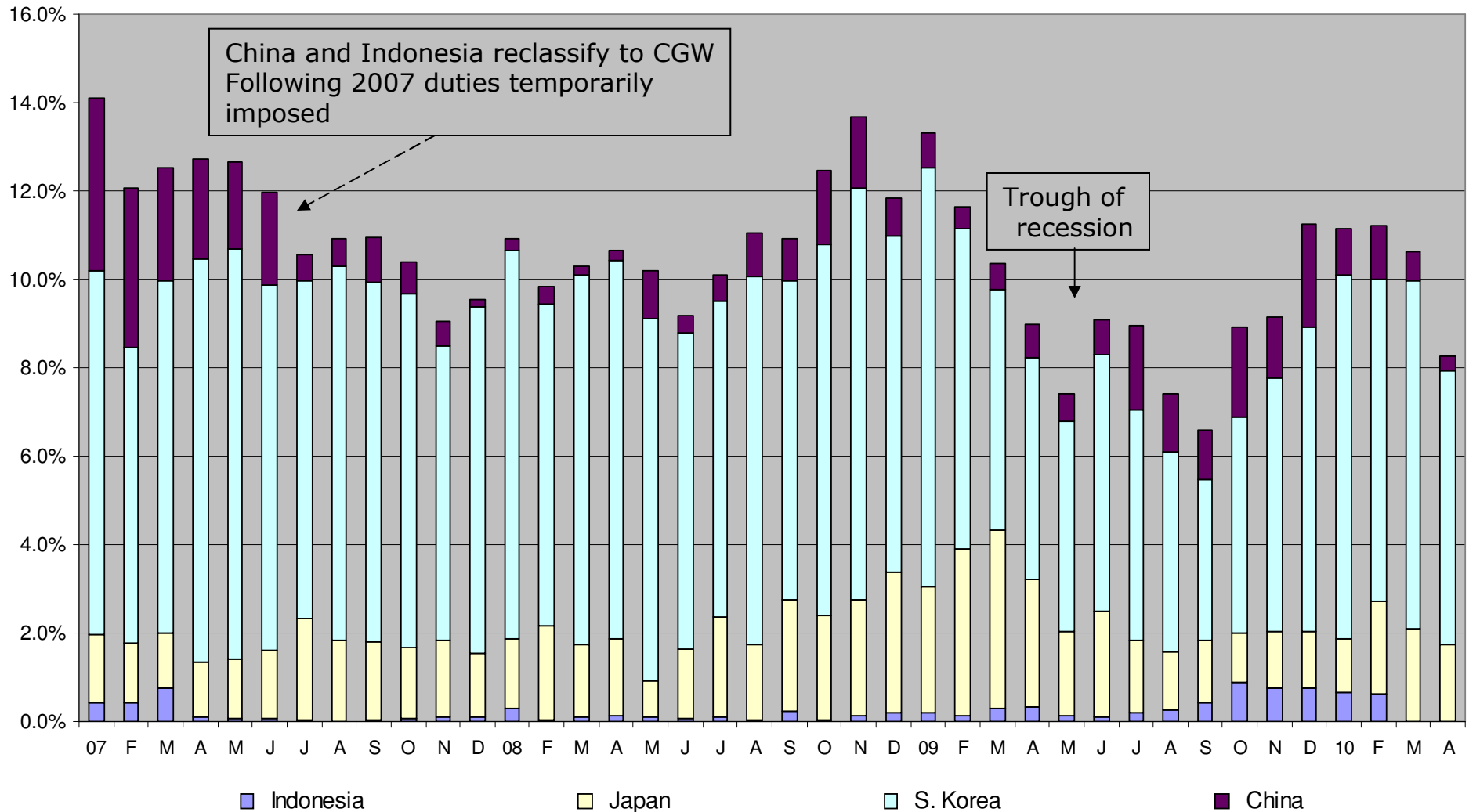

 Canada
 Total Asia
 Total W. Europe

Source: RISI

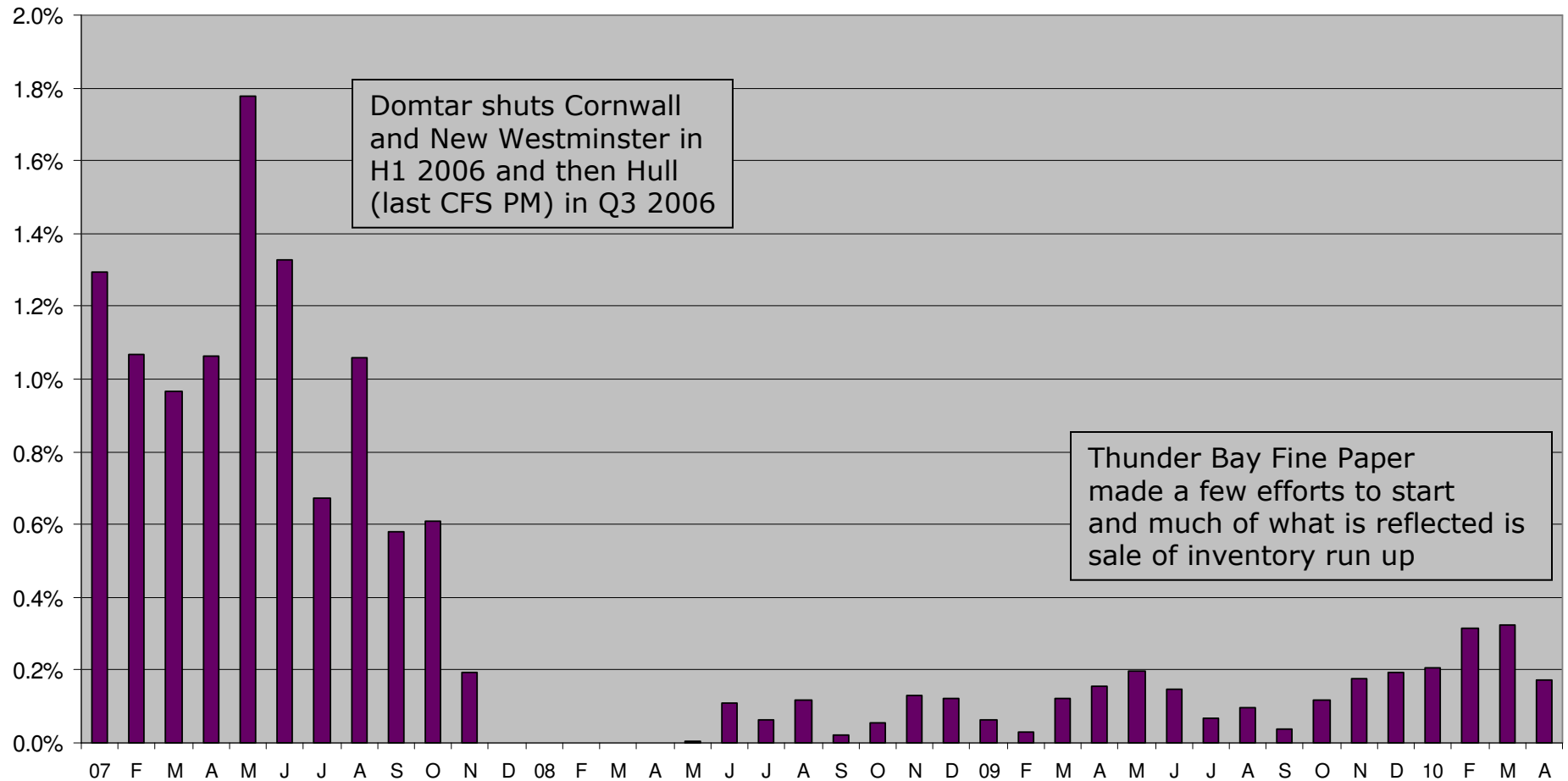
# US CFS Imports from Major European Countries - % of US Demand



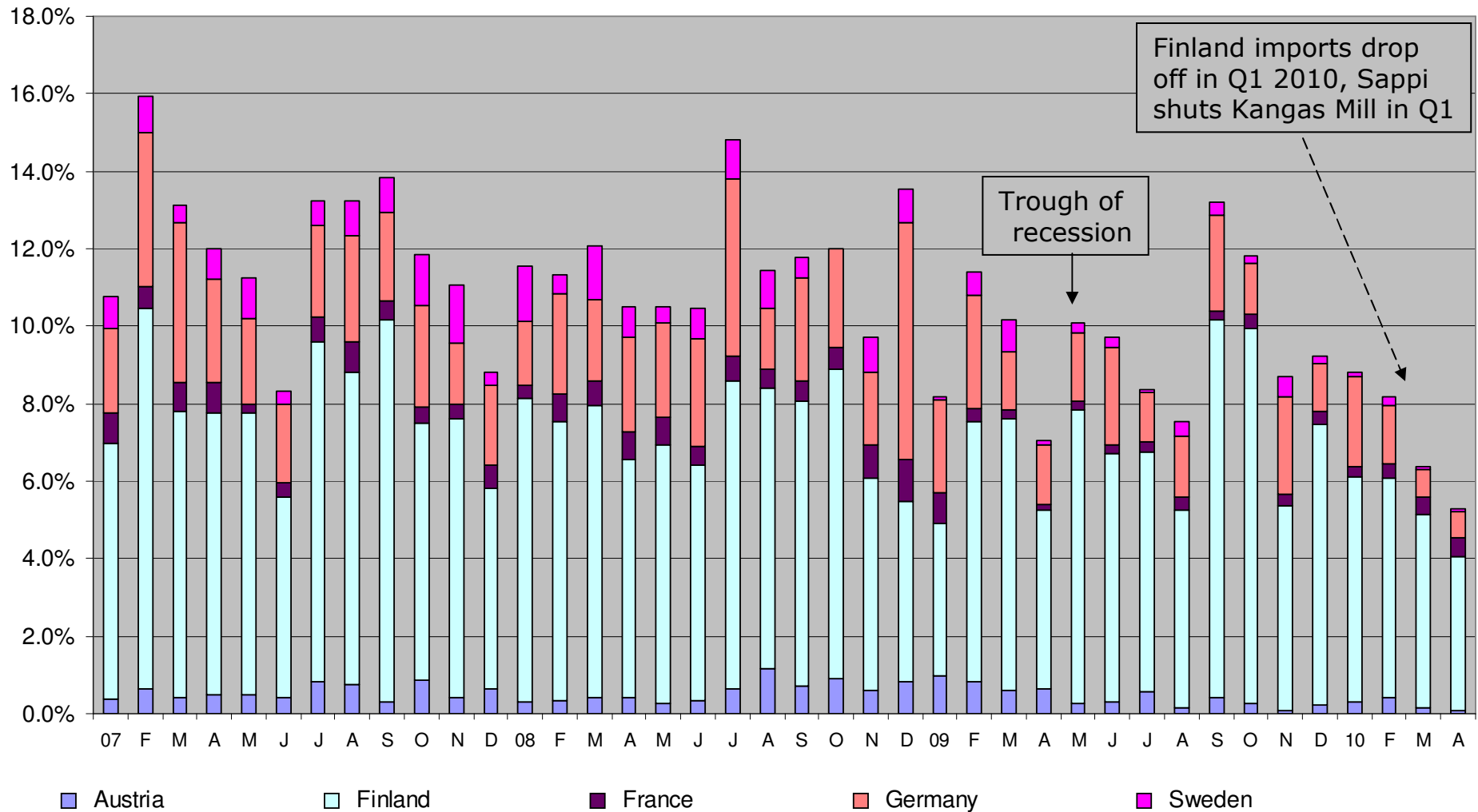
# US CFS Imports from Major Asian Countries - % of US Demand



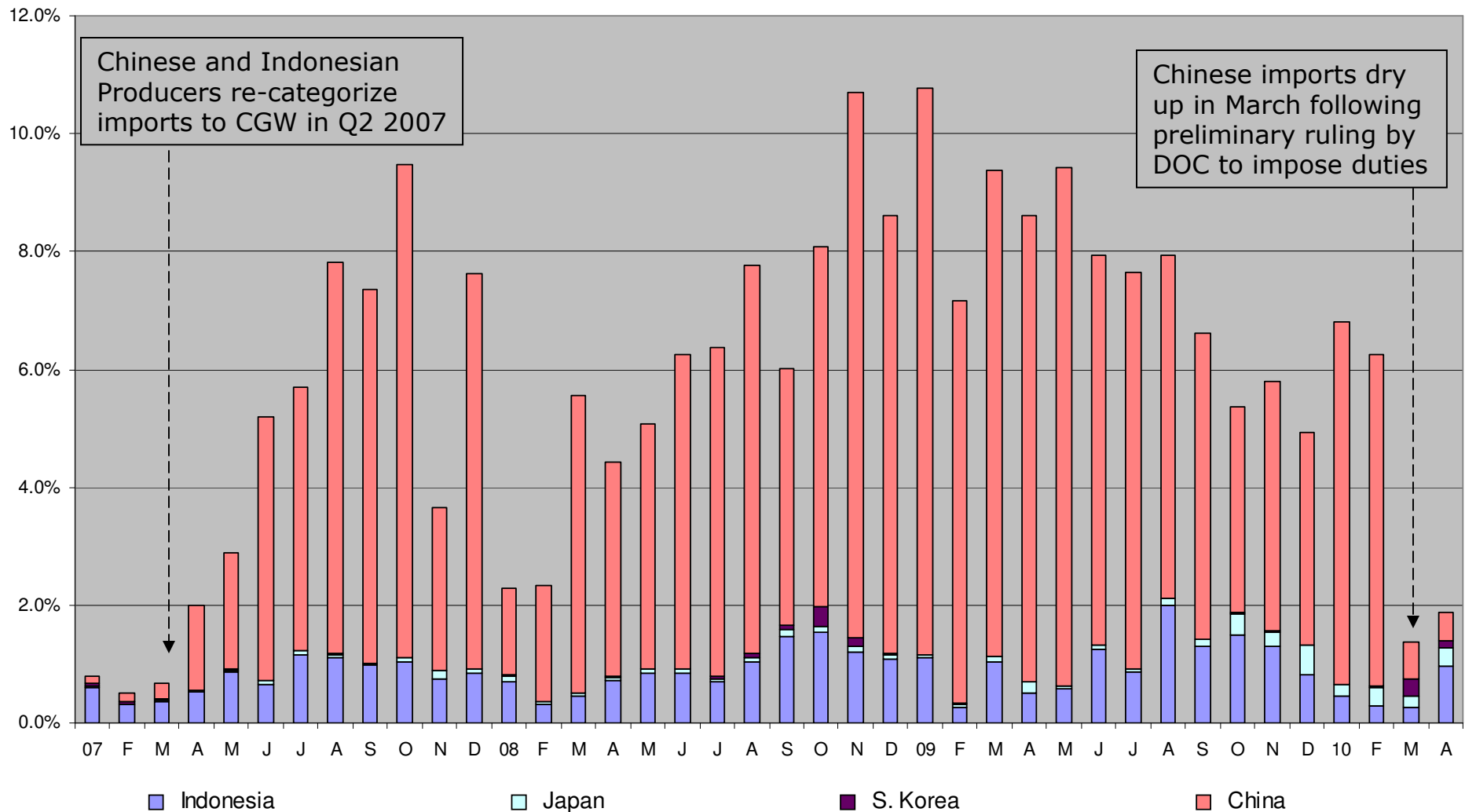
# US CFS Imports from Canada – % of US Demand



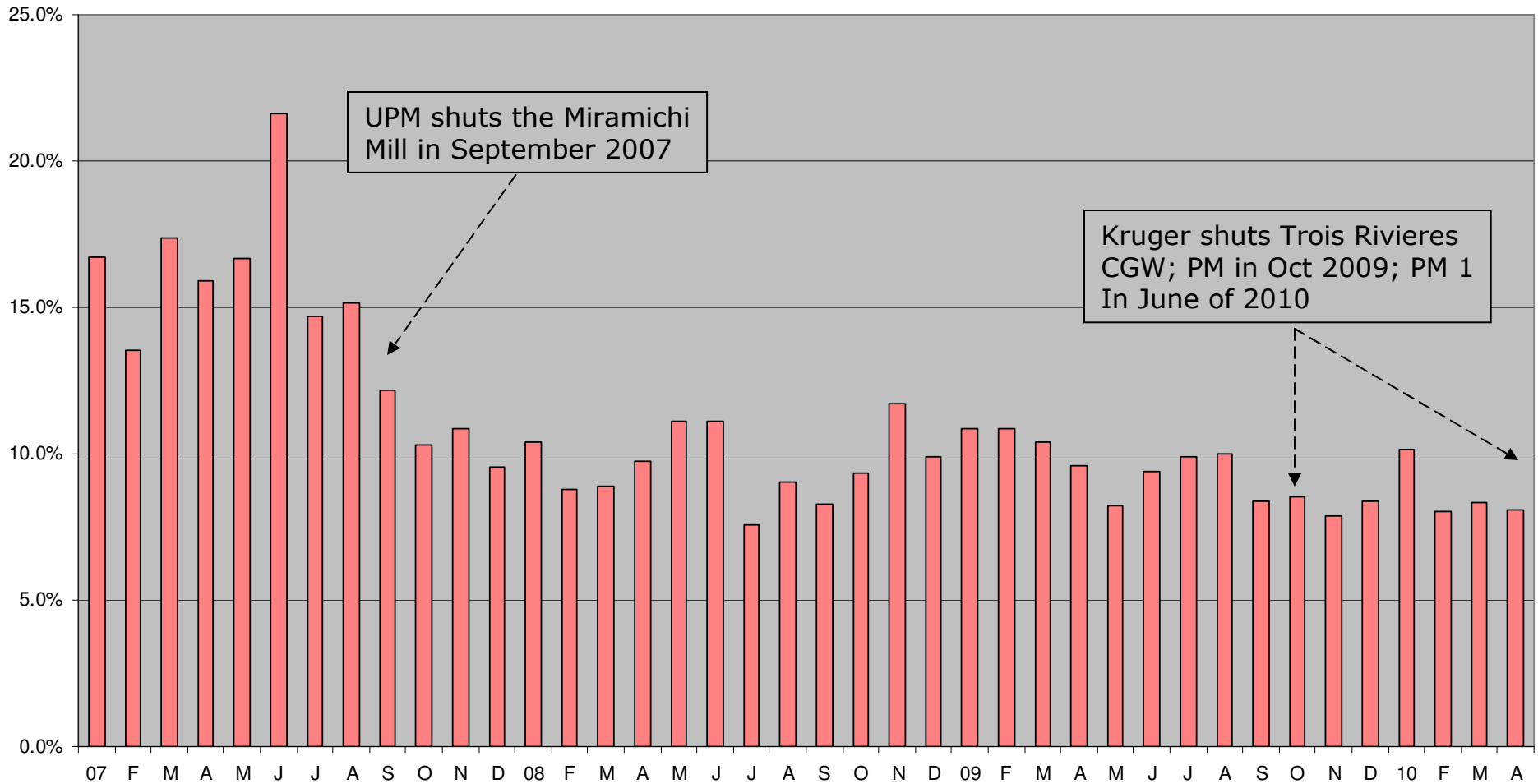
# US CGW Imports from Major European Countries - % of US Demand



# US CGW Imports from Major Asian Countries - % of US Demand



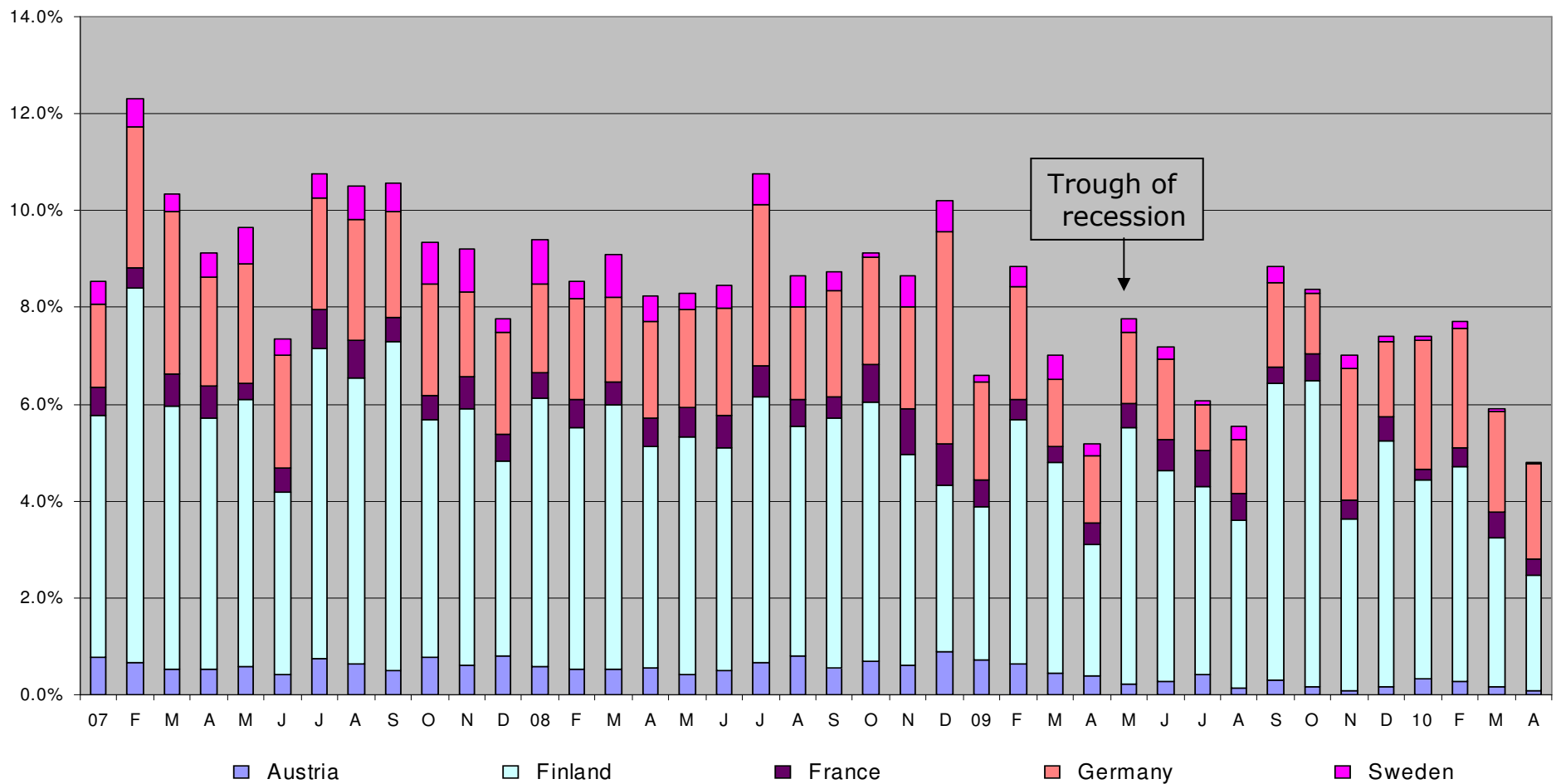
# US CGW Imports from Canada – % of US Demand



# US Total CTD Imports from Major European Countries - % of US Demand



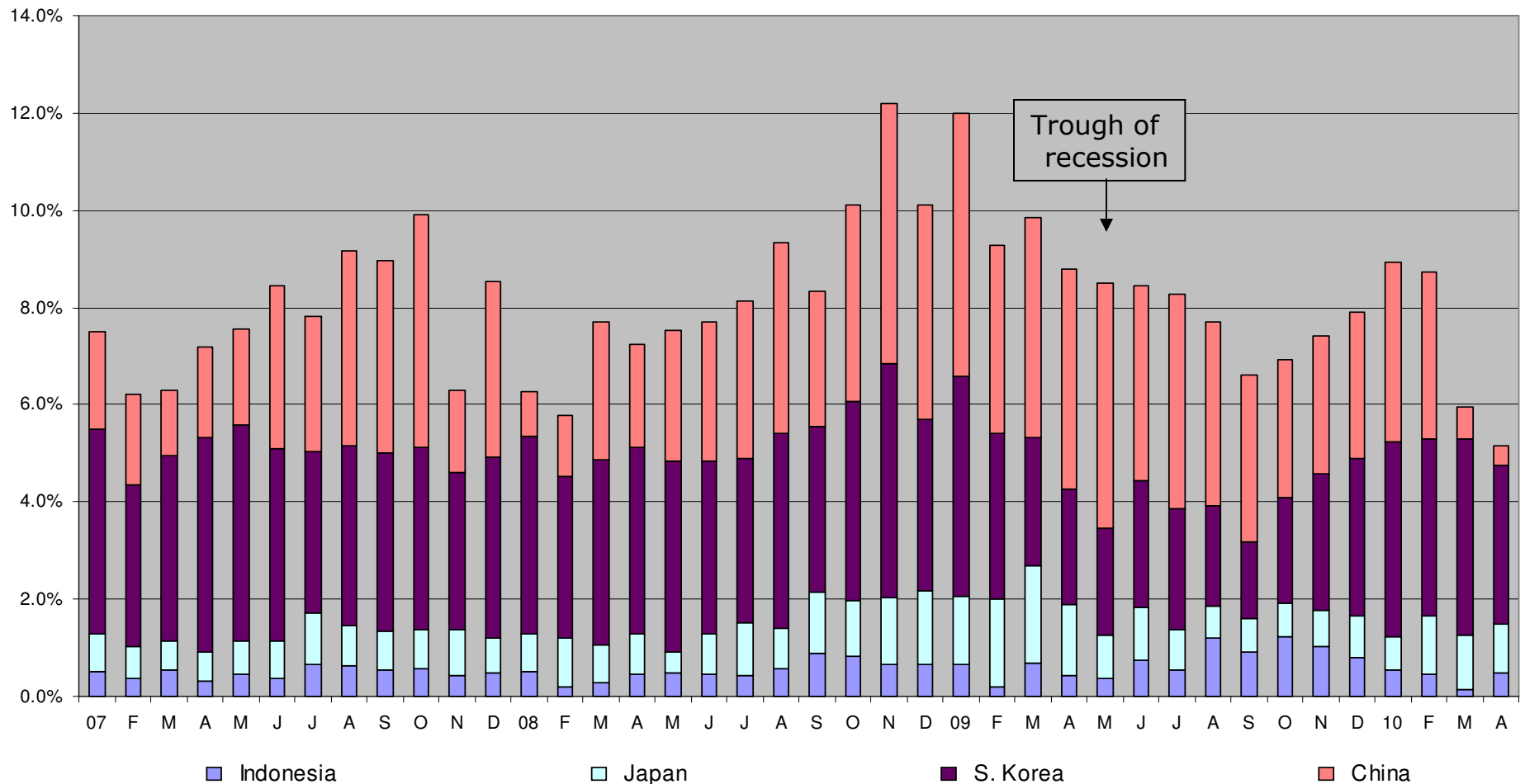
For all coated grades combined, the major European countries have pulled back exports to US over the first months of 2010. This may be a short term seasonal decline; the next few months will reveal the European producers intent. 2007, and 2008 finished at roughly 11% of demand, 2009 at 8.9% and 2010 YTD is 8.2% of demand.



# US Total CTD Imports from Major Asian Countries - % of Demand



The pull back of Total CTD imports from China is very dramatic. The other countries of Asia show no significant change over this time period. Overall the Asian imports share of demand was 7.9% in 2007, then increased to roughly 8.5% for 2008 and 2009. YTD the share of demand is 7.3%, but is sure to decline as the year progresses.



# US Total CTD Imports from Canada – % of US Demand



Imports from Canada have remained relatively stable since the drop in 2007 caused by the shut of UPM Miramichi, which produced CGW. Share of Total CTD demand from Canada was 8.1% in 2007 then averaged 5.1% for 2008 and 2009. YTD the average share of demand has slid slightly and is 4.5% through April.

