

# EXPORT RÅDDET

SWEDISH TRADE COUNCIL

# THE PULP & PAPER INDUSTRY IN ARGENTINA

## FACT PACK

Swedish Trade Council in Argentina  
2008

# THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

## Sweden:

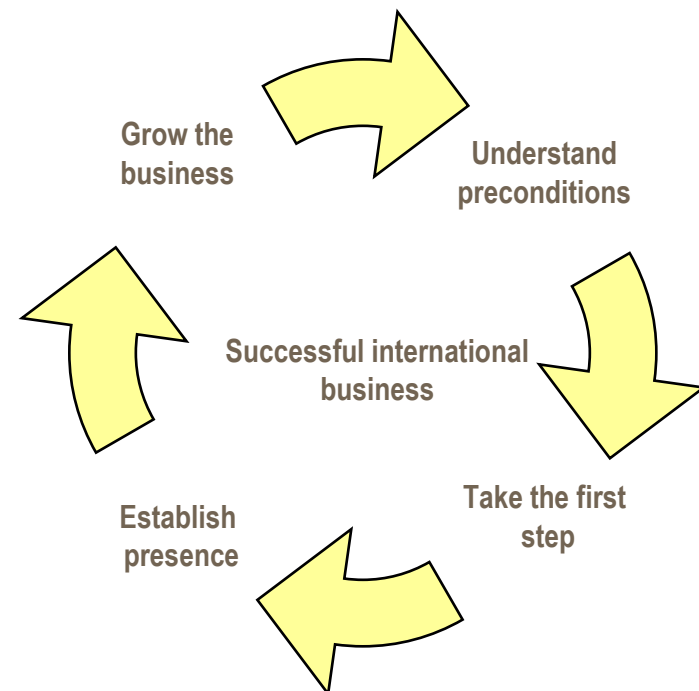
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

## Abroad:

- 60 places, 400 employees in 52 countries
- Through partners and networks we cover more than 100 countries

## Argentina:

- Office in Buenos Aires
- 5 employees



### •Vision of the office:

- STC in Buenos Aires is the primary consulting partner for Swedish companies
- doing business in Argentina

# ARGENTINA IN BRIEF

**Area:** 2 791 810 km<sup>2</sup>

**Inhabitants:** 39.3 million

**Constitution:** Democratic republic

**Head of State:** President Cristina Fernandez de Kirchner

**Languages:** Spanish (official), English often spoken in business

**Inhabitants per km<sup>2</sup>:** 14/km<sup>2</sup>

**Currency:** Peso

**GDP 2007:** 255 758 MUS\$ (estimated)

**GDP per capita 2007:** 6 500 USD (estimated)

**Inflation 2007:** 8.8% (National Bureau of Statistics)

**Main exports:** Agriculture products, industrialized agriculture products, petroleum

**Main imports:** machinery, equipment, intermediate products

**Swedish Exports to Argentina 2007:** 1 687 MSEK (Up to November)

**Swedish imports from Argentina 2007:** 343 MSEK (Up to November)



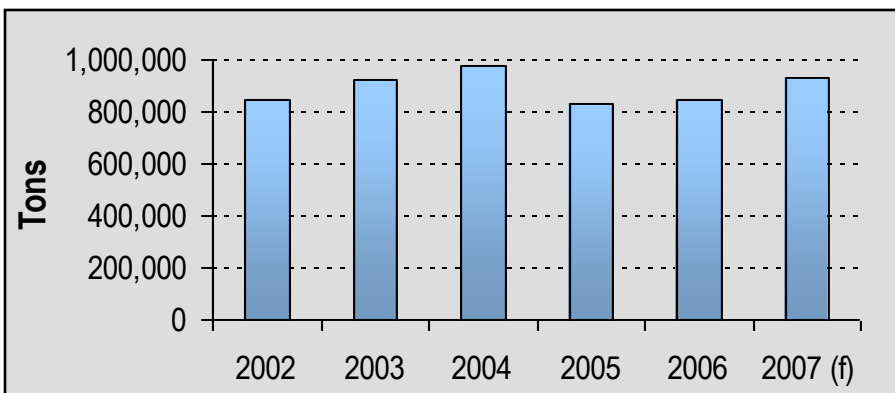
# PULP AND PAPER IN ARGENTINA – AN OVERVIEW

## PULP AND PAPER INDUSTRY IN ARGENTINA

- Close to 80 mills operating today
- Total production 2.56 million tons/year (2006)
- Producing at 78% of capacity
- Projected need for investment in equipment to increase capacity and update technology

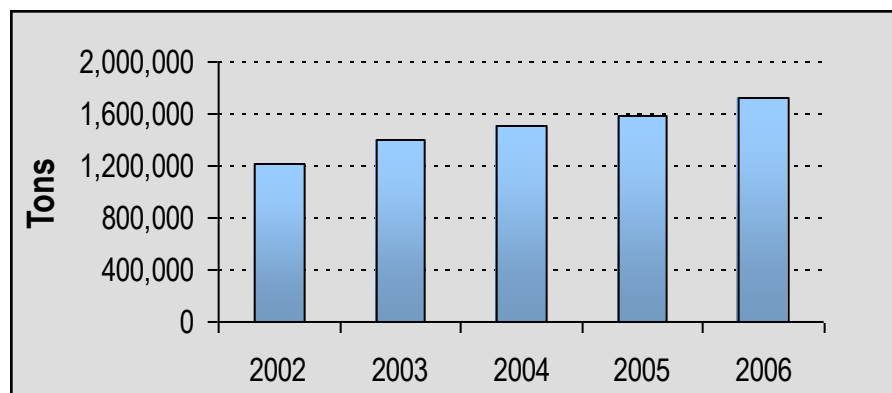
### PULP PRODUCTION

- Exports 2005: 222 607 ton/year
- Low level of import



### PAPER PRODUCTION

- Exports 2005: 286 900 ton / year (includes cardboard)
- High level of import

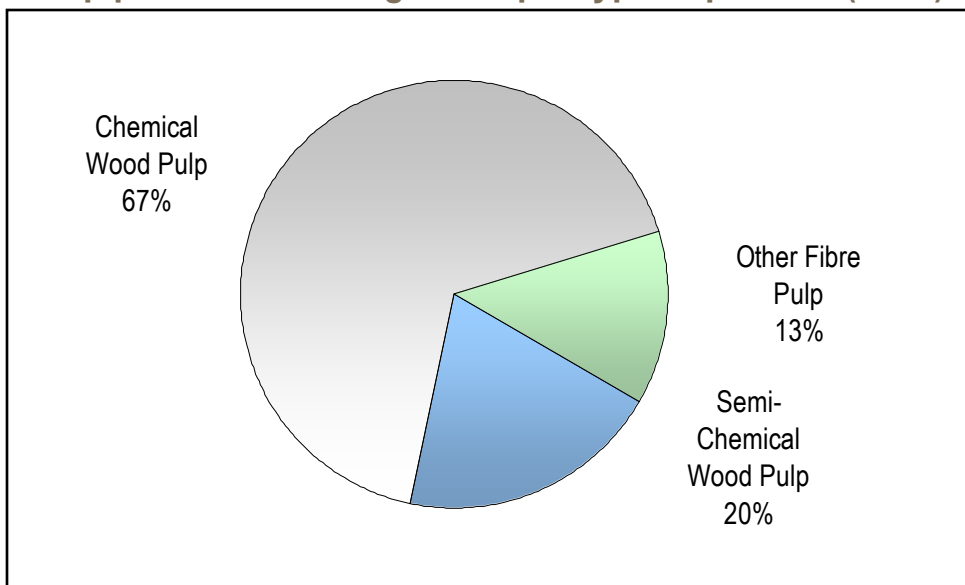


Source: Asociacion de Fabricantes de Celulosa y Papel; FOASTAT; International Pulp & Paper Directory

# PAPERBOARD AND CHEMICAL PULP MAKES UP THE BULK OF PRODUCTION

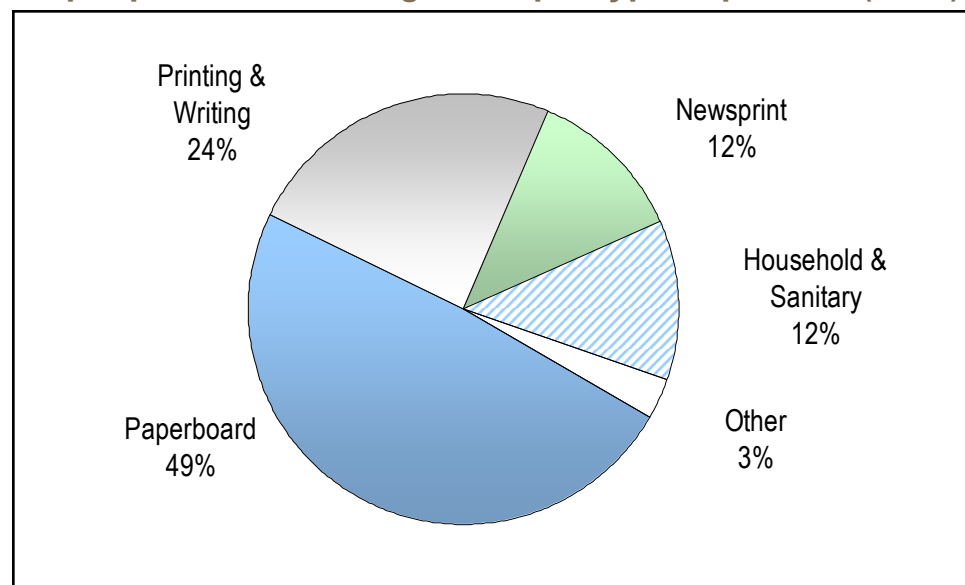
- Chemical pulp is mainly used for domestic paper production

Pulp production in Argentina per type of product (2004)



- Total production capacity is approximately 1.1 million tons.
- There are 11 companies producing pulp, and the largest mill has an annual capacity of approximately 350 000 tons.

Paper production in Argentina per type of product (2004)

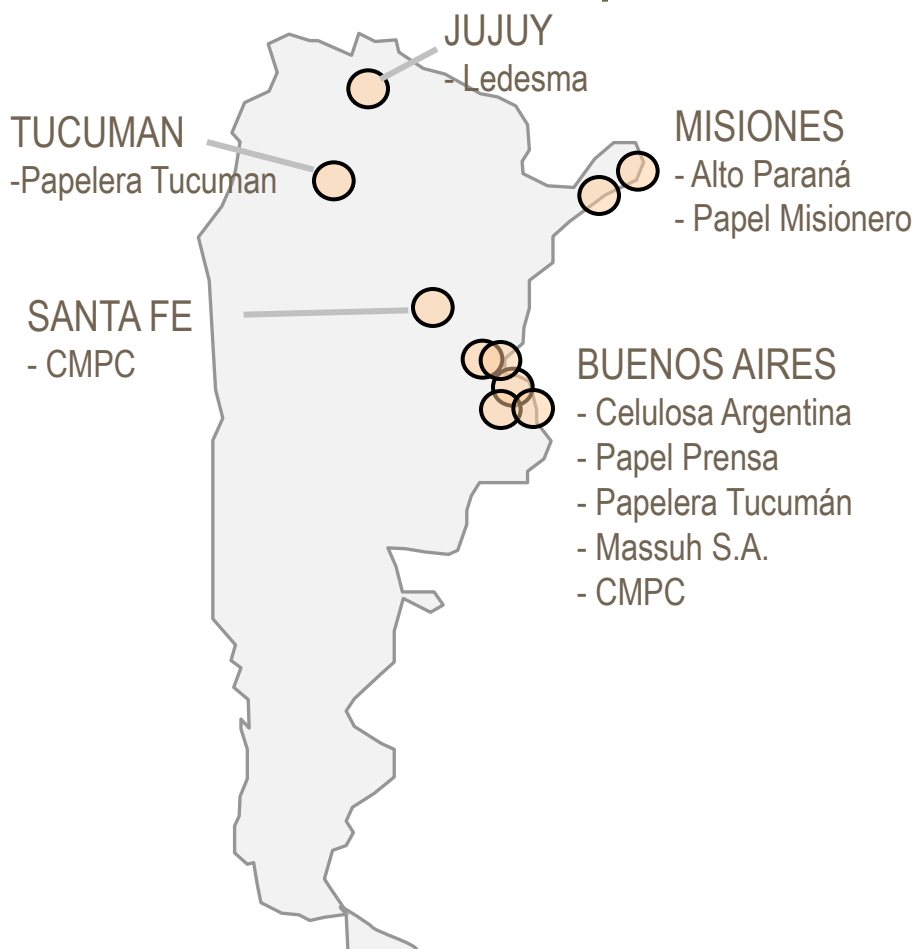


- Most of the largest paper manufacturers are also the largest pulp manufacturers. They produce pulp to supply their paper mills.
- The increase in paper production has affected Argentine pulp exports because the product is utilized as an input for paper.

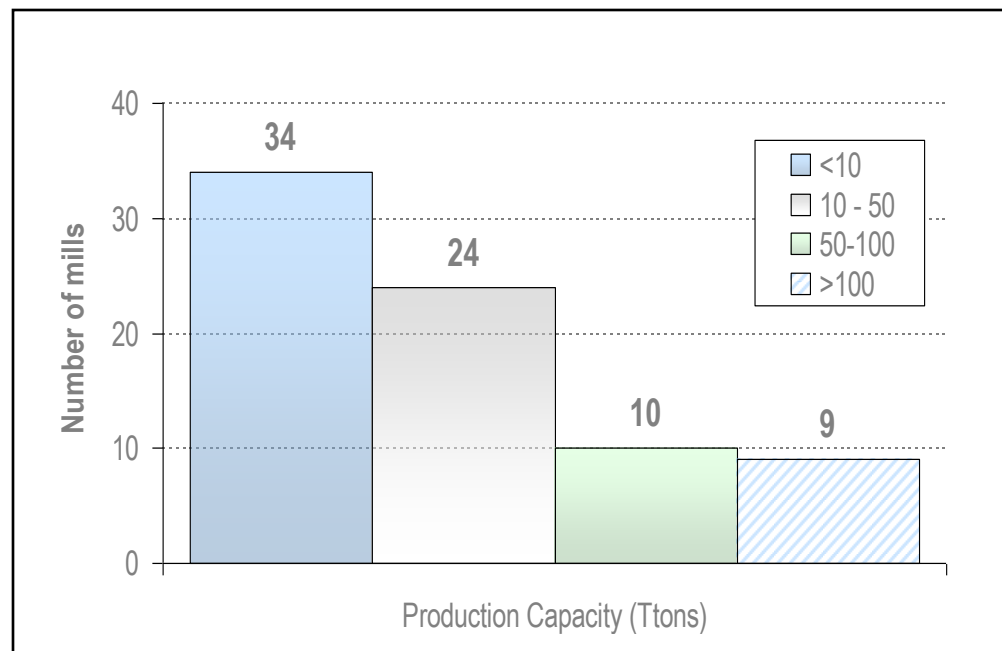
Paper manufacture products are being increasingly exported.

# LOCATION OF THE MAJOR PULP & PAPER MILLS IN ARGENTINA

- Most mills are small scale plants



Pulp & paper mills in Argentina



**73% of Pulp is produced in Misiones and Buenos Aires.**

**86% of Paper is produced in Santa Fé and Buenos Aires.**

Almost 90% of the mills in Argentina are integrated plants.

# THE LARGEST PULP & PAPER PRODUCERS IN ARGENTINA

- Most of them produce pulp to supply their paper production

## **CELULOSA ARGENTINA SA (CASA)**

**Provinces: Santa Fé & Buenos Aires**

- Produces 145 000 t/y of short fiber pulp. Exports approximately 30% of its output.
- CASA is wholly owned by Fanapel from Uruguay.

Annual turnover: 125 MUSD (2006)  
Employees: 452

## **ALTO PARANA**

**Province: Misiones**

- Produces 310 000 t/y short fibre pulp.
- The only company that produces commercial pulp. Exports to Mercosur, Europe and Asia.

Annual turnover: 299.3 MUSD (2005)  
Employees: 841

## **PAPELERA TUCUMÁN**

**Province: Tucumán & Buenos Aires**

- Produces 150 000 t/y of tissue, printing and writing paper in three different plants.
- Most modern facilities in Argentina. They produce pulp and also buy to produce paper.

Annual turnover: 93 MUSD (2006)  
Employees: 741

## **CMPC CELULOSA**

**Provinces: Santa Fé & Buenos Aires**

- Produces 85 000 t/y of bleached short fibre pulp. Mostly used to produce tissue paper.
- Paper production capacity is approximately 100 000 tons of tissue paper.

Annual turnover: 123.7 MUSD (2005)  
Employees: 758

## **PAPEL PRENSA**

**Province: Buenos Aires**

- Produces 141 000 t/y of mixed long and short fibre pulp.
- The manufactured pulp is used entirely for its newspaper production.

Annual turnover: 72 MUSD (2006)  
Employees: 688

## **LEDESMA**

**Province: Jujuy**

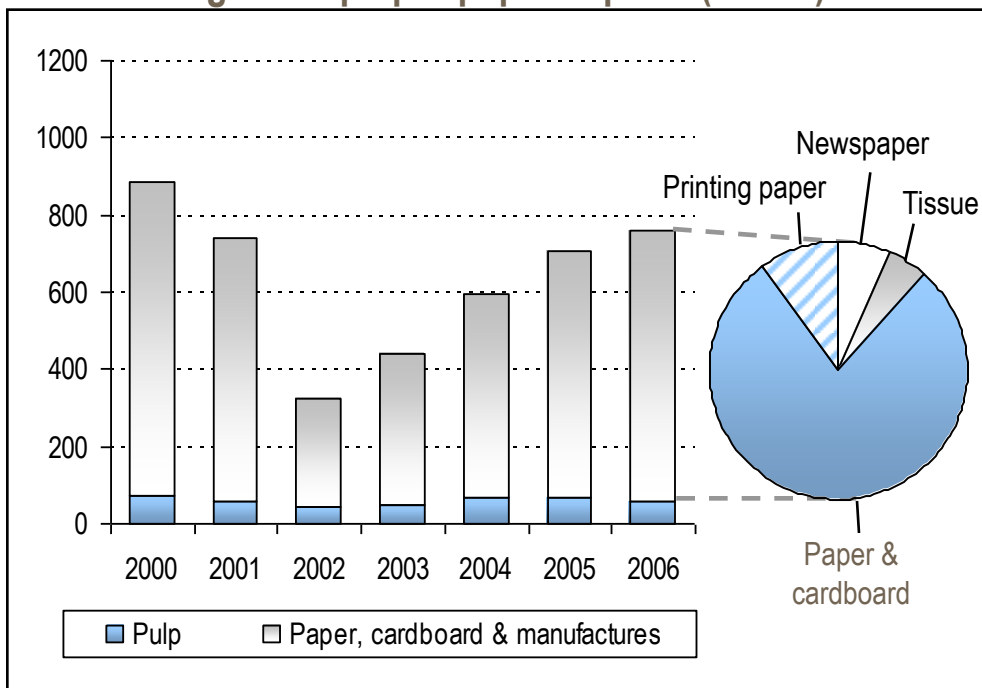
- Produces 105 000 t/y of printing and writing paper in two integrated plants.
- They use sugar cane to produce cellulose and paper.

Annual turnover: 350.1 MUSD (2006)  
Employees: 359

# ARGENTINA IMPORTS BOTH TECHNOLOGY AND PAPER

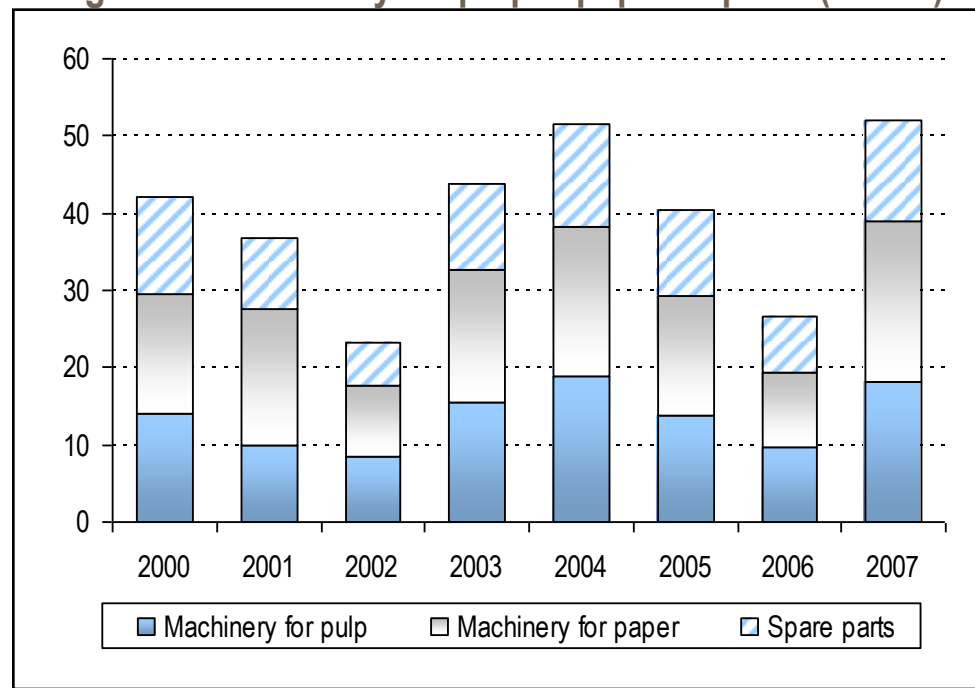
- Paper imports are growing strongly while technology is mainly for equipment replacement

Argentine pulp & paper imports (MUSD)



- Paper imports have recovered and currently are slightly lower than in the '90's. As domestic demand grows, imports will continue growing.
- Imports are mainly of high value added products.

Argentine machinery for pulp & paper imports (MUSD)



- Stagnated imports are related to low investment in new plants or significant up scaling of already installed mills .
- Spare parts have a significant share of total imports.

Opportunities arise for Swedish companies to supply technology and also final products.

Source: Nosis – ExiNet, Secretaria de Medio Ambiente, STC.

# ARGENTINA PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Fast growing economy, annual GDP growth exceeding 8,5% the past five years
- New government with strong support focusing on external commercial relations
- Large (four times Sweden's) domestic market with increasing purchasing power
- High growth of imports, particularly machinery and equipment
- Latin America's most skilled labor force at low cost

... which has contributed to...

...the fact that more than **40** Swedish companies are registered in Argentina and many more are there as sub suppliers or via distributors.

STC in Argentina is the natural partner for all Swedish companies who want to establish or develop their business in Argentina

# USEFUL CONTACTS

## **Asociación Fabricantes de Celulosa y Papel**

*(Pulp & Paper Manufacturers Association)*

+54 11 49 31 0051

[www.afcparg.org.ar](http://www.afcparg.org.ar)

## **Argentina Forestal**

*(Argentine Forestry)*

Tel: +54 37 52 42 1064

[www.argentinaforestal.com](http://www.argentinaforestal.com)

## **Ministerio de Economía**

*(Ministry of Economy)*

Tel: +54 11 43 49 5000

[www.mecon.gov.ar](http://www.mecon.gov.ar)

## **INDEC**

*(National Statistical Office)*

Tel: +54 11 43 49 9200

[www.indec.gov.ar](http://www.indec.gov.ar)

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