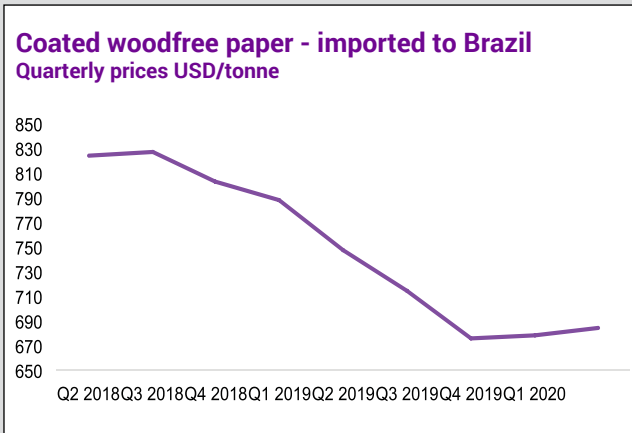


BY MARINA FALEIROS* AND DAYANNE SOUSA**

COATED WOODFREE IMPORTS BRAZIL

Brazilian imports of graphic paper vanish in 2020



Brazilian graphic paper sales fell steeply in April and in the first weeks of May, according to market players. Demand for printed products declined with the closure of schools, office spaces and retail stores during social isolation. Market players say that paper imports are virtually non-existent due to weakness in the local currency and extreme volatility in exchange rates.

Even in such an uncertain scenario, Fastmarkets RISI detected that prices for most grades covered are unchanged in comparison to the end of the first quarter of the year. In the case of imported grades, sources report that the absence of

concrete negotiations makes it impossible for prices to move.

“At current exchange rates, there is just no way that imports can compete with domestic CWF,” a source said. “There is not even a discussion on prices, since no one is placing new orders,” another contact added.

Market players also report an increased risk of default by local buyers. “Everyone is trying to protect their cash position and many buyers are simply delaying payments to international suppliers, alleging that volatility in exchange rates makes it difficult to handle payments.”

Newsprint imports are also in decline. “This market collapsed. Since April there have been no deals,” a source in the newsprint market said.

Weak finances in the printing industry is the main negative impact on LWC and other mechanical papers, such as supercalendered. “We normally hold some inventory of those papers, but now there is no room to invest much capital in that kind of inventory,” a buyer said.

Buyers report a strong decline in demand for printed products. Printers say that orders for catalogs and advertising material are down almost 70% in comparison to the same period last year. Demand from book publishers is more resilient, but are also weak.

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