

FISHER INTERNATIONAL



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CO₂ EMISSIONS AND THEIR IMPACTS IN CHINA

On February 22, 2021, China’s State Council issued its “Guiding Opinions” on accelerating the establishment and improvement of a green, low-carbon circular economy. The document emphasizes that China will begin building a low-carbon economic development system and a green and low-carbon value chain to support it. Chairman Xi Jinping pointed out earlier in the 75th UN General Assembly that China will enhance its independent contribution towards tackling the problem of climate change and adopt more effective policies and measures.

As shown in **Figure 1**, China has reasons to worry as it

is among the highest emission-producing countries in the industry. As the world’s largest paper-producing country, China faces a major undertaking when attempting to figure out how to take effective measures to actively pursue a green, low-carbon circular economy.

We can interpret this decision as not just an environmental one. Worldwide taxation over net carbon emission can jeopardize its competitiveness as a country. Let’s consider the house-appliance industry, which is a heavy user of containerboard per unit produced. Compared to major competitor countries (**Figure 2**), China’s emissions are 55% higher than North America’s, and twice as much as Brazil’s.

Therefore, any “per ton fee” over its local packaging

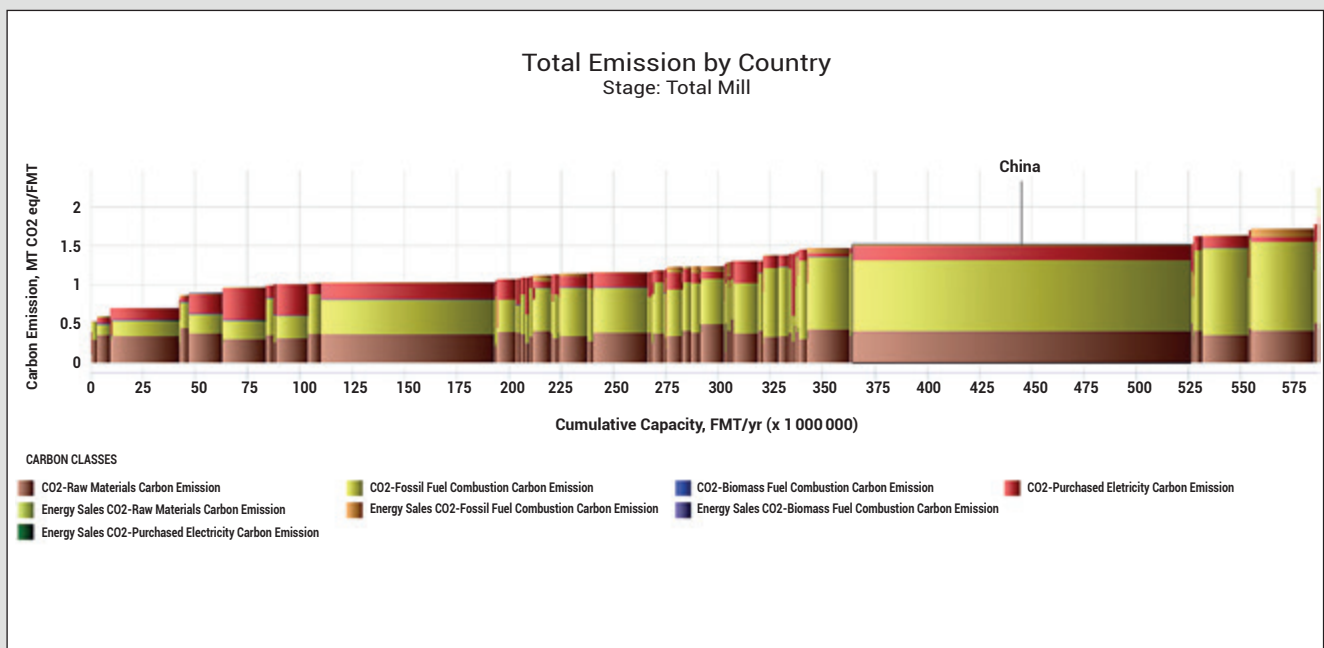


Figure 1

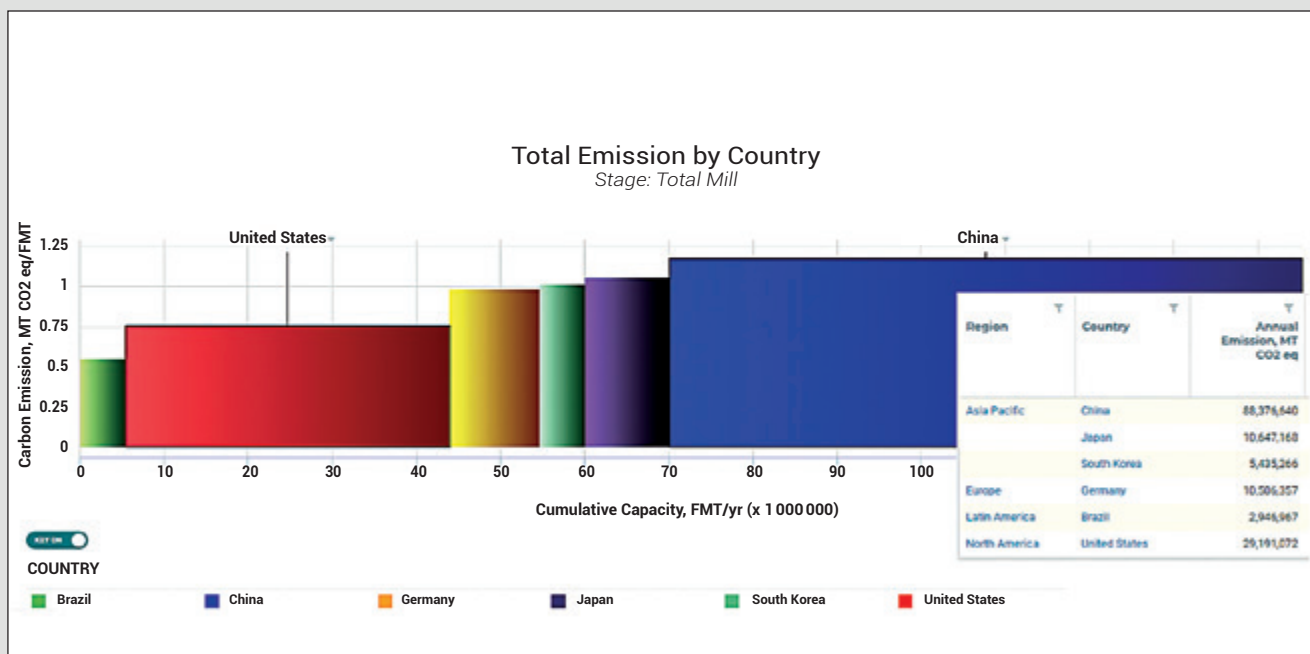


Figure 2

production will affect beyond just the pulp and paper Industry and impact the entire country.

The real challenge will be seizing the opportunity by continuously improving carbon emission related policies while not negatively impacting economic development for both upstream and downstream papermaking enterprises.

Fisher believes that the policies that result from the Guiding Opinions will impact China’s pulp and paper industry, as manufacturers need to be prepared to:

- **Reduce energy consumption and improve energy efficiency.** China’s paper-making carbon emissions in 2020 will reach 250 million tons of CO₂ equivalent, of which 185 million tons will be generated by fossil energy and power consumption.
- **Use clean energy.** Although the state promulgated the transition from coal to natural gas, most paper enterprises are still in a “wait-and-see” mode of

operation due to the increase in energy costs caused by the transition.

- **Promote further integration of production capacity in the paper industry.** Currently, EU countries have proposed an increase in carbon tariffs on imported products. The collection of carbon tariffs will reduce international competitiveness of China’s export paper products.

Fisher’s Greenhouse Analysis Tool is unique to the industry as it allows us to understand the environmental impact of each production line, mill, company or grade in a variety of combinations. If you would like to learn more about our tool or even the different “green” opportunities around you, you can talk with an expert here at Fisher International.

Note: This article is based on the original version from Amy Chu – Senior Consultant, Business Intelligence by Fisher. ■



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