Market evolution: Kraft pulp (CN 4703) — 2015–2025

Introduction

The European Union's trade in chemical wood pulp (soda or sulphate, excluding dissolving grades) underwent a profound transformation between 2015 and 2025. Once a sizeable net importer, the EU has become nearly self-sufficient in value terms, driven by a powerful expansion of exports. At the same time, import sourcing has concentrated dramatically, and the market has been rocked by sharp price shocks. This report dissects those dynamics using detailed trade data, highlighting the forces that reshaped the EU kraft pulp landscape.

All figures are drawn from the Trade Overview and the underlying dashboards referenced in the text.

1. From chronic deficit to near balance: the EU's export-led rebalancing

Exports have more than doubled in value, while imports remained broadly flat

Between 2015 and 2025, EU exports of kraft pulp surged from €1.49 billion to €4.05 billion, a jump of 172 % in value and 149 % in volume. Over the same period, imports edged down from €4.39 billion to €4.03 billion (−8.2 % in value, −7.5 % in volume), bringing the trade balance from a deficit of €−2.90 billion to a tiny surplus of €0.02 billion. The price evolution was more subdued: export unit values rose only 9.2 % (from 0.56 €/kg to 0.61 €/kg), while import unit values were practically unchanged (−0.8 %). This indicates that the EU's improved trade position was driven overwhelmingly by volume rather than by price gains.

The EU's net import reliance has collapsed

The structural shift is captured by the net import reliance ratio. It fell from 27.5 % in 2015 to 9.9 % in 2025, hitting a low of −0.9 % in 2023. In other words, the EU moved from depending on imports for more than a quarter of its apparent consumption to being virtually self-reliant. Simultaneously, the export propensity more than doubled, from 16.9 % to 37.9 %, indicating that a much larger share of EU production is now sold abroad.

Northern European producers powered the export boom

The expansion was led by member states with a strong forestry base. Finland raised its exports from €0.69 billion to €1.81 billion (+162 %), while Sweden grew from €0.43 billion to €1.09 billion (+155 %). Other countries like Portugal, Germany, and the Netherlands also recorded triple-digit growth. In 2025, Finland (RSCA 0.87), Sweden (0.78) and Portugal (0.71) were the most specialised exporters in the entire EU, as shown by the specialisation scores.

2. A reshuffled supplier map: Brazil's dominance and the vanishing of legacy partners

Import concentration intensified around a handful of countries

The Herfindahl-Hirschman index for imports climbed from 2 945 to 3 816 (+29.6 %), signalling a much more concentrated supplier base. This was driven by the divergent performances of the top partners.

Partner (imports)	Value 2015 (EUR bn)	Value 2025 (EUR bn)	Change (%)
Brazil	2.06	2.24	+8.8
Uruguay	0.56	0.70	+25.3
United States	0.94	0.80	−14.5
Chile	0.49	0.26	−46.1
Russian Federation	0.095	<0.001	−99.9
United Kingdom	0.089	<0.001	−99.6
Canada	0.091	0.020	−78.0

Source: Top Partners

Brazil remained the top supplier, but its share rose markedly because imports from Russia and the United Kingdom virtually disappeared (sanctions and Brexit-related adjustments) and purchases from Chile and Canada shrunk sharply. Uruguay, by contrast, strengthened its position thanks to its competitive eucalyptus pulp.

Export destinations diversified, but China stands alone

On the export side, China absorbed the lion's share of the EU's increased sales. EU exports to China soared from €0.49 billion to €1.85 billion (+281 %), representing 45 % of all extra-EU exports in 2025. Other notable gains occurred for the United States (+915 %), Indonesia (+208 %), and Japan (+173 %). Meanwhile, exports to the United Kingdom declined (−18 %), a further sign of the post-Brexit realignment.

Destination (exports)	Value 2015 (EUR bn)	Value 2025 (EUR bn)	Change (%)
China	0.49	1.85	+281
Türkiye	0.20	0.33	+64
United Kingdom	0.25	0.21	−18
United States	0.033	0.34	+915
Indonesia	0.040	0.12	+208
Egypt	0.039	0.076	+94
Japan	0.033	0.090	+173

Source: Top Partners

The export HHI rose from 1 598 to 2 295 (+43.6 %), reflecting China's growing weight. Still, export customer concentration remains lower than that of imports.

3. Price shocks and sectoral anatomy: how volatility reshaped the market

Extraordinary price spikes hit trade in 2021–2022

The market was jolted by synchronised price shocks, as detected by the shock event analysis. The most extreme was a 58.5 % price jump for Brazilian imports centred in 2022 (abnormality score 2.9), while US imports saw a 47.1 % spike (abnormality 5.6) in the same year. On the export side, EU pulp sold to China experienced a 27.5 % price surge in 2021, and shipments to Indonesia registered a 40 % jump in 2022. These events coincided with global supply-chain disruptions, high freight costs, and a temporary mismatch between demand and available pulp.

Product-level trade reveals structural specialisation

The product segment breakdown shows that EU imports are dominated by semi-bleached or bleached non-coniferous pulp (mostly eucalyptus hardwood pulp, CN 470329), which accounted for 6.0 million tonnes in 2025. Bleached coniferous pulp (softwood, CN 470321) added another 1.0 million tonnes. In exports, the pattern reverses: bleached coniferous pulp (5.1 million tonnes) is the main grade shipped, reflecting the EU's comparative advantage in high-quality softwood kraft. Unbleached grades remain modest in volume but have grown rapidly, notably coniferous unbleached pulp (CN 470311), whose export volume more than quintupled from 0.09 million to 0.56 million tonnes.

Volatility has been highest for marginal and sanction-hit flows

The coefficient of variation (CV) of import quantities highlights the extreme instability of certain sources. Russian imports (CV 0.51), British imports (CV 0.99), and Canadian imports (CV 0.65) were highly erratic before collapsing. Among exports, flows to the United States (CV 0.71) and Hong Kong (CV 0.89) exhibited high variability, partly reflecting the rapid build-up from a small base. By contrast, core relationships such as Brazil (CV 0.09) and Türkiye (CV 0.13) remained remarkably stable in volume terms, even as prices fluctuated.

Conclusion

Over the decade 2015–2025, the EU kraft pulp market experienced a structural inversion: from a deficit of almost €3 billion to a position of near-balance. This was achieved not by shrinking imports, but by a vigorous expansion of exports, propelled by the specialised forestry industries of Finland, Sweden and Portugal. The supplier landscape became more concentrated, with Brazil solidifying its essential role while traditional partners such as Russia, the UK and Canada faded. The post-pandemic price shocks exposed vulnerabilities, but the underlying trend toward greater EU self-sufficiency and global export competitiveness appears firmly entrenched. As the EU now exports nearly 38 % of its production, its kraft pulp sector is increasingly shaped by external demand dynamics, particularly from China, and by the ongoing reconfiguration of global pulp supply chains.

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