Slide 16:  GLOBAL WOOD SUPPLY (DELIVERIES) DEVELOPMENT
1994 TO 2010

- Temperate and boreal slowing but still important supply growth
- Fast-growing plantations doubling supply—40% of pulpwod increment.
- Use of residues growing
  - Improved efficiencies.
SLIDE 17: COST COMPETITIVENESS

- Fiber cost is a key to manufacturing cost competitiveness.
- Driving technology changes as producers seek to mitigate higher cost positions.
SLIDE 18: COST COMPETITIVENESS—FIBER IMPLICATIONS

- Cost pressures accelerate changes in furnish mix
- Virgin to RCP and fillers
- Softwood to hardwood
- And less clear but developing—native to plantation.
SLIDE 19: WORLD PAPER INDUSTRY FIBER RAW MATERIAL DEVELOPMENT 1970 TO 2010

- Ignoring pigments and additives, RCP and non-wood more than half fiber needs by 2010
- Slow growth of virgin fibers overall
- Growth in hardwood almost twice that in softwood
- Pigments and additives—significant growth to nearly 11%.
Of incremental virgin wood supply needed between 1993 and 2020, fast-growing plantations will yield:

- Over 60% of hardwood pulpwood
- Over 25% of softwood pulpwood
- Note: Evolving supply cost structures
  - Lower cost suppliers increasing
  - Higher cost suppliers decreasing
- Less impact on incremental sawlog supplies but nearly 40% of softwood supply but increasing presence in key markets with
  - Radiata doors, moldings now available in my local Home Depot.