V. *World Trade in Wood-pulp*

74. In 1948 world trade in pulp was still only around 70 per cent. of pre-war. The reduction was attributable entirely to Europe with exports below 60 per cent. of 1937 and imports on a slightly higher level.

75. Despite this decline, Europe remains the centre of world pulp export trade. In 1937 pulp exports came from only two regions, and, of these, Europe accounted for 80 per cent., with North America contributing the rest. It should be stressed that both in Europe and in North America most of the pulp trade takes place within each continent. Before the war only a very slight percentage of North America's pulp exports were exported from this continent, and less than one-third of European exports went overseas. Yet with these exports Europe, and in particular the Scandinavian countries, practically covered the pulp import needs of the rest of the world.

76. In 1948 Europe's pulp exports had fallen from 80 per cent. to 60 per cent. of the world total, but were still roughly twice as high as North America's. Since most of North America's pulp exports continued to move between Canada and the United States, Europe retained its position as the major source of market for all continents except North America.

77. Conference estimates indicate a gradual expansion of world pulp trade. In 1949 and 1950 it is anticipated that total exports will remain around 80 per cent. of pre-war, but they are expected to exceed the 1937 figures by some 10 per cent. around 1955. Of that total Europe would account for not quite 60 per cent. and the remaining 40 per cent. would be contributed by North American exports. If this assumption proves right, it would mean that North American pulp exports would no longer be mainly confined to intra-continental movements.

78. At present, monetary restrictions, currency fluctuations, and artificial exchange-rates are distorting the distribution of market pulps throughout the world. Until some over-all solution of these distorting factors is achieved, both producers and consumers of wood-pulp everywhere face constantly changing conditions which interfere with normal trade.

VI. *Supply and Requirements by Grades*

79. The figures of estimated production and requirements to 1955 show an equilibrium. When reviewed by regions, however, the same general tendency is revealed showing that Europe's requirements will rise more rapidly than prospective production and an apparent deficit for Europe is shown for 1955 in sulphate and groundwood. The apparent deficit in groundwood, on a basis of figures submitted as minimum requirements, is only 3 per cent., and as there are virtually no trans-oceanic exports of groundwood it is felt that this margin, which may well be a statistical margin, will correct itself.

80. The apparent deficit in sulphate is in the order of 3 per cent., on a basis of estimated minimum requirements. It is not clear how much of the stated requirement for sulphate is bleached or semi-bleached grades which are replaceable by sulphite. Possibly European production, especially in Finland, is underestimated, and a combination of this factor plus the interchangeability of some part of the requirements to sulphite might correct the deficit.

VII. *Dissolving Pulp*

81. If the estimates made by the Conference are realized, the largest percentage increases will be in dissolving pulp, consumption of which has increased from about 1,000,000 tons in 1937, and about the same figure in 1947, to approximately 1,200,000 tons in 1948, and is expected to increase to nearly 1,400,000 tons in 1949, to over 1,500,000 tons in 1950, and to the neighbourhood of 2,000,000 tons in 1955. In spite of this rapid increase in consumption, Table V indicates that production may be expected to keep pace with demand, any apparent differences between the two being well within