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Magazine paper consumption has started to decline in the USA

In the US market, magazine papers are the only group among the (graphic) communication papers whose consumption has been seen to increase in recent times. During the past four years, however, their consumption rate has stagnated, and even decreased slightly, regardless of economic growth. The factors underlying this development are not temporary but permanent and by nature accelerating. This means that there is justification in speaking about a structural change in paper consumption.

Due to the structural change, the long-term consumption assessment of magazine papers must be updated so as to comply with the new circumstances. The same applies to the assessment methods used.

Conventional consumption assessment methods, which focus on economic growth, the price of paper and historical aspects of paper consumption, discard the very factors that steer consumption in an advanced information society. Economic growth has ceased to have an automatic positive effect on the consumption of magazine papers, which probably also applies to any other paper grades used for information communication purposes.

Economic trends may still continue to increase paper consumption, due to expanding advertising, for example. In the long term, however, economic growth will promote a structural change towards increasingly intensive electronic communication, thus enabling the expanding replacement of the printed word with other communication forms.

Information and communication technologies (ICT) have changed the consumers' media habits in ways which are becoming increasingly apparent. Although the Internet is still a relatively recent phenomenon, it has already changed the consumers', and especially

the young person's use of time and daily media habits to a significant degree. These changes are also spurring advertisers to adopt the use of media where consumers spend more of their time.

We have no reason to assume that the development described above will remain a feature of the US market alone. A similar trend is also very likely to occur in other OECD countries where the consumers have the opportunity to acquire new technology in an environment with an advanced information infrastructure. Indications of similar developments, albeit somewhat delayed, are seen in several European countries, Canada, Australia, Japan and South Korea.

In the long term, the manifestations of this trend may extend to developing economies such as China, India, Brazil and Russia, which are currently facing a prosperous future. Nevertheless, it is extremely difficult to estimate how quickly this could take place.

At present, it appears to be likely that paper consumption will continue to increase in the said countries for at least the next 5–10 years.

ICT has developed extremely swiftly during the past 10 years. In addition to this rapid development, there are several innovations, such as mobile phones, computers, the Internet and broadband communication connections that have been converted into commercial products and become commonplace very quickly on the historical scale. Compared to the number of users, their more radical effects are seen in the trends they have generated. Visibility means power in the media world, and advertisers place their advertisements in locations that offer maximum visibility to their desired target groups. In the light of current developments, we may expect an exceptionally slow growth rate in the consumption of magazine papers in the foreseeable future, and a declining consumption trend in the long term.

"Economic growth will no longer have an automatic positive effect on the consumption of magazine papers."

Metso acquires Mitsubishi Heavy Industries' paper machinery technology

Metso Paper and Mitsubishi Heavy Industries (MHI) have reached an agreement under which MHI's paper machinery technology will be transferred to Metso Paper. The value of the contract, which is subject to regulatory approvals, will not be disclosed. The transaction enhances Metso Paper's services business especially in Japan.

The arrangement will ensure continuous technical support for MHI customers. Metso Paper will start serving the customers immediately after the agreement has become effective.

MHI will attend to their present order backlog, and Metso Paper will take over the customer service after MHI contractual obligations have been fulfilled.

Metso is a global engineering and technology corporation with 2007 net sales of approximately EUR 6 billion. Its almost 27,000 employees in approximately 50 countries serve customers in the pulp and paper industry, rock and minerals processing, the energy industry and selected other industries.

(Metso Press Release)

Myllykoski to centralize its European business

Myllykoski will centralize all responsibilities into one organization for its European business. The North American business will continue as today.

Myllykoski has decided to reorganize its European business and centralize all responsibilities into one organization. The aim of this organization change is to enhance the attention on profitability, to increase each mill's commercial responsibility and to continue to improve customer service.

The mills will be organized into two divisions, Coated Papers and Uncoated Papers, and each mill will have a full business responsibility. Myllykoski North America will continue as today. MD Albruck, MD Plattling and Myllykoski Paper will form the Coated Papers division, while Lang Papier, Utzenstorf Papier and the alliance partner Rhein Papier as well as Plattling Papier will operate in the Uncoated Papers division.

(Myllykoski Press Release)