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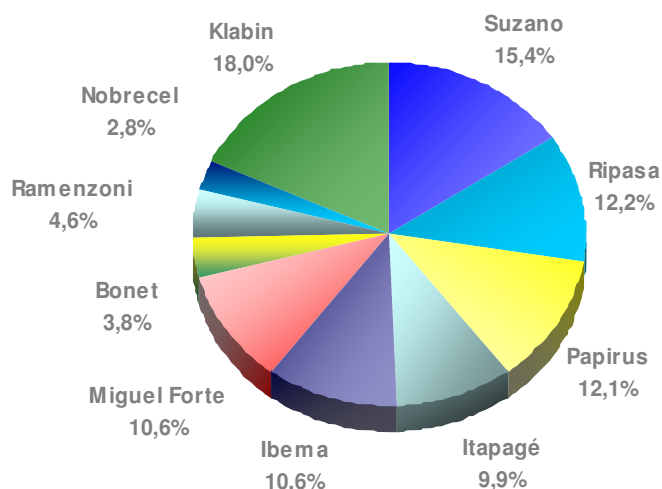
CTMP Project

The CTMP market in Brazil is really demanded. Basically this is consumed by the folding boxboard producers to use in the inner ply (about 20-35% of CTMP) to becoming more competitive in terms of yield. A small share of this market is consumed by the tissue companies like Kimberly Clark, Santher and Melhoramentos.

According to non official informer, the only solid supplier of CTMP is Melhoramentos who has about 70% of this market. The rest of the market belong to the informal pulp producers based on South of Brazil and some folding boxboard producers who produce some CTMP for their own consumption.

Chart below is the 2005 Brazilian Duplex Board market (folding boxboard):

Total: 352,000 metric tons



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Based on the above chart there are conditions to achieve the approximately CTMP Consumption of the main consumers:

Klabin → 24,000-30,000 mt/year

Suzano → 21,000-23,000 mt/year

Ripasa → 18,000-20,000 mt/year

Papirus → 16,000-17,000 mt/year

Others → 15,000-18,000 mt/year

Total estimated year consumption: 94,000-108,000 mt/year.

Also according to non official informer, Melhoramentos CTMP production is around 40,000-45,000 mt/year. Of course, this number must be checked.