China’s Paper Output vs. Global Market Capacity

Yes — China is now producing more paper annually than its domestic market can absorb, creating a structural overcapacity that is being exported worldwide and reshaping global trade.

Evidence of Overcapacity

Industry analyses show that **China added about 12 million tonnes of paper and paperboard capacity between 2022 and 2025**, while domestic consumption growth slowed below this rate World Paper Mill. This has left an **annual excess of roughly 4 million tonnes** that Chinese producers are now exporting at competitive prices World Paper Mill.

In 2024, China produced **121 million tonnes** of paper and paperboard, about **28% of global output** faxiangongchang.com, and in 2025 that figure is projected to surpass **130 million tonnes** faxiangongchang.com. By contrast, global production in 2024 was around 460 million tonnes Statista, meaning China alone accounts for nearly one in four sheets of paper worldwide faxiangongchang.com.

Export Surge and Market Impact

Chinese paper exports rose **~23% in the first half of 2025** compared to the previous year World Paper Mill. This has redirected trade flows to markets such as India (+28% YoY imports), Southeast Asia, EMEA, and Latin America World Paper Mill. Lower-priced Chinese goods are pressuring Western producers, prompting mill closures, consolidation, and portfolio shifts toward packaging and tissue World Paper Mill+1.

Drivers of the Imbalance

Key factors include ResourceWise:

- **State-backed financing and “five-year plan” targets** prioritizing output over profitability.
- **Cheap inputs** (e.g., Russian oil/chemicals) and expanded wood fiber sourcing.
- **Vertical integration** by major firms (Nine Dragons, Sun Paper, Huatai) lowering costs.
- **Domestic saturation** in packaging and tissue segments, with growth in e-commerce packaging offsetting declines in cultural paper.

Global Consequences

The overcapacity is **reshaping global trade, pricing, and competitiveness**:

- Disrupts price stability in Asia-Pacific, Europe, and Latin America ResourceWise.
- Forces traditional producers to adapt or exit markets World Paper Mill+1.
- Raises sustainability concerns due to reliance on imported fiber and high utilization rates ResourceWise.

In short: China's paper output now exceeds domestic demand, with the surplus exported globally, making it a structural overproducer in the world market World Paper Mill+2