

German graphic paper market remains under pressure as Q3 price discussions get underway

Saica-Thimm deal is top issue in the containerboard market

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Dissatisfaction and uncertainty continue to shape the German market for publication papers. The economic climate is weighing on both consumer sentiment and advertising expenditure, resulting in lower printing paper demand. Producers of recycled containerboard have been operating at very high capacity utilisation for months. Orders increasingly have to be turned down. However, the number one topic in the industry during the survey week was Saica's planned acquisition of German packaging producer Thimm and the possible implications for the market.

In the folding boxboard market, the surcharges buyers agreed to in April have also remained in place in May. At the same time, EUWID's market talks continue to indicate that not all cartonboard mills have pushed through the surcharges with the same determination.

Publication papers: Heatset segment moves into focus

Market participants have been reporting a generally tight market for newsprint for several weeks. The larger the buyer's requirements, the more difficult a potential supplier switch becomes, several sources said. Many paper machines have recently been running at very high utilisation rates, representatives of the paper industry emphasised.

However, market players assess the current situation differently. On the one hand, everything is said to be very quiet, with negotiations on prices and conditions for the third quarter only getting underway slowly. Some buyers add that they still feel competition among suppliers. On the other hand, there is also a degree of uncertainty in the market, with some participants speaking of the calm before the storm.

Following the latest price round, which resulted in only limited price increases and left not all grades and contracts fixed for the entire second quarter, publishers and, even more so, commercial printers are complaining about increasingly short-term business visibility and potentially volatile pricing.

Further unrest stems from the fact that paper suppliers are pursuing differing strategies and that newsprint prices can fluctuate considerably depending on the supplier and purchase volume. Buyers therefore remain vigilant and continue to resist manufacturers' efforts to hike prices.

Buyers, for their part, say their companies are under pressure, as business volumes at printing plants are suffering from the general economic situation and subdued consumer sentiment. Advertising volumes are declining, industry experts stressed. As a consequence, production utilisation rates are also falling. Furthermore, publishers in Germany report that the structural decline in newspaper circulation is set to continue. In addition, many advertisers have only limited budgets, while the volume of inserts is also said to be shrinking.

Commercial printers, meanwhile, are facing intense competition. They often fear that print volumes could decline rapidly should the cost of print products rise, especially with regard to paper prices. Market participants also point out that auxiliary materials such as printing inks and plates have become more expensive.

Buyers are therefore calling for greater stability and reliability from their paper suppliers and often see no justification for market-driven price increases given current demand conditions and the overall trend in consumption.

While buyers describe supply as limited, they also stress that demand is declining over the course of the year, which should also be felt by the paper industry. Ultimately, industry observers agree that paper mills are indeed concerned about losing volumes. They emphasise that particularly the lowest prices currently prevailing in the commercial printing market would need to be adjusted. So-called project or contract prices are increasingly becoming the focus of manufacturers.

According to market participants, such business involving heatset newsprint has not been profitable for quite some time. Observers also point to the difficult-to-explain price gap compared with standard business, for example involving coldset grades. In the view of several representatives of the paper industry, there is ultimately no way around price increases if production and thus supply in Europe are to be maintained.

Experts calculate that if demand for newsprint declines by around 5 per cent over the course of the year, the European paper industry would theoretically lose more than 100,000 tpy of demand. The closure of a paper machine, however, would remove a far larger tonnage from the market, as most production facilities in Europe have capacities of at least 300,000 tpy. As a result, an acute shortage in the European market could suddenly emerge.

Meanwhile, newsprint producers continue to broaden their product portfolios on existing machines. By introducing new or alternative grades, companies are already reducing the supply of newsprint. These new grades range from book paper and speciality papers for the packaging sector to tablecloth paper. Industry observers therefore view potential capacity reductions with mixed feelings. Market uncertainty is exacerbated by the future role of the planned JV between UPM and Sappi, which focuses on coated papers, namely LWC and CWF.

Good ordering activity leaves some recycled containerboard producers oversold

Saica's planned acquisition of Thimm and the possible consequences for the German market were the number one topic in the industry during EUWID's market talks. Thimm is regarded as a major non-integrated paper converter that will now become integrated as part of the transaction. Given the early stage of the process, it remains unclear whether existing agreements between

Thimm and its suppliers will continue after the transaction. With regard to the group's future strategy in the German market, some observers see Saica's entry into the French market through the acquisition of Emin-Leydier, as well as the takeover of Schumacher in Poland, as possible blueprints.

Independently of this, producers of recycled containerboard have been reporting persistently good order books since the fourth quarter of 2025. Paper machines are said to have been fully booked in March and April, forcing manufacturers to reject additional orders. All paper producers surveyed confirmed this picture in mid-May, although May itself was somewhat quieter due to the bank holidays in Germany. Rejected orders are mainly additional tonnages, meaning that the situation has not led to shortages of budgeted quantities and only rarely to delivery delays.

Delayed deliveries appear to have other causes. Several market participants referred to logistical difficulties that are not solely related to the holidays, but also to increasing insolvencies among transport companies and declining logistics capacities. Some concern has emerged within the paper industry that the shortage of trucks could lead to bottlenecks in recovered paper supply.

According to industry observers, the reduction in inventories at paper mills despite full production output points to genuine demand. However, it has not become entirely clear where this demand is coming from. March and April may have reflected forward bookings ahead of the holidays in May and ongoing logistical difficulties. One market insider said, however, that this would not explain the strong booking situation extending into June. Some market participants suspect stockpiling ahead of further price increases, while others see advanced summer bookings as a factor. Statements from the German corrugated industry rather point to stable sideways development, although continued strong demand from Poland may also play a role.

Despite strong order books, tentative moves to push through further price increases effective 1 May have fizzled out. Prices are moving sideways in the current month. At the time of the EUWID talks, it was still too early to assess the development in June. At present, all scenarios seem possible: renewed price demands, a sideways rollover into June or downward pressure on prices.

Fresh price demands for coated and uncoated white-top testliner have led to a subsequent adjustment of quotations for coated grades. For uncoated grades, the April step remains the latest move.

Validity of GC cartonboard surcharges negotiable?

After the first cartonboard mills had already introduced temporary surcharges for GC 2 cartonboard in March in response to rising energy and logistics costs, the first €30/t adjustments took effect in April. In May, the situation regarding the stability of the negotiated surcharges again appears mixed.

EUWID's discussions with market players indicate that not all manufacturers pushed equally hard to implement increases in April, and little appears to have changed in this respect in May. In cases where surcharges were agreed in April, they have generally remained in place in May. Buyers who previously rejected the increases report that no further negotiations on such measures have taken place.

At the same time, both cartonboard manufacturers and folding carton producers indicate that energy surcharges remain negotiable for certain volume commitments. Several market contacts consistently report that cartonboard mills are willing to reduce surcharges in exchange for additional volumes or earlier call-offs.

Meanwhile, insiders say that demand for primary fibre cartonboard and folding cartons have changed little compared with the previous month. The cartonboard industry reports reduced machine speeds at some mills and volatile incoming orders. Availability of GC 2 remains consistently good. Carton makers increasingly confirm a certain cooling in demand in the traditional beauty, healthcare and pharmaceutical sectors. Machine utilisation at cartonboard converters still leaves room for improvement, while competition remains intense, market participants said.

In the recycled cartonboard market, EUWID's talks have so far revealed no further movements for GD 2 following the increases implemented in April. Reports of accepted increases in May turned out to be delayed effects of the April step, while one supplier had only announced increases for May in the first place. Surveyed suppliers make no secret of the fact that the previous increases are far from sufficient to offset higher production costs. "At least something has started to move," one producer summarised.

Greyboard mills stated in April that a significant share of the increases, mostly amounting to €40/t, had only become effective in May.

Producers of GD 2 report good capacity utilisation. However, market talks indicate that utilisation rates still vary considerably between producers, with some mills reportedly quoting longer lead times. In mid-May, cartonboard producers said it remained unclear how long the current situation would persist given the approaching summer holiday season. Both buyers and sellers reported that lead times for GD 2 have recently lengthened slightly.

Stora Enso reports weaker Q1 results

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For Stora Enso, the first quarter 2026 “developed largely as expected” with the company delivering stable performance despite continued difficult market conditions. Group sales remained largely unchanged year-on-year at €2,358m, supported by higher deliveries across most business areas, except Biomaterials. Adjusted Ebitda fell four per cent to €309m, while adjusted Ebit declined nine per cent to €159m. Lower costs for wood, chemicals and transportation reduced variable costs by €81m, while fixed costs fell by €2m thanks to ongoing cost discipline. Currency movements had a negative impact of €58m. Operating profit dropped by more than half to €85m compared with the same quarter last year.

Stora Enso CEO Hans Sohlström describes demand in the company’s core markets remaining at relatively low levels in the first quarter, with pricing pressure continuing in some business areas, although prices improved in others.

Sales in the Consumer Packaging division increased nine per cent year-on-year, driven by higher deliveries and the ramp-up of the consumer board line in Oulu. The company sold 775,000 t of consumer board in in the first quarter, compared to 703,000 t in the previous quarter and 686,000 t in the same quarter last year. Adjusted Ebitda rose, supported by lower variable and fixed costs, which partly offset the impact of the Oulu ramp-up. Order intake also improved, although demand for European consumer board remained mixed.

The company says the start-up of the new board line in Oulu continued during the quarter. While the ramp-up is still weighing on short-term profitability, Stora Enso remains confident that the new board machine will reach full operational performance within the next year.

Sales in the Integrated Packaging division fell two per cent, mainly because of negative currency effects. Stora Enso’s external deliveries of containerboard reached 345,000 t in the first quarter 2026, up 5 per cent year-on-year and 10 per cent compared to the previous quarter. Adjusted Ebitda increased as lower variable costs compensated for lower prices and adverse exchange rate movements.

Softwood pulp markets remains weak

Sales in the Biomaterials division declined 15 per cent, mainly due to negative currency effects and lower deliveries following annual maintenance work at the Veracel pulp mill in the first quarter of 2026. Market pulp deliveries totalled 432,000 t in the first quarter 2026, 19 per cent down year-on-year and 15 per cent less than in the previous quarter. Adjusted Ebitda decreased and adjusted Ebit fell as lower sales were only partly offset by reduced variable costs. The softwood pulp market remained weak, while

the Asian hardwood pulp market tightened further and prices continued to recover sequentially.

Going forward, the company expects market conditions to remain difficult, with weak consumer confidence and increased costs, particularly for logistics, chemicals and energy.

Stora Enso also continued preparations for the separation of its Swedish forest assets business, now called Bergslagens Skogar.

Stora Enso results		
million €	Jan-Mar 2026	Jan-Mar 2025
Key figures		
Sales	2,358	2,362
Adjusted EBITDA	309	320
Operating result	85	171
Net result	35	107
Business area review		
Consumer Packaging		
Sales	970	894
Adjusted EBITDA	117	105
Operating result	59	51
Integrated Packaging		
Sales	572	586
Adjusted EBITDA	67	60
Operating result	1	20
Biomaterials		
Sales	353	416
Adjusted EBITDA	77	94
Operating result	35	62
Other		
Sales	641	645
Adjusted EBITDA	46	57
Operating result	-11	34
Source: Stora Enso		

Sappi slips into the red in the second quarter

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In its second financial quarter ending in March 2026, Sappi reported an operating loss of \$413m (2025: -\$20m) and adjusted Ebitda of just \$52m (\$107m). The net result was also negative (-\$413 million/- \$20 million). Sales remained roughly at the previous year's level at \$1.33bn (\$1.35bn).

Sappi explains that the main reason for declining results was lower selling prices. These fell across all regions, with the decline in prices for dissolving pulp being particularly pronounced, the company says. Higher sales volumes were unable to offset this.

In the graphic paper market, Sappi recorded a 5 per cent year-on-year decline in sales volumes, although these recovered by 3 per cent compared with the previous quarter. The markets for packaging and speciality papers were characterised by weak demand, overcapacity in Europe and low selling prices.

Conditions in the European paper markets remained difficult for Sappi against a backdrop of weak macroeconomic markets and significant overcapacity. Despite a subdued demand environment, Sappi achieved a 2 per cent increase in sales volumes; however, this was not sufficient to offset the significant decline in selling prices on earnings. However, Sappi notes that it has seen the first positive effects of the capacity closures implemented recently. The company faced headwinds in the European market for packaging and speciality papers, where overcapacity and price pressure were also prevalent. Thanks to growth in the label paper business, Sappi nevertheless achieved a 12 per cent increase in sales volume here compared with the previous year.

Although results in Sappi's North American business improved compared with the previous quarter, they remained well below the previous year's level. The main factors behind this were significantly lower board prices and a slower-than-expected rise in board sales volumes. Sales of graphic papers slowed by 18 per cent, primarily due to the planned capacity reduction at PM 2.

Demand and sales volumes remained stable in the South Africa region, but results were impacted by lower selling prices. In particular, the profitability of the pulp business was affected by significantly lower prices denominated in US dollars, a situation exacerbated by unfavourable exchange rates between the US dollar and the South African rand.

In its outlook for the coming months, Sappi anticipates a market environment that remains challenging. The company stated that, due to the conflict in the Middle East, there is an increased risk of supply chain disruptions and cost inflation, according to its short-term outlook. Regarding the planned joint venture with UPM in the graphic papers sector, Sappi is sticking to the existing timetable, which envisages the joint venture coming into effect towards the end of this year.

Sappi results				
million \$	January - March		Half year ended March	
	2026	2025	2026	2025
Key figures				
Sales	1,334	1,347	2,621	2,710
Adjusted EBITDA	52	107	142	310
Operating result	-422	2	-440	123
Net result	-413	-20	-450	50
Business area review				
Europe				
Sales	576	550	1,108	1,102
Operating result	-6	4	6	18
North America				
Sales	420	440	815	898
Operating result	-24	5	-54	52
South Africa				
Sales Pulp and Paper	320	340	663	674
Sales Forestry	18	17	35	36
Operating result	-107	7	-95	76
Business review by product				
Deliveries (1,000 t)				
Pulp	346	354	725	700
Packaging and specialty papers	389	355	732	680
Graphic papers	505	530	995	1,066
Source: Sappi				

Holmen Q1 profits down on weaker industrial activity

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Holmen's net sales for the first quarter 2026 decreased 8 per cent year-on-year to approximately SEK5,6bn and the group reported operating profit of SEK827m, down from SEK988m a year earlier. Earnings from the group's industrial segments Board and Paper and Wood Products were markedly weaker, while profits from its hydro and wind power assets increased significantly.

Holmen said demand for paper and board was slightly weaker in the first quarter than a year earlier, while selling prices remained largely stable. Demand for consumer board did not pick up due to consumer caution, making the market balance challenging, while demand for paper slightly decreased, Holmen explained. Deliveries in the Board and Paper segment fell to 334,000 t from 359,000 t in the same period last year, mainly due to lower paper deliveries. Operating profit in the segment dropped by 68 per cent year-on-year to SEK168m, as lower deliveries, slightly weaker paper prices, as well as softer US dollar and unusually high electricity prices at the start of 2026 weighed on earnings.

According to Holmen, electricity prices in northern Sweden rose sharply in the first quarter because of cold weather and weak wind conditions, helping Holmen's renewable energy business post a strong profit of SEK281m. The division also benefitted from a new wind farm that became operational at the turn of the year. Deliveries of hydro and wind power increased 14 per cent year-on-year to 542 GWh.

While high energy prices had a negative effect on results in the group's industrial operations, demand for pulpwood was low in the first quarter and prices decreased, improving the cost position of Holmen's paper and board mills. Operating costs in the Board and Paper division stood at SEK2.9bn in the first quarter of 2026, 6 per cent below the same period last year. The group's total expenses for raw materials and other consumables fell by 4 per cent year-on-year to slightly below SEK3.1bn.

According to Holmen, electricity consumption at the group's paper mills usually amounts to 3 TWh per year. To reduce the impact of changing electricity prices on profits, consumption is partly hedged. In the first quarter, 80 per cent of electricity consumption was hedged. For the remainder of 2026, electricity price hedges are in place covering 90 per cent of expected consumption.

Market conditions remain difficult in the wake of global turmoil. However, the group's business, which is based on the company's own forest assets, is holding up well.

"Given our strong market positions in selected niches, and our well-invested production facilities, we are in a good position to create ample added value," Holmen CEO Henrik Sjölund commented.

Holmen results		
million SEK	January - March	
	2026	2025
Key figures		
Sales	5,473	5,973
EBITDA	1,177	1,348
Operating result	827	988
Net result	618	752
Business area review		
Board and Paper		
Sales	3,320	3,897
EBITDA	402	783
Operating result	168	528
Deliveries 1,000 m ³	334	359
Forest		
Sales	2,311	2,572
EBITDA	530	505
Operating result	511	487
Renewable Energy		
Sales	418	130
EBITDA	321	57
Operating result	281	29
Wood Products		
Sales	981	1,061
EBITDA	-40	53
Operating result	-91	1
Source: Holmen		

Navigator's results hit in difficult market environment

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For the first quarter of its fiscal year, The Navigator Company (TNC) posts declining profit and sales due to cost pressure and adverse global economic conditions. Against sales of €427m (Q1 2025: €529m), the Portuguese company generated Ebitda of €65m (€116m) and a net profit of €17m (€48m). Operating profit was significantly lower at €23m (€73m).

TNC had to deal with heightened geopolitical risks in the Middle East in the first quarter, which resulted in rising energy prices and significantly impacted supply chains as well as logistics costs and processes, the company explains. In addition, severe storms caused disruptions and damage in several parts of Portugal, resulting in temporary interruptions to some industrial operations at TNC, especially at its sites in Figueira da Foz and Vila Velha de Ródão. The sites faced grid power and water supply outages. Operational restrictions and logistical obstacles caused by the storm led to a decline in output and increased costs. Consumption of fossil fuels, especially natural gas, increased, which directly impacts TNC's costs, both due to higher consumption and increased prices, as well as the need to purchase additional carbon certificates. TNC also complains about lower availability of Portuguese wood on the market, which has necessitated imports, as well as additional logistics costs due to greater use of sea freight.

Deliveries declined significantly compared with the previous quarter and the same quarter of the previous year. In addition to limitations described above, development of prices for the company's products in international markets also influenced results, TNC said. Demand for woodfree uncoated paper declined in Europe, as did pulp consumption, but the tissue market grew by 1.7 per cent. TNC reports its capacity utilisation for printing and writing paper in the first quarter of the year at 90 per cent and gives a value of 84 per cent for the entire European paper industry as reference.

On a positive note, the company says that business diversification in the current operating environment has proven to be an important pillar for the group's resilience and sustainability. The tissue segment already accounts for a quarter of TNC's sales, and the packaging segment, which was built exclusively with internal resources, contributed more than 6 per cent to sales in the first quarter.

The Navigator Company results		
million €	January - March	
	2026	2025
Key figures		
Sales	427	529
EBITDA	65	116
Operating result	23	73
Net result	17	48
Deliveries Q1 2026 / Q1 2025		
Market pulp deliveries	-13 %	
Paper deliveries	- 33 %	
Tissue deliveries	-13 %	
Source: The Navigator Company		

Circular Economy Act: Commission official shares insights on “state of preparedness”

Industrial and geopolitical considerations dominate panel discussion

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The European Commission is pressing ahead with work on the long-awaited Circular Economy Act (CEA). Speaking during a panel discussion at the IFAT trade fair in Munich last week, Aurel Ciobanu-Dordea of the Commission's Directorate-General for Environment said the package would likely comprise several Regulations with different but complementary objectives. According to the current timetable, the Commission is expected to adopt the proposals at the end of September, with the aim of securing final approval for the new legislation within one year.

Mr Ciobanu-Dordea, who is director in charge of circular economy at DG Environment, said the Commission was currently engaged in intensive discussions with industry representatives and companies in order to gain a better understanding of economic conditions, technological challenges and market dynamics. The objective, he said, was to improve the economics of circularity.

Strengthening the economics of circularity

A central question for the Commission is how to make materials, products and activities resulting from the circular economy more attractive from a price perspective than those stemming from the linear economic model. Among the measures under discussion were reforms to extended producer responsibility (EPR) systems aimed at “re-setting the balance” of prices between primary and secondary raw materials.

At the same time, the Commission wants to restructure economic incentives in order to reduce material losses. Mr Ciobanu-Dordea noted that landfill remained too cheap in many member states, resulting in the loss of valuable raw materials. He also pointed out that waste-to-energy (wte) plants were likely to be included in the EU emissions trading system (EU ETS) during the next reform of the scheme. Against that backdrop, he said, it would be important to ensure that landfill did not enjoy a more favourable regulatory regime than energy recovery.

Advancing the single market for secondary raw materials

Strengthening the EU single market for secondary raw materials is another key priority for the Commission, according to Mr Ciobanu-Dordea. He noted that differences in national implementation of the European Waste Framework Directive (WFD) continued to cause “rigidities across the EU” and explained the Commission intend to replace the patchwork of national rules with

“a single European regulation that tears down the barriers between member states” which hinder circulation of waste and secondary raw materials within the bloc.

The Commission also attaches particular importance to end-of-waste (EoW) criteria. Mr Ciobanu-Dordea described the transformation of waste back into tradable commodities as crucially important for a functioning European market. However, the current system remains highly fragmented because regions and member states apply different criteria.

He also noted that the European Commission’s capacity to develop new end-of-waste criteria was limited. In future, greater emphasis would therefore need to be placed on mutual recognition based on mutual trust. At the same time, he called on both industry and public authorities to push actively for a single rulebook across the European Union.

Mr Ciobanu-Dordea repeatedly highlighted the connection between the circular economy and Europe’s geopolitical and economic resilience. Strategic raw materials were increasingly being weaponised by geopolitical actors, he said, and Europe therefore needed to reduce its dependencies. Circularity and improved management of critical raw materials (CRMs) could help increase Europe’s strategic autonomy.

Priority legislative projects to be fast-tracked

The target cited by Mr Ciobanu-Dordea of completing the legislative process for the new circular economy package within one year is also included in the “One Europe, One Market” roadmap published by the European Parliament, the European Commission and the Council of the EU at the end of April. Under the roadmap, the institutions commit to adopting a number of priority legislative projects within specified deadlines.

The Circular Economy Act is listed in the roadmap in the section “A more integrated Single market”, with a target deadline of the third quarter of 2027.

Industry stresses importance of recycling for raw material supply

Herwart Wilms, president of the European waste management association FEAD, described recycling as the third pillar of Europe’s raw material supply alongside a free global market and the exploitation of domestic primary resources. Geopolitical developments, he argued, showed clearly that Europe needed to become less dependent on imported raw materials.

This view was echoed by Holger Lösch, deputy director-general of German industry federation BDI. He said the current geopolitical situation was increasing pressure to use resources more efficiently, while also creating opportunities for Europe, particularly in combination with industrial digitalisation and new technologies.

The key challenge, he said, was to create economically viable incentives and functioning markets across Europe. The issue was not simply about waste recovery, but about change across the entire value chain – from production and product design to transport, use and recycling.

Arauco is pushing ahead with its Sucuriú pulp project and port connection in Brazil

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Chilean pulp manufacturer Arauco is currently sticking to the planned start of production for its Sucuriú pulp project in the fourth quarter of 2027. The mill near Inocência in the Brazilian state of Mato Grosso do Sul is set to produce 3.5 million tpy of bleached eucalyptus pulp.

According to Arauco, the project was 62 per cent complete at the end of April, putting it almost 7 per cent ahead of the original schedule. During a conference call with parent company Empresas Copec, the management also stated that the project is currently running below the originally estimated budget.

At the same time, the company noted that the complexity of the project is increasing as construction progresses. The focus is now shifting towards electromechanical assembly work and the integration of the individual process areas. The company said that recent milestones include progress on the steel structure of the boiler, the installation of power lines, and work on the fibre line and drying sections. The steam boiler for the recovery boiler was delivered earlier than planned. Arauco also reports progress on the expansion of its logistics infrastructure.

In parallel, Arauco is planning to expand its export logistics operations at the Port of Santos. There, the company intends to take over a terminal in the Alemoa district and invest around BRL2bn (approximately €325m) in dredging works, storage capacity, and road and rail connections.

The facility is expected to have a handling capacity of 3.55 million tpy. Construction is set to begin in the second half of the year.

Arauco sees an “active” European pulp market in Q1

Commenting on the pulp market, Arauco stated that global pulp inventories had risen in the first quarter of 2026, particularly for hardwood pulp. In China, the market environment had become more challenging. The company cited weaker demand from the graphic paper industry, rising cost pressures, as well as oversupply and weaker demand in the tissue sector. Whilst prices for hardwood pulp rose over the course of the quarter, softwood pulp prices came under pressure due to additional volumes from Europe and higher local production.

In Europe, however, Arauco describes demand as “active”. This was partly due to reduced availability of pulp from other suppliers.

However, higher logistics and energy costs resulting from the Middle East conflict had a negative impact, the company says. Furthermore, geopolitical tensions had disrupted trade flows between Europe and the Middle East, leading to additional cost pressures for the paper and pulp industry. Arauco explains that prices for hardwood pulp continued to rise over the course of the first quarter this year.

AF&PA disappointed by EU decision on EUDR

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The US paper industry criticises the EU's announcement in early May that it would not make any further amendments to the European Deforestation Regulation (EUDR). In a statement, the American Forest & Paper Association (AF&PA) expressed disappointment that the EU has rejected reopening the regulation. "The EU had a clear opportunity in this review to make EUDR workable and to honour its 2025 trade framework commitment to avoid undue harm to US manufacturers. It chose not to," writes Heidi Brock, President and CEO of AF&PA.

Ms Brock further criticises the fact that existing facilitations would concentrate primarily on market participants from the EU. This, in turn, exacerbates the competitive disadvantage for non-EU supply chains which are classified as low risk and serve the EU market. AF&PA also reiterates that the EUDR, as a non-tariff barrier, would burden the US pulp and paper industry's annual trade with the EU, which is worth over \$3.5bn.

In the run-up to the Commission's report on simplifications, international wood and paper industry associations had outlined what they considered to be critical unresolved issues with the EUDR. On the one hand, the associations acknowledge previous amendments to the EU regulation as well as the Commission's ongoing efforts to simplify implementation. On the other hand, they argue that these adjustments would not be enough to address fundamental discrepancies between the requirements of the EUDR and the reality of low-risk forest-product supply chains outside the EU, according to a joint statement.

The core issue is the statement that the EU significantly facilitates compliance obligations for downstream actors as well as small and micro-enterprises based in the EU and thus creates unequal competitive conditions. However, the EUDR framework continues to see uniform and detailed requirements for traceability and geolocation on supply chains that are already proven to be low risk. This leads to compliance obligations that are costly, operationally impractical and disproportionate to the actual risk of deforestation.

In addition to AF&PA, signatories to the statement included the Japan Paper Association and the Forest Products Association of Canada.

German printing industry urges retaining printed leaflets

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German printing and media association (BVDM) is calling for mandatory printed package leaflet for medicines to be retained in future. In a position paper on national implementation of the EU Medicinal Products for Human Use Directive, the association advocates a complementary model consisting of a printed package leaflet plus electronic medicinal product information as the norm in the German Implementation Act and has addressed a statement to the Federal Ministry of Health.

EU's Human Medicinal Products Directive provides for the right of the patient to request printed drug information when purchasing a drug, the association explains. However, a cost analysis by consulting firm Eurovértice shows that the total cost of printing-on-demand at pharmacies would exceed that of industrially printed package inserts many times over.

The policy agreement reached in the EU trilogue in December 2025 provides for precisely this complementary model as the European rule under Art. 63 of the new directive. An earlier proposed authorisation of the EU Commission to abolish paper package leaflets across the EU at a later stage was removed during the trilogue negotiations without replacement. According to the BVDM, this was also due to the efforts of the association itself, the European MLPS (Medical Leaflets = Patient Safety) network and numerous organisations from the healthcare sector.

Elopak appoints Bent K. Axelsen as Interim CEO

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Following the announced resignation of **Thomas Körmendi**, the supervisory board of packaging company **Elopak** has appointed Chief Financial Officer **Bent K. Axelsen** as interim CEO with effect from 8 May 2026. The CFO's position will be taken over on an interim basis by **Ola Buarøy**, previously director, finance & tax. According to the supplier of board packaging and filling systems, the strategic orientation of the company remains unchanged. Mr Axelsen has been Elopak's CFO since 2019. The search for a permanent successor has already been initiated. The recruitment process is reportedly progressing on schedule and expected to close in the second quarter of 2026. Mr Körmendi announced in February that he would resign from his position as CEO for personal reasons.

Sofidel continues to invest in decarbonising European operations

 **EUWID+** 20 May 2026 | ⌚ ~ 1 min | [Published in issue 21/2026](#)

Following the commissioning of a new biomass boiler in France in March, **Sofidel** has also started up a photovoltaic system at its Rothley Lodge converting facility in Leicester, UK. Installed on the roof of the production building, the 6,130 m² system is designed for the direct use of solar power without battery storage. During the initial operating phase, the installation covered 11.68 per cent of the site's total electricity demand and 13.45 per cent of grid electricity consumption. During the summer months, coverage is expected to rise to around 19 per cent. The project forms part of Sofidel's broader decarbonisation strategy across Europe.

Suzano expects higher pulp production costs in Q2

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Suzano, the world's largest producer of bleached eucalyptus pulp, expects its cash cost of pulp production to increase in the second quarter of 2026. Excluding scheduled maintenance shutdowns, the company expects costs of BRL830-840/t, currently equivalent to about €130-132. Compared to the first quarter, this would represent an increase of about 3-5 per cent, the company adds. The forecast is based on an average exchange rate of BRL5 per US dollar against Brent crude price of \$87/barrel. For the full year 2026, Suzano expects average cash cost of pulp production at around BRL800/t, around €125.

Södra develops pulp with oat husks

 **EUWID +** 20 May 2026 | ⌚ ~ 1 min | [Published in issue 21/2026](#)

Swedish pulp producer **Södra** has unveiled a new type of paper pulp that combines softwood fibre with residues from oat processing. The oat husks come from Swedish cereal processor **Berte Qvarn**. According to Södra, the process enables direct integration of agricultural raw materials into the pulping process. It aims to increase yield and improve strength properties. Pilot trials have also shown good running properties in paper production. The tests were carried out at the Södra Cell Värö plant and other locations. Since late 2025, Södra has established the conditions required to produce pulp with alternative fibre for further trial runs.

German recovered paper market struggles with scarce transport capacity

 20 May 2026 | ~ 6 min | Published in issue 21/2026

The German recovered paper market is facing significant logistics bottlenecks, with freight capacity scarcer than it has ever been, according to some market participants. Even though there is enough recovered paper available to meet demand from paper mills, it is often proving impossible to transport the material. The resulting shortfalls and increased transport costs are thus leading to some slightly higher prices for recovered paper, in what is otherwise still a relatively balanced market.

Recovered Paper Germany				
April 2026				
Monthly changes in €/t	Apr 2026	Mar 2026	Feb 2026	Apr 2025
Mixed paper and board (1.02)	+ 9.00	+ 1.50	+ 1.00	+ 44.00
Supermarket corrugated paper and board (1.04)	+ 11.50	+ 2.00	+ 5.50	+ 48.00
Used corrugated kraft II (4.03)	+ 9.50	+ 2.50	+ 4.00	+ 44.50
Sorted graphic paper for deinking (1.11)	+ 2.00	- 0.50	- 1.00	+ 11.50
Coloured letters (2.05/2.06) ¹⁾	- 2.00	- 3.00	- 3.50	- 3.50
Multi printing (3.10)	± 0.00	- 1.00	+ 3.50	+ 3.00
White newsprint/magazine paper (3.14/3.15)	- 1.00	- 4.00	- 0.50	+ 14.00
White woodfree uncoated shavings (3.18.01)	± 0.00	- 1.50	- 3.00	+ 2.00

¹⁾ From January 2026, price reports for grade 2.05 will also be included in the assessment for coloured letters.
Changes based on free delivered prices within Germany.
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EUWID assumes no liability for the accuracy of pricing information.

In the previous month, prices for the ordinary grades rose somewhat more sharply than initially expected. An analysis of information provided by recovered paper suppliers and consumers revealed that mixed paper (1.02) cost €9/t more in April than in March. Supermarket corrugated paper and board (1.04) became €11.50/t more expensive, while prices for used corrugated kraft II (4.03) rose by €9.50/t.

By contrast, the price of sorted graphic paper for deinking (1.11) increased only slightly, rising by €2/t. A small decline of €2/t was even reported in April for coloured letters 2.05/2.06. Prices for multi printing (3.10) remained unchanged. White newsprint/magazine paper (3.14/3.15) fell by €1/t in monthly comparison, which the prices were unchanged for white woodfree uncoated shavings (3.18.01).

Most respondents believe the recovered paper market would have ticked along smoothly in May had it not been for the intensifying logistics problems. While tighter freight capacity was not at all unusual during periods with several statutory holidays falling on weekdays, things have never been as difficult as they are right now, many players say.

The logistics snarls are attributed to an increasing number of insolvencies in the haulage sector as well as a growing shortage of drivers. Moreover, recovered paper tends to lose out when hauliers have to prioritise scarce transport capacity, EUWID was told.

Consequently, not only have logistics costs surged but deliveries are often significantly delayed. One major waste management company firm said the backlogged tonnage already reached triple digits. Players from the paper industry report that fewer than 70 per cent of deliveries are being carried out in some cases.

This could pose a serious threat to the supply of material to paper mills, if the factories have not accumulated enough stocks or inventory build-up was impossible, warns one industry insider. In some cases, buyers at paper companies are scrambling to secure recovered paper volumes to maintain sufficient inventory levels around the statutory holidays in May.

Paper mills' demand still on a good level in May

Estimates of capacity utilisation in the paper industry can vary considerably – from insufficient to slightly below average to satisfactory. Overall, demand from mills for recovered paper is reportedly still good, though slightly lower than the strong levels seen in April. However, respondents say these scattered reports of good demand do not indicate an underlying positive trend. Given the ongoing tough economic environment, these are at best tentative signs of improvement.

This relatively stable demand for recovered paper continues to coincide with modest supply. Arisings and collection volumes are still not especially high, but have not changed much compared with preceding months, EUWID was told. There are occasional mentions of seasonally-related declines in collection volumes.

But there are also some reports of higher arisings, at least on a regional basis. When asked about demand, waste management companies reported that selling volumes on was no problem. Whatever can be transported was getting sold, multiple players said.

However, the significant price increases for ordinary grades that some waste firms were hoping for based on last year's trend also failed to materialise in May. Particularly at the beginning of the month, the paper industry was mostly able to fend off the calls for mark-ups, often amounting to €10/t, especially for supermarket paper and board.

But as the month progressed and the freight capacity bottlenecks worsened, buyers were definitely willing to make price concessions in some cases. Yet, these were usually limited to additional supplies and imported volumes.

Moreover, the price trend was influenced by the relatively wide price spread seen in April. Prices that were initially towards the lower end of the range were lifted more significantly, while other quotes often saw sideways movement. Over the April-May period, prices for grade 1.04 rose by a total of €10-15/t, or even as much as €20 in individual cases. The "diesel floater" charge, introduced in response to high fuel costs due to the war in the Middle East, remains somewhere between €1-3/t, unchanged from April.

Hardly any exports from Germany

Exports continue to play almost no role in the market. The prices offered for supermarket paper and board by buyers from the Far East were still not attractive enough in May, multiple players said. But this could change quickly if the domestic logistics costs remain so high, commented one waste management firm. At least in regions close to a port, it might become more lucrative to ship recovered paper to Asia rather than to pay high haulage costs to transport it via lorry to distant paper mills within Germany.

Price trends for kraft grades moved in step with those of supermarket paper and board. Market players note that availability of grade 4.03 is good, but the delivery distances are often longer, so the mark-up on free-delivered prices could be larger than those reported for grade 1.04. Overall, however, this segment is also said to be balanced.

A few respondents report slightly weaker interest in mixed paper. It has become a bit more difficult to sell grade 1.02 than it was in April, the market survey found. This might reflect softening demand from producers of packaging paper and board. There were only a handful of reports about slightly higher demand, which had then been accompanied by mild price increases. For the most part, though, prices are apparently stable. Any increase in free-delivered prices is due solely to logistics.

Many stable prices for graphic and higher-quality grades

The situation in the market for sorted graphic paper for deinking has returned to normal following a slight demand bump and isolated shortages in April. Since the beginning of the year, the market has been in a fragile equilibrium following the closure of both sorting and paper production capacities. At the same time, the market's structural contraction continues apace and paper mills face strong cost pressure.

Demand for woodfree recovered paper grades used primarily for tissue production remains mixed at best, while the supply continues to be ample. Upgrading work at a factory in Germany and the associated inventory drawdown are reducing demand for coloured letters. "We do not have to chase after volumes," commented one expert from the paper industry. Simultaneously, respondents expect that producers of graphic papers will continue to rely on these grades as supplies of deinking grades continue to shrink.

Paper manufacturers stress they do not want to further reduce prices for the grades 2.05 and 2.06, given that the months with typically low arisings are on the horizon. "A price reduction in May also sends the wrong signal," EUWID was told. Moreover, paper mills want to create an incentive to ensure the medium-term availability and quality of recovered paper.

At the very least, this has finally put a stop to the downward slide for woodfree papers, with the expectation that the next price step will point upwards.

For the high white grades the market returned to equilibrium by April or May at the latest, following a longer phase of oversupply. In some cases, volumes are also being sought on short notice, but these could only be sourced at very high prices from abroad – primarily due to the high freight costs. Significant volumes of this grade of recovered paper are also currently coming from North America to the European market.

New RCCM capacity outpaces demand as pressure for closures mounts

Kraftliner market more balanced with new grades entering market

 **EUWID** + 20 May 2026 | ⌚ ~ 4 min | [Published in issue 21/2026](#)

The European market for recycled corrugated case materials (RCCM) is set to face further structural pressure as newly added capacities continue to outpace demand growth. Following a wave of investment in recent years, market participants increasingly expect additional consolidation to restore balance between supply and consumption.

Since 2023, around 3 million tpy of new RCCM production capacity has come on stream across Europe, compared with roughly 2 million tpy of shutdowns over the same period.

Additional capacity of around 1.2 million tpy is scheduled to enter the market this year. This includes the start-up of Eren Paper's new 750,000 tpy machine in Shotton, UK, expected in the first half of 2026, and DS Smith's 450,000 tpy machine at Porcari in Italy, now postponed to the fourth quarter of 2026.

Further capacity could emerge from plans by Fibre Excellence to install a 400,000 tpy machine at Chapelle Darblay. However, the project stalled last year and the company is currently facing financial difficulties, with its pulp mills under review.

Muted growth limits scope to absorb additional volumes

Industry associations had already expected corrugated box demand in Europe in 2026 to be at best on a par with the previous year. The escalation of the Iran war has since increased concerns about a global economic slowdown, making the growth required to absorb additional containerboard capacity even less likely.

In a prolonged phase of oversupply, mills with smaller capacities, higher operating costs or limited integration into recycling and downstream packaging are considered particularly vulnerable.

By contrast, large-scale, modern machines and vertically integrated packaging groups are better positioned to withstand market pressure. Energy costs are also becoming an increasingly important factor in capacity decisions.

Recent developments underline a clear shift towards larger and more efficient machines: eight new paper machines provide roughly 2.9 million tpy of capacity, more than offsetting the 1.8 million tpy removed through the closure of 14 machines over the

same period.

A significant share of recent closures has affected non-integrated players such as Papeterie Saint-Michel, Meldorf Papier, Cartiere di Cologno, Wizpaper, Cartiere del Polesine and Industria Cartaria Tivoli.

Export and import pressures intensify

With domestic demand stagnating, European RCCM producers are increasingly seeking to place volumes in export markets, intensifying competition with suppliers from other regions. However, high energy costs and rising freight rates are limiting the competitiveness of European exports.

At the same time, some key destination markets are becoming more difficult to access. Turkey, for example, has not only expanded its domestic RCCM production significantly but has also introduced protective measures that restrict imports.

Instead, newly installed, cost-competitive machines in Turkey are increasingly targeting European markets. In 2024 and 2025 alone, several large RCCM machines were brought on stream in the country.

Only marginal kraftliner capacity additions in recent years

On the kraftliner side, the European market appears considerably more balanced than in recycled corrugated case material. While no major capacity closures have been recorded in recent years, additions have also remained limited, amounting to less than 400,000 tpy overall. The market has also benefited from the effective withdrawal of Russian kraftliner following the outbreak of the Russia-Ukraine War in 2022, which removed an estimated 100,000 tpy from the European market.

The most significant recent investment was carried out by SCA at its Obbola site, where a new kraftliner machine with a capacity of 725,000 tpy replaced an older 450,000 tpy line. The machine is expected to reach full capacity in 2026, resulting in a net increase of around 275,000 tpy.

Elsewhere, capacity additions have been comparatively modest. Mondi upgraded its Świecie mill in Poland, increasing kraftliner capacity by around 55,000 tpy, while efficiency improvements at Stora Enso's Varkaus site added roughly 10,000 tpy. DS Smith (now part of International Paper) invested around €145m at its Viana mill in Portugal to increase capacity for kraftliner and kraft-top liner and improve environmental performance.

Another project has focused on product diversification rather than capacity growth: Holmen converted a graphic paper machine PM 52 at its Bråviken site in Sweden to enable the production of lightweight brown kraftliner alongside publication papers. Total capacity of the machine is 300,000 tpy, which is being distributed between kraftliner, book paper and newsprint. The new kraftliner is described to be the lightest kraftliner currently available on the market, with basis weights of 72, 82 and 92 g/m².

Limited pipeline, projects under review

Looking ahead, only a small number of projects are under consideration: Norske Skog, already very actively expanding into the RCCM markets, is currently evaluating options for restarting PM 6 at its Saugbrugs mill in Norway following damage caused in a landslide in 2023. After plans for BCTMP production were scrapped due to high investment costs and challenging market conditions, the company now mulls to upgrade the machine for SC paper and TMP-based kraftliner production. An investment decision is expected in the second quarter of 2026.

However, several potential projects remain uncertain. SCA has been examining a possible capacity increase at its Munksund mill from around 410,000 tpy to 520,000 tpy. However, the project is still at the consultation and permitting stage and no final investment decision has been taken.

Metsä Board has suspended plans to convert production at its Husum site, where BM 2 currently produces, among other papers and boards, around 250,000 tpy of uncoated white-top kraftliner alongside cartonboard grades. Original plans to switch production to foodservice packaging and greaseproof papers, however, were scrapped last year.

In 2024, CEPI countries produced over 32 million of containerboard, of which 3.7 million t were exported. Imports amounted to over 1.2 million t, taking consumption to nearly 30 million t.

Major changes in containerboard production capacity in Europe and Turkey since 2023

Company	Plant	Country	Capacity (tpy)		Grades	Comment	Date
			Change	New			
New RCCM capacity in Europe							
VPK	Alizay	France	500,000	500,000	RCCM	Conversion from UWP	06-2023
Norske Skog	Bruck	Austria	210,000	210,000	RCCM	Conversion from newsprint	06-2023
Saica (formerly Schumacher)	Myszkow PM 2	Poland	150,000	300,000	RCCM	Upgrade	08-2023
Model	Eilenburg	Germany	600,000	600,000	RCCM	Conversion from newsprint	03-2024
Heinzel	Laakirchen	Austria	470,000	470,000	RCCM	Conversion from SC paper	04-2025
Mondi	Duino	Italy	420,000	420,000	RCCM	Conversion from LWC paper	05-2025
Norske Skog	Golbey PM 1	France	550,000	550,000	RCCM	Conversion from newsprint	05-2025
Eren Paper	Shotton	UK	750,000	750,000	RCCM	New PM	H1-2026
DS Smith / IP	Lucca PM 4	Italy	450,000	450,000	RCCM	Replacement machine for PM 1 (175kt)	Q4-2026
New RCCM capacity in Turkey							
Parteks Kağıt	Kayseri	Turkey	240,000	240,000	RCCM	New PM replacing older machines	10-2024
Kıvanç Tekstil	Adana	Turkey	360,000	360,000	RCCM	New PM	12-2024
Kipaş Kağıt	Söke	Turkey	650,000	650,000	RCCM	New PM	03-2025
Modern Karton	Zonguldak PM 6	Turkey	600,000	640,000	RCCM	New PM	09-2025
Barem Ambalaj	Konya	Turkey	260,000	260,000	RCCM	New PM	11-2025
Aquakraft	Ferizli	Turkey	120,000	320,000	RCCM, Kraftliner	Upgrade	2027
RCCM capacity closures in Europe							
Smurfit Westrock	Alfa d'Avignon	France	75,000	0	RCCM		12-2023
Stora Enso	Ostrołęka (1 PM)	Poland	120,000	0	RCCM		12-2023
Stora Enso	De Hoop	Netherlands	380,000	0	RCCM		12-2023
Papeterie Saint-Michel	Angoulême	France	75,000	0	RCCM	Liquidation	10-2024
Heinzel	Raubling	Austria	240,000	0	RCCM		10-2024
Pro-Gest Cartitalia	Mesola	Italy	130,000	0	RCCM		11-2024
Meldorf	Tornesch	Germany	90,000	0	RCCM		12-2024
Smurfit Westrock	Roermond (1 PM)	Netherlands	40,000	0	RCCM		03-2025
Hamburger	Pitten PM 3	Austria	135,000	0	RCCM		08-2025
Cartiere di Cologno	Milan	Italy	60,000	0	RCCM		10-2025
Wizpaper	Wizernes	France	130,000	0	RCCM	Liquidation	11-2025
DS Smith / IP	Belišće	Croatia	250,000	0	RCCM		11-2025
DS Smith / IP	Lucca PM 1	Italy	175,000	0	RCCM		12-2025
Cartiere del Polesine	Loreo	Italy	70,000	0	RCCM		12-2025
Industria Cartaria Tivoli	Rome	Italy	100,000	0	RCCM		12-2025
Smurfit Westrock	Birmingham	UK	200,000	0	RCCM	consultations launched in May	n.a.
New kraftliner capacity in Europe							
SCA	Obbola PM 2	Sweden	275,000	725,000	KL	Replacement machine	11-2022
DS Smith	Viana PM 4	Portugal	30,000	430,000	KL, RCCM	Upgrade	11-2024
Holmen	Bråviken PM 52	Sweden	n. a.	n. a.	TCM-based brown KL	Upgrade, portfolio enlargement (newsprint, book paper, KL)	09-2024
Mondi	Świecie PM 2 PM 5	Poland	55,000	1,000,000	KL, RCCM	Upgrade	10-2024
Stora Enso	Varkaus	Sweden	10,000	420,000	BKL, WTKL	Upgrade	02-2026
Stora Enso	Ostrołęka	Poland	10,000	670,000	BKL, WTKL	Upgrade	02-2026

EUWID assumes no liability for the correctness or the completeness of the above data.

Source: EUWID, company figures

Decor paper producers take more downtime to respond to lowering demand

Prices set to rise due to regular increases and cost-related surcharges

 **EUWID** + 20 May 2026 | ⌚ ~ 2 min | [Published in issue 21/2026](#)

With business in various customer segments deteriorating again in April and May, demand for decor paper has also declined somewhat. Up until mid-March, most decor paper manufacturers reported incoming orders and sales roughly at the level of the preceding year. However, poorer demand over recent weeks has apparently led to a year-on-year decline in the mid single-digit percentage range on average.

The outlook for the remainder of the second quarter is also rather pessimistic. With short weeks coming up due to public holidays and long weekends in May, as well as the ongoing uncertainty regarding future economic developments, the lacklustre course of business is likely to continue until the holiday period.

Sales opportunities for European manufacturers have been further limited by decor paper deliveries from Chinese competitors remaining at the same level as recent months. Definitive anti-dumping duties introduced by the European Commission on 6 August 2025 have had little impact to date. The disruption to global logistics caused by the Iran war has also had virtually no effect.

To ease supply pressure on the weakening market, the European decor paper industry had already extended some of the production shutdowns planned for the Easter holidays. As a result, a number of paper machines were idle for up to a week. Following the restart, several companies have limited output through reduced speed or short-term stoppages. The next lengthier shutdowns are planned for the Pentecost period. On average, these shutdowns will be even longer than those over Easter. Many machines will be taken out of production for a full week, and there are even expected to be some stoppages lasting more than ten days.

Decor paper manufacturers report that despite varying trends, the development of raw material, energy and logistics costs remains difficult. The upward trend in pulp prices continued in March and April; for May, there are already new price demands at a similar level. Regarding titanium dioxide prices, following a prolonged period of only minor changes, there are now signs of slightly more movement. In the spot market, surcharges of around 5 per cent are anticipated. For longer-term contracts, however, prices are staying fixed for the time being. Energy costs have decreased again slightly following the turbulence in March and early April; nevertheless, according to decor paper manufacturers, these are still higher than the average of the preceding months. Logistics costs, on the other hand, show little sign of easing.

Decor paper prices were raised from the beginning of April in most cases via cost-related surcharges, with further adjustments following at the beginning of May. In some cases, regular price increases were also implemented. For grades sold in larger volumes, total surcharges of around €15-20 per 100 kg were implemented. Further price adjustments are expected at the beginning of July.

Coreboard price hike in Germany gains traction in April and May

 **EUWID +** 20 May 2026 | ⌚ ~ 1 min | [Published in issue 21/2026](#)

As early as in March, it became apparent that coreboard manufacturers were also under pressure to raise prices in a timely manner due to the geopolitical situation and the impact on supply chains. Only the timing of companies' demands varied. Coreboard producers said the step was justified not only by higher energy costs, but also by general cost increases. Manufacturers and converters report to EUWID that upward corrections totalling €40-50/t were made in April or May. Quoted levels varied, but most business appears to be moving within the indicated range.

Coreboard producers say the ongoing closure of Schulte and the cessation of board production for industrial cores at Cenpa make it clear that the industry is hardly working profitably. Demand for coreboard alone is said to be improving at the moment, which is surprising because winding core manufacturers continue to report stable lateral movement in demand at a low level with no indication of a rebound. Some core producers fear further price increases, which board manufacturers reportedly signalled during April negotiations and which may have fuelled stock building. Logistics bottlenecks, which tend to increase over the bank holidays in May, could also have triggered stock purchases. All in all, the basis for healthy operating rates at coreboard manufacturers is said to be at best speculative.

Higher recovered paper prices also prompted core manufacturers to increase prices for their own products, which were accepted with unusual readiness and apparently with less counterpressure than expected. At the moment, however, the picture of hikes for winding cores is not yet quite clear. Reportedly increases range from 4 to 7 per cent from April or May.

Gifco reports 2025 another year of growth for Italy's corrugated board industry

 **EUWID** + 20 May 2026 | [Igor Dugandžić](#) | 🕒 ~ 4 min | Published in issue 21/2026

The Italian corrugated board market continues on its path of recovery. Total production of corrugated board and packaging increased in 2025 by 1.6 per cent year-on-year to around 8 billion m². This brought total industry production back to the level recorded in 2022.



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Compared with the low point in 2023, production in 2025 was around 4.5 per cent higher, although it still remained roughly 3.5 per cent below the record level reached in 2021.

In 2025, slightly more than 62 per cent of total production consisted of corrugated boxes, while almost 38 per cent was accounted for by corrugated sheets. Gifco attributed the 1 per cent increase in corrugated box production over the past two years to increased integration within the industry.

The composition of end markets changed only slightly compared with 2024. Around 62 per cent of total shipments went to customers in the beverage and food industries, compared with 63 per cent in the previous year. Other industries and e-commerce business accounted for 38 per cent, up from 37 per cent in 2024.

Gifco member companies manufactured almost 5.1 billion m² of corrugated products in 2025, an increase of 1.7 per cent compared with the previous year, and accounted for slightly more than 63 per cent of total production in 2025. The association represents 54 corrugated board producers and 250 converters.

A comparison with other major national markets shows that Italy, similar to Spain, recorded moderate growth of between two and three per cent last year. Poland once again posted the strongest performance, although growth there slowed a bit compared with the previous year: Production in Poland increased by 8 per cent to 4.8 billion m². By contrast, Germany and France, represented by the corrugated board associations VDW and COF, reported slightly lower production volumes year-on-year.

Less weight and limited paper consumption thanks to lighter paper grades

However, growth in absolute weight did not mirror the increase in surface area production in Italy. At 4.2 million t, the total tonnage of all corrugated products increased by less than 1 per cent compared with the previous year. Gifco attributes this to the increased use of more light-weight corrugated case materials, which has led to a continuous reduction in the weight of corrugated board used. Average basis weight declined by a further four grammes in 2025 to 525 g/m². Over a period of 25 years, this corresponds to a reduction of 80 g/m², or 13 per cent, according to Gifco data.

With more new machines for lightweight recycled corrugated case material coming on stream in Italy and Europe, this trend is expected to continue. Gifco also sees considerable room for further reductions in basis weights as the average weight of corrugated packaging in Italy still remains 14 percent above the average of all Fefco members, Gifco said citing data from a member survey conducted as part of the Fefco Energy 2025 study.

IP becomes new market leader in Italy

The acquisition of DS Smith by International Paper (IP) last year created a new market leader in Italy. Combined, DS Smith's market share of 14.5 per cent (2024: 14.8 per cent) and IP's own share of 4.4 (5.2) per cent now represent almost 19 per cent of the Italian market. According to Gifco, the combined company operates a total of 17 production sites, 13 of which are in Tuscany and northern Italian regions.

As in the previous year, Smurfit Westrock ranked second in Italy with 12 production sites and a market share of 12.9 (13.1) per cent, followed by Pro-Gest with seven sites and an unchanged market share of 9.5 per cent. Fepa operates two production sites, representing 5.9 (5.5) per cent of the market. Following the acquisition of a majority ownership in Lic Packaging, Saica Pack now operates three packaging plants in Italy and holds a market share of 3.8 per cent. Ondulati Nordest runs one site and holds a share of 3.2 (3.2) per cent while Ondulati Santerno holds a share of 3.0 (3.8) per cent with two production sites.

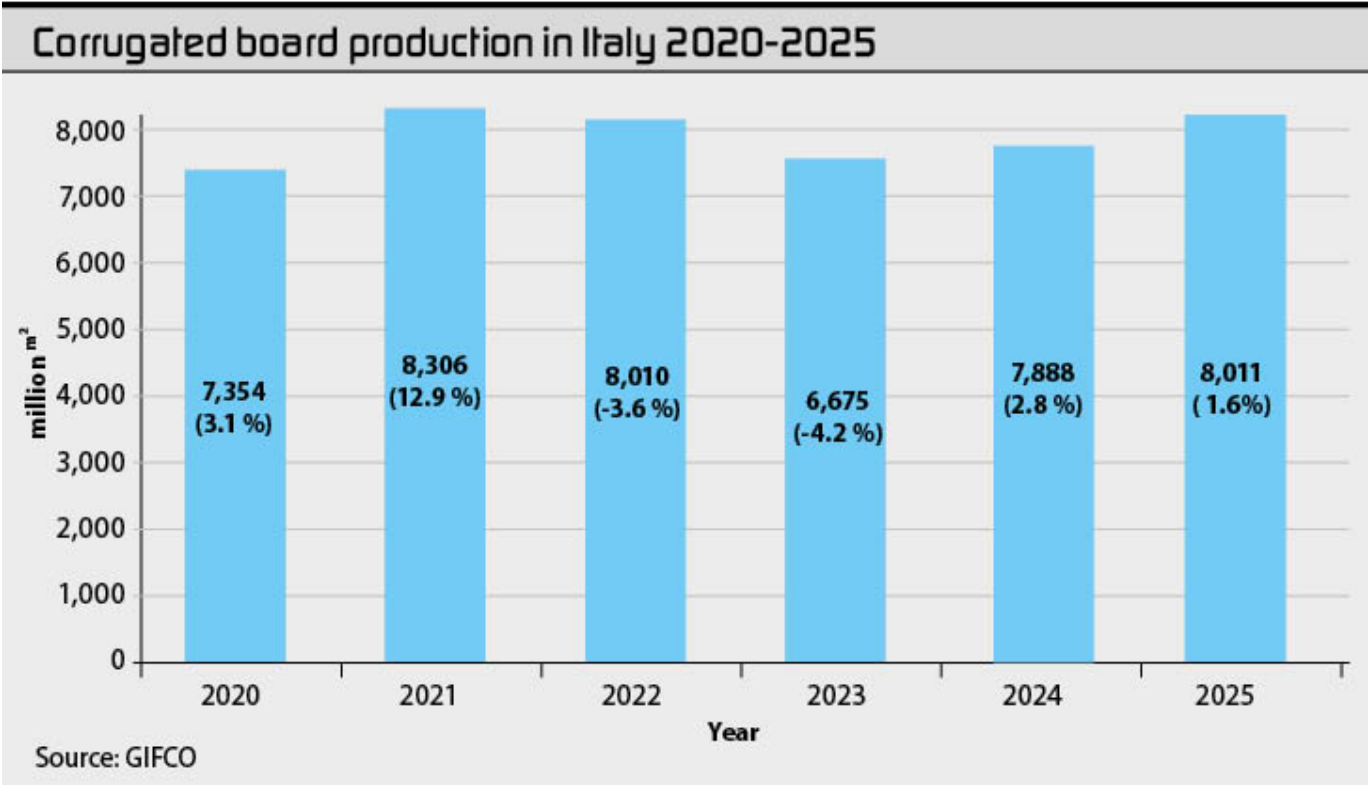
Despite the consolidation seen in recent years, the Italian corrugated board market remains significantly more fragmented than other large European markets. According to Gifco, there are a total of 99 corrugators at 88 production sites across the country. Forty-four production sites belong to the eight largest companies in Italy. The remaining competitors operate 44 sheet feeder plants with at least one corrugator at each location and still account for almost 43 per cent of the total market.

High electricity prices burden converters in Italy

At this year's industry meeting, Gifco highlighted the development of energy costs and the comparatively weaker cost position of the Italian industry within Europe. This applies especially to electricity, which is of key importance for the converting industry, stressed Gifco-President Fausto Ferretti.

Last year, average electricity prices in Italy were 17 per cent higher than in Poland, 36 per cent higher than in Germany, 82 per cent higher than in Spain and as much as 93 per cent higher than in France. For gas, Italian consumers paid on average 1 per cent more than in Germany, 9 per cent more than in France and 10 per cent more than in Spain and the United Kingdom. Compared with Poland, however, gas prices in Italy were 5 per cent lower.

Deliveries of corrugated products of major Fefco members*			
million m ²	2025	2024	Change In %
Germany	7,403	7,414	- 0.2
Spain	5,203	5,077	+ 2.5
France	5,149	5,116	- 0.6
Italy	5,077	4,991	+ 1.7
Poland	4,794	4,444	+ 7.9
Great Britain	4,021	4,007	+ 0.3
*data reflect only deliveries by member companies of national associations			
Source: Fefco			



Essity starts up new recycled fibre processing facility at Prudhoe tissue mill

15 May 2026 | [Frauke Schmidt](#) | 🕒 ~ 2 min | [Published in issue 21/2026](#)

Swedish hygiene and tissue producer Essity has officially opened a new recycled fibre processing facility at its Prudhoe tissue mill in Northumberland, UK. According to the company, the investment exceeds £30m and marks Essity's largest investment in the UK in around a decade.

With the new Unifibres facility, Essity is increasing its recycled fibre processing capacity at Prudhoe to more than 105,000 tpy. The company's total annual recycled fibre processing capacity in the UK thus rises to around 190,000 tpy, according to Essity.



Volker Zöller, Essity President - Consumer Goods EMEA

The new 4,150 m² facility replaces the former Unifibres complex at Prudhoe, which is regarded as Essity's largest manufacturing site in the UK. The upgraded technology is designed to enable the more efficient processing of a wider range of recovered paper grades, including lower paper and board grades. The investment is also intended to improve the separation of contaminants such as plastics and enhance energy efficiency.

According to Essity, the new facility is expected to help reduce reliance on woodpulp and increase the use of recycled and alternative fibre sources in tissue production. At the same time, it is intended to strengthen domestic recycled fibre supply in the UK. The facility will also serve as a platform for testing new fibre solutions.

Already in early April, Essity had stated that the new recycled fibre facility in Prudhoe was in the commissioning phase. At the same time, the company postponed the official opening ceremony originally scheduled for 9 April, citing ongoing optimisation work. A formal launch is expected later this year.

According to Essity, the company is the largest user of recycled fibre for consumer tissue products in the UK and the leading user of recycled fibre in European tissue production. The facility supplies products for brands including Cushelle, Velvet and Tork.

Völker Zoller, president, consumer tissue at Essity, commented: "This investment demonstrates Essity's clear commitment to sustainability and circularity. Being the UK's largest user of recycled fibre for consumer tissue, and the leading user in Europe, brings responsibility as well as opportunity. The Prudhoe facility strengthens our recycled fibre supply, supports our customers' sustainability ambitions and reinforces our leadership in sustainable tissue production. In short, we are delivering genuine sustainable solutions for our customers and ultimately a clear sustainable choice for consumers."

Saica to acquire Germany's family-owned corrugated packaging group Thimm

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Germany's corrugated packaging and display solutions manufacturer Thimm Group is set to come under new ownership. The owning family behind Thimm has decided to sell the company to Spanish paper and packaging group Saica. The transaction, which is said to create a pan-European group with strong long-term prospects, remains subject to antitrust approval. The parties agreed not to disclose the purchase price.



Saica will significantly expand its production footprint in Germany through the acquisition of Thimm Group

"Thimm brings strong regional capabilities and a customer-driven approach in markets where Saica has not previously operated. Together with Thimm, we see significant potential to further strengthen our leading position in the highly competitive European market," Susana Alejandro, President and CEO of Saica Group commented.

Explaining the rationale behind the transaction, Mathias Schliep, Chairman of the Administrative Board of the Thimm Group, said: "We are convinced that in a highly competitive market, only a small number of large players will be able to gain market share in the future. We therefore decided to sell the company to the largest family-owned company in the European industry in order to secure Thimm's growth prospects and long-term future under a strong umbrella."

Thimm Group states to have spent the past two years successfully consolidating its business and has since intensively explored options to position the company securely for the long term. Saica's financial strength would allow the highly cyclical business to be financed securely while supporting long-term growth through investments in technological development and digitalisation, Chairman Schliep added in a statement.

Thimm Group sees particular advantages in the complementary footprint of the two companies, whose combined operations would cover the entire European market. The two family-owned companies have been cooperating in a strategic sales alliance since the late 1990s and also operate a joint venture company Top Packaging in Poland.

Thimm owners to exit the business, production sites will remain operational within Saica group

Thimm employs more than 2,500 people at eleven sites in Germany, France, Poland, Romania and the Czech Republic. In 2024, the group generated annual sales of €539m.

Saica Group operates 112 sites across Western Europe, Poland and the United States and generated sales of €3.96bn in 2025. The group is organised into four business divisions operating in the segments of corrugated case material production (Saica Paper), waste management and environmental services (Saica Natur), corrugated packaging production (Saica Pack) and flexible packaging solutions (Saica Flex). According to EUWID information, Saica's total corrugated case material production capacity amounts to around 3.7 million tpy.

The owning family of the Thimm Group will exit the business as part of the takeover, the company confirmed. At the same time, plans call for the Thimm group production facilities to continue operating within Saica's existing organisational structures, a move intended to ensure stability and continuity for both customers and employees.