

France: Paper manufacturers calling for additional mark-ups because of costs

Announcements in all segments of the market – Fibre fuelling cost increases

 29 May 2024 |  ~ 13 min | [Published in issue 22/2024](#)

EUWID Price Watch France			
May 2024			
Prices in € per tonne free delivered unless otherwise stated	May 2024	April 2024	May 2023
Fine paper			
Woodfree uncoated			
Copy paper 80 g A4 B grade	1,030 - 1,170	1,030 - 1,150	1,080 - 1,300
Copy paper 80 g A4 C grade	980 - 1,120	980 - 1,100	1,030 - 1,250
Offset sheets 80 g	1,040 - 1,140	1,040 - 1,120	1,100 - 1,250
Offset reels 80 g	980 - 1,100	990 - 1,080	1,050 - 1,200
Woodfree coated			
Sheets, double coated, 100 g	1,030 - 1,150	1,030 - 1,130	1,150 - 1,250
Reels, double coated, 100 g	990 - 1,100	990 - 1,080	1,080 - 1,200
Publication paper			
Standard newsprint 45 g	570 - 610	570 - 610	710 - 850
Standard newsprint 42 g	580 - 620	580 - 620	730 - 870
Improved newsprint ISO 68, 52 g	620 - 660	620 - 660	760 - 900
LWC offset 60 g	770 - 830	770 - 830	900 - 1,020
LWC rotogravure 60 g	780 - 840	780 - 840	920 - 1,020
SC offset 56 g (A)	670 - 720	670 - 720	780 - 950
SC rotogravure 56 g (A)	680 - 730	680 - 730	780 - 950
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner 175 g+	700 - 790	640 - 790	670 - 760
Semi-chemical fluting	620 - 670	570 - 670	610 - 650
White-top kraftliner 140 g	810 - 910	770 - 910	820 - 930
Recycled corrugated case material			
Recycled fluting 100 g	580 - 605	580 - 605	550 - 575
Recycled fluting 90 g	590 - 620	590 - 620	560 - 590
Testliner II	600 - 630	600 - 630	570 - 600
Testliner III	590 - 615	590 - 615	560 - 585
White-top testliner, grade B, 140 g	680 - 730	640 - 730	690 - 740
Cartonboard			
GD II	810 - 940	810 - 940	870 - 1,010
GC II	1,100 - 1,280	1,100 - 1,280	1,250 - 1,400
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Mounting costs are prompting manufacturers to seek higher prices in almost all parts of France’s paper and cartonboard market. Corrugated case material prices are poised to climb again in June after already edging higher in April and May. In the cartonboard segment, GC manufacturers have now sounded the bell for a fresh round of talks after GD producers upped their prices. New discussions are also looming large for fine paper after the latest markups were only just put to bed. A first newsprint manufacturer has unveiled plans to charge more in the third quarter, as well.

Yet, demand is anything but strong in many parts of

France’s paper and board business at the moment. Corrugated case material is enjoying some growth in a year-on-year comparison, with printing and writing paper even booking significant improvements. That being said, 2023 was a tough year for the packaging segment and especially for the graphic paper business. What’s more, May is, as always, a special month in France with a large number of public holidays, some of which are being used to take long weekends.

Fine paper producers standing their ground on plans to raise their prices

France’s woodfree coated and uncoated paper market appears to have returned to normal somewhat. The first three months of the year were still heavily influenced by a backlash from last year’s inventory cutbacks when buyers throughout the supply chain wanted to reduce their expensive stocks as much as possible. Once the calendar flipped to 2024, buyers started to replenish their inventories. In addition, the trend in prices reversed, with a tendency towards higher prices after a lengthy period of price cuts.

Paper producers active in France described order intake as stable to quiet in May. Roughly 15 per cent more fine paper than last year was delivered in France and Europe as a whole in the first four months of the year. It should be noted, however, that 2023 was an exceptionally weak year in terms of demand. Paper producers told EUWID that demand is still brisker than last year in May. Compared with available capacity, business is rather quiet, though, also because, May is a special month in France with many public holidays, which some companies used to take long weekends. What is more, the market returned to normal. Many printers in France have average workloads at best, with insiders seeing no signs of momentum driving a substantial improvement in paper consumption in France, either.

Paper manufacturers have been trying to pass rising costs on to their customers since the beginning of 2024. A few price increases were announced in January and February, but they resulted in relatively little movement on the price front. The latest round of price talks in April and May then brought more change in prices, which increased by up to €60/t, rarely more and often less. Pricing remains very mixed, and the range of prices is very wide.

Many prices for woodfree coated and uncoated reels now top the €1,000 mark. Prices below this mark were much less common than in the fourth quarter of 2023 and typically only applied to the envelope business, market players said. However, prices seen on the market can also be a good €100 higher. Coated and uncoated sheet prices showed similar ranges, as did cut-sizes.

One paper producer told EUWID that prices were constantly changing and inconsistent. Other sources confirmed that such statements referred to both paper producers' efforts to raise their prices and the varying prices available for the same paper grade – sometimes even offered by the same manufacturer.

Paper producers are still working to raise their prices. Additional mark-ups have been announced with effect from June, although not all paper producers have taken this step to date. Producers essentially viewed higher prices as a necessary step to offset mounting costs, especially for pulp. Yet, not everyone was on board with the steps taken by a few individuals. Some company sources merely said that they were planning similar actions and would make decisions to this effect in the not-too-distant future.

Next round of price talks ahead for publication paper in France

With most publication paper prices in France set in stone quarterly since the start of 2024 at the latest, there was not much action on the price front between April and May. Insiders generally think that hardly anything will change between now and the end of June, either.

That being said, price talks are set to commence soon for the third quarter, with the two sides preparing to sit down at the negotiating table in June. One first producer got the ball rolling in mid-May by informing its customers of plans to charge more for newsprint. According to its statement, this company will raise its prices by €60-80/t. In the final week of May, other publication paper manufacturers often had yet to decide what stance they wanted to adopt when going into talks. However,

some of them had considered raising their prices because of the recent trend in costs.

In May, players active on France's publication paper market often said that prices might stay the same in the third quarter. However, manufacturers appear to be taking action of late because of mounting pressure from paper manufacturing costs. Pulp prices are increasing, and recovered paper has become much more expensive since the start of the year, too. At the end of May, deinking grades cost up to €60/t more than they did at the beginning of the year. With publication paper producers' margins thin in some cases, sources certainly anticipate that companies will try to charge more. Cutting prices in the third quarter is out of the question for paper producers, something that they had already communicated to their customers, too.

Manufacturers often described demand for publication paper as "living up to expectations." All grades encountered more robust demand than last year in the first few months of the year, although this appears to be solely connected to a statistical effect after a poor 2023. The market did not have any significant surprises, either positive or negative, in store at the moment, producers told EUWID.

Buyers are calling off the agreed volumes, but demand continues to subside for structural reasons. Some inventories had been increased at the start of 2024, although several insiders reported somewhat slower business in May.

Overcapacity currently exists for all publication paper grades in Europe, particularly for LWC. Newspapers' print runs are slowly but consistently falling, and the same can be said of magazines. The printed retail advertising segment has stabilised in 2024 after a terrible 2023. Major supermarket chains in France are continuing to explore and adjust their advertising strategies and media, which will especially affect SC paper in France.

Sources do not tend to expect exceptional effects on the demand front at the moment. Many market players are rather sceptical about whether the Olympic Games in Paris, for instance, might have a positive impact on demand for publication paper. Rather, they think that several supermarket chains will come back to printed advertising a little after a phase of rigorous cutbacks – but only if paper prices do not climb significantly.

Further price hikes for corrugated case material looming large in June

French recycled corrugated case material prices typically stayed the same in May as they were in April. The only exception was mark-ups for white-top testliner that had not taken hold to date. All told, brown recycled grades became €60/t more expensive in April and May, while white-top testliner prices climbed by €40.

Looking ahead to June, manufacturers have outlined fresh plans that were still the subject of discussions in the penultimate week of May after having been announced at relatively short notice. Brown recycled paper prices are to rise a little later than in Germany, typically increasing by €40/t with effect from 1 June. In a few instances, higher prices had reportedly already been negotiated in the penultimate week of May. Several sources said that this mark-up was done and dusted, while others felt that

the topic had not been put to bed yet.

White-top testliner prices will also edge higher if producers get their way. In some instances, though, a decision had yet to be made about how much and when prices should increase. As EUWID researched this market report, it looked as if a €40/t hike would take effect from an undetermined date in June or early July.

Most brown kraftliner prices had jumped by €60/t in May, and manufacturers are already notifying customers of their plans to raise prices again. Prices are set to go up by another €60/t with effect from the beginning of June. Buyers and sellers were still at the negotiating table in the penultimate week of May, with discussions focusing on implementation and the sum involved. Some sources told EUWID that prices might climb by less than the €60/t that producers wanted.

Another round of price hikes appears to be looming large for white-top kraftliner, as well. Several insiders noted that producers were discussing a mark-up of €40/t to take effect on 1 June. Others said that the amount and, above all, the timing was not yet clear, with higher prices possibly not taking effect until 1 July.

The final instalments of the last price hike for semi-chemical fluting were wrapped up in May, too. Prices often rose by €40-50/t or sometimes more.

Corrugated board sales enjoyed slight growth in France and throughout Europe in the first few months of this year compared with 2023, also boosting demand for corrugated case material. Buyers have a propensity to order a little more at the moment because of rising prices. In addition, the consumer climate is currently a little stronger than last year in France thanks to moderate economic growth and the start of the tourist season. However, insiders have mixed views about whether the Olympic Games in Paris this August will further stimulate consumption, including of packaging materials.

The French kraftliner market is deemed to be much tighter than the market for recycled grades, especially the white-top kraftliner business. Market players told EUWID that the kraftliner segment was enjoying both slightly brisker demand and somewhat of a shortage on the supply side caused by scheduled and unscheduled production stoppages.

A number of paper producers described demand, workloads and capacity utilisation as good at the moment. Others said that demand was nowhere near good enough for all manufacturers to run at full capacity. Stronger demand than last year did not mean that demand was good, they said. Insiders also underscored the fact that more production capacity is to come online.

On a positive note, manufacturers welcomed the significant decrease in paper inventories in April.

Mounting production costs are the primary factor causing paper producers to revisit pricing in the majority of cases. Recovered paper prices have leapt by up to €60/t in France since the start of this year, with spot prices jumping even more. Pulp prices have also soared. This situation has compelled several paper manufacturers operating close to break-even to raise their prices. Converters noted that passing the steep and rapid hikes in paper prices on to their customers was proving challenging.

More and more price increases announced for GC board

France's cartonboard market is still in motion. After white-lined chipboard prices had risen in April, market players are now discussing potential hikes for fresh fibre-based board, too. Price increase announcements are gradually trickling in. However, not all key suppliers were on board yet in the penultimate week of May. In May, no changes occurred and prices for GC2 stayed the same.

One manufacturer had outlined plans to tack on €80/t for GC board already in April. This company said that a portion of this hike had already been instituted in some isolated cases, but implementation the lion's share should now take gradual effect. Others were more cautious, especially producers with mills in Finland. Industrial action staged by Finnish port workers in April had led to delivery issues whose after-effects were still palpable in May. Bearing this in mind, April was a bad time for them to try to invoice more.

During the month of May, however, additional suppliers followed suit, announcing increases of €80-100/t for GC, often from the start of the third quarter. One cartonboard producer said that it was targeting the next possible date for a price hike. This source was discussing prices with customers and hoped to secure the first mark-ups perhaps as soon as June or in July at the latest. Others stated their intention to raise prices for deliveries and, in one instance, for orders placed from 1 July onwards.

Not all manufacturers were on board with demanding higher GC prices in the penultimate week of May. However, insiders expected them to follow suit soon. "Everyone is talking the talk about the need to raise prices. Now they have to walk the walk," one cartonboard manufacturer remarked, talking about its competitors.

The upcoming price talks will likely not be smooth sailing. Several GC suppliers said that customers were certainly mounting opposition. However, they feel that higher prices are essential in light of hefty costs. The steep climb in the price of pulp was a significant problem for non-integrated manufacturers, in particular, insiders told EUWID. In some instances, buyers generally appear willing to dig deeper into their pockets, but the two sides are far from an agreement about the sum and timing of these hikes. One buyer thus expects negotiations to be wrapped up at a late date.

Price discussions are complicated by the fact that current demand is providing limited support for manufacturers' plans. Although market players rated the last few months as positive, with several of them certainly more upbeat about what the future has in store, nobody is mentioning a real recovery. In addition, the month of May was peppered with public holidays in France. Some packaging manufacturers used the long weekends made possible by these public holidays to idle production, so

they were buying less cartonboard.

On the other hand, in recent weeks, GC board manufacturers outside Finland were reaping the rewards of strikes in the Nordic country and related delivery troubles faced by competitors and were landing more orders. The knock-on effects were still apparent in May, with the companies in question having much longer lead times. Market players quoted lead times of up to at least eight weeks for cartonboard made at Finnish mills. Elsewhere, a period of four to five weeks was the norm.

A similar set of circumstances is playing out on the French recycled cartonboard market. Demand was livelier than last year, but it was still not good. That being said, demand has reportedly improved in tiny increments for several months now. May was a somewhat special month for this sector, too, because of the large number of public holidays. Order books were a little thinner than in the recent past, but insiders believed this was a temporary phenomenon.

GD board manufacturers were ahead of their counterparts in the folding boxboard business on the price front: they had already tacked on around €30/t or a little more in April. In May, GD II prices held steady except for a few stragglers whose prices were adjusted at a later date. No additional hikes are in the pipeline at the moment. That being said, quite a few producers did not rule out the possibility of additional price increase announcements for GD given the steep rise in recovered paper prices, at least if recovered paper became more expensive again. However, such considerations were still a long way off.

Walstead to restructure its business in the EU

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British printers Walstead Group is to restructure its business and bundle all printing activities within the EU under one roof. In response to the changing commercial printing market all over Europe, group subsidiaries Walstead Leykam, Walstead CE (Central Europe) and Walstead Iberia (Spain) will be centrally managed. Walstead UK is not affected by the decision, the group explains in a press release.

José Maria Camacho will take up the new role of chief executive for Walstead European Union from 1 June 2024. He has been with the group for the last eight years and served as CEO of Spanish subsidiary Walstead Iberia.

Grzegorz Czech will step down from his role as CEO of the company. He will retain his role until handover is complete, following which he will serve the company in an advisory capacity. Stefan Gutheil, CEO of Walstead Leykam, will also remain with the company until handover of responsibilities is completed.

Walstead describes itself as Europe's largest independent reel offset printer in Europe. The communicated changes will enable Walstead to remain competitive amid a challenging environment, explained Pal Utting, CEO of Walstead Group. The significant synergy effects generated give rise to a leaner organisation and distribute volumes in the most efficient manner across the entire Walstead group. The market for heatset reel offset printing has dramatically changed after the Covid-19 pandemic and the raw material crisis of the last two years, significantly reducing volumes and overcapacity on the market, the company observes.

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Metsä and Andritz collaborate on textile fibre pre-study

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Metsä Group and Andritz have started a cooperation for a pre-study for the first possible commercial mill producing the Kuura textile fibre. The primary objectives of this collaboration are to develop a pulp pre-treatment method, smart ways to integrate textile fibre production into the various departments of a bioproduct mill, and the automation for Kuura production, according to Andritz.

The pre-study is the first planning stage for a potential commercial mill project to process softwood pulp into a new type of man-made cellulosic fibre (MMCF). It is expected to take one year to complete, after which the mill planning can proceed to a more detailed pre-engineering stage.

Once operational, the mill is anticipated to produce approximately 100,000 tpy of Kuura fibre and employ about 250 people, according to Andritz.

The Kuura fibre concept was developed by Metsä Group's innovation company Metsä Spring, at a demonstration plant at Metsä's Äänekoski site in Finland. Andritz supplied key process areas, including the fibre line, for the Äänekoski bioproduct mill, as well as some of the equipment for the demo plant.

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Nordic Bioproducts ramping up MCC plant in Finland

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Finnish start-up Nordic Bioproducts Group has started its production plant for microcrystalline cellulose (MCC) and other cellulose derivatives in Lappeenranta, Finland. The plant, which is powered by the company's proprietary AaltoCell™ technology, is geared towards the large-scale production of cellulose materials. The company expects the factory to generate a turnover of €40m in its first full year of operation.

Nordic Bioproducts reported that the plant is the first of its kind and enables continuous production on a large scale. It has a production capacity of up to 10,000 tpy of MCC. There is no solid waste and only a fraction of the chemicals, water and electricity are required compared to conventional MCC production processes, the company says.

Microcrystalline cellulose and other cellulose derivatives are used in various industries, such as pharmaceuticals and food supplements, as well as in food ingredients, cosmetics and skin care products. They improve product properties and performance and also promote environmental sustainability by replacing unsustainable and potentially harmful substances in a range of applications such as bioplastics, concrete, paints, textiles, adhesives and insulation. Nordic Bioproducts explains that global demand for MCC is high and the market is expected to grow exponentially until 2030.

Lappeenranta was chosen as the location because it is close to six existing pulp mills and ensures supply chain security through local supply and short access to seaports, explains Nordic Bioproducts. In addition, all ingredients come from FSC-certified, traceable and sustainably managed forests.

The first production phase began in March 2024 and the plant is now preparing for its full production capacity of up to 10,000 tpy of MCC. Nordic Bioproducts expects the factory to triple its turnover from €40m in the first full year of operation in the following three years. The new factory employs 20 people and intends to double this number in the near future.

The Nordic Bioproducts Group already has ongoing partnerships around the world, including with Asian companies Marubeni and PTT MCC from Thailand.

Nordic Bioproducts Group is a spin-off from Aalto University and was founded in 2019 by Professor Olli Dahl and the then Senior Commercial Officer Olli Kähkönen in collaboration with the Aalto University School of Chemical Engineering.

IP announced board changes

 **EUWID +** 29 May 2024 |  ~ 1 min | [Published in issue 22/2024](#)

International Paper (IP) has announced that **Jamie A. Beggs** and **Scott A. Tozier** were elected to IP's Board of Directors, effective 21 May 2024. At the same time **Ilene S. Gordon** retired from the Board citing personal and health reasons. Ms. Beggs served as Senior Vice President and Chief Financial Officer of Avient Corporation. Mr. Tozier was strategic advisor at Albemarle Corporation. With these changes, the IP Board consists of 11 directors, nine of whom are classified as independent directors.

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Seppo Parvi quits as CFO and deputy CEO of Stora Enso

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Seppo Parvi, CFO and deputy CEO of **Stora Enso**, will resign in the fourth quarter of 2024 to join a company outside the forestry industry. Stora Enso will start a search for a successor immediately.

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SCA appoints Per Funkquist as VP Sustainability

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SCA has recruited **Per Funkquist** as new Vice President Sustainability. Mr Funkquist will take up his new position on 1 September 2024. He is joining from a role as Director of Communication and Sustainability Procurement & Wood Supply at another forest industry company.

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Inapa to increase prices for paper and board portfolio

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Paper merchant **Inapa Deutschland** has announced higher prices for its paper and board portfolio in Germany. The company says it is forced to hike prices to pass on higher prices announced for May 2024 by different suppliers. The hike will range from 5 to 10 per cent., Inapa stated.

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Brigl & Bergmeister tacks on more for wet strength label paper

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Austrian label paper producer **Brigl & Bergmeister** announces plans to raise prices from 1 July. The company is to increase prices of all wet-strength label papers by €140/t. For non-wet strength label papers as well as all packaging paper and speciality grades, prices will move higher by €120/t.

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Burgo plans to hike price for Mosaico portfolio

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Burgo group will increase prices of its Mosaico specialty papers portfolio, including label and flexible packaging papers, graphic specialties and GZ cartonboard, by a minimum of 10 per cent, effective on deliveries from 1 July 2024, the company announced.

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Lively demand sends French recovered paper prices rising even higher

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EUWID Price Watch Recovered Paper France				
May 2024				
Prices in € per tonne	May 2024	Apr 2024	Mar 2024	May 2023
Mixed paper and board (1.02)	75 - 85	60 - 70	40 - 50	40 - 55
Supermarket corrugated paper and board (1.04)	100 - 110	80 - 90	60 - 70	60 - 75
Old corrugated containers (1.05)	120 - 130	100 - 110	80 - 90	85 - 95
Sorted graphic paper for deinking (1.11)	120 - 130	100 - 110	80 - 95	105 - 115
Intra-Europe exports from France (1.11)	130 - 140	110 - 120	85 - 100	85 - 105
Coloured letters (2.06)	150 - 170	140 - 155	125 - 140	175 - 195
Multi printing (3.10)	205 - 225	195 - 210	185 - 200	225 - 250
White woodfree uncoated shavings (3.18.01)	410 - 435	400 - 420	390 - 410	470 - 495
Prices in € per tonne ex works, material sorted and in bales.				
Reporting for intra-Europe exports of 1.11 from France was added to the Price Watch in March 2023.				
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Recovered paper prices have headed higher again in France. There was another round of price hikes for all groups of grades in May. Demand – especially for ordinary and deinking grades – was robust, collection volumes remained low, and a large number of public holidays made logistics and, thus, sourcing recovered paper even harder. High grades followed the trend and became more expensive, too, in May.

Ordinary recovered paper prices rose by up to €20/t in France in May after having already increased by this amount in April. The gap between prices for mixed paper (1.02) and old corrugated containers (OCC; 1.05), which is generally wide in France, grew a little more this month. Market players explain that a large proportion of mixed paper from household collections in France is of low quality and that this is reflected in prices.

All things considered, ordinary recovered paper grades are priced a little lower in France than in other European countries. However, contacts also repeatedly cited cases of spot prices above official market prices.

Persistently low collection volumes and brisk demand combined to send prices higher in May. Buyers from neighbouring countries were purchasing a lot of material, particularly in northern and eastern France, and were willing to pay high prices for this material. Some recovered paper was changing hands at spot prices. French packaging paper and cartonboard mills were also operating without a break so they routinely needed recovered paper.

With the packaging industry not experiencing a noticeable improvement in its order books and the consumer climate still ailing, many EUWID sources are attributing the growth in demand for ordinary recovered paper grades to the large number of public holidays in May, amongst others, some of which were used to take long weekends. Paper manufacturers were planning their recovered paper supply carefully in advance since it was expected that deliveries would not always run smoothly, and they

feared a shortage of material. In fact, insiders did report a couple of transportation issues, especially in the first half of the month. Nonetheless, buyers did not encounter any significant supply problems. Contacts told EUWID that anybody paying current market prices could get their hands on the material they needed, but nothing more. Paper mills' stocks of recovered paper generally declined a little as a result.

Insiders not ruling out the possibility of small price increases in June

Observers are not ruling out additional, minor mark-ups for ordinary recovered paper grades in June given that several companies in France and abroad have to stock up on recovered paper a little. The gap between prices paid in France and in other countries also suggests increases. On the other hand, many market players could not imagine that buyers would be willing or able to shoulder additional costs. Corrugated case material prices have increased, but higher recovered paper costs already swallowed up a large proportion of this hike. Bearing this in mind, some insiders tend to expect stable prices for ordinary recovered paper grades in June.

Recovered paper exports to Asia were less of an issue in May, but some sales did still take place. Sources said that demand was not especially lively but relatively consistent. Export prices also edged higher and were either the same as or slightly higher than those charged in France. Asian buyers had to adjust their prices, too, in response to rising prices in Europe. They handed over up to €135/t ex works for OCC from France in May.

Another jump in prices for deinking grades

Deinking grades are facing a situation similar to that of the ordinary recovered paper grades at the moment. Collection volumes are very low for structural reasons. Newsprint manufacturers are not extremely busy but are operating and need recovered paper. The public holidays have sparked concerns about supply of these grades, too, especially with the summer – generally a period of lower collection volumes in this grade segment – drawing near. Sorted graphic paper for deinking (1.11) had already become more expensive in April and edged higher again in May. Most suppliers raised prices by €15-20/t, both for deliveries within France and to neighbouring countries.

Quotes for high grades evolved in keeping with the general trend. Coloured letters (2.06) frequently cost up to €15/t more in May than in April. Demand has reportedly returned to normal and was pretty consistent.

Multi printing (3.10) is also experiencing normal demand. This price had to keep pace with developments in the ordinary and deinking grade segments, one contact said. These prices often climbed by €10-15/t. White woodfree uncoated shavings (3.18.01) were typically priced €10/t higher in May, sometimes rising a little more.

MM Board & Paper announces price hike for FBB

 **EUWID +** 29 May 2024 |  ~ 1 min | [Published in issue 22/2024](#)

Due to the ongoing increase in various input costs, **MM Board & Paper** has informed customers that it will be increasing prices of FBB products by 8 to 10 per cent, effective for deliveries starting on 15 July 2024.

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Essity to replace R&D centre in France with new one

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Essity plans to build a new global centre for research and development (R&D) in France, dedicated to tissue hygiene products. The Swedish company's current R&D centre in Kunheim in eastern France will be replaced by the new one, which will be located close to it. Essity will reportedly retain the 80 employees working at the site. The company says it aims at creating a larger, more efficient centre equipped to address future challenges.

In addition to France, Essity has R&D centres in Sweden, Germany, Mexico and the US. In 2023, the company invested SEK1.7bn in the research and development of new products. Essity says that the R&D centre in Kunheim has filed 25 patents in recent years for products such as coreless toilet paper or paper hygiene products based on alternative fibres.

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Bisphenol A monitoring in present form abandoned

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The monitoring of recycled paper and board provided for in the draft regulation on a Europe-wide ban on bisphenol A (BPA) in food contact materials will not be introduced in its current form, paper industry insiders told EUWID. Reports from industry representatives indicate that the EU Commission plans to delete Article 5 ("Monitoring and reporting of results") from the draft regulation.

Upon inquiry, a Commission representative confirmed the deletion of the article in question.

However, he explained that the current debate about monitoring bisphenol A from not only "accidental" sources such as recycled paper and board but also as a contaminant in foodstuffs would be resumed at a later point in time in the current month.

The Commission representative underlined that the EU Commission intended to address the subject – albeit not in the current draft of the regulation.

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Prices revisited time and again in many segments of the German paper market

Manufacturers claim financial hardship / Target prices not reached to date

 **EUWID +** 29 May 2024 | ⌚ ~ 6 min | [Published in issue 22/2024](#)

Fresh rounds of more or less successful price talks fuelled by hefty costs are colouring many parts of Germany's paper market at the moment. Fine paper pricing remains mixed, with special deals and price cuts helping to improve workloads. Companies have yet to reach their target prices. Regular hikes in pulp costs are now causing major headaches for producers, though. In light of this state of affairs, a number of producers have launched a fresh round of price hikes for May or June.

Higher prices are looming large for kraftliner, as well. Along with the upward trend in sales, sources are also citing higher production costs as a reason why they plan to tack on another €60/t. However, observers think that stable market conditions at the moment are primarily connected to production stoppages. For coreboard, too, costs rather than strong demand are driving the latest round of price increases.

Additional price talks ahead for fine paper in May and June

Steadily rising pulp prices have intensified the pressure on producers' margins. Notwithstanding this fact, pricing remains chaotic and mixed in Germany's coated and uncoated woodfree paper sector. Although several rounds of price hikes have been launched since the start of this year, current prices are much lower than manufacturers wanted and generally were no higher than in April. In some instances, small movements actually took place within the spectrum of prices mapped by EUWID. Rock-bottom prices have reportedly been eliminated. Average prices for the grades monitored by EUWID have increased by barely more than €30/t up to and including May.

Buyers said that announcements of price increases were routinely followed by withdrawals or sellers offering special conditions. Paper suppliers were staying in close touch with their customers, and many consultations were taking place to avoid losing orders. Since demand remains weak, though, it was generally easy for buyers to find cheap alternatives.

Despite manufacturers' commitment to raise their prices, they were not consistently pursuing their plans for price increases in an effort to keep machines busy. Paper is mostly available at short notice. Lengthy lead times were only cited for speciality grades. A few short-lived bottlenecks did surface because of machines taking downtime. In retrospect, brisker demand and

better workloads in the first quarter were primarily rooted in special effects, such as machine stoppages, strikes in Finland, high container rates and low inventory levels.

A number of fine paper manufacturers have also raised the prospect of price increases for mid-May. In most cases, suppliers are seeking to invoice €30-50/t more, with new prices to apply from the start of June at the latest. Manufacturers report having managed to reach agreements with big buyers on higher prices from 1 June onwards. Most buyers did not confirm agreements containing higher prices.

Producers report a real financial emergency due to escalating costs and are claiming a right to pass on these costs to their customers. They concede that supply still far exceeds demand. What is more, May and June had been the worst months in recent years. However, they had at least to be able to operate in a way that covered their costs.

Sources raised the prospect of a supply shortage if additional machines shut down permanently, just two or three suppliers were left on the market, and many speciality grades and special services were no longer available.

Although printers expressed understanding of the difficult situation facing paper mills, they fear that these circumstances and related higher prices might accelerate the trend away from printed products in publishing and advertising. They stressed that they did not exactly have it easy, either: They had faced tremendous competitive pressure for years now, and the outlook was not exactly rosy, either.

Insiders often described current order intake as very sluggish, especially in the offset printing business. The digital printing business was faring better by comparison. One contact told EUWID that large orders were few and far-between but were no longer fought over if they came at the expense of margins. The booking situation after Whitsun looked quite a bit better on the whole.

Higher kraftliner prices still up in the air

Manufacturers agree that the German market for packaging materials has stabilised, and order books have improved. Suppliers also underscored gratifying growth in the unbleached kraftliner segment.

That being said, the weak state of the macroeconomy, including sluggish retail markets, is slowing the recovery. Nevertheless, producers expect that demand for kraftliner will continue to strengthen thanks to the fruit and vegetable season and the fact that price hikes announced for white and brown grades for June, usually to the tune of €60/t, will take effect. Along with the upward trend in deliveries, sources are also citing higher production costs as the reason for the upcoming additional hike. Prices for kraftliner made in the US are reportedly pointing higher, as well.

That being said, converters are not witnessing a significant improvement in the market climate. Order intake in the corrugated board sector remains subdued in Germany, and the future outlook was described as “not exactly rosy,” either. Demand was thus likely to remain lacklustre.

Market conditions in the kraftliner business had recently benefited mainly from production stoppages that had significantly trimmed supply, market players stated. Converters doubt that the price increases announced by producers will take hold. They believe that they will manage to find cheap alternatives.

It took until May for April's hike in white-top kraftliner to take full effect. Bearing this in mind, observers do not think that the hikes for white-top kraftliner will go through in June, at least not in the full amount sought by producers. Supply is plentiful, given the current preference for brown grades.

Price talks for recycled corrugated case material are faltering, too. Insiders told EUWID that a price increase of €40/t had ultimately been negotiated for brown paper towards mid-month. However, a raft of market players expect that universal mark-ups will not take effect until June, with higher kraftliner prices not following until July.

Suppliers were also seeking higher prices for semi-chemical fluting with effect from 1 June.

Coreboard costs more, with some negotiations ongoing

Contacts told EUWID in the latest survey that demand for cores and coreboard had not altered since the start of the second quarter. Sometimes, business picked up a bit before subsiding again. A few contacts described April as the best month so far in 2024, while others encountered the first price cuts since the start of the year. A few companies described the market as good and demand as normal and stable, although not all core manufacturers or coreboard producers shared this opinion.

The price increase announced by producers, which has already taken effect in a few cases, is not fuelled by strong demand and a potential shortage. Instead, it was connected to paper mills' hefty costs, which are climbing because of the consistent growth in recovered paper prices.

Market players told EUWID that coreboard producers had sought to raise their prices by €50-60/t with effect from 1 May. An initial instalment of about €30/t had taken hold on that date, although not all converters handed over more. A few companies are reportedly still in talks or have pushed back the first hike until 1 June. Others are set to dig deeper into their pockets and pay a second instalment to reach manufacturers' original goal as soon as 1 June.

Core manufacturers feel that this step compels them to inform their customers of imminent plans to adjust their own prices. Companies that had already done so reported having a hard time raising their prices owing to a lack of demand.

German recovered paper exports touch record lows

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Germany's recovered paper exports are receding more and more. The country's export volumes in the first three months of 2024 fell 16 per cent year-on-year to 382,000 t, according to data published by the German Federal Statistics Office (Destatis). Never before has the figure for exports of "paper and board for recycling" in the first quarter been so low in the data series published by the agency since 2006. On the import side, volumes have increased following last year's sharp dip.

First quarter figures are particularly low for German recovered paper exports to the Far East. Shipments to India and Vietnam have fallen by over 70 per cent. Deliveries to the Netherlands and Belgium – key transshipment points for forward exports to Asia – are 25 per cent lower year-on-year. In Contrast, German exports to Switzerland and Turkey have roughly doubled.

Reflecting the lower trading volumes, the value of the exported recovered paper in the first quarter has correspondingly receded to €52m in the first three months of the year from €57m in the corresponding period last year, Destatis reports. The average value per tonne of recovered paper has, however, increased from €126 to €137, as corroborated by the increase in monthly prices documented in interviews conducted by EUWID.

Germany's recovered paper imports between 2021 and 2022 had exceeded the 5 million t threshold before plummeting by over 1 million t in 2023. Now, the figure is poised to increase again in 2024. According to Destatis, import volumes in the first three months of the year have increased by 7 per cent year-on- year to 1.1 million t. The average import value per tonne has receded from €151 to €141.

By far the biggest increase in the reporting period is seen in imports from Poland. With year-on-year growth of 63 per cent in import volume to 237,000 t, Poland has advanced to become Germany's biggest trading partner for recovered paper on the import side. Dutch recovered paper exports to Germany also increased by ten percent, contrasting with the significant drop in imports from Switzerland and the UK.

Billerud scraps \$1bn investment project at US mill Escanaba

Conversion of existing PM at “much more moderate” costs announced

EUWID + 28 May 2024 | ~ 3 min | Published in issue 22/2024



Billerud will not carry out the originally planned conversion of the US plant in Escanaba to cartonboard production. The main reason for this is that the originally planned investment sum of \$1bn will be “significantly exceeded,” explained Ivar Vatne, President and CEO of Billerud, at the press conference on the future of the plant. Billerud will therefore continue to supply the North American cartonboard market from Europe.

“After in-depth feasibility studies, evaluations, and supplier discussions, we have concluded that the projected return on investment is not sufficiently attractive to proceed with the conversion of Escanaba to cartonboard production. Instead, we will pursue a higher returning and more moderate investment strategy for our North American mills going forward,” Mr Vatne stated.

However, the company underlined its commitment to the US operations, the CEO said. Since the acquisition in 2022, the development in the region had exceeded the company's expectations. The long-term market outlook for paper and packaging material in North America was promising. “With better-than-expected machine flexibility we see great potential to diversify our product portfolio towards packaging grades – fully in line with our strategy,” said Mr Vatne.

Currently the production in North America is focused on woodfree and magazine papers. Although Billerud will continue to produce graphic papers – in particular coated freesheet, the demand for which is not declining as quickly as for magazine papers – the product mix will look very different in 2030, with a much greater emphasis on specialty and packaging papers. The focus here will lie on containerboard and lightweight board grades such as SBS and CUK, said Mr Vatne.

The company's Quinnesec mill with a capacity of 430,000 tpy of graphic and label papers and 210,000 tpy Northern Bleached Hardwood Kraft (NBHK) pulp is Billerud's North American “crown jewel” and the newest pulp and paper mill in North America, according to Mr Vatne. Billerud expects to use this machine for coated freesheet production, but already started successful and promising trials with specialty paper and coated liner production.

The Escanaba mill currently has a capacity to produce 730,000 tpy of coated freesheet and magazine papers as well as label papers. Paper machine E3 already produces speciality papers, which perfectly fits Billerud's portfolio. The smaller E1 will produce a mix of graphic papers and low grammage cartonboard and kraft papers. Plans for the E4, a relatively new machine, are to produce both graphic papers and containerboard. "The challenge here is to increase the caliper", Mr Vatne said.

Investments in Europe will focus on the BCTMP project in Norway, Mr Vatne said. Joint venture company Billerud Viken plans to build a 200,000 tpy BCTMP (bleached chemi-thermomechanical pulp) mill at the premises of the former Norske Skog Follum mill in Hønefoss. In the second half of the year Billerud expects to receive the environmental permit for the project.

In addition the company will decide on the renewal of the recovery boiler at the Gävle plant in the next few years, which will soon have reached the end of its life cycle. The renewal of the recovery boiler at the Frövi mill was successfully completed in Q4 of 2023.

Stora Enso postpones decision on Langerbrugge conversion

28 May 2024 [Bernd Hecht](#) | ⌚ ~ 2 min [Published in issue 22/2024](#)



Stora Enso has not yet decided whether to convert on of the Langerbrugge PMs to containerboard production.

which will be taken in due time."

Stora Enso has postponed indefinitely its decision on whether to convert a paper machine at its Langerbrugge publication paper mill in Belgium to the production of recycled corrugated case material.

In a press release, Rebekka Thielemann, VP Product and Sales Recycled Containerboard, said: "Our study on the opportunity to deliver more recycled packaging to the market proved positive. However, as the availability of recycled containerboard in Europe currently meets market needs, we decided to postpone the conversion decision,

She added that Stora Enso will remain "agile and responsive" to market trends, while remaining committed to provide products and services that the company's clients expect in the foreseeable future.

In the course of its withdrawal from the printing and writing paper market and the decision to sell four of its then five graphic paper mills two years ago, the company announced that it was [examining the possibility of converting one of its two paper machines](#) at the Langerbrugge site to produce recycled corrugated case material. A feasibility study in this regard was subsequently initiated. The additional paper capacity, which was then estimated to stand at around 700,000 tpy, was intended to strengthen the company's own production of packaging based on recycled paper.

However, the market for containerboard and corrugated board in Europe suffered a slump last year and currently has more containerboard capacity than it needs. This is also due to the fact that additional paper capacities have come onto the market in the past two years as a result of conversions and new machines, and more will follow.

The [Langerbrugge mill](#) produces newsprint and SC paper based on recovered paper on two paper machines. The two machines have a combined capacity of 540,000 tpy and also process around 540,000 tonnes of recovered paper annually. Langerbrugge is self-sufficient in steam and can produce around three quarters of its own electricity requirements.

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The Recycling Association announces new leadership

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Celine Grant and Colin Clarke are the new leaders of The Recycling Association

The Recycling Association (TRA) has appointed a new President and Vice President. Celine Grant has become new President after Craig Curtis stepped down after a five-year term as President. Colin Clarke will become the new Vice President and will take over from Ms Grant after a two-year term.

Ms Grant is Commercial Director at Re-Gen in Northern Ireland and has been a director there since 2004. She has served on The Recycling Association's governing Council since 2017.

Mr Clarke is managing director of Winfibre, which is based in Nottingham. He too joined the Council in 2017.

Celine Grant said: "I am delighted to take over as President of The Recycling Association at a time when so much is happening in terms of legislation and regulation and the Association is growing rapidly. Over my two years as President, The Recycling Association will look at material quality as one of its priorities and I look forward to working with the team on that. I'd also like to take this opportunity to thank Craig Curtis for his time as President. He is a man of integrity that has guided and presided over The Recycling Association through difficult times including Covid, enabled the smooth transition from Simon Ellin as chief executive to Paul Sanderson, and ensured that the Association has been successful during his time as President."

Mr Clarke added: "I am honoured to become Vice President with Celine and Paul and everybody else at The Recycling As

Mr Curtis commented: "It has been a pleasure to be Preside to be a member of the Council and support Celine and Colir

Mondi breaks ground on mill conversion in Duino

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From 2025, Mondi will produce recycled containerboard at the Duino mill

Mondi has officially started with the conversion of the Duino mill in Italy to the production of corrugated case material. The company broke ground on the investment project in an official ceremony on 23 May.

According to CEO of Mondi Corrugated Packaging, Markus Gärtner, the project team is currently preparing for the upcoming construction works, with a new recycled fibre plant, wastewater treatment plant and the associated infrastructure and warehousing.

The Duino mill is located in northern Italy, not far from Trieste, and was acquired by Mondi in January 2023. The company will convert the site's paper machine, which used to make magazine paper, to the production of recycled corrugated case material with an annual capacity of 420,000 tpy. Start-up is planned for 2025.

The investment sum is put at €200m. It is part of the group's €1.2bn of approved investments in organic growth projects which aim at meeting the growing demand for packaging.