

Price decline for BEK pulp gains momentum in Europe, NBSK prices expected to follow suit

Weak demand and high supply fuel price diversity in the market

 12 June 2025 | ~ 5 min | Published in issue 24/2025

The European pulp market is becoming increasingly weak in the second quarter. This is not only due to the economic downturn and sluggish consumer demand in Europe. Numerous public holidays and long weekends in April and May have led to an additional decline in production in the paper industry. In addition, the lingering trade dispute between the USA and their business partners in Europe and Asia – exacerbated by the erratic course of the US government – is fuelling considerable uncertainty and encouraging customers to hold back on purchases. Pulp demand is therefore declining and the oversupply is becoming more pronounced.

EUWID Price Watch Western Europe				
May 2025				
CF European pulp	May 2025 ¹⁾	April 2025 ²⁾	May 2024 ³⁾	
Bleached softwood pulp				
Softwood kraft				
From Scandinavia and Canada in 40%	1,385 - 1,400	1,404 - 1,422	1,395 - 1,402	
From Scandinavia and Canada in 50/50	1,380 - 1,400	1,390 - 1,400	1,320 - 1,340	
Southern softwood from the US in 40%	1,350 - 1,350	1,340 - 1,377	1,340 - 1,350	
Southern softwood from the US in 50/50	1,340 - 1,350	1,340 - 1,350	1,480 - 1,470	
Bleached hardwood pulp				
Black pulp from Scandinavia in 40%	1,017 - 1,035	1,049 - 1,064	1,112	
Eucalyptus pulp				
From Portugal/Spain in 40%	1,017 - 1,035	1,049 - 1,064	1,112	
From South America in 40%	1,017 - 1,035	1,049 - 1,064	1,112	
From South America in 50/50	1,180 - 1,180	1,180 - 1,220	1,480	
Southern hardwood in 40%	970 - 982	1,004 - 1,010	1,219	
Southern hardwood in 50/50	1,110 - 1,120	1,110 - 1,140	1,140	
Hardwood BK 70/90				
From Scandinavia and Canada in 40%	835 - 845	851 - 866	840 - 850	
From Scandinavia and Canada in 50/50	830 - 840	830 - 840	780 - 795	

In this market climate, downward pressure on pulp prices is intensifying. Initially, a further rise in pulp prices was prevented in April and prices were subsequently lowered. Bleached eucalyptus kraft (BEK) pulp and other hardwood kraft pulp grades saw a price decline of at least \$40/t for deliveries in May. In negotiations for June deliveries, suppliers and buyers are said to discuss further discounts of \$60-80/t, depending on the initial level.

On the market for bleached softwood kraft pulp, suppliers managed to keep prices for May deliveries stable, with only a few exceptions. However, price reductions for northern bleached softwood kraft (NBSK) pulp for June deliveries were also being discussed during negotiations at the beginning of the month. Price negotiations were still ongoing in the first week of June, and the extent of the price reductions therefore remained unclear in some cases.

Market participants were not surprised by developments on the European market, either in terms of the speed or the size of the discounts. The order situation at the largest customer, the paper industry, is weak and machine utilisation is correspondingly low: starting with fine paper manufacturers, who are struggling with capacity utilisation of 60-65 per cent, through folding boxboard manufacturers with around 70 per cent utilisation, to speciality paper manufacturers with 70-75 per cent utilisation. In addition, insolvencies and closures in the fine and speciality paper sectors over the past twelve to eighteen months had had a lasting negative impact on pulp demand, noted some pulp manufacturers.

Only manufacturers of sanitary and household papers are said to still be busy, but even here, the positive picture is increasingly crumbling, according to some suppliers. Tissue manufacturers had reduced their order volume for some time now, they said. According to one pulp supplier, this also reflects the general development on the market for tissue products. Another pulp manufacturer complained that there were now initial considerations for extended maintenance shutdowns in the tissue industry for the summer.

Nevertheless, participants in the pulp market remain largely unperturbed and are trying to make the best of the current situation. Customers are generally reluctant to call off their full contracted volumes. They are increasingly looking for alternatives on the spot market and attempt to leverage these low prices in discussions with their regular suppliers. However, despite falling prices, even the spot market is quiet. Amid ongoing uncertainty customers are holding off orders.

Pulp manufacturers, for their part, are trying hard to keep their customers on board and are offering them various pricing options. Insiders say that splitting quantities and making partial purchases at contract and spot prices from a single source is certainly possible. Suppliers' priority at the moment seems to be to sell volumes. There is a lot of pulp on the market, especially BEK, and individual pulp manufacturers have high inventories, which they are trying to reduce by offering low prices and other concessions to customers, according to reports.

The market for softwood pulp is less oversupplied, but here too, customers clearly have the upper hand. There is currently significantly more supply than demand, and the problem is clearly low demand, said one pulp manufacturer.

The large price difference between hardwood and softwood pulp is also fuelling the decline in demand for softwood pulp, according to insiders. Paper manufacturers needed to cut costs and were making greater use of cheaper eucalyptus pulp, they said. One EUWID respondent said that even integrated paper manufacturers were sourcing more eucalyptus pulp while selling their own softwood pulp on the market. Integrated paper mills have been more active on the pulp market for months now. With order books slim, they are producing significantly less paper and have more market pulp available, according to market sources.

World market pulp statistics			
April 2025			
1,000 t	April 2025	March 2025	April 2024
Shipments	4,273	5,230	4,184
Bleached Softwood	1,616	2,044	1,742
Bleached Hardwood	2,502	3,014	2,303
Unbleached kraft pulp (UKP)	153	169	137
Sulphite	3	2	3
Producer inventories	44	41	42
(Days of supply at month-end)			
Bleached Softwood	41	38	37
Bleached Hardwood	47	44	46
Compiled data based on a sample of 20 countries (17 current producers and 3 past producers included in the historical data) which together account for 82 per cent of world chemical market pulp capacity.			
Source: Pulp and Paper Products Council			

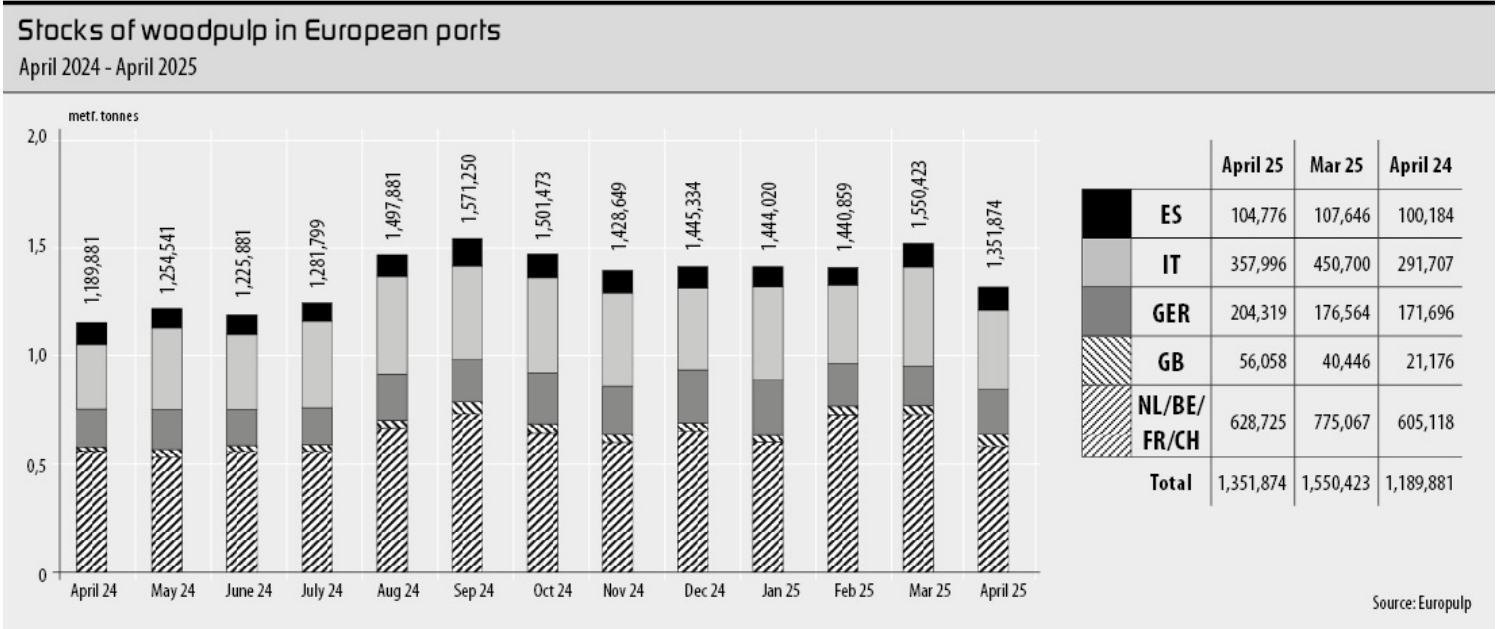
Low prices and cost pressure lead to initial downtime measures

There is no improvement in sight for pulp manufacturers. Only a sudden upturn in business in China could change the situation in favour of pulp suppliers, according to some market players, but this does not appear likely at present. However, EUWID sources also say that for many suppliers, it is not just a question of declining demand from China. It is also the low sales prices on the world’s largest market that are causing problems for manufacturers in Europe and North America.

With costs in euros and sales in US dollars, European producers are struggling amid weak dollar exchange rates and low export prices. Some manufacturers or pulp mills already seem to be struggling with the current price level and are reportedly operating close to or even below the cost threshold.

In Finland, this led to the first temporary shutdowns being announced by an NBSK manufacturer at the beginning of June. Further shutdowns could follow, and some EUWID sources are certain that eucalyptus pulp manufacturers would also be affected.

Inventories and consumption of pulp consumers in Europe								
April 2025								
tonnes		UNBLEACHED		BLEACHED / SEMI-BLEACHED			Total	Previous year
		Sulphite & Kraft	Softwood sulphite	Hardwood sulphite	Softwood kraft	Hardwood kraft		
Inventories								
March	2025	7,947	25,462	8,458	218,400	441,645	701,912	665,773
April	2025	7,038	27,068	7,064	217,682	436,958	695,810	671,490
Consumption								
March	2025	7,890	34,542	13,999	243,022	573,700	873,153	894,668
April	2025	8,120	32,636	13,035	221,764	509,663	785,218	866,499
NB: Total and previous year total do not include DIP and CTMP, figures are constantly revised.								
Each national Association has to provide an estimation for 100% of the national volumes out of their samples (from 80% to 100% depending on the countries).								
Source: UTIPULP								



Södra starts up in Mönsterås

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Södra has officially broken ground on its new kraft lignin production plant in Mönsterås, Sweden. Once completed in 2027, the 1,400 m² facility will be the largest of its kind globally and the first commercial kraft lignin plant in the country.

The project is a central element of Södra's strategy to diversify its bioproducts portfolio. By extracting and drying kraft lignin – a natural polymer released during pulp production – the company aims to develop fossil-free alternatives for a wide range of industrial applications, e. g. in adhesives, rubber, batteries, fuels and bio-stimulants. Currently, lignin from pulp mills is mostly used to generate energy on site.

Rottneros adjusts loan terms

 **EUWID +** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Rottneros has reached an amended and restated loan agreement with its lenders. The revised loan agreement includes a liquidity covenant and a profitability target that will remain in place until 30 September 2026. These provisions replace the company's previous leverage covenant and are designed to provide greater flexibility as Rottneros navigates a changing market environment.

Rottneros had previously announced a fully guaranteed rights issue on 20 May 2025, which is subject to approval by an Extraordinary General Meeting. The issue will be conducted with preferential rights for existing shareholders and is expected to raise approximately SEK300m before transaction costs.

Arctic Paper, which holds 51 per cent of Rottneros' shares and votes, has committed to subscribing for its full pro rata share in the rights issue and will also underwrite the remaining portion not covered by other shareholders. With that condition now met, the rights issue can proceed as planned.

UPM abandons Rotterdam biofuels project

 **EUWID +** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

UPM will no longer pursue its planned second biofuels refinery at the Port of Rotterdam. The company announced that it would discontinue all development and engineering activities related to the proposed site and withdraw from associated commitments. The decision follows extended technical, commercial and strategic evaluations, UPM said. Instead, the group intends to sharpen its focus on proprietary technologies and feedstock innovation to support the growth of its biofuels business, particularly in road and aviation fuels. UPM's existing biorefinery in Lappeenranta, Finland, will remain the core of its biofuels platform. The site produces renewable diesel and naphtha from Crude Tall Oil (CTO), a wood-based residue from pulp production.

Going forward, UPM said it would target growth in three areas: expanding the Lappeenranta refinery's capacity, advancing the commercialisation of CTO-based fuels for sustainable aviation fuel (SAF) applications, and enabling the use of new types of sustainable biomass feedstocks.

Green Bay Packaging invests in recovery and biomass boiler systems

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Green Bay Packaging (GBP) has awarded an engineering assignment to **Afry** as part of the multiyear modernisation of its Arkansas Kraft paper mill in Morrilton, USA. The programme includes the upgrade of recovery and biomass boiler systems, alongside the installation of a new electric turbine generator. This addition is a central element of GBP's decarbonisation strategy, targeting a significant reduction in Scope 1 and 2 greenhouse gas emissions. Afry's responsibilities will cover detail engineering, procurement support, site engineering, and commissioning support. GBP has also acquired approximately 120 ha of land for future investment and expansion to secure the long-term development of the Morrilton site.

Essity launches steam-powered tissue machine in New Zealand

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Essity and **Toscotec** have launched the world's first tissue machine (PM 3) powered entirely by geothermal steam at the Kawerau paper mill in New Zealand. The central component of the renovated PM is a TT SYD steel Yankee cylinder in combination with a steam-heated TT Hood, both of which are powered exclusively by geothermal steam. The production capacity of the tissue machine has also been increased, says Toscotec without providing any details on the new capacities. According to its latest figures, Essity produces 60,000 tpy of hygiene paper products at the Kawerau paper mill.

Andritz delivers TM with new technology to China

 **EUWID +** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Austrian engineering company **Andritz** has commissioned the world's first PrimeLineHyTAD tissue machine for **Chongqing Longjing Paper** in Chongqing, China. Andritz reports that its new technology reduces fibre and energy consumption by up to 50 per cent compared with conventional TAD machines. The TM installed in Chongqing achieves an operating speed of up to 1,500 m/min and has a working width of 2.85 m.

Mayr-Melnhof finalises sale of Tann Group

 **EUWID +** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Mayr-Melnhof Karton (MM) has completed the sale of **Tann Group** to Singapore-based **Evergreen Hill Enterprise**. MM had acquired Tann in 2018 through its folding box division MM Packaging. At the time, the company put the Tann Group's value at €360m. Tann operates seven production sites in Austria, China, the Philippines, Turkey, Canada and Germany and has around 730 employees. The company prints and finishes fine paper which MM says is not part of its core business.

Metsä Fibre takes commercial downtime at Joutseno NBSK pulp mill

 **EUWID** + 12 June 2025 | ⌚ ~ 2 min | [Published in issue 24/2025](#)

Pulp producer Metsä Fibre, part of Finland's Metsä Group, is taking a temporary production shutdown at its Joutseno softwood pulp mill in response to weak market situation. The company stated that the production shutdown at the Joutseno pulp mill will enable it to adjust its pulp inventory levels and match output to the low order volumes from Asia and the uncertain market situation.

The commercial downtime was started on 9 June and production is said to remain suspended until further notice. "We are actively monitoring the development of the market situation, especially in the Asian markets, and will determine the duration of the shutdown and the timing of the mill's restart based on how the situation evolves," said Ismo Nousiainen, CEO of Metsä Fibre.

The Joutseno mill in Lappeenranta has a staff of 190 and produces northern bleached softwood kraft (NBSK) pulp with a capacity of up to 690,000 tpy.

In May, Metsä Fibre had completed the statutory negotiations with employee representatives at the Joutseno mill, which allow the company to temporarily lay off the mill's personnel for a period of maximum of 90 days also in the second half of the year if necessary.

On 28 May, Metsä Fibre also initiated the annual maintenance shutdown at the company's largest pulp mill in Kemi. The shutdown is expected to last approximately five weeks, during which time the company will also replace the units in the mill's evaporation plant that were damaged and provisionally repaired following the gas explosion at the site in the first quarter of last year. This is said to improve the plant's operational reliability and performance further.

Metsä Fibre's Kemi facility is one of the biggest softwood pulp mills worldwide. The mill features a total capacity of 1.5 million t. Of this total, 1 million t are northern bleached softwood kraft (NBSK) pulp, 300,000 t northern bleached hardwood kraft (NBHK) pulp and 180,000 t unbleached kraft pulp (UKP).

The shutdown of the Kemi products mill is also affecting white-top kraftliner production at the adjacent containerboard mill. The downtime is expected to last approximately five weeks. If needed, white-top kraftliner could be produced with special arrangements also during the bioproduct mill's downtime at a lower than normal production level, a company spokesperson told EUWID.

The Kemi containerboard mill runs one machine with an installed capacity of 465,000 tpy of white-top kraftliner.

Insolvency proceeding for Köhlerpappen opened

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Insolvency proceedings were opened for **Köhlerpappen**, based in Gengenbach, Germany, on 1 June 2025. The company had already filed for insolvency in March. Köhlerpappen manufactures products from various raw materials such as waste paper, grass clippings and wood pulp, particularly for applications in the packaging and games industry. With a total of 97 employees, Köhlerpappen has an annual production capacity of 48,000 t.

Andritz acquires Diamond Power International

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Austrian technology group **Andritz** has signed an agreement to acquire **Diamond Power International** from US-based Babcock & Wilcox Enterprises. Diamond Power designs and manufactures advanced boiler cleaning systems. The company operates two manufacturing sites in Dumbarton, Scotland and Lancaster, USA as well as subsidiaries in 15 countries. It achieves sales revenues in the range of €100m with a team of 400 staff. Diamond Power boiler cleaning systems and services complement Andritz' capabilities for the supply and maintenance of boilers.

Ahlstrom closes takeover of Stevens Point paper mill in the USA

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Ahlstrom has announced the completion of its acquisition of **Pixelle Specialty Solutions'** paper mill in Stevens Point, Wisconsin, USA. Financial terms of the deal were not disclosed. The Stevens Point mill operates two paper machines and has the capacity to produce 210,000 tpy of specialty paper, such as coated flexible packaging papers, release liner base, thermal papers, and other specialty labels. The facility supplies packaging materials for food, consumer packaging, and e-commerce applications. "This acquisition expands our market coverage and positions us to respond to the evolving needs of our customers in North America and beyond," said Ahlstrom in a press release.

Ence gets positive environmental impact statement for the new OCC recycled fibre plant in As Pontes

 **EUWID** + 12 June 2025 | ⌚ ~ 4 min | [Published in issue 24/2025](#)

Biofibras de Galicia, a subsidiary of Spanish pulp manufacturer Ence Energía y Celulosa, has cleared another hurdle towards the construction of its new recycled fibre pulp mill in Galicia. The Ministry of the Environment of the autonomous regional government of Galicia (Xunta de Galicia) has issued a positive environmental impact statement (EIS) for the planned industrial project in As Pontes in the province of A Coruña. The corresponding announcement was published on 28 May 2025 in the Official Gazette of the Region of Galicia (Diario Oficial de Galicia).

From the company's point of view, the positive EIS brings the project a decisive step closer to its realisation. However, further approvals and licences are still required, including the integrated environmental permit, before the final operating permit can be granted.

The large-scale project in the north-west of the country encompasses three phases and is expected to create around 1,250 new jobs, according to Ence. The company puts the total investment costs at up to €355m.

The first project phase, with an investment volume of €125m, comprises the construction of a fibre line with a production capacity of 100,000 tpy of bleached recycled fibre pulp, as well as the construction of associated infrastructure for the delivery, sorting and processing of paper for recycling. The new fibre line will reportedly process 160,000 tpy of old corrugated containers (OCC).

In the first phase of the project, Ence also plans to build a pilot plant for the chemical recycling of post-consumer textiles. Ence has joined forces with Swedish company Sharetex for this project. As part of Ence's Regatex initiative, the two parties have been working together since June last year to develop a technology that can also recover textile fibres from multi-component materials such as polyester-cotton blends and process them into recycled textile pulp. According to Ence, the new technology requires neither high pressure nor high temperatures and does not use toxic solvents. Initial tests have already been successful, the company says.

The second phase of the project involves the construction of a combined heat and power plant with a thermal capacity of 150 MW and an electrical capacity of around 50 MW.

In the third and final phase of the project, Ence plans to build a tissue plant in As Pontes. This would mark the Spanish pulp manufacturer's entry into the tissue market. The company did not provide any details on the potential production capacity of the

tissue plant and the time frame of the project.

Ence and the autonomous government of Galicia consider the project to be strategic for the sustainable reindustrialisation of the region. The paper recycling plant is to be built on the site of the As Pontes coal-fired power plant, which was decommissioned at the end of 2023.

Ence also emphasises the advantages of the project in As Pontes. It combines the recovery of paper and textile fibres with the production of renewable energy and CO2 capture. In addition to its ecological focus, the project is also expected to provide a significant economic boost for the region and the labour market.

Decline in sales volumes and prices reduce sales revenue and profits in the first quarter

Ence's results for the first quarter of 2025 were mixed. Revenue fell by 8 per cent to €187m, but the Ebitda result remained virtually unchanged year-on-year at €35m. Ence posted a net profit of €2m, a 33 per cent drop from the previous year.

Due to the maintenance shutdown at the Navia pulp mill, Ence was unable to produce as much pulp as last year, and sales volumes were down about 11 per cent from the previous year at 216,000 t.

After a decline in the second half of 2024, prices for bleached hardwood pulp rose again in the first quarter of 2025. However, average sales prices in the first quarter were €558/t, 7 per cent lower than last year. By contrast, cash costs per tonne of pulp rose by 5 per cent to €510/t in the first quarter. Against this backdrop, sales revenues in the pulp division fell by 15 per cent to €135m, while Ebitda remained unchanged at nearly €29m.

In the energy business, Ence increased segment sales by 15 per cent to €52m thanks to a 19 per cent increase in deliveries and a 4 per cent increase in sales prices. However, Ebitda in the energy business was around 10 per cent below the previous year's figure, and the segment posted a net loss of €4m.

According to its own statements, Ence continued its specialisation and diversification efforts in the first quarter of the year. Sales of speciality pulp from the Ence Advanced range increased further and already accounted for 35 per cent (Q1 2024: 19 per cent) of total pulp sales volume. In the fourth quarter of this year, Ence also plans to commission a 125,000 tpy fluff pulp line in Navia, further increasing the availability of specialty pulp grades in the company's portfolio. The fluff pulp will be suitable for the production of absorbent hygiene products, substituting imported softwood fluff pulp.

Ence results		
million €	January - March	
	2025	2024
Key figures		
Sales	187	204
EBITDA	35	35
Operating result	12	9
Net result	2	3
Business area review		
Pulp		
Sales	135	159
EBITDA	29	29
Operating result	14	11
Net result	6	6
Production, t	214,252	254,865
Deliveries, t	216,016	242,726
Renewable Energy		
Sales	52	46
EBITDA	6	7
Operating result	-3	-2
Net result	-4	-3
Deliveries, MWh	277,435	232,483
Source: Ence		

Feldmuehle paper mill resumes production

 **EUWID +** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

The insolvent manufacturer of label papers and flexible packaging papers Feldmuehle has restarted paper production. A company spokesperson told EUWID that paper machine PM 1 has been back in operation since Friday 6 June, after the plant was temporarily shut down as part of preliminary insolvency proceedings.

On 27 May, the German company filed an application for the opening of insolvency proceedings under its own administration. The competent court ordered provisional self-administration.

High energy costs and high raw material prices are stated as reasons for its financial difficulties. The company also said that sales revenues had been below expectations since the beginning of the year. Despite price increases, the rising variable costs could not be offset, it explained.

Papierfabrik Feldmuehle has been part of the portfolio of Berlin-based investment company Kairos Industries since June 2018. The company has around 200 employees and converts 80,000 tpy of raw materials. The portfolio includes wet-strength and alkali-resistant label papers and packaging papers.

Felix Schoeller closes German paper mill in Penig

 **EUWID+** 12 June 2025 | ⌚ ~ 1 min | [Published in issue 24/2025](#)

Specialty paper manufacturer Felix Schoeller will close its production site in Penig, Germany. Negotiations with the works council have been concluded and the site will be shut down on 30 June, according to a press release.

100 employees will be affected by the shutdown, some of which will be offered alternative employment at another company location, the company announced.

Felix Schoeller has decided to explore future use options for the site, which has a long history. The company therefore does not intend to dismantle or relocate any production-relevant machines and plants in the current year.

The closure of the Penig paper mill is part of the company's "Reinvent" production optimisation process.

Felix Schoeller offers paper solutions ranging from photo and digital printing papers to decor papers for the furniture and wood industries, release papers for medical devices and industrial applications, sublimation papers for fashion, sportswear and home applications as well as flexible paper composites for packaging.

Insolvent Kabel paper mill to be liquidated

 **EUWID +** 12 June 2025 |  ~ 1 min | [Published in issue 24/2025](#)

Insolvency proceedings for German company Kabel Premium Pulp & Paper commenced on 1 June, the Hagen District Court said in an announcement on 3 June. Production of publication paper grades LWC and MWC at the Hagen site has been discontinued, EUWID was informed. Business operations of Kabel Premium Pulp & Paper are now planned to be wound up.

The factory premises and the technical equipment have been put up for sale, according to the reports. Potential buyers have already expressed interest in the company's site. Industry experts talking to EUWID expect offers for the two paper machines also from abroad, e. g. from producers in India.

420 employees will lose their jobs after failed restructuring attempts. According to information obtained by EUWID, negotiations on the social plan and reconciliation of interests are already well advanced.

The insolvency administrator explained that the LWC and MWC producer has to be liquidated due to lack of investor interest.

Germany: Producers of fine paper struggle with high costs and low capacity utilisation

Seasonal uptick in demand for brown kraftliner supports pricing plans

 **EUWID** + 12 June 2025 | ⌚ ~ 5 min | [Published in issue 24/2025](#)

Producers of woodfree papers are hoping for some relief with regards to pulp and energy costs. Given the price pressure from buyers, though, paper mills are worried that their margin situation might not improve all that much. Moreover, they are unsettled by the downward demand trend for copy paper, offset paper and woodfree coated paper.

The price round to determine the delivery conditions for brown kraftliner in June ended with mark-ups, in light of the higher costs and seasonal bulge in order books. On the other hand, buyers report that availability is not a problem. EUWID respondents presented differing views about the market trend for white-top kraftliner and semi-chemical fluting.

Downbeat mood among fine paper suppliers amid high costs and demand slump

Sentiment is gloomy on the market for woodfree papers. Paper producers are in a critical situation, as they contend with fierce competition, a supply overhang and poor utilisation of their paper machines. The early onset of the summer lull this year in the fine paper business suggests that the structural demand decline for common grades is progressing faster than the capacity reduction measures undertaken by paper producers.

Paper industry representatives explain that demand for fine papers is contracting as expected, but business dealings are difficult right now due to increasingly last-minute ordering as well as general volatility.

Despite the lacklustre capacity utilisation rates at paper mills and some printing companies, papermakers are reluctant to give in to the price pressure coming from some buyers and print customers. Even though many customers want inexpensive paper, price concessions are impossible due to high production costs, they contend.

But the situation is apparently already having an impact on list prices, at least according to some market participants, especially for standard papers such as copy paper. While prices for A- and B-grade paper brands are relatively stable, paper in the lower segments has recently been offered very cheaply, EUWID was told. In some cases, the newly initiated direct deals with major paper suppliers are a contributing factor here. Moreover, folio sheets and coated sheets are also being offered at prices below the €1,000 mark – and thus lower than the line in the sand that producers purportedly drew in May. At the same time, deals above the €1,000 mark continue to be valid, as price movement is especially noticeable in the low-priced segment.

Paper mills are feeling competitive pressure from merchants, especially in the cut sizes and sheets segments. In the reels segment, on the other hand, paper factories have reportedly fought hard to secure orders, sometimes with prices at or even beyond their pain threshold.

Paper industry representatives are therefore calling for further measures to reduce the supply of fine paper. In contrast to the publication paper market, for example, the market for woodfree papers has the possibility to convert machines to make other paper grades, say experts. They point, for instance, to flexible packaging papers, a still-growing market.

Potential capacity changes are conceivable at basically all European sites, according to market experts. Yet, the future strategies of many fine paper producers are not always transparent, they add.

Imported volumes are exacerbating the situation and are calling into question the trusting business relationships between European players in the printing and paper industries. In addition, there is the tariff issue: Industry experts stress that although European firms' business with the USA is unlikely to grind to a halt because the transactions are too important for both sides, there is definitely a serious question of economic viability.

Widespread price increases for brown kraftliner realised

In the final days of May, the majority of contracts for brown kraftliner were signed with higher prices, the latest EUWID survey found. In most cases, prices are said to be rising by €40/t as of the beginning of June. Some converters already had to pay more in May, while certain respondents say they only need to shell out an additional €20-30 more in June.

The adjustment was attributed to the good capacity utilisation of kraftliner machines, particularly due to the fruit and vegetable season. Players do concede, though, that order intake could be livelier.

The buyers do not necessarily understand the need for this price hike, as they report no problems with availability. And the additional capacities are noticeable, they add. They criticise that this increase seems to have been an automatic reaction to the increase in the recycled packaging paper segment, which faced an extreme surge in recovered paper costs in April. Kraftliner producers argued that they, too, have experienced significantly higher pulp prices in recent months. For both raw materials, it now looks like prices are starting to trend downwards.

Against this backdrop, market watchers expect prices of both fresh-fibre and recycled corrugated case material to hold steady for the time being. The sluggish macroeconomic situation portends a severe summer slump, so prices could also soften when the summer holiday season gets underway, they say. Now is the time for price discipline, suppliers urge. EUWID respondents believe that kraftliner will see less of a negative impact. For one thing, various maintenance downtimes are planned between August and October. In addition, this grade is also benefiting from the absence of US volumes in the market. At the moment, kraftliner from the USA is playing only a very small role on the European market. Volumes are declining, and given the simmering tariff conflict, this is not expected to change anytime soon. Moreover, the substitution possibilities have now become very limited.

There was no price movement reported in the white-top kraftliner segment. Producers' pricing plans were postponed in some cases and abandoned in other cases after hikes also failed to go through for white recycled papers, say industry insiders.

There are mixed reports about semi-chemical fluting. In some instances, a minor price adjustment was apparently carried out – sometimes as early as May – while other prices remained unchanged.

Business climate declines in German printing industry

Statistical snapshot Germany

 **EUWID +** 12 June 2025 | ⌚ ~ 2 min | [Published in issue 24/2025](#)

The business climate in Germany's printing and media industry deteriorated significantly in May, putting an end to the modest upward trend that had been observed since February. According to the latest Konjunkturtelegramm published by the German Printing and Media Industries Federation (Bvdm), the seasonally adjusted business climate index fell by 4.3 per cent compared to April, reaching 85.1 points. This marks a decline of around 7 per cent compared to the same month last year.

Both current business assessments and expectations for the coming six months took a marked turn for the worse, based on data gathered by the Ifo Institute from decision-makers in the sector. The business climate index serves as an important leading indicator for the development of production output in the printing and media industry.

After a brief improvement in April, the seasonally adjusted current business situation index dropped noticeably in May, falling by 5.1 per cent to 83.0 points. This represents a 2.8 per cent decline year-on-year. The downturn is mainly attributed to a drop in the share of companies reporting positive business conditions – which fell from 15 per cent last year to just 3 per cent in May 2025. At the same time, the share of negative assessments decreased from 38 to 30 per cent, while neutral evaluations surged from 48 to 68 per cent.

Earnings remain under pressure. Only 1 per cent of respondents rated their current earnings situation as good, while 54 per cent described it as poor and 45 per cent as satisfactory. The overall earnings sentiment dropped 9 percentage points compared to the previous year, settling at a negative balance of -52 percentage points.

Looking ahead, business expectations for the next six months also continued to decline for the second consecutive month. The seasonally adjusted expectations index fell by approximately 3.5 per cent from the previous month to 87.3 points – the lowest level recorded in the past year. While a majority of 72 per cent of companies anticipate stable business conditions in the coming months, a quarter of respondents foresee a deterioration, and only 3 per cent expect an improvement.

Chapelle Darblay containerboard project receives state aid

 **EUWID +** 11 June 2025 | [Valeria Buß](#) |  ~ 2 min | [Published in issue 24/2025](#)

The long-awaited commitment has arrived: The French government has agreed to provide financial aid for the Chapelle Darblay project in northern France. The project involves the conversion of the site into a mill for recycled corrugated case material, to be implemented by pulp



manufacturer Fibre Excellence in partnership with waste management company Veolia. The project had been on the brink of failure because financing was not secured. Fibre Excellence declined to comment on whether and how it will now proceed with the project. The company also did not yet wish to comment on the status of financing and the state's financial participation.

According to the Filpac CGT trade union, which has been pushing for the project since the beginning, the French government committed on 6 June to provide support in the form of a capital investment. This should enable the company to obtain the necessary funds from the bank in order to restart the plant, the union said.

The state's capital investment amounts to €27m, according to Filpac CGT, as reported in several French media. The reports also indicate that the state has provided a further €25m in subsidies. Fibre Excellence must now raise additional private funds to secure the remaining financing. "However, these are much easier to obtain with the state on board," said Julien Sénécal, spokesperson for the CGT union and one of the key players in the fight to realise the project. The union recently estimated the total investment for the conversion project at €274m.

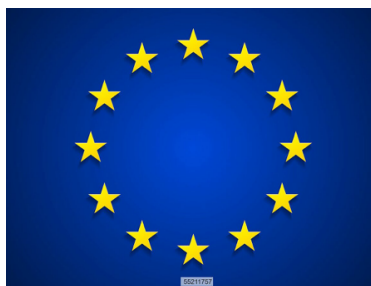
Filpac CGT, together with the Métropole Rouen Normandie municipal association and the city of Grand-Couronne, [recently wrote a letter](#) to industry minister Marc Ferracci highlighting the urgency of the matter. Fibre Excellence had been waiting for several months for a commitment of financial support from the state, without which the project was in danger of failing.

The pulp manufacturer's plan is to convert the former newsprint machine at the site to the production of recycled corrugated case material with a capacity of 400,000 tpy. The project was launched more than three years ago and was originally intended to involve Veolia as a co-owner. It was later decided that Veolia would only be involved as a partner and would supply the plant with recovered paper, once it was operational. However, the site is still owned by Veolia and is only leased by Fibre Excellence. The latest plan was for Fibre Excellence to take over the site once financing had been secured.

US tariffs: EU introduces new instrument to monitor increase in disruptive imports

11 June 2025 | 🕒 ~ 2 min | [Published in issue 24/2025](#)

The European Commission (EC) has introduced a new monitoring tool to protect the EU from sudden and potentially disruptive import surges. The system aims to prevent harmful trade diversions which can occur when goods that do not enter the destined markets due to high tariffs and other restrictions are subsequently diverted to the EU. By providing evidence-based information based on customs data, the surveillance tool will permit the EC to detect such import increases and take action to protect the EU market.



Manufacturers and industry associations invited to support import monitoring

To further strengthen the initiative, the EU Commission invites EU manufacturers, industry associations and member countries to review import trends available on the tool's website and provide further market intelligence and data on the economic situation of the sector. This would further support it to identify products that may be at risk due to significant increases in imports, the EC said.

The new instrument builds on the initiative of Commission President Ursula von der Leyen to set up a task force for import monitoring. The group is tasked with addressing the challenges of trade diversion, especially after the recent turmoil in the global trading system. The work of the task force focusses on providing timely and well-founded evidence to support the EU Commission's decision-making process. The task force earlier developed an internal dashboard that monitors all imports into the EU and uses statistical analysis to identify products that have seen a potentially harmful increase in imports. The working group will focus on the period from 1 January 2025 and will monitor imports and other indicators on an ongoing basis and publish results online.

In addition, the Commission says it is engaged in a dialogue with China to follow up on possible trade diversions and ensure that any notable developments are duly addressed.

EUWID readers can find further information on the new monitoring tool [here](#).

The submission form for industrial companies and industry associations in the EU is available [here](#).

CPI announces appointment of new Chief Executive

10 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 2 min | [Published in issue 24/2025](#)

The British Confederation of Paper Industries (CPI) has announced the appointment of Alex Veitch as its next Chief Executive.

Mr Veitch will take up his role from 26 August 2025, following several years as Director of Policy and Insights at the British Chambers of Commerce. He brings over 25 years of experience in strategic leadership, service delivery, policy, research, communications, and member relations, including positions at Logistics UK, HMRC, the Rail Delivery Group, and the Energy Saving Trust.



Alex Veitch, incoming CPI Chief Executive

Kevin Bussey, CPI President, said: "Alex impressed the Board with his in-depth knowledge of UK industry and drive to build a sustainable future for UK manufacturing. He has made a significant impact in previous organisations as a strategic leader and effective influencer and will bring relevant expertise and skills, and a strong member-led approach to the role. The Board believes he has the right combination of skills and experience to lead the Confederation into the future."

Alex Veitch, incoming CEO, said: "I'm absolutely delighted to be joining CPI as Chief Executive. This sector brings together so many of the things I care about – championing UK manufacturing, building a sustainable economy, and providing skilled jobs for the future. I'm genuinely excited to join the fantastic CPI team and build on its position as the leading membership body for this great sector."

The Board would like to extend their warm thanks to Andrew Large who will step down as Director General in July to pursue further opportunities in the UK association sector after nine years in post. "Andrew's leadership during the past few years has been invaluable, and he has successfully piloted CPI through Brexit, Covid, and the energy cost crisis to leave it in a strong position to face future challenges. We wish him all the very best in his future endeavours," the CPI said.

Solidus confirms plans to close Bad Nieuweschans

09 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 24/2025](#)

Solidus, a leading producer of solid board and packaging solutions, has confirmed plans to permanently close its production site in Bad Nieuweschans, the Netherlands, and to realign its overhead functions.

The decision follows a strategic review of the company's operational footprint, launched at the beginning of the year as part of a broader effort to enhance performance and lay the groundwork for future growth.

The company's management has entered into discussions with the Works Council and trade unions to negotiate a social plan aimed at supporting affected employees during the transition.

Production volumes from Bad Nieuweschans will be redistributed across other facilities within the Solidus Group. The move is intended to improve production efficiency and optimise capacity utilisation across the company's manufacturing network.

Solidus notes that the decision comes amid a persistently challenging market environment. Like the broader industry, the company continues to face subdued demand and escalating input costs, particularly for gas, energy and CO₂ emissions, which are weighing on financial results.

Despite these headwinds, Solidus says it remains well positioned to build on its strengths. With a streamlined cost base, new capital in place, and a sharpened strategic focus, the company aims to reinforce its position as a specialised market leader in both domestic and international markets.



With the closure of the Bad Nieuweschans site, Solidus will increase operative efficiency and capacity utilisation at the remaining sites.

KC and Suzano to form global tissue joint venture

05 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 24/2025](#)

Kimberly-Clark (KC) and Suzano have agreed to establish a new joint venture that will combine KC's International Family Care and Professional (IFP) business with Suzano's industrial and fibre expertise, forming a major global player in tissue and professional hygiene products.

Under the agreement, [Brazil's Suzano](#) will acquire a 51 per cent stake in the new venture for \$1.734bn, while [KC](#) will retain 49 per cent. The company is expected to generate

around \$3.3bn in annual net sales, operating in over 70 countries across Europe, Latin America, Asia, Africa, and Oceania. The joint entity will manage 22 manufacturing sites and employ approximately 9,000 people.

The transaction is part of KC's transformation strategy, aimed at prioritising higher-margin, higher-growth segments – notably personal care and North American tissue operations. The divested IFP business includes over 40 regional brands and will license five major global brands – Kleenex, Scott, Viva, WypAll and Kimberly-Clark Professional – under long-term agreements.

According to Kimberly-Clark, the deal allows the company to reduce cost volatility, enhance margin predictability and return capital to shareholders. The company expects the transaction to be modestly dilutive to adjusted EPS in the first full year after completion, with closing anticipated in mid-2026, pending regulatory approvals.

The new venture will be headquartered in the Netherlands, with a governing board comprising three Suzano and two Kimberly-Clark representatives. Suzano will hold an option to acquire the remaining 49 per cent stake in the future.

For Suzano, the move marks a major step in its global expansion strategy, building on the company's 2023 acquisition of Kimberly-Clark's Brazilian tissue business. The new joint venture is expected to leverage both companies' complementary strengths in fibre production, brand management and commercial operations.



The new joint venture will include Kleenex, along with the Scott, Viva, WypAll and Kimberly-Clark Professional brands.

MM Packaging Bangor Rebrands as CB Paper Sacks

05 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 24/2025](#)

Rebranding marks new chapter for Northern Irish sack producer following change of ownership.

Northern Irish paper sack producer MM Packaging Bangor has announced its rebranding as [CB Paper Sacks](#), effective immediately. The name change comes in the wake of the company's recent acquisition by Cordovan Capital Management Ltd. and packaging industry expert [John FitzGerald](#).



from left: Paul Morris, Simon Nelson, Mary Mackey, Declan McGrady, Stephen Dunlop and Paul Mercer

According to the company, the rebranding reflects CB Paper Sacks' strengthened identity as an independently owned specialist in sustainable paper sack solutions. The new name pays homage to the company's historical roots: the business was originally founded in Dublin in 1956 as C.B. Paper Sacks before relocating to Bangor, County Down.

Managing Director Declan McGrady said the change "honours our legacy while unlocking new opportunities for innovation and customer collaboration." He added: "Rebranding as CB Paper Sacks aligns us with a dynamic exciting future and strengthens our position in the paper sack market in Ireland and the UK."

The company says it will preserve existing contracts, and continue to serve core markets including agriculture, animal feed, pet food, milling, and industry.

The rebrand is part of a broader strategy to grow the company's market presence and expand its offering of environmentally responsible paper-based packaging solutions.

CB Paper Sacks is a leading manufacturer of multi-wall paper sack solutions with a footprint to produce 2 million finished goods, serving customers in Ireland, the UK and Continental Europe, among them Lakeland Dairies, Dairygold, Muller, Mars and several others.

Shotton Mill upgrades furnace, signs service agreement with Valmet

02 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 24/2025](#)

Valmet has signed an agreement to deliver a furnace upgrade and long-term service package to Shotton Mill in the UK. The project, part of the [ongoing transformation of the site under Eren Holding](#), is scheduled for completion by the end of 2025.



*View from Eren's Shotton Mill
on the Flintshire Bridge,
September 2024*

The upgrade will involve installing specially coated panels to protect the bubbling fluidised bed (BFB) boiler furnace from corrosion and erosion, thereby extending its operational lifetime.

In addition to the technical upgrade, Valmet and Shotton Mill have agreed on a long-term service contract. This includes regular inspection services and tailored online training for staff, aiming to support operational reliability and enhance internal expertise.

Mehmet Arel, Energy Manager at Shotton Mill, commented: "We are delighted to continue strengthening our partnership with Valmet as they deliver this vital furnace upgrade and long-term service agreement."

The furnace investment aligns with Shotton Mill's broader site development strategy. The mill is currently being equipped with new production lines for containerboard and tissue, both supplied by Valmet.

Valmet's Nigel Earp, Service Manager for the EMEA region, emphasised the continuity of the partnership: "The service agreement will further strengthen our cooperation with the customer, enabling us to develop the mill's operations together over the coming years."

