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Velvet Care establishes DACH sales subsidiary to drive expansion

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Polish tissue paper and products manufacturer Velvet Care is advancing its international expansion strategy with the establishment of Velvet Care Germany, a dedicated sales subsidiary serving the DACH region.

Founded in May 2026, Velvet Care Germany will be responsible for the distribution of tissue products across Germany, Austria and Switzerland. The company is headquartered in Freiburg im Breisgau in southwest Germany. According to Velvet Care, the new subsidiary will primarily focus on the German market, supplying retail chains with tissue products. Over the coming months and years, the company plans to gradually expand its activities into Austria and Switzerland

Acting as the group's sales organisation in the German-speaking region, the company will manage customer relationships and support business development activities. Its team of Customer Business Managers will be backed by a German-speaking sales support and customer service organisation.

Stephan Knapp has been appointed Country Manager for the DACH region. He brings many years of experience in the consumer goods and private-label sectors, having previously worked for companies including Unilever, Reckitt and the Dr. Beckmann Group.

Velvet Care describes the establishment of the subsidiary as an important step in its international growth strategy. "We plan to triple Velvet Care's private-label sales in the German market in the next few years and then continue our growth trajectory," said CEO Paweł Bajorek, who assumed his role in February 2026.

Velvet Care employs around 1,300 people and generated sales of approximately €420m in 2025. The group's main production site in Klucze, Poland, houses four tissue machines with a combined production capacity of 210,000 tpy. The Velvet Care group also includes Czech tissue converter Moracell and Polish converter Private Label Tissue.

Logistics expansion with new high-bay warehouse in Klucze

At the end of May, Velvet Care commissioned a fully automated high-bay warehouse at the Klucze site. Designed for continuous 24/7 operation, the facility offers capacity for 42,612 pallet positions and, according to the company, ranks among the largest warehouses of its kind in Poland.

Velvet Care described the commissioning of the warehouse as an important milestone in the further development of logistics operations at the site. The facility forms part of a €91m investment programme aimed at strengthening the company's market position in Central Europe. The project also included the installation of the group's fourth tissue machine, TM 9, at the Klucze mill which started up in December 2025.

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French packaging association CAP expects marked business downturn in H2

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French manufacturers of cartonboard packaging, cores and paper products anticipate that business conditions will worsen significantly in the second half of 2026. This is one finding of a business survey by the French industry federation Fédération du Cartonnage et des Articles de Papeterie (CAP) that was conducted in May among 30 managing directors from member companies.

In the first half of the year, 40 per cent of companies surveyed by CAP reported that their business situation had deteriorated. And looking ahead to the next few months, they see no improvement on the horizon. On the contrary, they anticipate falling sales revenues, mounting pressure on liquidity and further job cuts.

The federation noted that the conflict in the Middle East had put the sector under severe strain. Altogether, 97 per cent of companies reported being directly affected, with 70 per cent saying that their raw material procurement costs had jumped by five to 20 per cent. Energy and fuel costs also soared, with one in two respondents reporting price hikes of more than 20 per cent.

Additionally, companies reported disruption across their supply chains. In a few instances, supply shortages even forced manufacturers to partially or completely halt production, the survey revealed.

In response to the challenging market environment, 70 per cent of companies surveyed have already put measures in place or are preparing to do so. These include postponing or cancelling planned investments, renegotiating terms with suppliers or even targeting new markets and broadening their supplier base.

CAP represents manufacturers of folding cartons, corrugated cartons, cores and paper products in France. The association reports having 300 member companies, which operate a total of 500 production sites in France and employ 17,000 people. Altogether, the sector generated sales revenues of approximately €4.4bn in 2024.

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Le Bourray restarts tissue machine TM 3 after rebuild

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French tissue manufacturer Papeterie Le Bourray has recommissioned the TM 3 at its mill in Saint-Mars-la-Brière, France, following a rebuild of the drying section. The project was announced in September 2025 and was originally scheduled to be finalised in March this year.

“The project [...] falls outside our recurring investment budget, which clearly reflects its strategic importance for our paper mill,” commented François Bourdin, General Director at Papeterie Le Bourray. According to Toscotec, who was entrusted with the rebuild work, the investment will improve the efficiency of the machine and reduce energy consumption while maintaining a consistent production capacity.

Papeterie Le Bourray specialises in the production of white and coloured tissue papers used in applications such as napkins, placemats and tablecloths, as well as specialty cellulose wadding for filtration, medical and hygiene products. The company does not operate any converting facilities and runs a single paper mill in Saint-Mars-la-Brière. The site has a paper production capacity of 29,000 tpy across two paper machines and employs around 130 people.

In September last year, Papeterie Le Bourray announced that it would build a third tissue paper machine at the site. A company spokesperson told EUWID that work to install the new machine is currently ongoing, but did not specify the exact start-up date. In earlier reports, the company stated that the TM was scheduled to be commissioned by the fourth quarter of 2026 at the latest.

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Nicklin Transit Packaging acquires Geddes Packaging

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British Nicklin Transit Packaging has strengthened its position in the UK packaging market through the acquisition of Geddes Packaging, a manufacturer of timber, corrugated and protective packaging solutions.

Geddes Packaging, based in Aldridge, employs around 40 people. The acquisition is expected to broaden Nicklin's manufacturing capabilities and extend its reach across the Midlands and other parts of the UK. Geddes produces timber pallets and cases, corrugated packaging and protective packaging products for a wide range of end uses, including agricultural and automotive applications.

The transaction marks another step in Nicklin's growth strategy. The company recently relocated its operations from Birmingham to a new site in Wednesbury.

Nicklin's product portfolio includes timber and wood packaging as well as heavy-duty corrugated boxes, pallet boxes and other transit packaging solutions.

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Manufacturers kick off a new round of price talks for publication paper in Germany

Next steps unclear for RCCM / GD board business is more stable than GC

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Buyers in Germany's newsprint market are facing demands from paper mills for higher prices. Following an initial feeling-out phase, tough negotiations are now scheduled for the second half of June. A round of price talks is also starting to gather momentum in the magazine paper segment. A few manufacturers of recycled corrugated case material had unveiled plans to charge more in June as May drew to a close. Other paper mills are reportedly backing these plans and have entered into talks to this effect. Nonetheless, recycled corrugated case material prices have so far shown no movement in the first half of June.

The market for folding boxboard (GC) continues to feel the pinch in June. The imbalance between supply and demand was widening much more for GC than for recycled cartonboard grades. Machines making GD (white-lined chipboard) were still running at good capacity utilisation in early June. That being said, with summer approaching, there are first signs that demand is starting to cool.

Publication paper producers say they have to raise prices amidst higher costs

Negotiations on third-quarter terms have commenced in Germany's newsprint, LWC and SC paper business. Several insiders told EUWID that the first half of June had been a period when companies sounded out positions. Paper mills appear to be pressing ahead with their efforts to charge more, market insiders say.

In several instances, manufacturers have stated their intention to adjust prices upwards for deliveries from July 2026 onwards. Insiders report that the increases vary significantly, depending on the segment and previous price level. Newsprint producers are demanding hikes reaching up to €50/t at the top end. Magazine paper suppliers are said to be targeting increases of €20-30/t in some cases.

Paper industry insiders told EUWID that raising paper prices had become imperative to ensure economic viability. They added that it was becoming increasingly difficult to put paper production on a sustainable footing for the future. Paper produces say that the economic dynamics facing the paper industry are moving extremely fast at the moment. What's more, the fact that machines were often running at inadequate capacity utilisation frequently forced mills to change how they manage capacity, with the overriding aim of avoiding going into the red.

Even so, paper manufacturers are clearly taking diverging positions in the current round of price talks. Observers note that some producers are taking a very different approach from others, mindful of the business they risk losing. For their part, buyers sometimes said that they saw no justification at all for higher prices. After all, market conditions have barely changed in recent weeks and months. They also doubt that demand will stabilise, with consumption of publication papers expected to continue declining.

Against this backdrop, media companies are highly critical of paper manufacturers' latest price increase initiatives. Publishers and printers were already under pressure from a heavy cost burden and were finding it difficult to pass further increases on to their own customers. Moreover, any increase in paper prices would be likely to put further pressure on demand in the near term.

Commercial printers, in particular, are complaining that higher paper prices are putting the dampers on demand. With advertising budgets fixed, any increase in prices would translate into lower printing volumes, they say. Compounding matters, demand is falling for structural reasons. Media experts point out that only a very small number of newspaper publishers are seeing stable sales revenues and profits, making restructuring a permanent feature of the publishing landscape. Such changes are costly and increasingly driven by technology. Sources told EUWID that while AI opened up cost-cutting opportunities for companies, it was expected to have a clearly negative impact on future demand for paper.

With surplus supply continuing to play out, some buyers expect the paper industry to be open to compromise in upcoming talks, at least in the case of quarterly contracts that were already subject to mark-ups in April.

Industry observers viewed newsprint as the segment with the greatest potential for price increases. Sources told EUWID that newsprint paper machine utilisation was good, and order books were clearly stronger than for LWC and SC grades. Newsprint manufacturers could also continue to benefit from the ongoing trend toward downgrading.

As a result, newsprint mills are not just testing the water on possible price hikes but, in many cases, are already putting firm demands on the table. These increases reportedly range between €20-30/t and €50, depending on the grade in question. Several experts said that these mills were persuing a firmer pricing strategy for heatset newsprint than for coldset grades.

In recent years, the decline in publishing volumes had often prompted paper mills to seek additional business in the insert and leaflet segment where, as a result, intense competition has resulted in significant discounts for paper buyers. Many players in the newsprint market now view these "project prices" as a thorn in their side. Multiple insiders told EUWID that the gap between coldset and heatset list prices needed to be closed urgently. A number of mills are reportedly aiming to use the third-quarter price talks to take an initial step towards narrowing this spread.

Paper mills making LWC and SC are often less pleased with their workloads. Sources told EUWID that just a few machines were currently running without any concerns over capacity utilisation. Industry representatives acknowledge that business has lagged behind expectations to date, with the effects of seasonally weaker summer business already evident in May and especially in June and July. Insiders pointed out that both coated and uncoated magazine grades were in permanent decline, and the market was clearly oversupplied. As a result, pushing through price increases was proving extremely difficult.

Declining print volumes are putting many players in the LWC and SC paper market in a tight spot. As the advertising market contracts, both paper producers and printers will need to cut back capacity, insiders said.

Market observers noted that mills were operating well below market conditions, increasing pressure on the industry to take corrective action. Industry sources anticipate that the pace of capacity reductions in LWC and SC grades will pick up in the foreseeable future. Many also anticipate further consolidation in the coated graphic paper business sector, not least in light of the planned joint venture between UPM and Sappi.

Next steps unclear for recycled corrugated case material

At the start of June, prices on Germany's recycled corrugated case material market were showing no signs of additional upward movement. In late May, a number of producers of brown and white recycled containerboard grades announced further hikes from June onwards. EUWID learned that they were mostly aiming for increases of around €60/t. The hikes were to apply both to brown papers and to uncoated and coated white-top testliners. However, talks with supply chain players in the first half of June indicated that not all mills were on board with these plans.

While a few mills are reported to have backed the plans and opened talks on price increases, buyers and sellers alike said that the demands were, in many cases, communicated too late to gain broad traction or to be reflected in prices from the start of June.

At the time of EUWID's research, sources said it was still too early to assess how the situation would develop. Some contacts in the corrugated board industry took the view that the announcements were primarily meant as a signal to head off potential pressure on prices. By contrast, paper mills claimed that additional increases were still necessary to relieve sustained cost pressure and improve margins. Insiders see a particular need for further price increases in white-top testliner, despite recent hikes.

In this context, mills highlighted both high energy costs and the fact that recovered paper prices have been edging up slightly but consistently in recent months. At the same time, sources reported that paper mills' order books remain very healthy in June. Market observers said that machines were operating close to full capacity, with similarly strong order intake expected for July. Whether this would be sufficient to support another round of price increases in July was still uncertain as EUWID researched this report.

One factor in this regard might be the outcome of price talks in the kraftliner market where suppliers try to charge more in the near future, EUWID sources agreed.

Sights now set on the quarter's end in the GD board market

In Germany's recycled cartonboard market, GD (white-lined chipboard) manufacturers continue to experience good capacity utilisation at the first half of June. Board mills surveyed by EUWID described demand and capacity utilisation as fundamentally more balanced than for other grades. Nonetheless, suppliers are again reporting slightly cooler demand for GD from the folding carton industry. Similar reports came from the unlined chipboard market, where cartonboard mills have already been reporting dwindling demand since mid-May.

EUWID contacts view this as an early indication that the market is starting to cool as summer approaches. Industry insiders agree that it is still too early to speak of a full-fledged summer slump, but they note that orders from the packaging sector are increasingly short-term. For now, GD machines are still fairly well loaded, and there are said to be few notable stoppages. How long this will remain the case is hard to tell, supply chain sources stated.

On the price front, there was no movement in June for GD or unlined chipboard as EUWID researched this report. GD producers were focusing on the end of the second quarter, when first-half contracts expire. Folding carton manufacturers that entered into six-month contracts at the beginning of the year are now negotiating the hike for GD that was already implemented in April for quarterly agreements. For unlined chipboard producers, the priority is to consolidate the previous increase. New price initiatives for either of the recycled grades from 1 July were not mentioned in the EUWID conversations with market players.

Meanwhile, the GC board market is experiencing more significant pressure. Market players said that the imbalance between supply and demand is now much more pronounced for GC than for recycled grades. In the first half of June, industry insiders underscored surplus capacity in Europe and growing volumes being redirected from export markets to Europe due to US tariffs, adding to supply in an already weak demand environment. At the same time, competitive pressure from Asian GC imports remains a constant feature of discussions with market players.

Against this backdrop, price talks are still in full swing for GC in a few places where folding carton producers had yet to agree to energy cost surcharges.

The situation is far from uniform, with only a few reports of surcharges having actually taken hold in June. Conversations with GC board producers and converters suggest that most of the negotiations are centred on 1 July.

In the meantime, fierce competition for volumes seems to be persisting throughout the supply chain. EUWID contacts continue to report the use of project prices for GC to keep machines busier, while folding carton producers are also facing growing competitive pressure.

Market observers told EUWID that GC board machines are operating at wildly varying utilisation rates. Some buyers reported lead times of 8 to 10 weeks for Scandinavian GC board, although there are marked variations from one mill to another. However, sources in the supply chain stressed that these longer lead times do not reflect a similarly strong level of capacity utilisation in the packaging industry.

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China's industry pushes for vertical integration

Pulp mills procure more pulpwood on the domestic market, says Afry

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For years, China has been the main growth driver of the global pulp, paper and board industry. Rising fibre demand, fuelled by rapid paper and board capacity expansion, has supported investments in new pulp capacity worldwide, especially in Latin America. China is now undergoing a structural shift, with more paper producers pursuing vertical integration and expanding domestic fibre resources to reduce their reliance on market pulp imports.

Without China, global paper and board production would have been in decline, João Cordeiro of international consulting and engineering firm Afry said in a presentation at the spring conference organised by the Italian pulp sellers' association Aiac in Milan. While production outside China has fallen by around 14 million t over the past decade, largely due to the contraction of graphic paper markets, Chinese producers have added approximately 37 million t of capacity during the same period.

This has made China the dominant force in global fibre markets. The country is by far the world's largest consumer of primary fibre pulp and accounts for more than 40 per cent of global market pulp demand. As a result, pulp producers around the world have become increasingly dependent on Chinese demand. Yet China's fibre strategy is changing. For several years, the country's leading paper producers have been pursuing greater integration and expanding domestic pulp production, gradually reducing their reliance on imported market pulp.

China's changing fibre strategy focuses on integrated pulp production

Unlike previous waves of capacity expansion, the latest investments in China's pulp and paper industry are increasingly based on vertical integration. The expansion of domestic pulp capacity, which began around 2010, initially focused on mechanical pulp to support growing cartonboard production, Mr Cordeiro explained. Since around 2015, substantial investments have also been made in bleached and unbleached kraft pulp capacity to support growth in tissue, packaging, specialty paper and graphic paper production. Additional investments in alternative fibre capacity have further expanded the domestic fibre base. Over the past eight to ten years, China has thus added approximately 16 million tpy of primary fibre pulp capacity, lifting total domestic production to more than 32 million tpy in 2025.

According to Afry, China consumed around 60 million t of primary fibre pulp in 2025, roughly half of which was imported. About one-third of these imports originated from Brazil, another third came from Indonesia, Uruguay and Chile, and the remaining third from the Nordic countries, USA and Canada, mainly in the form of softwood pulp.

The remaining 30 million t are already produced domestically, and this volume is expected to increase further as Chinese companies continue to seek low-cost fibre sources. This does not mean that market pulp imports will disappear. China is expected to remain the world's largest market pulp importer for the foreseeable future. However, import growth is likely to slow significantly as domestic production expands.

According to Mr Cordeiro, high-cost suppliers of softwood market pulp from the Nordic countries and North America may be particularly exposed to this trend as softwood pulp is increasingly being substituted by domestic production, hardwood market pulp and alternative fibre sources.

"China has the world's largest forest plantations"

A common argument against large-scale pulp capacity expansion in China has long been the country's supposedly limited forest resources. However, developments in recent years suggest that China is proving many of these concerns wrong. Of the approximately 30 million t of pulp currently produced domestically, around two-thirds are already based on Chinese pulpwood supplies.

According to Afry, China maintained almost 40 million hectares of commercial forest plantations in 2024, more than three times the plantation area found in Brazil. While plantation productivity remains significantly lower than in Brazil and wood quality is generally inferior, the country's plantation resource base is substantial, Mr Cordeiro said.

Moreover, domestic pulp producers are likely to benefit from an improving fibre supply situation in the coming years as structural changes in China's economy release additional wood resources. Historically, large volumes of plantation wood were consumed by the construction sector. However, following the downturn in China's real estate market and construction activity, demand for wood in construction has declined sharply, leaving more fibre available for pulp and paper production.

This trend is already evident in production and procurement data presented by Afry at the Aiac conference in Milan. In 2024, despite rising domestic pulp production, Chinese pulp producers sourced approximately 55 per cent of their short-fibre pulpwood requirements from domestic suppliers, compared with only 41 per cent two years earlier, according to Mr Cordeiro.

Integrated production despite high wood costs

Another frequently cited argument against expanding pulp production in China is the country's relatively high fibre costs. Wood costs remain considerably higher than in major pulp-exporting countries such as Brazil. However, this disadvantage is increasingly being offset by other factors.

Integrated mills benefit from producing and consuming pulp on site. This eliminates the drying, baling and transportation costs associated with market pulp. By converting pulpwood directly into pulp, paper and board products, integrated producers also generate energy and optimise fibre utilisation throughout the production chain.

In addition, capital expenditure requirements in China are significantly lower than in competing regions. Afry cites the example of a new unbleached kraft pulp mill with annual capacity of 400,000 t that can be built in China for less than $300m. According to Mr Cordeiro, a comparable project in Brazil would require almost twice that level of investment.

These advantages are becoming increasingly important in China's highly competitive paper and board sector. Faced with intense domestic competition, persistent overcapacity in several paper grades and growing export ambitions, many producers now view integrated pulp production as a strategic necessity rather than a mere option, Mr Cordeiro explained.

Implications for global pulp producers

For global pulp suppliers, particularly those heavily exposed to the Chinese market, the implications are significant. China is unlikely to stop importing market pulp. The country’s fibre demand remains enormous and is expected to continue exceeding domestic supply. Nevertheless, the era of virtually unlimited growth in market pulp exports to China is drawing to a close.

As domestic pulp production expands, import growth is expected to slow, reducing growth opportunities for market pulp producers and intensifying competition, particularly among higher-cost softwood pulp suppliers.

Bleached hardwood kraft pulp (BHKP) producers are unlikely to be spared from this trend. According to Afry’s projections, annual growth in market pulp demand for BHKP, which historically averaged between 1.0 million and 1.2 million t, is expected to slow to around 800,000 t per year, partly due to weaker import demand growth from China.

The transition underway in China’s pulp and paper industry is expected to continue. Mr Cordeiro said it may take another five to ten years before rising wood costs and resource constraints begin to slow domestic pulp capacity expansion. Until then, China’s drive towards greater fibre integration is likely to remain one of the defining forces shaping global pulp, paper and fibre markets.

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Market pulp producers adapt to China's integration drive

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As China continues to expand integrated pulp production, established pulp producers are increasingly being forced to adjust their strategies. Speaking at this year's Aiac conference in Milan, João Cordeiro of consulting and engineering firm Afry said market pulp suppliers will need to diversify their business models and strengthen customer relationships in response to the structural changes taking place in China. While high-quality market pulp is expected to retain a role in the Chinese market, as a significant share of domestic pulp production still falls short of international quality standards, China's dependence on imported market pulp will continue to decline, Cordeiro said.

Several leading producers have already begun to respond. A growing number of companies are moving further downstream in the value chain in an effort to reduce their exposure to fluctuations in market pulp demand. Suzano, the world's largest market pulp producer, has for example expanded its position in the tissue sector. A key element of this strategy is the planned joint venture with Kimberly-Clark covering Europe, South America, Asia, Africa and the Middle East, with a tissue production capacity of around 1 million tpy.

Another strategy involves promoting the substitution of softwood pulp with hardwood pulp. Leading eucalyptus market pulp, particularly Suzano, have increasingly advocated such applications in order to stimulate demand for bleached hardwood kraft pulp (BHKP). In its latest investor relations presentation, the company estimated the demand growth potential due to fibre substitution at 3 million t of BHKP between 2024 and 2025.

Market pulp suppliers are also diversifying their product portfolios. Iberian pulp producers Ence and Altri, for instance, are expanding their activities in advanced pulp and specialty cellulose grades that are less directly exposed to competition from China's growing domestic pulp production.

Suzano is reportedly also exploring the concept of "de-verticalisation" together with integrated paper producers in Europe and beyond. According to Suzano, around 120 million tpy of pulp capacity worldwide is currently integrated into paper mills. Under this new approach, integrated producers of graphic papers and packaging papers would gradually shut down ageing and capital-intensive pulp lines and instead enter into long-term supply partnerships with market pulp producers.

For global pulp suppliers, the message is clear: future growth will depend not only on the development of Chinese import demand, but also on the industry's ability to develop new markets, new products and closer partnerships with customers.

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AGRAPA: Germany once again significantly exceeds recycling target for graphic papers

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The German Working Group for Graphic Papers (AGRAPA) has once again significantly exceeded the recovery target for graphic papers agreed under its voluntary commitment to the German government. As AGRAPA announced during this year's meeting of the Recovered Paper Council (Altpapierrat), the recovery rate of graphic papers in Germany reached 85.9 per cent in the latest reporting year, clearly surpassing the agreed target of 80 per cent.

A further key topic of the meeting was the ongoing transition to mineral oil-free printing inks in newspaper production. The aim is to reduce mineral oil contamination in the recovered paper stream and thereby safeguard the quality of paper recycling in the long term. By the next reporting year, mineral oil inputs from newspaper printing inks are to be reduced by 50 per cent compared with 2020 levels.

According to AGRAPA, the latest data show progress towards this objective, although further efforts will be required to fully achieve the target. The German environmental ministry BMUKN and the German Environment Agency UBA acknowledged the progress made so far and described AGRAPA as an example of a successful industry-led voluntary commitment, the organisation said. Julia Rohmann, project manager at the German Printing and Media Industries Federation (BVDM), stated: "The achieved recovery rate underlines the strong performance of the German printing and paper industry in the field of the circular economy. The result provides important evidence that voluntary industry initiatives can make an effective contribution to achieving environmental and sustainability objectives."

During the meeting of the Recovered Paper Council, Volker Hotop, Managing Director of Zeitungsdruck Dierichs, was re-elected chairman of AGRAPA. The working group brings together nine associations from across the graphic paper value chain, including paper manufacturers, publishers, printers and paper merchants. The organisation described the result as proof of the effectiveness of the established recycling system for graphic papers in Germany.

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Arctic Paper starts new sheeting lines in Poland and Sweden

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Arctic Paper Group has commissioned two new sheeting lines with a working width of 2.2 metres at its Kostrzyn and Munkedal paper mills. The new sheeter at the Munkedal mill replaces two older sheeters which had been in operation for 50 years. The new equipment will significantly increase sheeting capacity and improve material flow and flexibility. The investments were first announced last year. At the time, Arctic Paper said it would implement projects worth a total of SEK120m (roughly €11m) at its Grycksbo, Munkedal and Kostrzyn mills. As part of the investment programme, PM 9 at the Grycksbo mill was modernised. The measures included drive upgrades, machine safety improvements and initiatives to enhance energy efficiency. In addition, process and drying controls were optimised.

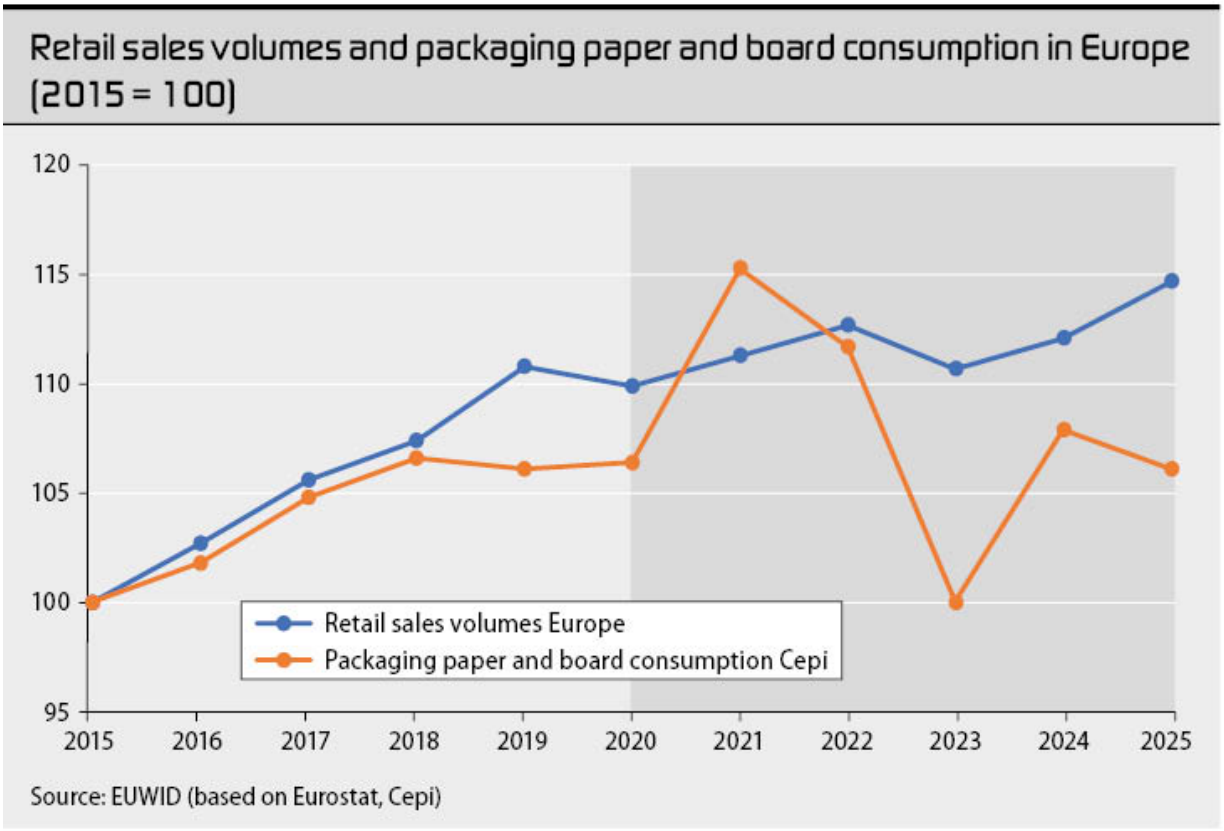
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EUWID PULP AND PAPER www.euwid-paper.com | Retrieved 19 June 2026

European consumption of packaging paper and board has only partially recovered from the inflation shock

EUWID + 17 June 2026 | Bernd Hecht | ~ 3 min | Published in issue 25/2026



The markets for packaging paper and board in Europe have only partially recovered from their slump three years ago. In the containerboard market segment, apparent consumption in Europe is currently just back at the level reached before the covid pandemic and the energy crisis, whilst for cartonboard it remains below pre-crisis levels.

Both market segments are currently grappling with overcapacity, partly because there has been some net growth in production capacity in recent years. Current industry estimates and figures put the average capacity utilisation for containerboard at around 85 per cent, and barely above that in the cartonboard segment. This has often resulted in price and margin pressure over the past four years, although there have been price increases in the past two years, particularly for containerboard.

Consumption trends in the market for packaging paper and board correlate strongly with private consumption; for both corrugated board and cartonboard, almost two-thirds of demand is linked to this. The surge in inflation following the war in Ukraine and the energy crisis significantly dampened private consumption and caused retail sales in Europe to decline noticeably in 2022 and 2023, a trend last seen only during the financial and euro crisis from 2008 to 2013.

Industry needs growth

What has widened the gap between production capacity and consumption trends for containerboard in recent years is the extensive new production capacity. Although there have also been numerous machine shutdowns, on balance there is still an additional one million tonnes per year compared to 2022. The decline in consumption tonnage is only slightly influenced by the continuing trend towards lower grammages and smaller packaging.

For manufacturers of containerboard and corrugated board in Europe to operate at higher capacity utilisation and with greater profitability, growth is needed. It would be desirable for paper manufacturers to be able to raise the current 85 per cent capacity utilisation to well over 90 per cent, but the current consumption and economic outlook in Europe offers little indication of a noticeable increase in private consumption. Paper exports from Europe have intensified in recent years and helped to improve sales and capacity utilisation, but protectionist developments stand in the way of further positive growth.

The dip in consumption is even more pronounced in the cartonboard market than in the containerboard segments. Here, consumption is even more dependent on private consumption than in the corrugated board sector, and the decline in consumption was also more pronounced in the inflationary year of 2023. According to Cepi figures, cartonboard consumption in 2023 fell from 6.6 million t in the previous year to just 5.3 million t; the market recovered to 6.2 million t in 2024, only to fall back to 5.8 million t in 2025. A major factor in this consumption trend was the build-up and drawdown of stocks across the entire supply chain, which initially fuelled consumption during the energy crisis and then dampened it for a prolonged period.

For containerboard, consumption peaked in 2021 at 31.9 million t, falling to 28.3 million t by 2023. In the following year, consumption rose to 29.6 million t and remained at a virtually unchanged level of 29.5 million t in 2025.

Flexible packaging papers benefit from structural changes

Similar trends can also be observed in other packaging market segments. However, the market for wrappings is particularly noteworthy, as it has recovered comparatively strongly and, last year, managed to return to the highs seen before the inflation and Covid-19 crisis. The slump from 2.7 to 2.1 million t in 2023 has been overcome, with the figure standing at around 3.0 million t last year. This is largely attributable to favourable regulatory developments and structural market changes. Paper solutions are being used in online shipping for smaller parcels instead of shipping boxes. Furthermore, for sustainability reasons, plastic-based packaging solutions are being replaced by paper and board products.

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German recovered paper market returning to normal after “logistics chaos”

RCP exports currently sluggish but could become more attractive in July

EUWID + 16 June 2026 | ~ 6 min | Published in issue 25/2026

The situation on the German market for recovered paper eased again in June after what many players described as “catastrophic” logistics problems in the previous month. While transport capacity remains constrained and logistics costs elevated, the severe disruption seen in May has largely subsided following the end of the holiday period.



Logistics bottlenecks are easing on the German recovered paper market

In the current month, nearly all respondents describe the market as balanced and thus expect sideways price movement for most recovered paper grades. Occasionally, players reported mark-ups of €5 at most for mixed paper as well as supermarket paper and board and up to €10 for sorted graphic paper for deinking and woodfree grades. Only the high white grades were apparently seeing “clear double-digit” price increases.

Last month, there was likewise little movement in recovered paper prices. The analysis of the prices reported by recovered paper suppliers and converters for May revealed an uptick of €4.50/t for mixed paper (1.02) as well as supermarket paper and board (1.04). Used corrugated kraft II (4.03) gained €3.50/t. Sorted graphic paper for deinking (1.11) cost €2.50/t more. A rise of €1.50/t was recorded for coloured letters (2.05/2.06) in May, whereas prices for multi printing (3.10) slipped by €2.50/t. Quotes edged €0.50 higher for both white newsprint/magazine paper (3.14/3.15) and white woodfree uncoated shavings (3.18.01).

In June, supply and demand are largely balanced, the market survey found. The situation in the logistics segment is no longer as dramatic as it was last month. Nevertheless, freight capacity remains tight and therefore significantly more expensive than at the beginning of the year, according to respondents. Due to the transport bottlenecks, some larger waste management firms still have significant material backlogs. Moreover, volumes called off on short notice can still only be delivered with a delay. A few paper factories pushed for a portion of the logistics surcharges to be rescinded, but had only limited success.

Capacity utilisation at producers of packaging paper and board continues to be decent and relatively stable, albeit slightly weaker than in April and May, EUWID was told. The scattered reports of higher demand for recovered paper are therefore attributed primarily to logistics-related inventory drawdown, whereas the order situation in the paper industry is said to be broadly unchanged.

At the same time, mills continue to face a challenging economic environment, in particular due to higher energy and transport costs. Players also see no evidence of a global economic recovery. Consequently, competition will likely intensify further and consolidation in the industry will continue, EUWID respondents believe.

In this environment, all buyers are aiming to maintain steady prices for ordinary grades of brown recovered paper. There were isolated attempts to achieve at least slightly lower prices, but waste management firms were able to fend these off. Despite the logistics snarls, it appears they are not having any difficulty moving volumes. The approach of the summer holiday season, which is expected to result in a decline in collection volumes, means that sellers are not feeling any pressure to lower prices, stressed one respondent.

Accordingly, quotes for grades 1.02 and 1.04 were mostly unchanged in June. However, individual market participants report some slight mark-ups in eastern Germany, bringing quotes there more closely into line with those in the western part of the country. Insiders attribute this to higher costs to transport material from the countries on Germany’s eastern border as well as higher recovered paper prices within Czech Republic and Poland.

A growing number of paper producers from Austria and Germany are purchasing directly from Germany’s eastern neighbours, EUWID was told. This initially raises price levels in those markets, ultimately affecting prices in eastern Germany, they explained.

Availability of kraft recovered paper grades remains sufficient. Price changes were limited to the typical “cosmetic corrections” of up to €5/t.

Diwass having minimal impact on material flows so far

Once again, exports to Asia are playing a marginal role in the German market. Prices currently achievable on deep sea markets are simply not attractive enough, multiple players said. Especially in regions near seaports, the difference between export and domestic prices has narrowed considerably due to the significantly higher costs for inland transports, stressed one respondent. If this gap continues to close, larger volumes could start flowing to Asia again in the coming months, the player added.

The new EU rules for waste shipments, which took effect in May, do not yet appear to be having any impact on the market. As the enforcement of the requirement that Annex VII documents be submitted through Diwass has been postponed, material flows are unchanged, say insiders. However, criticism of the additional administrative burden is growing louder. Moreover, market participants question whether the platform itself and its interfaces with external IT systems will operate smoothly once the transitional arrangement expires at the end of the year.

Market for deinking grades steady to slightly tight

Respondents also described the market for sorted graphic paper for deinking (1.11) as broadly stable. There were occasional instances of tighter supply, which enabled mark-ups of up to €10/t to be implemented in May and June in some cases. This was attributed to ongoing good capacity utilisation at German paper mills that utilise this grade. Even though maintenance downtimes were taking place at two mills, no additional volumes were available, respondents say. However, players did not confirm a general market-wide upward price trend for this grade in June.

Demand held steady for the woodfree recovered paper grades (2.05/2.06, 3.10) used to produce tissue. Overall, though, the market has become more balanced again. Market participants suspect that individual graphic paper producers are increasingly turning to woodfree grades in response to the temporary shortage of deinking material. Meanwhile, supplies remain modest. The shredding season in Europe has largely come to an end, so the supply is expected to be stable in the coming months.

On the spot market for woodfree grades, there were scattered reports of price mark-ups of around €5/t. Yet, market participants describe the situation as balanced overall. Paper producers are not calling for price reductions at this time, nor are they being confronted with calls for further price increases.

Good demand lifts prices for bright white grades

A more dynamic market was seen for the high white grades (3.14/3.15, 3.18.01). Strong demand from producers of gypsum board paper, white-lined packaging paper and board grades has reportedly led to price increases of €15 and sometimes even more in June. However, these increases were not confirmed by all of the market experts surveyed by EUWID. And respondents expect the market for these grades will settle down again in July.

Given the ongoing significant geopolitical and economic uncertainty, most respondents do not anticipate an upswing in the paper industry in the near term. Moreover, the extent and effects of the typical summer slump in arising volumes are still unclear. It is therefore difficult to provide a forecast for the recovered paper market, respondents say. Yet, most players believe that if any price movement occurs in the coming weeks, it will be minimal.

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Suzano's Cerrado pulp mill to exceed nominal capacity

15 June 2026 | Karolina Utracki | ~ 1 min | Published in issue 25/2026



Suzano sees further production potential at its Cerrado pulp mill in Ribas do Rio Pardo. The Brazilian forest products company said the Ribas do Rio Pardo pulp mill – part of the group's Cerrado expansion project – could produce around 2.7 million t of pulp annually from 2027 onwards, exceeding its nominal capacity of 2.55 million t.

In an investor presentation, Suzano stated that it expected the mill to exceed its nominal capacity already in 2026, producing approximately 2.57 million t of pulp. From 2027, output could increase further to around 2.7 million t. No additional investments would be required to achieve this increase, Suzano explained. The company attributes the higher output potentials to operational efficiency gains and the high quality of the facility.

The pulp mill in Ribas do Rio Pardo, located in the Brazilian federal state of Mato Grosso do Sul, started operations in July 2024. It is considered the world's largest single-fibre-line mill for the production of market eucalyptus pulp. Suzano had already announced in early 2025 that the facility had reached its nominal annual production capacity of 2.55 million t significantly ahead of schedule.

Suzano said the mill's rapid ramp-up was supported by several factors, including an experienced operating team, an extended training programme prior to start-up, and the early commissioning and testing of individual plant components. These measures enabled the facility to reach stable production levels quickly.

The Ribas do Rio Pardo pulp mill is a key part of the company's Cerrado Project, which attracted total investment of approximately BRL22bn. The mill has expanded Suzano's annual market pulp production capacity by 20 per cent to 13.4 million t, according to the company.

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CL Grupo Industrial signs agreement to acquire Papresa

EUWID + 12 June 2026 | Valeria Buß | ~ 2 min | Published in issue 25/2026



Spanish group CL Grupo industrial is planning to take over insolvent corrugated case material and newsprint producer Papresa in Spain for €39m. According to consistent local media reports, a corresponding agreement was signed by the parties at the beginning of the week. Final court approval is still pending.

A source within the company confirmed the takeover plans. Several talks had taken place between the parties over the past two weeks, focused, among other things, on how many employees would be retained, the insider said. Finally, the parties had agreed to keep around 170 employees, corresponding to roughly 80 per cent of the site's workforce. Around 20 jobs would be cut as part of the integration due to synergies effects, for example in administrative functions, the person added.

Grupo Industrial is reportedly planning to continue both recycled corrugated case material and newsprint production at Papresa. Initially, the group had only considered taking over the packaging paper operations because it is already active in the packaging sector, the insider said. However, it later also showed interest in the newsprint machine, which is the only remaining one in Southern Europe.

In addition to its core product newsprint, the PM 6 also produced specialty grades such as paper tablecloths and food-contact papers, the source explained. Most recently, the PM 6 had reportedly been running at only around 50 per cent of its capacity, although this was also said to be linked to the sales process.

Grupo Industrial had previously already shown interest in acquiring the financially troubled company, which had been under pre-insolvency proceedings since October 2025. However, negotiations with the majority owner, German private equity firm Quantum Capital Partners, ultimately failed. Papresa subsequently filed for insolvency and automatically entered liquidation proceedings under Spanish commercial law.

Quantum Capital Partners was stripped of control of Papresa and the search for a buyer continued under insolvency administrator PKF Attest. Grupo Industrial renewed its offer and was selected, with no competing bids submitted, according to the source. Spanish Hinojosa Packaging Group had initially also shown interest in a takeover, but later pulled out.

At its mill in Errentería, Papresa operates a newsprint machine with a capacity of 145,000 tpy as well as a recycled corrugated case material machine. According to Quantum Capital Partners, the total capacity of the mill amounts to around 375,000 tpy. A third machine also exists at the site. However, this machine had been idle for the past two years and would not be restarted, the insider said.

CL Grupo Industrial is a group with 26 subsidiaries operating in several sectors, including packaging. Its packaging division produces recycled corrugated case material and corrugated board as well as plastic packaging.

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EU suspends investigation into UPM/Sappi joint venture

EUWID + 10 June 2026 | Bernd Hecht | ~ 1 min | Published in issue 25/2026

Due to a lack of information and documents, the European Commission has temporarily suspended the merger control review procedure for the planned joint venture between Sappi and UPM.



As a spokesperson for the European Commission confirmed to Euwid, a so-called stop the clock order was issued on 29 May 2026, with retroactive effect from 26 May 2026. This means that the original deadline for a final decision by the EU competition authority, which had been set for 8 September 2026, will be postponed accordingly. As soon as the EU has received the information and documents necessary for a thorough investigation of the planned merger, the proceedings will continue with new deadlines, the Commission spokesperson said.

The European Commission did not disclose details on the missing information and documents.

On 28 April 2026, the European Commission's investigations on the planned joint venture entered the second phase. On 28 May, UPM and Sappi then signed the agreement on the planned joint venture as scheduled. Until recently, the plan was for the merger to take effect before the end of this year.

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