

Antalis to take over Club Groupe in France

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Paper, packaging and visual communication merchanting group Antalis announces the signing of a binding agreement to acquire Club Groupe, Digital Printing France and Technical Digital Printing (TDP), a player in the visual communication sector in France. Antalis says the acquisition is part of its strategy to consolidate its leading position in Europe, particularly in the French market following the recent acquisition of Poitoo Adhésif, which specialises in large-format media printing as well as various consumables.

Club Groupe specialises in the sale of machines and consumables for large-format digital printing. The company employs around 30 people and generated sales of around €14m in 2024.

Hervé Poncin, Chief Executive Officer of the Antalis Group, comments: "The recognised expertise in the sale of printing solutions, combined with proximity to customers, will fully contribute to strengthening our local presence and improving our service offering in France. This transaction is in line with our strategy of targeted growth to serve our customers."

Antalis is part of KPP Group Holdings Co, a group listed on the Tokyo Stock Exchange with sales of ¥670bn in the 2025 financial year. With activities in Europe, Latin America and North America, Antalis is a leading B2B distributor.

Antalis has been very active in acquisitions in recent years. In 2024, in addition to Poitoo Adhésifs, the company acquired 100 metros (distribution of industrial packaging in Portugal), Tecnoprimaf (production and distribution of wooden packaging, corrosion protection solutions in Italy), Pakella (distribution of industrial and food packaging in Estonia, Latvia and Lithuania), Bark (distribution of materials and machines for visual communication in Slovakia), Plaesa (specialist in technical packaging in Spain) and Xerox (distribution of office paper and digital printing products in more than 40 countries).

Holmen's PM 52 at Braviken reaches maximum efficiency

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Holmen's Braviken paper mill in Sweden is now operating at maximum production efficiency and flexibility following the successful completion of the rebuild of PM 52 by the international technology group Andritz. Andritz implemented a unique concept that allows for the flexible production of book paper, newsprint and containerboard based on thermo-mechanical pulp (TMP). The machine has a wire width of 9.3 m and a design and operating speed of 1,600 m/min.

Holmen's mechanical pulp-based containerboard products are considered significant innovations in the paper packaging sector. They offer basis weight reductions of up to 20 per cent compared to traditional products, while maintaining an excellent visual appearance, the company says. High paper strength is achieved without the use of surface starch and with a very low carbon footprint.

IP accelerates growth in North America with investments

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International Paper (IP) has launched a series of strategic initiatives aimed at strengthening its manufacturing footprint and sustainable packaging capabilities in North America. The company, which recently finalised its acquisition of DS Smith, is pursuing a multi-pronged growth strategy that includes the construction of new facilities, realignment of existing operations, and the exploration of future sites.

In early June, IP announced it was evaluating a potential new packaging facility in Salt Lake City, Utah. The company says this move aligns with its strategy to enhance regional manufacturing capacity. Specific investment figures and employment data have not yet been disclosed.

On 2 May, the company broke ground on a greenfield packaging facility in Waterloo, Iowa. The new site is scheduled to start operations in the fourth quarter of 2026. It will produce packaging for the protein sector.

As part of a broader realignment, IP will consolidate operations in the Rio Grande Valley. The company will invest in its McAllen, Texas facility to expand its capabilities and convert the current Edinburg sheet plant into a warehouse. In parallel, the company is constructing a new and more modern facility in Reynosa, Mexico, which will take over operations from the existing Reynosa site. The box plant and sheet plant in Edinburg will be closed.

Following its acquisition of DS Smith in 2025, IP has reinforced its position as a global leader in sustainable packaging with a growing position in both North America and EMEA. Net sales for 2024 totalled \$18.6bn.

VPK appoints CEO for Corrugated Board division

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Belgium's VPK Group has appointed **Patrick Leclercq** as CEO of its Corrugated Board division and as a member of the Executive Committee of the group. Mr Leclercq has held several leading positions within the group and most recently was Managing Director of VPK Packaging France.

Sappi starts up rebuilt board machine at Somerset mill

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Sappi has finalised its rebuilding project at the Somerset mill in Skowhegan in the US-state of Maine. The former fine paper machine is now producing solid bleached sulphate (SBS) board. The company announced on 8 May that the conversion had been completed at the beginning of the month and machine commissioning was in progress.

The PM 2 at the Somerset mill used to produce up to 240,000 tpy of woodfree coated paper and was now rebuilt to produce SBS board with an annual capacity of 470,000 t. SBS board is used for packaging applications in the consumer electronics, cosmetics, confectionary, and beverage industries.

Sappi announced plans to rebuild the PM 2 in late 2022 against the backdrop of a shrinking market for printing and writing paper. The project is part of the company's strategy to reduce its exposure to graphic paper and increasingly transition its portfolio to packaging and specialty papers, pulp and biomaterials.

This marks the second machine conversion at the Somerset mill. In 2019, Sappi rebuilt PM 1 for the production of solid bleached sulphate (SBS) board, which now has a capacity of 350,000 tpy. The site also houses a third paper machine producing fine paper, as well as pulp production facilities. The Somerset mill employs a total of 780 people.

Observation period for coreboard producer Cenpa extended

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French coreboard manufacturer Cenpa is still in the observation period. The company was placed in receivership on 2 December 2024 and had been in a six-month observation period since then. The observation phase had now been extended until 2 December 2025, the company told EUWID.

A buyer for the mill has not been found. The company is currently examining further options to secure the future of the site. The next meeting with the commercial court is reportedly scheduled for 21 July. During this meeting, the plant's financial performance will be closely reviewed, says Cenpa.

Cenpa is part of German investment company Acursia Capital and operates one plant in Schweighouse-sur-Moder in eastern France. At the site, the company produces coreboard on two machines. One of them produces coreboard with higher ply-bond strength for industrial cores and has a capacity of 50,000 tpy. The second machine can produce up to 25,000 tpy of coreboard used for cores in the tissue industry.

Krystals enters administration

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British packaging manufacturer Krystals has entered administration. Gareth Harris and Christopher Ratten of RSM UK in Leeds were appointed as joint administrators on 23 May 2025. The company, a family-run business based in Lincoln, specialises in corrugated packaging as well as pharmaceutical containers and tablet bottles.

Krystals was the key partner of German corrugated board producer Progroup at the Ellesmere Port packaging park. The site, covering approximately 16,000 m², integrates Progroup's high-capacity corrugated board plant with Krystals's specialist packaging production.

Progroup has been operating its PW 12 corrugated sheet feeder plant in Ellesmere Port since January 2019, with an annual production capacity of 235,000 tonnes. Krystals constructed a dedicated production facility adjacent to the plant, connected via conveyor bridge that enables the direct supply of corrugated board. The company began operations at Ellesmere Port in October 2020.

At the time of writing, neither the administrators nor Progroup had commented on the implications of the insolvency for ongoing operations or the future of the packaging park.

Lecta's Q1 results improved on Q4, still down on 2024

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Higher costs and lower sales prices caused profits of coated woodfree and specialty paper producer Lecta to fall in the first quarter compared to the previous year. Lecta posted Ebitda of €20.3m (2024: €36.6m) and an operating profit of €7.7m (€26.5m) for the first quarter of this year. Earnings after taxes were negative and totalled €-15.0m (€1.6m).

Overall lower sales volumes caused sales revenues to fall to €232.6m (€254.4m). However, Lecta has seen progress compared to the fourth quarter of 2024, with Ebitda only just above zero in the final quarter of last year.

Lower sales prices and also lower sales volumes were the main reasons for shrinking profits and sales in Lecta's Woodfree Coated Paper business area compared to the same month last year. Ebitda increased significantly compared to the previous quarter. The division also generated almost all of the company's Ebitda. The other two divisions, Specialties (label paper, paper for flexible packaging and food service, thermal paper) and Purchased Products, recorded only a low or slightly negative Ebitda.

In the first three months of the year, Lecta had capital expenditure of €17.9m, including €10.9m for its cost reduction and productivity improvement programme. This programme covers Lecta's industrial activities in Italy, France and Spain as well as paper distribution in these countries and in Portugal. One of the aims of the programme is to stabilise labour costs despite rising wages and the creation of new jobs in the Specialties division.

The Specialties division now accounts for half of Lecta's total sales, with woodfree coated paper making up 40 per cent of sales and merchandise 10 per cent. Just one year ago, Lecta generated 44 per cent of its sales with fine paper and 46 per cent with specialties.

Lecta results		
million €	January - March	
	2025	2024
Key figures		
Sales	339.2	360.5
EBITDA	20.3	36.6
Operating result	7.7	26.5
Net result	-15.0	1.6
Business area review		
Coated woodfree paper		
Net sales	125	151
EBITDA	20	29
Specialties		
Net sales	156	157
EBITDA	-1	6
Purchased products		
Net sales	31	35
EBITDA	1	2
Total deliveries, 1,000 t	232.6	254.4
Source: Lecta		

Burgo reports solid results for 2024, growth in packaging segment continues

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Looking at the balance sheet, 2024 was not a bad year for Italian paper producer Burgo Group. The group navigated well during times of geopolitical tension and economic uncertainty and is continuing to reposition itself through growth in the packaging segment.

At €1.47bn, sales in 2024 remained almost unchanged at the previous year's level. The cost of raw materials, consumables and services was 13 per cent higher than in the previous year at almost €1.2bn. At the same time, Burgo benefited from improved inventories and lower operating costs. Adjusted Ebitda fell to €140m (2023: €157m) and operating profit to €72m (€95m). At the end of the year, Burgo posted a net profit of €55m (€74m).

In terms of the group's debt, Burgo continued to improve its situation in 2024 and ended the year with a net financial position of around €121m (€114m).

Higher sales volumes but at lower prices

After a year marked by inventory reduction in 2023, demand for paper improved again, particularly in the first half of 2024, and the company sold slightly more than 1.17 million t of paper across different product segments in 2024, around 6 per cent more than in the previous year. In the second half of the year, however, the economic slowdown dampened sales momentum somewhat. In addition, the average selling price across all paper grades in 2024 was €998/t, which is €77/t below the previous year, and sales revenue in the paper business fell by 2 per cent to €1.17bn.

Burgo says that prices for individual paper grades developed differently. The company recorded a 5 per cent decline in prices for printing and writing paper (coated mechanical paper, woodfree coated and uncoated paper). Average prices for recycled corrugated case material were 5 per cent higher than in the previous year, while speciality paper saw price increases of between 4 and 17 per cent, depending on the type.

Burgo also saw a 4 per cent decline in sales in its energy business due to lower sales prices. By contrast, sales in the pulp business rose by 15 per cent to around €89m thanks to higher sales prices.

Focus on sustainability and diversification

The graphic paper segment remained the group's largest source of revenue in 2024. However, the Group is continuing to work on reducing its dependence on the graphic paper business and is continuing the process of "restructuring" and "repositioning". Burgo, which is primarily known for its printing, writing and publication papers, is reportedly increasingly focusing on higher-margin and growth-oriented business areas such as specialty paper, corrugated base paper and packaging board.

Burgo says it reached an important milestone last year with the restructuring and conversion of PM 2 at its Italian plant in Sora from the production of graphic paper to primary fibre-based folding boxboard and food service board. This has made Burgo the only manufacturer of this type of cartonboard in Italy and the whole of Southern Europe.

The group's development away from commodities and towards specialised applications is already showing results and will be a decisive factor in the Burgo Group's competitiveness in the future, according to the company.

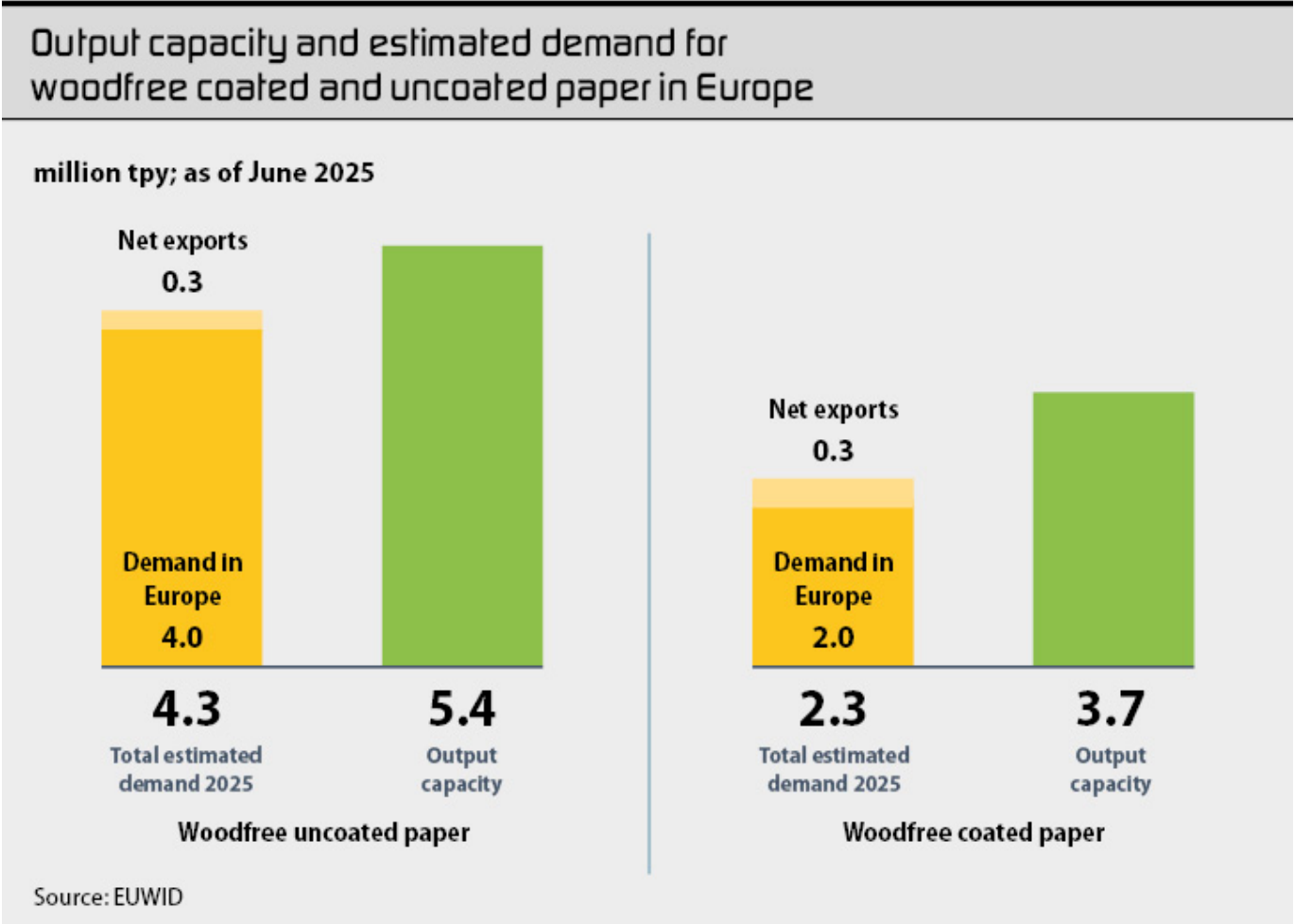
In addition to new products, investments in energy efficiency, renewable energies and sustainable production processes are also said to drive the company's transformation forward. These include investments in solar power plants at the Burgo Ardennes (9.8 MW) pulp and paper mill in Belgium and Burgo Avezzano (10 MW) mill in Italy. The group is also planning to build a biomass power plant at the Tolmezzo (25 MW) paper mill in Italy.

Burgo results 2024		
in Mio €	Jan. - Dec.	
	2024	2023
Key figures		
Sales	1,466	1,471
Adjusted EBITDA	140	157
Operating result	72	95
Net result	55	74
Production		
Paper, 1,000 t	1,164	1,028
Graphic paper	742	665
Containerboard	183	169
Specialty paper	239	194
Pulp	347	319
Energy, GWh	1,126	1,035
Total paper deliveries, 1,000 t	1,174	1,111
Source: Burgo Group		

European fine paper market shows around 2.5 million tpy of excess capacity

Realised and planned closures do not compensate for decline in consumption

 **EUWID** + 18 June 2025 | [Bernd Hecht](#) | ⌚ ~ 3 min | [Published in issue 25/2025](#)



Despite capacity closures of around half a million tpy over the past 12 months and further planned reductions next year, production capacities for woodfree coated and uncoated paper in Europe far exceed demand.

Based on delivery figures available for the first four months of 2025, total demand for fine paper in Europe this year can be estimated at around 6.6 million t. This compares to current production capacities of roughly 9 million tpy.

In the woodfree uncoated paper market segment, now by far the larger of the two fine paper markets, European manufacturers are expected to sell an estimated 4 million t this year, plus several hundred thousand t of net exports from Europe. This estimated total demand of around 4.3 million t compares to production capacities of 5.4 million t, despite the capacity shutdowns carried out in the recent past. At the end of last year, UPM took around 280,000 tpy of production capacity for woodfree uncoated paper off the market with the closure of PM 3 at its Nordland Papier mill in Germany. Fedrigoni also decommissioned a PM for woodfree uncoated paper at its Giano mill in Italy at the end of 2024, which relieved the supply side by around 150,000 tpy. A further 180,000 tpy will be withdrawn from the market with the planned rebuild at The Navigator Company's Setúbal mill in Portugal. The site's PM 3 will produce packaging paper in future, but the plant will also be able to produce woodfree uncoated paper if there is a demand. Even after the rebuild, the market for woodfree uncoated paper in Europe will still have overcapacity of around 1 million t per year.

There have been few capacity closures in the European woodfree coated paper market in the recent past. The last significant capacity reductions at Sappi in Lanaken and Stockstadt took place more than a year ago, leading to a capacity reduction in Europe by around 750,000 tpy. Since then, however, the market has continued to decline and overcapacity has increased. The market for woodfree coated paper in Europe has a capacity of around 3.7 million t. Based on an estimated demand of 2.3 million t in 2025, there is a capacity surplus of almost 1.5 million tpy.

While demand and consumption in the market for woodfree uncoated and coated paper recovered somewhat in 2024 following the slump in 2023, the trend in the current year is clearly declining again. In the first four months, deliveries by European manufacturers fell by around 100,000 t in both segments. As the market for woodfree coated paper is now considerably smaller than the uncoated paper segment, the percentage decline rates for coated grades are almost 13 per cent, while the decline in demand for uncoated grades is 7 per cent.

The decline in consumption is expected to continue as demand requirements change. Printed documents are continuously being replaced by digital solutions or at least offered in parallel to digital documents. The question of how far demand for paper for the transmission of information will continue to decline cannot be predicted exactly.

The paper industry is currently faced with the task of adapting its own capacities to developments in demand. Capacity utilisation for fine paper is currently estimated at an average of not much more than 70 per cent, with larger individual differences. In the market for woodfree coated paper, the number of manufacturers in Europe has shrunk to just a few (mainly UPM, Sappi, Lecta, Arctic, Burgo and Fedrigoni), while in the market for uncoated woodfree paper there are a few additional suppliers: Navigator, Mondi, Mayr-Melnhof, Sylvamo, Clairefontaine and Iberpapel. Some producers, especially non-integrated producers, have recently come under pressure due to higher production costs and falling prices. Even a diversified product portfolio only offers limited protection against insufficient margins, as the market for packaging paper and board also suffered a slump in demand in many segments last year. Decisions on capacity shutdowns will therefore increasingly be made on the basis of the margin situation of a plant or company.

German prices for ordinary recovered paper grades tumble in June

Supply situation improves significantly

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Prices for mixed paper and supermarket corrugated paper and board have dropped sharply on the German market in the early weeks of June. Market participants report average reductions of around €30/t for grades 1.02 and 1.04. The main driver is weaker demand from the paper industry, where production has been temporarily reduced and machines idled due to a lack of orders.

Recovered Paper Germany				
May 2025				
Monthly changes in €/t	May 2025	April 2025	Mar 2025	May 2024
Mixed paper and board (1.02)	-1.00	+44.00	+20.50	+16.50
Supermarket corrugated paper and board (1.04)	-1.00	+48.00	+23.50	+20.50
Used corrugated kraft II (4.03)	-1.00	+44.50	+20.50	+21.50
Sorted graphic paper for deinking (1.11)	-3.50	+11.50	+1.00	+22.00
Coloured letters (2.06)	-1.50	-3.50	-4.50	+12.00
Multi printing (3.10)	+0.50	+3.00	+2.50	+15.00
White newsprint/magazine paper (3.14/3.15)	-8.00	+14.00	-3.00	-7.50
White woodfree uncoated shavings (3.18.01)	+3.50	+2.00	± 0.00	+12.00
Changes based on free delivered prices within Germany.				
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Following the acute supply shortages seen in previous months, which at times led to panic buying, the market has now calmed noticeably. The logistical challenges surrounding the recent public holidays have also largely been resolved.

The first indications of a downward trend became apparent last month. The analysis of price reports from recovered paper suppliers and consumers for May shows a slight month-on-month decrease of €1.00/t for mixed paper and board (1.02), supermarket corrugated paper and board (1.04) and used corrugated kraft (4.03).

The drop was greater for mechanical grades: prices for sorted graphic paper for deinking (1.11) fell by €3.50/t, while white newsprint/magazine paper (3.14/3.15) prices were down by as much as €8.00/t compared to April. Prices for coloured letters (2.06) slipped by €1.50/t.

In contrast, multi printing (3.10) and white woodfree uncoated shavings (3.18.01) saw further increases in May of €0.50/t and €3.50/t, respectively.

Bulk grade prices fall on weak order intake and high imports

After this slight downward trend emerged in the second half of May, the market turned decisively in June. Market participants report consistent price cuts of around €30/t for ordinary recovered paper grades. In some regions and depending on delivery volumes and the previous month's baseline price, June prices may have fallen even further, but some market participants also reported smaller reductions.

The main reason for the sharp price decline is weak demand from the paper industry. With orders for finished paper remaining low, many producers have cut back output and taken paper machines offline. However, the situation is not uniform across the industry. The situation is said to be particularly difficult for non-integrated paper manufacturers producing corrugated case material.

Overall, the supply situation for many mills has improved significantly, according to EUWID market contacts. High recovered paper imports from elsewhere in Europe had contributed to the easing, they said. Substantial volumes from the UK and the Benelux countries have recently arrived on the German market. Exporters in these countries are typically more focused on the Far East.

Moreover, with the relatively low purchasing prices offered by Asian buyers, very little supermarket corrugated paper and board has been exported from Germany recently.

Despite the fall in demand and incidents in which orders have been cancelled or volumes reduced, recovered paper merchants and waste management businesses are not overly concerned yet. Arisings are weak, so material is not accumulating to any great degree on their yards. Inventory levels are therefore reported to be limited.

The drop in prices for used corrugated kraft in June appears to have been even more pronounced than for mixed paper and supermarket paper and board. EUWID contacts report that increases in packaging arisings due to the horticultural harvest season and the marketing of fruit and vegetables have resulted in greater availability of grade 4.03. At the same time, there were only a few buyers of kraft-containing grades who themselves are not particularly busy, so demand had softened.

Only slight declines for other grades

The situation for sorted graphic paper for deinking is more stable in June. Prices for grade 1.11 were mostly unchanged or fell by only €5-10, according to reports from market insiders. Although availability is low, with many sorting operations having scaled back their activity significantly, several market participants stress that sorting collected material was not economically viable. Demand from mills has also been particularly weak.

Prices for medium and higher recovered paper grades were still largely unchanged. Where adjustments were made, they were modest, typically in the range of €5-10/t.

The decline in prices for coloured letters (2.06) was described as unusual for this time of year. Normally, tissue producers and other users of woodfree grades would be stocking up ahead of the summer dip in collections. This year, however, no supply bottlenecks are expected, as producers of graphic papers who had until recently purchased some woodfree recovered paper grades have largely withdrawn from the market.

Further price cuts for bulk grades expected

Most market participants expect prices for bulk recovered paper grades to continue falling in July. Decreases of around €10-15 are anticipated.

Some merchants and waste management firms are hoping that the lower arisings, which are typical in the summer, will stabilise prices. Some converters believe that further price reductions of up to €30/t could be on the cards if the order situation in the paper industry deteriorates further and more production capacity is taken offline.

Some contacts think significant exports from Germany to Asia are only likely if prices fall further. Despite the declines in June, the gap between domestic and Asian price levels is still estimated at around €30/t. In some other European countries, however, shipments to the Far East have already begun to pick up again, potentially reducing the volumes available to the German market.

Respondents still see no signs of a broader economic recovery. On the contrary, concerns about further consolidation are growing, especially as new paper machines have come online.

French consumers continue to show strong appreciation for printed retail advertising

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In France, more than half of consumers prefer printed advertising brochures and catalogues to find out about local shopping opportunities, regardless of the type of shop. Around 34 per cent prefer printed advertising brochures in their letterbox as an advertising medium for shops in their area, 24 per cent prefer personal recommendations from friends, neighbours or colleagues, and 22 per cent consider printed advertising brochures displayed in shops to be the most important information medium.

These are the findings of a study commissioned by Mediaposte, a subsidiary of the French postal service, and conducted by Infopro Digital Etudes. Preferences depend in part on the sector in which the shops operate and the age of the consumers also plays a role. According to the survey, 32 per cent of French respondents said that printed brochures and catalogues were their main source of information for commercial offers in the food sector. In the DIY and garden centre sector, 28 per cent used brochures as their first source of information, 25 per cent in the sports sector and 23 per cent in the fashion sector.

According to the study, newsletters and emails (22 per cent) are the media favoured by consumers in the furnishing and decoration sectors. Digital media are gaining in importance for sporting goods and leisure shops, particularly web-sites (20 per cent) and social networks (20 per cent), although print media and personal recommendations dominate here too.

Although some large retailers in France have restricted or completely stopped distributing printed brochures to private households, around 43 per cent of respondents in France still generally prefer printed advertising media in their letterboxes. They appreciate their easy availability (58 per cent), the special offers they contain (58 per cent) and their practical handling (53 per cent). They are of the opinion that the increased spread of digital tools is not replacing the use of brochures and catalogues, but that the latter are still a useful medium. Online catalogues, on the other hand, are particularly popular with younger consumers, according to the study. The advantage here is that they can be viewed at any time (60 per cent) and enable real-time access to special offers and prices (57 per cent).

The study also revealed that traditional, physical shopping in local shops remains the most important way of purchasing consumer goods in France. Ninety-seven per cent of respondents stated that they buy their supplies in local shops, despite prices being considered too high. This also applies to younger consumers: 88 per cent of under 35-year-olds stated that they go to a local shop at least once a week.

Muted demand and high supply on the lightweight kraft paper market in Q2

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At the time of EUWID’s research in early June, the mood among paper mills in the market for lightweight kraft papers appears duller compared with the first quarter. Demand from the packaging industry is reportedly there but often more restrained than in earlier months. The situation changed notable after Easter, with orders being placed more cautiously and at shorter notice, respondents said. Suppliers observe that business is quieter but hope that this is not yet the actual summer lull, which traditionally sets in only in the holiday months of July and August.

EUWID Price Watch Germany Lightweight Kraft Paper		
Second quarter 2025		
Prices in € per tonne free delivered	Second quarter 2025	First quarter 2025
MG kraft paper white 40 g	1,265 - 1,370	1,225 - 1,330
MG kraft paper brown 40 g	1,210 - 1,310	1,190 - 1,280
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The reasons for quieter business were more likely to be found in the string of holidays in May and June which slowed down converters’ operations, players said. Isolated reports also say that packaging manufacturers are sitting on high finished-goods inventories and are now adjusting raw material intake accordingly, as their own customers are placing fewer orders. The sentiment among end consumers is still said to be subdued in view of ongoing crises.

The business situation of surveyed manufacturers of paper packaging and paper bags in the second quarter is not uniform. Some companies seem to operate better, others worse than in the previous year. The situation is not transparent, insiders say. However, companies reportedly registered slightly better order inflow than in the first quarter when business was subdued in many areas.

Markets in the DACH (Germany, Austria and Switzerland) region as well as Europe are very well supplied with lightweight white and brown MG kraft paper. Reports from the UK indicate that supply is high, not just from European players. In addition, larger quantities of MF paper are available throughout Europe. Supply of recycled kraft paper appears to be normal. Lead times for lightweight white as well as brown MG kraft papers lie within a normal span of four to six weeks, only occasionally do they extend up to eight weeks, insiders say.

One of the reasons for high supply across Europe seems to be the global turbulence created by the announcement and introduction of reciprocal tariffs by the US administration. On the one hand, this means that volumes intended for the non-European market produced in Europe remain in Europe. On the other hand, goods from international suppliers are making inroads into the region. On top, the start-up of new capacities for MF paper, which can also be used to produce bakers’ and butchers’ bags, is also felt.

As a result, machines for lightweight kraft papers were reportedly not always operating at capacity at the time of research. Spot volumes are available and are offered to individual converters, though not widely, according to industry sources. Competition for orders from the packaging industry is therefore intensifying significantly.

Paper mills were able to push through marginal price hikes for the second quarter of 2025. Prices for white MG kraft paper (40 g) increased by an average of €40/t for deliveries from 1 April, bringing the average price frame for the grade to between €1,265 and €1,370/t. For brown MG kraft paper (40 g), the increases amounted to between €20 and €30/t taking the frame at the turn of the quarter to €1,210-1,310/t.

For the third quarter, however, downward pressure on prices seems to be building up, partly due to good supply from converters. Paper producers, on the other hand, are trying to keep prices stable in ongoing talks for July. A similar picture emerges for recycled lightweight kraft paper. Here, packaging manufacturers are trying to push through price reductions. In some cases, paper mills are already said to have shown willingness to compromise.

German core industry increasingly concerned

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Manufacturers of paper cores for the paper, film and textile industries and producers of composite cans in Germany have been confronted with difficult market conditions so far in 2025. Rays of hope were rare, commented the German industry association FHR. The persistent, sluggish economy in Germany, combined with persistent and massive cost pressure, was increasingly worrying companies, the association said.

The sharp rise in recovered paper prices in recent months has created cost pressure for coreboard producers. However, the long-term effects of the ongoing economic weakness in Germany are far more serious, the association says. FHR explains that overall declining volumes, smaller batch sizes and fragmented orders have been causing poorer combination options and higher set-up costs, which have ultimately translated into rising unit costs for cores manufacturers.

According to FHR, the increased wage costs of collective bargaining agreements also pose long-term challenges. Since 2022, salaries in the paper, board and plastics processing industry have risen by 11 per cent, the association says. The next stage is already scheduled for July 2025.

The association adds that payment morale has fallen in almost all industrial sectors and, together with rising insolvencies, is causing further reluctance to place orders and make investments.

Against this backdrop, member companies of FHR are therefore looking to the coming months with increasing concern.

Ifo Institute raises growth forecast for Germany

 **EUWID +** 18 June 2025 |  ~ 2 min | [Published in issue 25/2025](#)

The Ifo Institute for Economic Research has revised its economic forecast for Germany upwards. The German economy is expected to grow by 0.3 per cent in 2025 and 1.5 per cent in 2026, the institute said on 12 June. Compared with this year's spring forecast, Ifo raised growth rates by 0.1 and 0.7 percentage points, respectively. "The crisis in the German economy reached its low point in the winter half-year," said Timo Wollmershäuser, head of economic forecasts at Ifo, commenting on the revised figures. "One reason for the growth spurt is the fiscal stimulus announced by the new German government."

In the first quarter of 2025, Germany's economic output had already risen by 0.4 per cent. According to the Ifo Institute, this was mainly due to exports to the USA being brought forward. Private consumption and investment also picked up again. Sentiment among companies had brightened since the beginning of the year, the economic researchers add. "The growing optimism is probably also being fuelled by the hope that the new coalition will end the economic stagnation, and an agreement will be reached in the trade dispute with the US," explains Mr Wollmershäuser.

The new German government plans to expand infrastructure and defence spending, and to provide relief through accelerated depreciation, tax cuts, lower grid fees and a higher commuter allowance. In its economic forecast, the Ifo Institute estimates a boost of €10bn in 2025 and €57bn in 2026. As a result, growth is likely to increase by 0.1 percentage points this year and 0.7 percentage points in the next.

However, the economic researchers continue to see risks posed by US trade policy. Import tariffs already imposed will – assuming they remain at the current level – impact German economic growth by 0.1 percentage points in 2025 and 0.3 percentage points in 2026. If an agreement is reached in the trade conflict, growth in Germany could be higher while an escalation could lead to a renewed recession.

Oversupply prevails in the newsprint market in Germany

Markets still feature offers of surplus volumes at special prices

 **EUWID** + 18 June 2025 | ⌚ ~ 6 min | [Published in issue 25/2025](#)

Newsprint manufacturers and newspaper printers in Germany alike are unhappy with operating levels. The structural decline in business seems stronger than anticipated. In the run-up to negotiations for the third quarter, paper mills are once again underscoring the need for price increases to cope with the high cost burden, but one or the other supplier might also find stable prices acceptable. Market sentiment is not at its best. The mood in the German newsprint market is also weighed down by the activities of Canadian suppliers, as they fuel oversupply and nervousness in the market.

There is little to report in June from the market for recycled containerboard. Corrugated board producers are struggling to pass on the latest price increases to their customers, so they have reserved the right to negotiate prices with suppliers at the end of the month. For GC board (folding boxboard), it is becoming clear that there will be no more demands for hikes from manufacturers at the start of the second half of the year. Suppliers of recycled cartonboard grades are watching recovered paper prices and say they will align prices accordingly.

Newsprint negotiations may close early

Despite some positive signals, the mood in the German newsprint market is at best middling. Statistics indicate that operating levels of paper mills are healthy but industry insiders say they are often unsatisfactory. Sporadic reports of downtime are still received. Printing companies also not always describe their order situation as good. This applies to both printers of coldset and heatset newsprint. The structural decline in business is reportedly stronger than anticipated. It therefore comes as no surprise that market activity is marked by oversupply of paper and printing services. There is no end to reports of special deals.

In the run-up to negotiations for the third quarter of 2025, discussions were already developing about the direction that negotiations would take. Paper mills underline the need for price hikes since high cost burden prevents profitable operation at current prices. Paper industry representatives claim that customers understand the plight of paper mills. There are signals from both sides of the market in the ongoing negotiations that suggest market players would be satisfied with retaining second quarter prices. Some buyers, however, say there are “the usual project prices”, e. g. in the heatset segment, which should eventually find their way into contracts given the oversupply of paper, and therefore involve discounts.

Market insiders explain that the commercial printing business in Germany has been very competitive for quite some time. Some volumes are reportedly offered at special prices for a limited period. One aspect of the current demands of some buyers in

negotiations apparently revolves around paper manufacturers' readiness to grant special deals rather than eradicating them. However, it is difficult to turn back the clock, remarks one player.

On the whole, discontent has spread and established itself in the market. The mood is also weighed down by the activities of Canadian suppliers, as these create oversupply of paper and fuel nervousness in the market. On top, there is general uncertainty as the industry braces for change. Suppliers are looking for growth opportunities, others speak of cut-throat competition. Printers and publishers are confronted with the demise of print, including information on when this would happen.

The debate fuels discontent, despite positive signals not seen in other segments. There is always talk about digitisation – but print cannot simply be done away with, says a market expert speaking for the printing and paper industry. Stakeholders occasionally point to the recent clear commitment from newspaper publishers to printed editions, as demonstrated by investments in modern printing systems. More projects are reportedly in the pipeline. They also highlight the comeback of printed flyers among advertisers. The order volumes involved are not game-changers in the business, but they certainly provide additional impetus.

Prices for recycled containerboard stable in June

Following the May hikes for recycled containerboard, mainly by €40/t, prices moved sideways in June, as seen in initial talks in the current month. Justifying the hikes, paper mills referred to the drastic mark-ups for recovered paper prices, which they could not shoulder alone. Numerous respondents are watching how recovered paper prices will move, often with some excitement. However, suppliers say this will not influence containerboard pricing in June.

Nevertheless, paper buyers have reserved the right to negotiate prices with paper suppliers at the end of the month if necessary. Sheet feeders stress that they cannot pass on the latest hike on to their customers. The past has shown that packaging producers have not been able to pass on closely spaced price increases in a timely manner, and often not at all. Already last year, the third and in some cases even the second increase charged by the paper mills could not be passed on. The sheer number of necessary discussions combined with the high frequency of public holidays and the holiday season make it even more difficult to conduct the necessary talks this year.

Recovered paper prices could therefore be the proverbial tipping point for buyers to seek dialogue with paper mills. If there is a sharper decline for the main recovered paper grades, converters could retract parts of the recent increases.

However, operating levels at paper mills cannot be viewed as a uniform phenomenon. Machine occupancy for some paper mills is high, so they plan no downtime or only on a daily basis. However, longer idling measures to maintain market balance also feature in discussions.

Will GC prices be carried over into the second half of the year?

In mid-June, it seems undisputed that GC (folding boxboard) manufacturers will refrain from seeking hikes going into the second half of the year, even if some contracts expire at that time. "The market is calm," remarked converters in initial interviews

conducted by EUWID in June. Neither have notices been sent nor are board manufacturers actively seeking dialogue with buyers, say sources. But even without announcements from board manufacturers, buyers do not always see opportunities to negotiate prices in their favour. The market is very calm, and demand is too weak for buyers to place large-volume orders that would justify price negotiations. Individual respondents report that they have rolled over prices at the existing level, at least for the third quarter. But it is still too early to clearly anticipate prices for the second half of the year. Weak demand coupled with excess capacities and an unpredictable US market are viewed as an opportunity by various buyers.

Price demands for recycled cartonboard (GD) could not be implemented in May but they are not yet completely off the agenda. Market players will watch how recovered paper prices move in the coming weeks. However, the increases that have already been put in place should remain untouched even if recovered paper prices recede, say sources.

Demand varies from company to company and depends on the product range, but none of the folding box manufacturers surveyed say it is good. Some voices rate May as the worst in years, some see Easter as the beginning of the slump in demand. However, since the past has shown that market dynamics can change quickly, the final word for the current month is not yet spoken. All board grades are said to be readily available.

Swedish ports face ongoing strikes and disruptions

17 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 25/2025](#)

Swedish ports are currently experiencing significant operational disruptions as a result of an ongoing labour conflict between the Swedish Dockworkers' Union (Hamnarbetarförbundet, HF) and the employer association Ports of Sweden.



Gothenburg, Sweden's biggest port, is also affected by the industrial action.

The dispute centres on unresolved issues regarding union rights, protections for elected officials, and working

conditions for temporary staff, despite a [sector-wide agreement](#) having already been reached with the Swedish Transport Workers' Union. While HF announces [industrial action in various ports](#), the [Swedish Port Association reacted with lockouts](#) to protect operations at the affected ports.

The strikes have already led to delays and disruptions in cargo handling, affecting both imports and exports. Shipping companies and logistics providers, such as DHL and LEMAN, are warning customers to expect longer lead times and potential additional costs due to the ongoing situation. However, pulp, paper and board deliveries seem not to have been affected so far.

Mediation efforts are ongoing, but as of mid-June, no resolution has been reached. The Swedish Dockworkers' Union has rejected the latest mediation proposals, while Ports of Sweden has accepted them. The employers' association has also challenged the legality of the strikes, arguing that a valid collective agreement is already in place through the Transport Workers' Union, but the Labour Court has so far sided with the dockworkers' right to industrial action

Sweden's forestry and paper sector relies heavily on maritime transport. According to industry figures, around 80 per cent of its exports are shipped via sea.

Leadership transition at Red Rose Packaging

16 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | Published in issue 25/2025

British corrugated packaging specialist Red Rose Packaging has entered a new phase in its company history with a change in leadership, just ahead of its 40th anniversary later this year.



Stuart Clarke, current MD of Boxes and Packaging, will also be MD of Red Rose Packaging

Following the retirement of Sharon Garner, who served as Director for over 30 years, [Stuart Clarke](#) has been appointed as the new Managing Director. Mr Clarke will oversee

operations at Red Rose Packaging alongside his current role at Boxes and Packaging (Manchester), which operates across two sites in Stockport and Bolton. Both businesses are part of the UK-based [Logson Group](#).

“The team at Red Rose is incredibly well-established and brings with it a deep knowledge of the business and the industry,” Mr Clarke commented. “It makes perfect sense for the Logson Group’s operations in the North West, and I am delighted to take on this new challenge as we begin a new chapter in the company's history.”

Directors Katie Whitehead (Sales) and Ian Walters (Production) will continue to lead their respective departments, ensuring continuity in day-to-day operations.

[Red Rose Packaging](#)'s product portfolio ranges from heavy-duty transit packaging to point-of-sale and e-commerce displays.

Obeikan to close Valencia packaging plant

16 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 25/2025](#)

Saudi packaging group Obeikan is shutting down its corrugated packaging plant in Canet d'en Berenguer near Valencia, Spain.

The company has announced a collective redundancy procedure (ERE) and full closure of the site, affecting more than 100 employees, according to a statement by trade union CCOO del Hàbitat del País Valencià.



CCOO union members are protesting outside the Obeikan site

According to Spanish press reports, the Valencia plant – which once employed up to 175 people – had seen its workforce reduced in recent years. The plant primarily produced corrugated packaging for fruit and vegetable exports and supplied major clients such as Tesco and Metro. Obeikan's Spanish subsidiary reportedly accumulated more than €7m in losses between 2022 and 2023.

Trade union CCOO del Hàbitat del País Valencià blames the shutdown on poor business management and criticises the company's decision to opt for closure without exploring alternatives. A first consultation meeting with the works council has been scheduled for 23 June.

SCA postpones pause of FSC Forest Management certification in Sweden

13 June 2025 | [Frauke Schmidt](#) | 🕒 ~ 1 min | [Published in issue 25/2025](#)

Swedish forestry and paper group SCA has decided to postpone the planned suspension of its FSC Forest Management (FSC-FM) certification in Sweden, which was originally scheduled to take effect on 1 June 2025.



At the Obbola site, SCA produces up to 725,000 tpy of fresh-fibre based packaging paper.

Swedish forestry and paper group SCA has decided to postpone the planned suspension of its FSC Forest Management (FSC-FM) certification in Sweden, which was originally scheduled to take effect on 1 June 2025. The company cites ongoing, constructive discussions with the Swedish National Sámi Association (SSR) and the Forest Stewardship Council (FSC) as the reason for its decision.

SCA had previously announced it was preparing to pause its FSC-FM certification due to challenges it sees in the current certification framework. However, the latest developments suggest that all parties are working collaboratively toward a mutually acceptable path forward, the company said.

“This decision reflects a shared commitment to finding solutions to the challenges we have identified within the FSC certification framework,” SCA stated. The company remains hopeful that continued dialogue will result in a long-term and sustainable approach to forest management – one that is in line with FSC principles and SCA’s own standards for responsible forestry.

SCA continues to maintain its FSC Chain of Custody and Controlled Wood certifications, and remains an active member of the FSC system.

UPM Raflatac renamed as UPM Adhesive Materials

12 June 2025 | 🕒 ~ 1 min | [Published in issue 25/2025](#)

UPM has renamed its UPM Raflatac business area. With effect from 12 June, the division will trade under the name of UPM Adhesive Materials. The new reporting segment name will be used in financial reporting from the second quarter of 2025, the company announces.



The name change is to reflect the business area's strategic direction. UPM said it aimed at accelerating its growth beyond label materials into graphic solutions and specialty tapes. However, UPM Raflatac would remain a leading, global brand for label materials, it added.

UPM has been growing in the graphic solutions segment recently. In the last 12 months, the company acquired British producer and distributor of graphic solutions Metamark and Belgian company Grafityp, which also offers graphic solutions from its mill in Houthalen. In 2022, UPM furthermore acquired German company AMC (Advanced Methods of Coating), which has two production sites.

UPM Adhesive Materials produces self-adhesive products including label materials, graphics solutions, and specialty tapes. The division employs 3,200 people and reached sales of €1.6bn in 2024.

