

Business expectations normalise again, says Bvdm

Statistical snapshot Germany

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The mood in the German printing and media sector improved slightly in July 2024. The business climate index compiled by the industry association Bvdm was up by around 2.6 per cent versus the previous month, adjusted for seasonal and calendar effects. At 92.4 in July, the index was around 3.5 per cent above the prior-year level. The improvement in the business climate index was primarily attributable to the higher business expectations.

In July 2024, the decisionmakers at printing and media companies once again rated their current business situation as slightly weaker than in the previous month, according to the Ifo research institute. When asked about their business expectations for the coming six months, the respondents expressed a more optimistic view than they had in the previous month.

In July, the downtrend in the seasonally and calendar-adjusted business situation index continued, bringing the figure back to the level seen at the start of 2024. The precarious capacity utilisation of 71.1 per cent (-3.3 percentage points versus one year earlier) as well as the ongoing weak order situation posed challenges for the firms in July. The index stood at 83.8, representing a decline of 1.1 per cent month-on-month. Compared with the same month of 2023, the decline was 4.4 per cent. Around 53 per cent of the companies surveyed assessed their business situation in July as "neutral." By contrast, the share reporting a "positive" business situation declined by approximately 6 percentage points to 6 per cent, while the "negative" assessments were up by about 2 percentage points to 41 per cent.

In a quarterly survey of reasons for limited production, 68 per cent of the companies said they were affected by production constraints. Of these, 54 per cent (-8 percentage points) cited a lack of orders as the main cause, while 31 per cent (-14 percentage points) pointed to a lack of skilled workers.

Expectations with regard to the development of the business situation over the next six months were considerably better in July than in June. The adjusted index figure of 101.8 was up by around 6.6 per cent compared with the previous month and by 12.5 per cent versus the level in July 2023. This suggests that the companies expect the downward trend to flatten out towards a sideways movement over the next six months. Around 78 per cent of the companies forecast a steady business situation.

Bellmer buys Brazilian stock preparation specialist

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German plant builder and engineering company Bellmer signed an agreement to acquire Metal Service, a company specialising in stock preparation solutions and PMs based in Brazil's Rio do Sul state. The acquisition is aimed to strengthen Bellmer's technology offerings and service presence in Brazil. "The pulp and paper business is growing in Brazil, both with new investments and upgrades to existing plants. By combining Metal Service's service and production capabilities with those of Bellmer, we can strengthen our position as a complete supplier for paper mills," says Martin Kollmar, Bellmer's president.

The transaction is reportedly expected to be completed by the end of this year.

Metal Service has built up a strong portfolio in the last 20 years and has established itself as a reliable supplier of stock preparation technologies, PMs and services in Brazil and Latin America, Bellmer adds.

"Now the time has come to take the next step in the development of this business and I see the transaction as a great way to continue growing," remarked Valmor Burato, founder of Metal Service. Mr Burato will continue in his role as managing director of Bellmer do Brasil.

High-tech components, such as headboxes, shoe presses, shakers, calenders, film sizers and winders, will continue to be manufactured by Bellmer's facilities in Germany and Finland.

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Tissue producer Paperdì gets go-ahead for expansion project

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Tissue jumbo reels at a paper mill. Symbolic image.

Italian tissue paper and products company Paperdì has been given the go-ahead by the authorities of the Campania region for the expansion of its existing Cartiera di Pietramelara mill. Paperdì plans to install an additional tissue machine and double the mill's capacity at the Pietramelara site north of Naples.

Cartiera di Pietramelara runs one tissue machine PM 1 that has a capacity of some 34,000 tpy. In line with the approval received on 24 July, the company is now authorised to install a second tissue machine and raise the output by

another 34,000 tpy. The implementation of the project will probably commence in September 2024, but it is not yet clear when the new tissue machine PM 4 will be started up. Upon EUWID inquiry, a company spokeswoman said that individual steps had already been planned and coordinated, while the exact time line had not yet been fixed.

The tissue paper produced by the Cartiera di Pietramelara mill is converted into a range of hygiene and sanitary paper articles at the San Nicola La Strada plant in Caserta, first and foremost for the away-from-home segment. The nominal capacity of the San Nicola La Strada converting plant, which runs 14 converting lines, amounts to around 145,000 tpy, but currently the plant only produces about 90,000 tpy. The company spokeswoman explained that although the converting plant operated three shifts, there is no continuous production on every day of the week. In addition, there were format changeovers and maintenance work so that only around 65 per cent of the capacity actually available were being used.

Paperdì has been operating in the hygiene paper and sanitary products market since 1993. In 2017, the company acquired the tissue plant in Pietramelara, which had been closed down some years ago, before it re-started the plant's operation in early 2018. The company also purchases part of the tissue paper necessary for its converting operations in San Nicola La Strada from another producer in Campania, with which it concluded a long-term supply contract. The combined production capacity of the two external tissue machines PM 2 and PM 3, which are reported to produce exclusively for Paperdì, amounts to 60,000 tpy. Paperdì did not disclose the identity of the other producer.

The new tissue machine PM 4 at Cartiera di Pietramelara will allow Paperdì to further increase the vertical integration of tissue converting operations. Paperdì reports that it plans to use the new paper machine to manufacture sanitary and household papers from both primary and recycled fibres.

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The Navigator Company's first half-year results rise on volume growth and acquisitions

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Portuguese pulp and paper producer The Navigator Company (Navigator) has been able to perform well in the turbulent first half of 2024. The company reports healthy overall results with sales revenues 9 per cent higher year-on-year at €1.07bn. Ebitda increased in the first half of the current year by 18 per cent to €299m and operating profit by 20 per cent to €226m. Under the bottom line, Navigator took in a net profit of €159m, roughly 16 per cent more than in the same period last year.

Navigator concurrently advanced its diversification strategy. In May 2024, the company completed the acquisition of the independent British tissue products company Accrol, which has converting capacity of up to 150,000 tpy.

In the packaging paper segment, Navigator's order inflow increased, pushing the deliveries 90 per cent higher than in the first half of 2023, the company said.

Navigator pins this growth on improved demand from the packaging sector as well as new product developments in flexible packaging papers. In the second half of the year, Navigator will commission its first production line for moulded fibre packaging in Aveiro, Portugal.

The company's fine paper business, which still accounts for 60 per cent of its sales, benefited from improved demand in Europe. Capacity utilisation in the first half of the year stood higher than the European average at 92 per cent. Navigator reported that selling prices in Europe increased by 2 per cent in the first half of the year and 4 per cent since November 2023, but were still significantly lower than the average prices reported the first half of 2023.

In the packaging paper segment, Navigator likewise successfully implemented higher prices particularly for kraft paper backed by significantly stronger demand and increases in deliveries.

In the first half 2024, Navigator delivered a total of 673,000 t of printing, writing and packaging paper, 26 per cent more than in last year's corresponding period.

Healthy worldwide demand and high selling prices created a favourable environment for the company's pulp business, Navigator said. The price of eucalyptus pulp started to increase at the end of the third quarter of 2023 and continued to rise month after month in the first half of 2024 until the benchmark price touched a record \$1,440/t. Worldwide demand for

hardwood pulp stood 6 per cent higher year-on-year. For eucalyptus pulp, demand grew by as much as 10 per cent to 13 million t.

The Portuguese company benefited only to a limited extent from growth on the pulp market because it had less market pulp at its disposal than in the same period of 2023. Pulp deliveries in the reporting period were roughly 16 per cent lower year-on-year at 181,000 t and pulp sales receded by 8 per cent.

In the tissue paper and products business, Navigator could reach higher output volumes in the first half of 2024 thanks to acquisitions in the second quarter of 2023 (GC Consumer) and the second quarter of 2024 (Accrol). Deliveries increased by 64 per cent compared with the same period of 2023 to 94,000 t.

Navigator expects demand for pulp and fine paper to slow down in the second half of the year. In the pulp segment, slower demand will encounter higher capacity to create downward pressure on prices. For fine paper, the company expects that the announced capacity closures in the USA and Germany will reduce the supply overhang and support prices to remain at the current level. The tissue business is to remain positive with annual growth at slightly over 3 per cent, Navigator expects.

The Navigator Company results				
million €	April - June		January - June	
	2024	2023	2024	2023
Key figures				
Sales	529	478	1,066	980
EBITDA	165	122	299	253
Operating result	128	88	226	188
Net result	95	66	159	137
Deliveries, 1,000 t				
Market pulp deliveries	71	124	181	216
Paper deliveries	319	260	673	533
Tissue deliveries	56	37	94	61
Source: The Navigator Company				

Stora Enso posts positive results for H1 2024

Better earnings thanks to business in packaging paper, board and pulp

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Scandinavian group Stora Enso posts positive results for the first six months of 2024 thanks to more favourable market conditions as well as comprehensive restructuring and profitability enhancement initiatives. The company's pulp, packaging paper and board businesses made a noticeable contribution to the positive H1 results. The second quarter of the year lived up to expectations, commented Stora Enso's CEO Hans Sohlström. While performance in Q2 was weaker compared to Q1, it was significantly stronger than the previous year's quarters when the company posted losses. Throughout the first half of the year, year-on-year results continued to improve, the company reports.

Stora Enso posts net profit of €126m for the first half of 2024 compared with net loss of €72m for last year's corresponding period. Operating earnings jumped from €5m to €247m for the reporting period. The company's adjusted Ebitda increased by 2 per cent to €610m while sales fell by 12 per cent to €4.5bn compared with the first six months of 2023.

Deliveries developed well in recent months, according to Stora Enso. Furthermore, the company's divisions benefited from high selling prices for pulp and wood. Stora Enso also successfully reduced expenditure for overheads and chemicals.

Restructurings helped to achieve goal

Stora Enso successfully cut costs in the last twelve months. The profitability enhancement programme announced in February is gradually yielding returns and has already helped to improve results, Stora Enso observes. The programme aims to raise earnings by €120m. Furthermore, Stora Enso had already launched a restructuring programme in June 2023. The company cut jobs as part of both programmes: last year, the count was 1,050, this year the company says another 1,000 jobs could be made redundant. Reducing the head count translates into lower personnel costs.

Stora Enso's business in the first half of the year was burdened by the high cost of wood as well as strikes at Finnish ports which created bottlenecks at the ports and forced the company to intermittently curtail production. Lower selling prices and closure of PMs also burdened sales, the company writes.

Stora Enso's Packaging Materials division, which includes the company's containerboard and board business, emerged from the loss-making zone already in the first quarter. Operating earnings of the division for the first half of 2024 stood at €87m in contrast with operating loss of €99m in last year's corresponding period. Demand for cartonboard was reportedly stable, for containerboard slightly better, but a clear market recovery in the segment was not in sight.

High pulp prices enabled the Biomaterials division to post positive results with growing operating earnings. The division's sales were impacted by the closure of Stora Enso's Sunila mill.

The company's Forest division similarly performed better than in the previous year. Demand was very strong, selling prices were high and harvesting conditions favourable, Stora Enso said. The Wood Products division also improved its results year-on-year but failed to emerge from the red, posting an operating loss of €2m for the first half of the year. Stora Enso said that demand for wood products was impacted by weak building activity.

Stora Enso's Packaging Solutions division slipped further into the red and posted an operating loss of €7m due to market overcapacity. However gradual recovery was visible, the company said. Higher containerboard prices could be passed on only with a time lag to customers.

Prices to rise in the second half of year, markets expected to be stable

Stora Enso's outlook for the second half of the year is broadly positive. The company raised its guidance for full-year adjusted operating earnings and expects to post significantly higher profit than the €342m declared in 2023. The guidance is firstly supported by the company's view that markets are gradually recovering. Secondly, the implemented profit enhancement initiatives are showing results, Stora Enso writes. The company nevertheless does not expect smooth sailing in the H2 2024. It anticipates that high wood costs will continue to pressure margins along with several uncertainty factors e. g. the development of supply and demand as well as inflation, but also the risk of new strikes.

Stora Enso's outlook is positive for packaging-related markets: the company expects fairly stable demand for packaging, cartonboard as well as containerboard accompanied by rising prices. Stora Enso has announced a price hike for cartonboard. In the containerboard markets, a third hike for the year is currently under discussion. The pulp market is expected to be quiet with stable demand, while the wood business will possibly ease due to the holiday season, the company stated.

Stora Enso results

million €	April - June		January - June	
	2024	2023	2024	2023
Key figures				
Sales	2,301	2,374	4,466	5,095
Adjusted EBITDA	312	198	610	597
Operating result	99	-253	247	5
Net result	42	-257	126	-72
Business area review				
Packaging Materials				
Sales	1,138	1,155	2,238	2,455
Adjusted EBITDA	127	58	253	186
Operating result	32	-120	87	-99
Consumer board deliveries*, 1,000 t	712	698	1,391	1,406
Containerboard deliveries*, 1,000 t	332	340	649	658
Paper deliveries*, 1,000 t	144	148	301	414
Packaging Solutions				
Sales	254	288	478	564
Adjusted EBITDA	18	32	37	56
Operating result	-4	10	-7	-2
Corrugated packaging European deliveries*, million m ²	324	299	604	584
Biomaterials				
Sales	413	379	788	868
Adjusted EBITDA	99	22	188	148
Operating result	66	-109	124	-19
Market pulp deliveries*, 1,000 t	561	551	947	1,115
Wood Products				
Sales	414	436	763	890
Adjusted EBITDA	17	7	19	8
Operating result	7	-14	-2	-24
Wood products deliveries*, 1,000 m ³	1,079	1,033	1,957	2,077
Forest division				
Sales	690	620	1,349	1,307
Adjusted EBITDA	94	75	174	143
Operating result	49	60	111	105
Wood deliveries*, 1,000 m ³	3,290	3,451	6,784	7,229
Other				
Sales	36	213	92	578
Operational EBITDA	-30	-5	-39	27
Operating result	-38	-89	-42	15

*external deliveries

Source: Stora Enso

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Forest owners offering more wood for pulping

Price reductions as well as rollovers in third quarter

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In the course of June and July 2024, forest owners in Germany showed more interest in deliveries of wood for mechanical pulping. As the incidence of beetle-damaged wood has fallen short of the expectations and forecasts, forest business units and forest owners used their unallocated forest-enterprise capacity to perform thinning operations. In Bavaria, volumes of pulping wood, predominantly from meanwhile largely completed snow-breakage clearance activities, were put out for collection until well into early summer.

For this reason, the stocks of ISN spruce at the works as well as in external depots rose until the end of July. This growth was particularly pronounced at the Schwarz group's Maxauer Papierfabrik near Karlsruhe where a fire had broken out on 16 June. As it was mostly conveying equipment for pulping wood that was damaged, primary fibre-based paper production had to be reduced. The Maxau paper mill resumed normal production in July.

At least one mill has built up internal stocks to such an extent that it will stop receiving pulpwood in August. This means that this mill's suspension of pulpwood purchases has been extended beyond its holiday shutdown. The mill's intention is to reduce the cost of its inventories. According to timber merchants, rail deliveries to this mill were drastically reduced in June, but this was due to insufficient rail capacity rather than buying restrictions. In recent months, the mill's pulpwood purchases and call-offs have been made at increasingly short notice. As a result, suppliers have been complaining about the lack of planing capability. Log merchants, however, have been profiting from this behaviour by procuring volumes for the mill from further afield at short notice.

Due to the weak market environment, production at the majority of paper mills converting wood for mechanical pulping is still at a reduced level. Only one mill in southern Germany is registering a high level of capacity utilisation.

Some mills based in the south of Germany have rolled over or even reduced the prices in the preliminary contracts applicable in the third quarter. In the Bavarian administrative districts of Swabia and Upper Bavaria, which are located close to paper mills, the prices for 2 m and 3 m ISN spruce reduced from €32/m³ to €29/m³ ex forest road in the second quarter have been rolled over until the end of September. As already occurred in the second quarter, however, only small volumes of a few thousand cubic metres have actually been put under contract.

In regions further away from paper mills in Lower and northern Bavaria, prices paid to forest owners are still at €26-28/m³. Prices have been rolled over in the Bavarian state forest, too, although they are significantly above those of the private-forest

sector. Prices are valid until the end of the year.

Log merchants are currently still buying for a western German papermill at €28-31/m³ in Bavaria, though the mill has already given the merchants notice of a price reduction, which they are going to factor into their quoted prices.

In southwest Germany, paper mills reduced their prices applicable for private forests in the third quarter from €31-33/m³ to €30-31/m³. The contracts of southwest German regional forest business remained valid until the end of this year. In western Germany, prices were lowered to €30-33/m³ from €32-34 at the end of May.

In western Germany in particular, where the highest prices in the country are still being registered for sawlogs, sellers are still endeavouring to sell the volumes of wood for mechanical pulping as small-diameter sawlogs. The prices offered by sawmills for the thickness categories of L 1a and L 1b are mostly higher than those of papermills.

In Bavaria, too, following the closure of the papermill in Plattling, forest business units are selling more wood from thinning operations to domestic small-diameter log sawmills and to converters in the neighbouring Czech Republic and Austria. Difficulties, however, have been encountered in handling long-distance transport to a Romanian sawmill.

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Germany's paper industry suffers further decline in sales while production is stabilising

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After a challenging 2023, the development of business in the German pulp and paper industry continued to be difficult in the first half of 2024 as well. Down by 6.7 per cent, total sales revenues declined further compared to the corresponding prior-year period, when the figure had already fallen by 27 per cent. At least the volume of paper and board produced rose by 6.9 per cent in the first six months of the current year, reports Die Papierindustrie, the German industry association, adding that the industry is still far from any recovery after production dropped by almost 14 per cent in 2023, reaching the lowest level in the past 20 years.

The sector's deliveries increased by 5.3 per cent in the first half of 2024 compared to the corresponding period of the previous year. This increase in shipments was based on the positive development in the packaging paper and board segment and paper for technical and special applications. In contrast, the sales volume of graphic paper declined slightly, while the volume of sanitary paper sold remained stable. The graphic paper segment is still undergoing profound structural change, which is affecting the paper industry's entire value chain.

High cost increases are a threat to the continued existence of plants and jobs

In the first half of 2024, sales revenues generated from pulp and paper products clearly remained below the prior-year level, while the cost of pulp, recovered paper and energy continued to grow. This led to a deterioration of operating results and hence impaired the paper companies' ability to invest. According to the German pulp and paper association, 25 paper machines were decommissioned and 16 plants closed down over the past five years. Plans to idle another five machines and close down two further plants have already been announced for 2024.

The industry is losing production volumes and important jobs in the regions affected because production is no longer profitable in all German plant locations as a result of the prevailing general economic conditions. According to the association, this trend must be stopped because the paper industry is a prime example of a future-proof, sustainable circular economy. Therefore, politicians must take appropriate countermeasures, claims the association.

Die Papierindustrie is therefore urgently calling on political decision-makers to simplify bureaucratic and regulatory requirements, bring the energy transition back on track and thus support the transformation of companies. According to the association, it is also a matter of not further worsening European regulations to the detriment of German production locations. Instead, locational factors must be kept comparable in the interest of fair competition within Europe, claims the association.

According to the association, the growth initiative for Germany as a business location announced by the federal cabinet in parallel with the 2025 budget points to the right direction, for example with a view to cutting red tape. However, further decisive measures are required to strengthen the country as a business location and to make it more attractive for investments. Safeguarding the competitiveness of the country's energy-intensive industries, for example by reducing grid fees, would be a step in the right direction.

Germany: production, deliveries and consumption by main grades

January - June 2024

1,000 t	January - June		%
	2024	2023	2024/2023
Paper and board			
Production	9,894	9,256	+ 6.9
Deliveries	9,875	9,382	+ 5.3
Domestic deliveries	4,871	4,804	+ 1.4
Export deliveries	5,004	4,578	+ 9.3
Graphic paper			
Production	2,134	2,082	+ 2.5
Deliveries	2,109	2,116	- 0.4
Domestic deliveries	1,087	1,100	- 1.2
Export deliveries	1,022	1,017	+ 0.5
Paper and board for packaging			
Production	6,298	5,753	+ 9.5
Deliveries	6,310	5,829	+ 8.3
Domestic deliveries	2,688	2,608	+ 3.0
Export deliveries	3,622	3,220	+ 12.5
Sanitary paper (machine production)			
Production	691	691	± 0.0
Deliveries	717	718	- 0.2
Domestic deliveries	697	697	- 0.1
Export deliveries	20	21	- 4.1
Specialty and technical paper and board			
Production	770	730	+ 5.5
Deliveries	739	718	+ 2.9
Domestic deliveries	399	398	+ 0.3
Export deliveries	340	320	+ 6.3
Raw materials			
Chemical, mechanical and deinked pulp production	8,262	7,629	+ 8.3
Recovered paper consumption	889	989	- 10.1

Source: Die Papierindustrie statistics

Debates on paper prices not yet concluded in Germany by late July

Price round for brown kraftliner shows clear trend for August

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EUWID Price Watch Germany July 2024			
Prices in € per tonne free delivered unless otherwise stated	July 2024	June 2024	July 2023
Fine paper			
Woodfree uncoated			
A4 C-grade, branded paper	980 - 1,030	980 - 1,030	1,030 - 1,200
A4 C-grade, non-branded paper	940 - 980	940 - 980	1,000 - 1,050
Offset sheets 80 g	1,050 - 1,130	1,050 - 1,130	1,100 - 1,250
Offset reels 80 g	980 - 1,030	980 - 1,030	1,020 - 1,150
Woodfree coated			
Sheets, double coated, 100 g	1,040 - 1,140	1,040 - 1,140	1,100 - 1,200
Reels, double coated, 100 g	980 - 1,030	980 - 1,030	1,050 - 1,100
Publication paper			
Newsprint 45 g (coldset)	600 - 630	570 - 610	610 - 670
Newsprint 42.5 g (coldset)	610 - 640	580 - 620	620 - 680
Newsprint 45 g (heatset)	600 - 630	570 - 610	610 - 680
LWC offset 60 g	780 - 815	780 - 820	850 - 890
LWC rotogravure 60 g	795 - 825	800 - 835	860 - 920
SC offset 56 g (A)	680 - 710	680 - 710	730 - 780
SC rotogravure 56 g (A)	680 - 710	680 - 710	730 - 790
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner from Scandinavia 175 g	830 - 850	830 - 850	750 - 780
Semi-chemical corrugated medium ¹⁾	775 - 980	755 - 980	705 - 900
White-top kraftliner 140 g	1,040 - 1,110	1,040 - 1,110	970 - 1,060
Recycled corrugated case material			
Schrenz	610 - 650	590 - 610	530 - 550
Wellenstoff	640 - 680	620 - 640	560 - 580
Testliner II	670 - 710	650 - 670	590 - 610
Testliner III	650 - 690	630 - 650	570 - 590
White-top testliner, coated	910 - 950	910 - 950	860 - 890
White-top testliner, 140 g, ISO 70-75	790 - 805	790 - 805	740 - 785
Cartonboard			
Unlined chipboard	815 - 875	815 - 875	840 - 915
GD II	850 - 960	850 - 960	895 - 1,010
GC II	1,210 - 1,235	1,210 - 1,235	1,290 - 1,315

¹⁾ Prices at the upper end of the range represent Scandinavian primary fibre grades, lower-end prices are quoted for other European grades.
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On the German market for fine paper, there was barely any price movement in July as demand remained weak. The price hikes announced by some paper mills were unsuccessful for the common grades in most cases. Occasional mark-ups in niche segments were reported.

The summertime slump in demand for magazine paper is stoking the uncertainty felt by many paper mills and printing companies. While producers want and are trying to establish an upward trend in prices, particularly in light of the recent rises in raw material costs, buyers are trying – very hard, in some cases – to fend off price increases.

Industry experts report considerable activity in the German market for corrugated case material. It appears the price round for unbleached kraftliner will result in price hikes as of August.

Jitters in fine paper market after Inapa files for insolvency

There is considerable uncertainty on the German fine paper market following the insolvency of Inapa, according to observers. In some instances, buyers are scrambling to find alternative suppliers of woodfree coated and uncoated papers. Converters, which are already suffering from a weak order situation, now fear they will not get their paper on time to fulfil their orders with customers.

Although the challenging situation in the paper merchant segment had raised the spectre of such an event, the insolvency filing by Inapa Deutschland took market participants by surprise. The company's financial collapse had an immediate impact on day-to-day business, respondents said. Many customers reacted nervously, but any potential cancelled deliveries would occur during the deep summer slump, so it should not be too difficult to procure alternative paper – at least for the commodity

grades. It is expected that a slightly delayed effect will be seen in the office paper segment, too. However, no shortages are expected since demand is very sluggish this summer.

Competitors appear unperturbed by Inapa's insolvency: "There was one player too many in the market anyway," a paper merchant said. Paper producers, however, will need to establish new sales channels if Inapa disappears from the market. The paper merchant's fate will largely depend on the reaction of its suppliers. Another possibility is that an investor comes to the rescue, and a Japanese company is rumoured to be expressing interest.

In July, there were no changes on the price front for fine paper. Individual price mark-ups were recently implemented in specialty and niche segments. Although there had been hike announcements for the standard grades, these were usually postponed, according to market insiders. In some cases, the price adjustments from previous months were even rescinded again. In August, sellers are also granting summer discounts. Yet EUWID respondents doubt these will create positive impetus, as demand for paper is simply too weak right now. However, if business picks up again, the market jitters could facilitate price hikes, EUWID respondents believe.

Besides the summer slump, European graphic paper producers are struggling with competition from overseas imports. This is especially true in the market for woodfree uncoated papers. Demand for copy paper in particular has plunged. The announced closure of a machine at Nordland Papier, on the other hand, has resulted in a slight temporary uptick in demand for offset paper.

Domestic paper mills feel they are at a disadvantage compared to international competitors. They complain that profitable production has become almost impossible and investments must be postponed, as they feel the sting of energy and decarbonisation costs in particular. In addition, there are high costs associated with production curtailment measures as well as increased pulp prices. All hopes now rest on a lively autumn business and the implementation of urgently needed price hikes. Nevertheless, market watchers believe further plant closures will be unavoidable.

Ongoing debate about pricing for LWC and SC paper

On the surface, the German market for LWC and SC paper appears calm this summer. However, given the tension between supply, demand and cost pressure, a number of market experts say it is time to take a serious look at where the industry is heading in the coming months and years. After all, production and delivery statistics cannot disguise the fact that business is deteriorating again after a terrible year.

In the latest price round, buyers generally put a stop to the attempts by paper mills to achieve price increases. Despite cost pressure, producers are engaged in sometimes bitter battles to gain additional business to improve the utilisation rates of their production facilities. But given the decline in demand, this is undermining competition, experts say.

When asked about the latest price round for deliveries as of July, industry experts said paper producers were definitely trying very hard to keep the price range narrow. As a result, a few SC paper producers attempted to implement price hikes, depending on the starting level. However, these had only a marginal effect, EUWID was told.

In this context, EUWID respondents repeatedly stressed that the general situation in the printing and paper industries was not conducive to a price increase. Buyers argue that rising paper prices come with a risk that volumes will be reduced for print objects. Nevertheless, market participants are relatively vocal about new demands for price hikes for LWC and SC paper, which are slated to be up for debate for the fourth quarter of 2024.

Sceptics, meanwhile, do not foresee a recovery in the printing and paper industry that would support such plans by the paper industry. They expect business to stabilise at best – while the capacity overhang persists. Many experts believe the market volume – and thus demand for magazine paper – will continue to shrink. Some players pointed out that recent special events, such as the Euro 24 men's football tournament, the Olympic Games in France and the elections in many parts of Europe, had basically had no lasting impact on print objects. "Print is not a growth market and will continue to contract," summarised one industry expert.

Players in the printing and paper market should now be focusing on topics that will enable them to develop their businesses profitably, one respondent said. For publishing houses and advertisers, reliability and relatively stable paper prices are crucial, experts say. Volatile prices, and especially a rising price trend, have a direct impact on publishing houses and commercial printers, typically leading to a decrease in sales, they add.

Moreover, paper industry representatives confirm that each company is pursuing its own strategy for selling paper. They explain that price negotiations are now less influenced by the relationship between supply and demand, and pricing is instead being determined by an individual paper mill's cost situation and capacity utilisation, which legitimises higher prices. This means that different prices for the same product can be found on the market.

In the meantime, observers note that printing firms are now generally served by a smaller number of suppliers, often described as "strategic partners." When it comes to selecting suppliers, buyers say the decisive factors are reliable deliveries, liability and price. Others add that available certifications and the carbon footprint of the paper mills are further criteria. From their side, paper mills are also considering risk mitigation and margin potential.

The publishing sector offers the advantage of plannable deliveries, but publishers' need for paper has dropped off sharply and continues to decline. Publishing houses can no longer guarantee capacity utilisation on a paper machine in the medium to long term, say market participants. Yet, the advertising business does not offer sustainable growth prospects, either. Moreover, industry experts say there is fierce competition within the commercial printing sector, so business dealings here are very last-

minute and there is price pressure. In addition, there has been some public criticism of the up to 26 billion advertising flyers printed by German retailers each year, not least because of the CO₂ emissions, which is increasing uncertainty in the market.

In the debate about print products and digital solutions, the association of the European graphic industry Intergraf recently released a research review of studies that highlight the considerable carbon footprint associated with the use of digital media, stemming from energy consumption as well as waste generation. These repercussions do not get sufficient public attention, criticise market participants, who call for "honest debate".

Ultimately, it is apparent that paper is also under pressure due to the typical market developments. For example, SC paper has recently suffered from excess supply with new players entering the market, and the effects of downgrading – with several print objects moving to newsprint instead. Many production facilities continue to have rather poor utilisation rates, according to market experts. Overall, the market survey found that prices from the second quarter rolled over for July deliveries. Here, however, quotes from "special deals" that are below the reported price range have often become established. At the same time, buyers confirm marginal mark-ups. Most quotes are within a range of €680-690/t. Here, it appears competition is similarly strong in both the offset and rotogravure segments, with the latter still feeling pressure from the offset segment, several respondents say.

Experts report massive problems on the market for LWC, which are also having an effect on pricing. In the rotogravure segment, quotes are clustered around the €800 mark and lower figures have become established as part of a "continuation of the prices from the second quarter." Prices for offset grades have seen fewer catch-up effects. Paper industry representatives explained that quotes have thinned out at the lower as well as upper end of the range. The rock-bottom prices for recycled LWC are no longer as common, EUWID was told. For standard LWC, prices are increasingly concentrated around the €800 mark. However, market experts reiterate there is no denying that in the offset segment as well, some so-called special deals from the first and second quarter continue to be in effect. An urgently needed upward price correction has (so far) been unsuccessful. Further capacity reductions could calm the market again, respondents say.

Kraftliner price adjustment not yet implemented for all grades

Following the announced hikes for all kraftliner grades, the outcome of the price negotiations was becoming more apparent in the final days of July, though the results were not yet entirely clear for all grades at the time of the EUWID market survey. For unbleached kraftliner, the majority of respondents say a price hike of €40/t – as compared to the originally targeted €60/t – will take effect from the start of August on the German market. This means the third price round for kraftliner and recycled corrugated case material this year has resulted in similarly sized steps.

After the dynamic price development of recent months, market players, for the first time in a while, are no longer expecting any new price demands to hit the market in the near future. Kraftliner producers reportedly still have good activity levels and customers cannot always get material with the required specifications on short notice. However, insiders believe it is unlikely that kraftliner prices will rise if those for recycled corrugated case material do not. The projected trends in the recovered paper market do not suggest that producers of recycled CCM will approach the market demanding further price hikes, EUWID was told. Respondents say it remains to be seen what would happen if the upward trend in recovered paper prices were to reverse.

At the end of July, it was less clear where prices for white-top kraftliner and semi-chemical fluting would be heading after price hikes were announced for August in these segments as well. Some players are talking about a possible mark-up for white-top kraftliner based on that implemented for unbleached kraftliner, but others believe the market here is under greater pressure, pointing to the halting increases during the last price round. It is expected that the actual price trend will only become apparent in August.

The same is true for semi-chemical fluting. Some players anticipate adjustments smaller than those for brown kraftliner, while others do not yet see any price changes.

Panther group's subsidiary Wepoba Wellpappenfabrik to erect new warehouse

 **EUWID +** 07 August 2024 |  ~ 1 min | [Published in issue 32/2024](#)

Panther group subsidiary **Wepoba Wellpappenfabrik** has invested in new storage capacity. The warehouse will have 16,000 m² of hall space and around 15,000 pallet spaces. The integration of a fully automated high-bay warehouse is planned for the future, which will increase capacity to around 30,000 pallets.

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Glatfelter's HHNF division to do business as Magnera

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The HHNF business division, which was spun-off by **Berry Global Group** and then merged with **Glatfelter Corporation**, will do business under the name of "**Magnera**" in the future. This announcement was made by the two US groups. In early 2024 Berry announced its intention to focus its operations on the packaging business and to spin-off the HHNF business. The latter includes the lion's share of Berry's business with health and hygiene solutions as well as specialties including nonwovens and specialty films. The change of name to Magnera is planned to occur directly after the transaction closes in the second half of 2024.

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Renova taps Toscotec to rebuild TM 6

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Portuguese tissue producer **Renova** will rebuild the yankee hoods and air system of the TM 6 to improve the drying process and increase the machine's runnability while reducing gas consumption and CO₂ emissions. The company awarded the order to Italy's **Toscotec**. The rebuild is to be completed in 2024.

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Raja to acquire Retif

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French wholesaler of packaging, office supplies and industrial goods **Raja** is negotiating with private equity company **Verdoso** to acquire **Retif** group. The French group Retif sells shop equipment and packaging for retailers through 88 sales outlets in Europe and generated sales of €121m in 2023 with 460 employees. Employee representatives of Raja and Retif have reportedly consented to the transaction which is subject to approval from regulatory authorities. The transaction is expected to be completed in October 2024.

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Adami group orders Voith OCC line for new mill in Brazil

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Brazil's forest products company **Adami Group** has commissioned **Voith** to supply a complete OCC stock preparation plant for the group's new paper mill in Caçador in the federal state of Santa Catarina. Commissioning is scheduled for October 2025. Adami Group is building a new recycled corrugated case material mill with an installed production capacity of 125,000 tpy. The mill is expected to become operational at the start of 2026.

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Axel Springer shuts down Ahrensburg printing plant

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Germany's **Axel Springer** media group has definitely shut down the Ahrensburg newspaper printing plant as previously announced. The last newspaper titles were produced at the printing plant on 31 July 2024. According to Springer, the equipment from the Ahrensburg offset printing plant will be sold on the used machinery market.

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UK newsprint prices rise in Q3, only little change in magazine and fine paper prices

Containerboard manufacturers implement second price increase in the UK

 07 August 2024 |  ~ 10 min | [Published in issue 32/2024](#)

EUWID Price Watch UK				
July 2024				
Prices in £ per tonne free delivered unless otherwise stated	July 2024 £	July 2024 €*	June 2024 £	July 2023 £
Fine paper				
Woodfree uncoated				
Copy paper 80 g A4 B grade	890 - 1,000	1,050 - 1,180	890 - 1,000	880 - 1,030
Copy paper 80 g A4 C grade	860 - 970	1,015 - 1,145	860 - 970	850 - 1,000
Offset sheets 80 g	920 - 1,010	1,086 - 1,192	920 - 1,010	910 - 1,030
Offset reels 80 g	860 - 970	1,015 - 1,145	860 - 970	860 - 980
Woodfree coated				
Sheets, double coated, 115 g	940 - 1,010	1,109 - 1,192	940 - 1,010	950 - 1,025
Reels, double coated, 100 g	860 - 950	1,015 - 1,121	860 - 950	900 - 990
Publication paper				
Standard newsprint 45 g	480 - 510	566 - 602	440 - 490	510 - 550
Standard newsprint 42.5 g	490 - 520	578 - 614	450 - 500	520 - 560
Standard newsprint 40 g	500 - 530	590 - 625	460 - 510	530 - 580
Improved newsprint 52 g, ISO 68	530 - 560	625 - 661	490 - 530	560 - 600
LWC offset 60 g	740 - 810	873 - 956	680 - 730	750 - 810
LWC rotogravure 60 g	740 - 810	873 - 956	680 - 730	750 - 810
SC offset 56 g (A)	630 - 690	743 - 814	600 - 640	630 - 690
SC rotogravure 56 g (A)	630 - 690	743 - 814	600 - 640	630 - 690
Corrugated case material				
Primary fibre corrugated case material				
Unbleached kraftliner 175 gr, European quality	690 - 735	814 - 867	655 - 709	635 - 680
White-top kraftliner 140 g, European quality	795 - 865	938 - 1,021	760 - 835	750 - 815
Recycled corrugated case material				
Recycled fluting 100 g	565 - 595	667 - 702	530 - 560	510 - 530
Recycled fluting 90 g	565 - 600	667 - 708	530 - 565	510 - 535
Recycled fluting 85 g	575 - 610	679 - 720	540 - 575	520 - 545
Testliner II	585 - 615	690 - 726	550 - 580	530 - 550
Testliner III	565 - 595	667 - 702	530 - 560	510 - 530
White-top testliner, grade B, 140 g	670 - 720	791 - 850	640 - 700	640 - 710
Cartonboard				
GD II	650 - 750	767 - 885	650 - 750	720 - 820
GC II	900 - 1,010	1,062 - 1,192	900 - 1,010	980 - 1,175
* Exchange rate as of 2 August 2024: £1 = €1.18				
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The latest round of price increases in the UK newsprint market in the third quarter was more substantial than in continental markets. In contrast, prices for magazine paper remained more or less unchanged against the backdrop of a weak market trend. The same applies to the market for woodfree printing and writing paper, where prices in July showed little change and wide ranges.

At the start of July, the second price hike for containerboard was implemented, with a time lag compared to the mainland markets. A third price step, which is currently under discussion or being implemented on the European continent, is to follow in September or

October, but many players are highly critical of further price increase. After a generally good June, the market for cartonboard has mostly calmed down in July. The holiday period was clearly noticeable at the end of the month.

No significant movement in British fine paper prices in the month of July

Demands from paper manufacturers to charge more for woodfree coated and uncoated paper in July did not result in any significant change in pricing. Prices did increase in several cases, albeit within the existing spectrum of prices. Minimum and maximum prices for one and the same type of paper continue to vary wildly. Prices had even come under downward pressure here and there, insiders reported, adding that this effect had not delivered much change to the spectrum of prices, either.

Sources typically expect prices to stay the same in August, too, subject to potential summer discounts. It remains to be seen whether manufacturers will launch a fresh attempt to raise their prices for September or October.

The pricing situation is affected by the opposing effects of a weak market and strong pressure from costs. Paper producers in Europe are experiencing very different situations when it comes to their costs and margins. A paper mill can make losses or good profits, depending on whether it is an integrated or non-integrated paper producer, or what its energy and other production costs are. In addition, paper mills are facing higher fixed costs per tonne of paper produced because many paper machines have been operating below capacity for some time now.

This latter development is symptomatic of ongoing surplus capacity, especially for coated fine paper in Europe. Paper manufacturers need to carefully manage production and capacity in order to avoid manufacturing paper for stock, it is said.

Market players presently describe demand for fine paper as rather subdued in the UK. Demand had recovered in the first six months of the year compared with the same period last year, but not as much as in other European markets. Sources said that woodfree coated paper, in particular, has become much less sought-after in the UK over the past five years. The downward trend in demand for uncoated paper was less pronounced. As a result, coated fine paper now accounts for 40 per cent of the total UK woodfree paper market, down from 50 per cent.

However, both woodfree coated and uncoated paper continue to be affected by the structural decline in paper consumption. Insiders believe that fine paper deliveries will decline in the second half of the year after staging a recovery in the first half of 2024.

Newsprint prices on the rise, but little change in magazine paper prices

Negotiations on publication paper prices in the UK for deliveries from 1 July were concluded a few weeks ago, resulting in higher newsprint prices. As had looked likely in late June, paper producers instituted somewhat larger price hikes in the UK than in mainland Europe, in part to narrow the wide gap between British and Continental European prices. Most mark-ups secured by producers varied between £25 and £40/t, depending on the previous level, supplier and customer, which pushed prices for standard newsprint 42.5 g up to £490/t and well over the £500 mark. Most new prices apply for the third quarter, although some six-month agreements have been inked, too.

Magazine paper prices changed much less and were often left untouched between the second and third quarters. Market players often mentioned "no change" in prices. Manufacturers initially set their sights on raising prices, too, while buyers sometimes sought price cuts.

The price trends for the different types of publication paper illustrate the current market climate. Insiders told EUWID that the UK was one of Europe's weaker markets for publication paper in terms of demand. The newsprint market continues to dwindle due to structural decline, with newspaper circulation constantly falling. Nonetheless, manufacturers in this segment were under particularly strong pressure to raise their prices as they are grappling with higher production costs. What's more, prices in the

UK were the equivalent of up to €50/t lower than in major Continental European markets, something that was no longer profitable for some paper manufacturers. Producers think that the latest hike is thus inadequate. In recent comments, several contacts said that they were aiming to increase their prices again for the fourth quarter.

Magazine paper markets, especially the LWC market, were even weaker than the newsprint business. Market players said that, to all appearances, the coated magazine paper (LWC) segment was facing the greatest imbalance between demand and production capacity in Europe. The LWC market was a nightmare, one producer told EUWID. Insiders reported that SC paper manufacturers in Europe were operating at an average of roughly 70 per cent of their capacity or slightly higher, while LWC paper machines were running at 65 per cent. Observers remarked that raising prices was simply out of the question in these circumstances. Removing more capacity from the market must be one of the next steps, insiders said, adding that fixed costs per tonne of paper produced were unsustainable in the long run.

Paper manufacturers push through second containerboard price increase in the UK

The mood on the British market for corrugated case material and corrugated board and packaging in July was better than expected. Following the general election at the beginning of July, the country now has a government with a large majority that wants to ensure economic growth and good (trade) relations with the EU. The reduction in the key interest rate from 5.25 to 5 per cent at the beginning of August was also expected and created a more positive environment. The England national football team's runner-up finish at the Euros and other sporting events such as the Olympic Games and the tennis tournament in Wimbledon, combined with better weather, also boosted consumer sentiment in the country somewhat.

Against this backdrop, paper manufacturers implemented higher prices for both primary and recovered fibre-based corrugated case materials on 1 July. Prices for brown containerboard grades rose by £35/t across the board. White-top testliner prices rose by £20 to £30/t. The price of white-top kraftliner rose by £30 to £35/t. Paper manufacturers thus implemented the second price increase with a delay of at least one month compared to mainland European markets.

According to market players, the market for containerboard is balanced overall and availability is unproblematic with the exception of a few speciality grades. The planned autumn shutdowns of kraftliner machines are casting their shadow in the form of longer delivery times, market participants told EUWID.

Paper manufacturers in the UK have also announced a third price increase, which is currently either being negotiated or even implemented on the Continent. Many British converters want to put up "strong resistance" against this increase, which they feel is "clearly excessive". However, it remains to be seen how the implementation of this third step will proceed in other European countries. However, negotiations for the third price increase in the UK had not yet started at the end of July when this market research was carried out.

The possible third price increase is currently causing uncertainty among processors. "As long as the price increase is still on the table, we will not reduce our paper stocks. This will only happen when we are sure that prices will not rise any further," explained one paper converter.

British manufacturers of corrugated sheets and packaging as well as other corrugated board products were in many cases satisfied with demand in July, especially as the month was better in terms of volume than June. However, order intake and deliveries varied from company to company. Suppliers of displays reported particularly strong demand, which also indicates a more positive mood in the retail sector.

However, an assessment of July was still far from euphoric. The month was okay, but could have been better, said some market participants.

The passing on of the higher paper prices was also not entirely consistent. Some sheet feeders only raised box prices when the first or the second containerboard hike was implemented, and still others raised prices in two instalments.

"However, it was clear that customers have now come to terms with rising sheet prices," explained a market insider. "While there was fierce resistance to the first step, our customers simply asked for the new price list in the second step," he added. The cumulative price increase for corrugated sheets was 8-10 per cent in many cases.

The British sheet plants have very often absorbed the increases in paper and sheets so far. On the one hand, many of them had not passed on the previous price reductions for sheets in full and are therefore be better able to cope with the increases happening now. On the other hand, sheet plants believed that box price increase resulting from the higher sheet costs would have been too small to make it worth their while to "upset their customer base and cause unrest," e. g. in the form of tenders.

August has so far been somewhat calmer, if that is at all foreseeable in a market with service-related short delivery times. However, some expect demand to pick up significantly from September and reckon with a "traditionally strong fourth quarter".

First agreements on higher GC 2 prices on the British market

The British cartonboard market was relatively static in July. Demand, which was still described as very strong in June, calmed down considerably in most cases in July. Only a few suppliers reported an upturn compared to June. According to market participants, deliveries were okay, but incoming orders were rather mixed, especially in the first half of the month, market participants told EUWID.

Delivery times for GC board from Northern European manufacturers are still around 7-10 weeks, with other suppliers even significantly less. Due to a fire at a Scandinavian plant at the beginning of July, there were delays or postponements, but these did not lead to any major problems for processors. In addition, one manufacturer was unable to carry out express deliveries for a while due to internal problems. However, this service is now largely available again.

Logistics problems also lead to delivery delays for non-European cartonboard, but these are not a problem for customers as there is still sufficient cartonboard in manufacturers' and merchants' warehouses.

GD board is available much more quickly at around 4 weeks.

Cartonboard prices remained mostly unchanged in July. In many cases negotiations on higher prices have yet to take place, with suppliers resigning to the fact that an increase might happen in September at the earliest. Some manufacturers of GC 2 board have already agreed price increases with their customers for deliveries from September or October. The hikes vary from supplier to supplier, with some ranging between £50 and £60/t, and other amounting to £20 or £30 in an attempt to eliminate the lowest prices. One large GC manufacturer has so far decided to leave its prices unchanged.

July demand for GD board was said to be "okay". There are currently no talks about higher GD prices on the UK market.

Merchants are reporting slightly better sales of stock. "The GD market hasn't been what it used to be since Covid," said one market participant. At that time, many customers turned away from recycled cartonboard due to long delivery times and high surcharges and have started to use primary fibre cartonboard instead.

Asian manufacturers of primary-fibre and recycled cartonboard have responded to the increased sea freight rates for deliveries to Europe by implementing surcharges. These are ranging between £50 and £70/t for Indian suppliers, otherwise around £15/t. Despite these surcharges, cartonboard from Asia is still significantly cheaper than European cartonboard.

In August, market participants are expecting a quiet summer market, but are hoping for a significant upturn from September onwards.

UK recovered paper market sees downward price corrections for OCC in July

Low inventory levels of mixed paper and medium grades

EUWID + 06 August 2024 [Frauke Schmidt](#) | ~ 5 min | Published in issue 32/2024



After OCC price cuts in July, further reductions are expected for August.

There were diverging price trends for the various recovered paper grades on the British market in July. Quotes for the grades used to produce packaging papers and board headed downward from the second half of the month. The price corrections for old corrugated containers (OCC) were much heftier than those for mixed paper. By contrast, the markets for medium and higher grades continued to be shaped by tight availability. Compared to the lower grades, demand here was also steadier, so prices were stable or ticked higher again.

There was subdued demand for old corrugated containers (OCC, 1.05) throughout the UK market in July. British and European paper producers, who had been driving the good demand and rising prices on the market in the second quarter, now apparently have sufficient stocks to get through the summer. Moreover, after implementing two and sometimes even three price hikes for corrugated case material, paper producers are currently focusing more on the cost side, says one market insider.

During the second quarter of 2024, recovered paper consumers in Asia were increasingly complaining that prices were too high and they started pulling back from the market. They were still barely buying anything on the market in July.

At the end of July, OCC was often selling for around £100/t. By early August, quotes for OCC destined for the Asian market had already fallen to just £90-95.

In expectation of a further decline in OCC prices, buyers in the UK, Continental Europe and Asia continue to hold back on purchases. "Even if paper producers need volumes, they wait until the very last minute to place orders," complained one seller. Therefore, despite the low collection volumes, further price reductions are expected for August, especially since many paper mills have switched to buying weekly instead of monthly.

Yet, the market experts surveyed by EUWID do not see the situation as dramatic. There are no distressed tonnes, they explain. "We are seeing a price correction but no crash," commented one market participant.

There might be an uptick in purchasing from Turkey after a fire at the Söke mill belonging to Kipaş Kağıt destroyed more than 100,000 t of recovered paper, primarily brown grades. This corresponds to two months of production, according to insiders. The company has already started to rebuild its RCP inventories, but price is also playing an important role here, EUWID was told.

In contrast to the price drop for OCC, the correction for mixed paper and board (1.02) was not nearly as hefty. Demand for this grade is said to be slightly stronger than for OCC, possibly because of the start-up of new paper capacities in Europe and the rebuilding of fibre stocks at the Söke mill in Turkey. Moreover, inventories of mixed paper in the UK are exceptionally low right now and are down by roughly 40 per cent year-on-year.

Nevertheless, further price corrections are also expected for this grade, and they may be even steeper than those in July in order to restore a larger gap to OCC prices.

Inventories of medium grades much lower than one year ago

There has been an exceptionally strong decline in collection volumes for medium grades and pulp substitutes this year. In June, inventories in the UK were 50 per cent lower than one year earlier, according to insiders. Even considering the machine closures in the graphic paper segment, this decrease is "enormous", commented one market participant.

In August, collection volumes of these grades are likely to shrink further, so paper mills will not be considering price reductions.

For the deinking grades – newspapers (1.06), sorted graphic paper for deinking (1.11), and magazines (2.01) – prices in July could be stabilised at best. In some cases, there were mark-ups at the upper end of the price range as part of a trend that started back in June. In many instances, it is not even the graphic paper mills that are pushing prices higher but rather producers of white packaging paper and board grades as well as gypsum board, the market survey found.

For newspapers (1.06) in particular, demand from paper producers on the European continent remains strong. The Olympic Games in Paris were providing a modest boost to demand for newsprint, coinciding with limited collections in the Paris region, EUWID was told.

Mills in the graphic segment stressed, however, that the upward price trend for deinking grades would hit a ceiling in August. Given the cost pressure and the low prices for finished paper, they say they are more likely to idle machines than pay excessively high prices for recovered paper. In addition, there is the option of acquiring paper from North America, even if only to "take the sting out of the UK market."

Price increases for woodfree grades

There was significantly more upward pressure on the market for woodfree recovered paper grades (sorted office paper (2.05) and multigrade). Although tissue producers were not especially busy and already have fairly good stocks of recovered paper, they are feeling nervous about the low collection volumes and do not want to draw down their inventories right now. The most difficult time to procure recovered paper is traditionally the end of August – not least because of a public holiday at the end of the month, market insiders point out.

Paper producers from non-tissue segments, who had recently been using woodfree recovered paper grades, were complaining at the end of July about the high prices and are retreating from the market in August, EUWID was told. On the other hand, there is some interest from the Indian market, players say.

Another slight price increase for pulp substitute grades occurred in July, although the pulp market has now reversed course and significantly cheaper pulp is being offered on the spot market. Experts therefore believe the recovered paper market will likely follow the same trend soon.

EUWID Price Watch Recovered Paper UK				
July 2024				
Prices in £ per tonne	July 2024 £	July 2024 €*	June 2024 £	July 2023 £
Mixed paper and board (1.02)	50 - 85	59 - 100	50 - 90	20 - 45
Mixed paper and board (1.02), export	60 - 85	71 - 100	65 - 90	27 - 50
Old corrugated containers (1.05)	102 - 120	120 - 142	118 - 130	70 - 85
Old corrugated containers (1.05), export	105 - 120	124 - 142	115 - 125	75 - 90
Magazines (1.06) ¹⁾	100 - 160	118 - 189	100 - 150	100 - 120
Sorted graphic paper for deinking (1.11) ¹⁾	95 - 125	112 - 148	90 - 120	60 - 80
Newspapers (2.01) ¹⁾	110 - 150	130 - 177	110 - 140	100 - 120
Sorted office paper (2.05)	180 - 195	212 - 230	165 - 185	155 - 185
Multigrade	180 - 200	212 - 236	155 - 185	130 - 180
White newsprint (3.14)	210 - 240	248 - 283	210 - 230	220 - 230
White woodfree uncoated shavings (3.18.01)	390 - 430	460 - 507	390 - 420	370 - 430
* Exchange rate as of 2 August 2024: £1 = €1.18				
¹⁾ includes exports and non-paper applications		Prices ex works, material sorted and in bales		
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Lucart Group: Azzurra Capital to acquire strategic stake in Pasfin

05 August 2024 [Igor Dugandzic](#) | 🕒 ~ 1 min [Published in issue 32/2024](#)



Lucart Group

Pasfin will share the future with Azzurra Capital to create further value and growth for the Lucart Group.

The entry of Azzurra Capital into Lucart's holding company Pasfin is said to "support achieving the ambitious growth and profitability targets" of Lucart Group's strategic plan for the coming years.

Pasfin Spa, the family-owned holding company of Italy's tissue paper and products company Lucart Group, and the international private equity firm Azzurra Capital Management have entered into a binding agreement under which Azzurra Capital will acquire a strategic stake in Pasfin. The entry of Azzurra Capital into the share capital of Pasfin is said to "support achieving the ambitious growth

and profitability targets" of Lucart Group's strategic plan for the coming years. The companies did not provide structural and financial details of the deal nor when the transaction will be completed.

Lucart Group's holding company Pasfin is currently 100 per cent owned by the Pasquini family. The family will remain "actively involved in the operational management with the ambition to continue to improve this growth path by focusing on a project consistent with the Group's values and objectives," said Lucart CEO Massimo Pasquini.

Lucart Group runs twelve tissue machines at ten production plants in Italy, France, Hungary, Spain and the UK, two logistic hubs in France and Italy, and a sales company in Germany. The group has a nominal production capacity of up to 400,000 tpy of tissue paper, airlaid tissue and MG paper, and employs more than 1,700 people.

In 2023, Lucart produced 343,000 tpy of tissue paper and 262,000 tpy of tissue products. The group posted sales of €765m, an increase of 7 % y-o-y, while the EBITDA result more than doubled to €130m.

55 per cent of raw material consumption in 2023 was recovered paper and 45 per cent primary fibre pulp. The company aims to increase recycled fibre consumption to 60 per cent by 2030.

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Kartonsan stopps board machine for indefinite period of time

02 August 2024 [Valeria Buß](#) | 🕒 ~ 1 min [Published in issue 32/2024](#)



Due to poor market conditions, Turkish cartonboard producer Kartonsan stopped production on one of its two board machines. BM 1, which was already temporarily halted from 24 June until the end of July, was not restarted and is now slated to stay idle until further notice, the company says.

42 employees are affected by the shutdown. The shutdown has reportedly no impact on production on the second board machine at the site.

The move is a reaction to the currently weak order situation on the cartonboard markets, resulting in poor profitability. It has not been determined how long the stoppage will last. The machine would be restarted only when the market environment changed for the better and sales prices rose again, Kartonsan said.

At its mill in İzmit, Kartonsan produces coated cartonboard for several segments including the food, pharmaceutical and cosmetics industry on two machines. BM 1, which was now shut down, has a capacity of 80,000 tpy. BM 2 will continue operations as normal. The machine can produce up to 160,000 tpy of cartonboard.

Kipaş Kağıt's new containerboard machine in Turkey to start up soon

📄 EUWID + 01 August 2024 | ⌚ ~ 1 min | Published in issue 32/2024



The new containerboard machine has a capacity of 650,000 tpy.

A new corrugated case material machine was supposed to be commissioned in Turkey last year and add new capacity to the market. Turkish company Kipaş Kağıt is planning to start up its second PM at the Söke mill. However, the start-up, which was originally scheduled for the third quarter of 2023, was delayed several times.

Now the company is reportedly in the final stages of the project. A company spokesperson told EUWID that the PM was almost ready for start-up and was scheduled to be commissioned in September.

The new PM 3 has a capacity of 650,000 tpy and will produce fluting, testliner and kraft-top testliner grades with a basis weight of 60-110 g/m². The Söke mill currently runs one machine with a capacity of 720,000 tpy of corrugated case material and cartonboard. Kipaş Kağıt runs a second mill in Kahramanmaraş, which houses a recycled containerboard machine with a capacity of 450,000 tpy.

Only recently, the Söke mill was hit by a major fire, which was difficult to bring under control and continued for a total of six days. Local media and some merchants which deliver the mill with recovered paper from time to time reported that large quantities of recovered paper went up in flames. It can be assumed that this were, amongst others, inventories for the start-up of the new paper machine