

Sappi's quarterly results continue to recover

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Sappi's operating earnings for the third quarter of its fiscal year show improvement compared with the same quarter last year. Ebitda excluding special items amounts to \$151m (Q3 2023: \$106m) and operating profit rose to \$82m (\$56m). Net profits stand at \$51m (\$40m) on sales of \$1.37bn (\$1.33bn) with virtually unchanged total deliveries.

Despite the third quarter being a seasonally slower period for business amidst a sluggish global economy, earnings improved, especially driven by sustained strong market conditions in the pulp segment, Sappi writes. The company describes the recovery in paper markets as muted. Deliveries and price development in USD on the dissolving pulp market were roughly in line with the previous year and quarter. Excluding costs of \$30m for scheduled downtime at the Saiccor and Somerset mills, the results are stable quarter-on-quarter, Sappi observes.

For graphic paper, Sappi reports delivery growth of 13 per cent compared with the weak performance in the previous year. However, underlying demand continues to be suppressed by global macroeconomic challenges and a likely shift in consumer behaviour following the Covid-19 pandemic, the company writes.

Consumer sentiment shows signs of improvement as inflation continued to subside, helping packaging and textile markets to recover, Sappi reports. Market conditions for dissolving pulp (DP) continued to be favourable, supported by tight supply and strong demand from viscose staple fibre (VSF) producers and low inventory levels. The hardwood DP spot market price was stable during the quarter, rising slightly towards the end of the reporting quarter.

Challenging conditions prevailed on the market for packaging and specialty paper. Demand in North America rebounded during the quarter but selling prices came under pressure, further negatively impacted by the scheduled maintenance break at the Somerset mill, Sappi writes in its quarterly report. European demand also improved, albeit from a low base. Market sentiment reportedly shows modest signs of recovery, particularly in the label and self-adhesive categories. Deliveries from the business division still increased by 22 per cent year-on-year and 10 per cent quarter-on-quarter but earnings were burdened by rising costs and lower selling prices.

Sappi results				
million \$	April - June		October - June	
	2024	2023	2023/2024	2022/2023
Key figures				
Sales	1,370	1,326	3,994	4,428
EBITDA*	151	106	490	563
Operating result	82	56	59	395
Net result	51	40	-46	299
Deliveries, 1,000 t	1,510	1,512	4,383	4,713
Business area review				
Europe				
Sales	587	595	1,748	2,035
EBITDA*	27	5	90	121
Operating result	14	-17	-180	58
Deliveries, 1,000 t	492	495	1,481	1,440
North America				
Sales	429	395	1,277	1,379
EBITDA*	33	27	130	207
Operating result	2	-3	52	130
Deliveries, 1,000 t	340	305	1,021	1,013
South Africa				
Sales Pulp and Paper	359	341	992	1,047
Sales Forestry	18	21	46	62
EBITDA*	87	71	260	232
Operating result	64	72	188	206
Deliveries Pulp and Paper, 1,000 t	413	399	1,154	1,179
Deliveries Forestry, 1,000 t	265	374	727	1,081
Deliveries (in 1,000 t)				
Pulp	359	378	1,071	1,103
Packaging and specialties	361	296	973	927
Graphics	525	464	1,612	1,602
Forestry	265	374	727	1,081
* excluding special items				
Source: Sappi				

FSC Germany: group certification for small companies

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Forest Stewardship Council (FSC) Germany has adjusted its eligibility criteria in order to facilitate access of small-sized companies to the FSC Chain of Custody (CoC) group certification process. To this end, the eligibility criteria for CoC groups were modified with effect from 25 July 2024 (FSC-PRO-40-003a) to reflect market changes and price index adjustments, reports the FSC in a letter in early August.

Now the annual sales of a company acting within a group may amount to up to €5m, irrespective of the number of its employees. Before, the limit was €3m. If the turnover of €5m is exceeded, the criterion of the maximum number of full-time employees of 15 applies. In addition, the certification company has decided to adjust the group criteria every five years in line with the producer price index from now on.

According to the above letter, combining several businesses to a group allows a simpler and more flexible certification of several companies. In this context the annual external audit prescribed for each single company by the certification body has been replaced with an internally organised audit by the group entity. As a result, small companies can reduce their FSC certification cost and the principle of annual audits for all certified companies continues to apply.

Reports indicate that there have been open FSC CoC groups in Germany since the year 2011. At present, just under 650 companies make use of the group certification process.

Demand for cores and coreboard in Germany slightly better than anticipated

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It is holiday season in the German core and coreboard industry in the middle of the third quarter, but some market participants report that demand is better than expected. After the market was moving sideways at a low but stable level since July, some companies are now finding it difficult to tackle the unexpectedly high order levels with reduced staff. The positive operating levels of individual companies do not seem to stem from business uptick with regular customers but rather from successful marketing to attract business from new customers. Overall, however, market players say that that demand continues to move sideways at a low level.

Several core producers report that they could pass on price hikes for coreboard to their customers in the third quarter. Especially buyers from the paper industry, who had struggled for months with rising recovered paper prices, reportedly showed some understanding for the much-needed pricing measures taken by core producers.

All paper converting companies were severely impacted by the steady rise in recovered paper prices in the past months. The slight dip in recovered paper prices in August has therefore triggered no demands from converters to reduce coreboard prices.

For now, coreboard prices are expected to remain unchanged until the end of the quarter. Whether business will recover in the last quarter after the holiday season, companies could not say, but they tended to expect stable demand.

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Russian pulp and paper production rises

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Russian pulp and paper manufacturers have increased production again in the first half-year 2024. According to Rosstat, the Russian state statistics authority, pulp production in the country reached 4.3 million t, up by 0.3 per cent compared to the first half of 2023. Paper and board production in the reporting period rose by 8.3 per cent year-on-year to 5.3 million t.

The growing packaging sector continues to be the main driver for the Russian paper industry. Rosstat figures show that Russian companies produced a total of 4.2 billion m² of folding cartons and corrugated boxes in the first half of 2024, which is 7.7 per cent more than in the same period last year.

The labels segment saw a significant increase as well. Production of labels rose by 32 per cent year-on-year to reach 33.7 billion units in the first six months of 2024.

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Inapa's insolvency proceedings roil Germany's fine paper market

Fresh results of negotiations on containerboard and core board prices

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Despite demand and price discussions, market talk is dominated by the bankruptcy filing of paper merchant Inapa Deutschland in Germany, the principal market of the international group. Although the supply situation for German printers remains unchanged, paper and printing industry insiders do not rule out a fundamental reshuffle of market structures.

There is some movement in negotiations on containerboard prices: in Germany hikes for unbleached kraftliner are taking effect in August. The amount of the price hike will be the same as for brown recycled containerboard, market insiders report. For semi-chemical fluting, it is still unclear which way prices will move.

Restructuring of German fine paper market expected to accelerate

Until a few weeks ago, the German market for woodfree uncoated and coated paper was characterised by short delivery times and oversupply. Competition among suppliers was palpable as summer business was setting in and rebates were expected to be offered.

The industry was burdened by a difficult overall order situation for paper mills, merchants as well as printing companies. Most suppliers of bulk grades have finally postponed their push for higher prices. Prices for the third quarter of 2024 are moving sideways in the majority of cases. Renewed earnest efforts to hike prices are expected to be made only in September or in the fourth quarter, paper industry representatives remarked.

A different topic currently dominates market talk in Germany: the insolvency of paper merchant Inapa Deutschland has shaken the industry to its core, say market experts. The company was hit by a sudden, short-term liquidity crunch when no solution could be found to bridge a seasonal financing shortfall. The insolvency will leave a permanent scar on the market.

The insolvency also created short-term delays in deliveries. Inapa Deutschland suffered a five-day freeze in operations during the filing process for preliminary insolvency. EUWID has learned that paper manufacturers have since resumed supply to Inapa and Inapa in turn to printing companies.

The company reports that its liquidity planning has advanced, so that it can aim to resume full-fledged deliveries soon. The provisional administrator confirms to EUWID that Inapa Deutschland GmbH will be operated according to the preliminary insolvency proceedings process. Meanwhile, EUWID has learnt that a global search for investors has been initiated for Inapa Deutschland.

In this situation, other German paper distributors have served as a buffer, say industry experts. Nevertheless, they add that Inapa's insolvency, however suddenly it has come for many, is indicative of the enormous consolidation and transformation pressure in the paper business.

The industry appears to have been hit hard. A bitter pill it is, but it also offers an opportunity for the players in the paper market, experts are convinced. Many of them expect that the pace of the yearlong transformation will increase. The consequences of Inapa's insolvency could firstly transform the constellation within the paper distribution segment. Secondly, paper mills are not only worried about the short-term loss of earnings and business volumes. What is at stake in their opinion is the future of a key sales pipeline. Experts do not rule out a fundamental shakeup of existing structures which might be accompanied by the entry of new players.

Worse, pricing on the German fine paper market will become even more difficult, experts fear. Inapa's insolvency proves that margins in the paper business are not viable, they add.

Experts are asking whether this latest development will spur competitive pricing or open the door for long-missed price hikes. The noticeable increase in order inflow in the paper and printing industry for September and partly for October speaks for the latter.

Experts doubt whether the graphic paper market and the weak economy in Germany offer any room at all for price hikes. At the same time, the latest market development is indeed a factor that could be a boost for suppliers' efforts towards economic viability.

Pricing for white-top kraftliner still unclear

Prices of unbleached kraftliner are increasing in August by €40/t, the same amount as for brown recycled containerboard. The original demand of €60/t could not be implemented. The increase will take effect on different dates: while it will apply in most cases from 1 August, buyers also indicated 15 August or in rare cases even 1 September.

Price negotiations have been concluded, according to producers. In view of the maintenance breaks scheduled in August and balanced market conditions, there was reportedly hardly any discussion about prices of brown paper.

Market players see more negotiating room for white kraftliner grades firstly because discussions on prices of recycled white grades have not been concluded and secondly because demand growth of bleached grades has suffered due to greater environmental awareness of consumers. Still several respondents told EUWID that they have had to pay €40 more from 1 August even as others are still negotiating and expect that they will have to accept a hike only from September if at all. Producers are not inclined to negotiate and cite scheduled maintenance breaks, incipient short supply and high costs. Delayed deliveries have been reported occasionally but more often due to logistics problems. Buyers complain that suppliers show lack of flexibility if additional volumes are ordered.

Market players expect that price stability for white grades will return once prices are set. If deliveries show a strong increase in autumn, then price hikes might again be put on the agenda at the end of the year. For now, the vacation month of August is showing its full impact on business. Sheet feeder plants in Germany are reducing shifts and demand for paper is considerably lower. However, order inflow is moving within the usual parameters, corrugated board industry sources report.

It is unclear whether and how prices for semi-chemical fluting will move. Some market players report unchanged prices in August, others are negotiating a €20 hike. In the middle of August some price increases of €20/t have reportedly been implemented, in isolated cases even at the beginning of the month.

Defra publishes information about EPR base fees in the UK for the first time

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Businesses placing consumer packaging on the UK market now have a little more clarity about base fees that will apply in the first year after extended producer responsibility (EPR) rules come into effect for packaging. Towards the middle of August, the Department for Environment, Food and Rural Affairs (Defra) published illustrative EPR base fees for different packaging materials (for more information, see the table accompanying this article). The lower, medium and higher fees listed illustrate the range of possible base fees depending on the basis used for calculation.

Defra published fees for recycling glass packaging separately because they were calculated using a different methodology. These fees stand at £130, £260 and £330/t.

The Department points out that these figures are a first estimate and provisional. They are not based on data reported by companies, which will later form the basis for fees. Instead, the PackFlow Refresh report on the amount of packaging placed on the market in 2022 and waste management costs estimated by the Waste & Resource Action Programme (Wrap) have been used. The fees include the fees payable to the EPR system administrator, either. Defra intends to publish refined figures for the illustrative base fees based on reported data in September 2024.

Recycling and waste management costs set to at least triple for businesses

The UK, which left the EU in 2020, is in the process of establishing its own EPR system for consumer packaging. The scheme does not include packaging generated by retailers and businesses, which is collected and handled separately.

The new system aims for businesses to shoulder 100 per cent of the costs of collecting, recycling and managing the consumer packaging they place on the market. Until now, the costs of recycling packaging have been shared along the supply chain. Experts estimate that packaging recycling and waste management costs will at least triple since they will now be borne solely by the packager or manufacturer.

A bonus and penalty system should create incentives for companies to place less or more recyclable packaging on the market in future: the more recyclable their packaging is, the lower the fee they will have to pay.

Altogether, payments into the EPR system are expected to reach around £1.8bn. Around £1.2bn of this sum will go to local authorities to fund the collection, processing and recycling of packaging.

More granular data reporting set to begin in Q3 2025

The EPR system came into force in 2024, one year later than originally planned. Since January 2023, companies generating revenues in excess of £1m or placing more than 25 t of packaging on the UK market each year have been required to gather data on the packaging they put on the market and enter it in an online database, called Report Packaging Data (RPD), by May 2024 at the latest.

Starting in 2025, large organisations (with sales in excess of £2m that supply more than 50 t of packaging) must report more granular information about packaging, such as the type of plastic used in a piece of packaging and the kind of packaging. This data will form the basis for modulating the fee depending on how recyclable the packaging is.

Defra intends to release details about this in the autumn of 2024.

This article was altered on 22 August 2024

UK Extended Producer Responsibility Illustrative base fees for 2025/2026			
£/t Material	Lower	Intermediate	Higher
Aluminium	245	495	655
Fibre-based composites	410	525	655
Paper or board	185	260	350
Plastic	355	515	610
Steel	170	295	420
Wood	225	265	330
Other	225	265	330
Source: Defra			

Holmen Board and Paper division posts increase in sales and deliveries in Q2 2024

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Holmen's performance in the second quarter of 2024 was characterised by cautious consumer spending and low activity in the construction sector, while competition for wood remained high and drove prices up. The company's consolidated sales in the second quarter increased by 2 per cent compared with the same period in 2023 to SEK5.89bn, while operating profit and net profit decreased by more than 40 per cent to SEK983m and SEK744m, respectively. The decline in operating profit was due to lower paper prices and the positive impact of income from the sale of surplus electricity in the previous year, Holmen writes.

Earnings of Board and Paper division clearly down year-on-year

Holmen's board and paper deliveries in the second quarter were higher than in the respective period last year as demand for consumer board increased in Europe while paper demand was flat during the second quarter. As a result, the Board and Paper Division reported an increase in sales of 4 per cent to SEK3.89bn.

The division's operating profit fell sharply by more than 60 per cent to SEK438m in the second quarter of 2024. The decrease in profit was mainly due to lower paper prices and the positive impact of income from the sale of surplus electricity in the previous year. Wood costs increased, but this was offset by higher sales volumes, more efficient production and increased revenue from support services, Holmen reports.

Due to an ongoing investment project to develop the book paper offering and increase packaging paper production, one paper machine at the Braviken mill will be shut down for rebuild for one week, followed by a takeover and testing period of three weeks in the fourth quarter, Holmen announced. The annual maintenance shutdown at Iggesund will also take place in the fourth quarter. The two shutdowns are expected to affect earnings by a total of SEK250m, the company writes.

High wood prices drive Forest division's performance, impact wood products division

Despite lower deliveries, the Forest division's sales increased by 20 per cent year-on-year to SEK2.49bn. Operating profit for the second quarter increased to SEK490m (+25 per cent), which can mainly be attributed to the increase in timber prices. In the period from 2021 to 2024, timber prices have increased by 50 per cent, writes Holmen.

Demand for wood products remained weak, but there was a seasonal upturn in the spring, and prices rose as a result of the global shortage of raw materials. Thanks to the higher prices, the division returned to profit after a loss in the first quarter.

However, the operating profit of SEK47m was still lower than the previous year's result. The division had to cut back production in response to the weak market, and deliveries decreased by 4 per cent on the first quarter.

The Renewable Energy division reported lower sales and earnings. After a cold winter with high electricity prices in Sweden, prices fell in the second quarter, resulting in a decline in sales to SEK159m. Deliveries also fell during the period, mainly as a result of seasonally lower hydropower production. Operating profit of the Renewable Energy division fell by 56 per cent to SEK59m.

In March, Holmen started the rebuild of Junsterforsen power plant, which will be completed by the end of the year. Holmen estimates that the shutdown will result in a production loss of 90 GWh.

This article was corrected on 27 August. The production stop at the Braviken mill will only affect one paper machine, not both machines.

Holmen results				
million SEK	April - June		January - June	
	2024	2023	2024	2023
Key figures				
Sales	5,894	5,754	11,613	11,977
EBITDA	1,319	1,471	2,619	3,550
Operating result	983	1,138	1,927	2,875
Net result	744	890	1,487	2,261
Business area review				
Forest				
Sales	2,491	2,073	4,725	4,178
EBITDA	509	402	979	775
Operating result	490	390	942	742
Deliveries, own forests, 1,000 m ³	776	788	1,406	1,408
Renewable energy				
Sales	159	231	461	599
EBITDA	87	163	322	471
Operating result	59	135	267	417
Hydro/wind power, GWh	357	334	832	851
Wood products				
Sales	1,053	1,124	2,024	2,211
EBITDA	93	102	116	172
Operating result	47	55	20	77
Deliveries, 1,000 m ³	342	388	698	786
Board and Paper				
Sales	3,894	3,740	7,549	7,745
EBITDA	673	848	1,297	2,223
Operating result	438	611	808	1,746
Deliveries, 1,000 t	361	323	713	661
Source: Holmen				

Italy collects more recovered paper in 2023

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The amount of recovered paper collected in Italy climbed in 2023, with the country staging a comeback after a weaker 2022. Altogether, waste management companies in Italy collected 6.9 million t of recovered paper last year, up from 6.5 million t in 2022. Volumes were near but not quite back to 2021's level of approximately 7 million t.

The last few years were very lively and filled with changes for recovered paper merchants in Italy. The sector is linked

to the paper industry in two different ways: first, paper manufacturers are the buyers of recovered paper. Second, recovered paper generation in Italy is influenced by paper mills' production activity. Corrugated case material production, in particular, collapsed in the second half of 2022 and has yet to recover completely. As a result, less recovered paper entered circulation.

Bearing this situation in mind, the Italian recovered paper consortium Comieco was very pleased with collection levels. Even though only slightly more recovered paper was recycled than in 2022, this improvement had occurred in an environment of much lower arisings, the consortium stressed.

2022 had brought a particularly strong downturn in the amount of recovered paper privately collected from industrial sources. This slump was erased in 2023, with volumes 9 per cent higher than the previous year at 3.2 million t. Household collection volumes were even higher than in the past two years. In 2023, 3.8 million t of recovered paper was collected from Italian households, around 3 per cent more than in 2022 and about 4 per cent more than in 2021. Comieco handled around 2.4 million t of this volume, 18 per cent more than in 2022. The remainder was collected by municipalities that are not part of the Comieco system. The growth in volumes handled by Comieco is also connected to a rise in the number of its partners. The consortium worked together with around 7,100 municipalities last year.

Italy's paper and board collection volumes			
1,000 t	2023	2022	% 23/22
Municipal separate collection	3,753	3,646	+ 2.9
thereof Comieco volumes*	2,350	1,997	+ 17.7
Private collection	3,151	2,890	+ 9.0
Total apparent collection	6,904	6,536	+ 5.6
* Municipal separate collection volumes from Comieco contract partners			
Source: Comieco			

Municipalities tend to join the consortium at times when recovered paper prices are falling because it provides them with the assurance that they will be able to sell material at acceptable prices. This pattern was repeated last year. When prices rise, by contrast, some municipalities prefer to sell recovered paper on the open market by themselves and leave the consortium.

On a per capita basis, Italian residents collected 63.8 kg of recovered paper last year, which was 1.8 kg more than in 2022. The gap between northern (69 kg), central (75 kg) and southern (50 kg) parts of Italy remains substantial. However, Comieco underscored the progress made in southern Italy. Per capita collection volumes in the region had climbed by more than 10 kg in just five years. "The figures prove that proper waste management practices are increasingly becoming an established habit in people's everyday lives," the consortium noted.

Southern Italy posts the biggest growth in collection volumes again

Comieco feels that southern Italy continues to have the most potential to raise its collection volumes. The region is making progress and once again delivered the strongest growth in household collection in 2023. Households in the south collected a total of 983,000 t of recovered paper, which was 4.5 per cent more than in 2022. In absolute terms, this is much less than households in the north gathered. Some 1.9 million t of recovered paper was collected in northern Italy, 2.8 per cent more than in 2022.

Comieco welcomed this performance but felt that there was still room for improvement. The consortium pointed out that there was still potential for boosting collection volumes. Comieco felt that another 700,000 tpy could be collected in Italy, including 400,000 tpy in southern Italy. The organisation is working on a plan to support municipalities in southern Italy in getting there and eyes investments of €3.5m. Comieco added that it also wanted to invest in new sorting facilities to increase the amount of waste that could be treated. Close to 60 projects are in the construction phase, particularly in central and southern parts of the country. Other priorities include improving the collection of beverage cartons, sacks and collection at big events.

Italy's municipal separate paper and board collection volumes				
1,000 t	2023	2022	% 23/22	2024 outlook
Total Italy	3,753.1	3,646.4	+2.9	3,818.5
Northern Italy	1,898.8	1,847.5	+2.8	1,908.9
Central Italy	871.1	858.0	+1.5	884.1
Southern Italy	983.2	940.9	+4.5	1,025.5
Source: Comieco				

Italy: Recovered paper collection, imports, exports and consumption			
1,000 t	2023	2022	% 23/22
Apparent collection*	6,903.7	6,536.3	+ 5.6
Imports	272.2	318.7	- 14.6
Exports	2,154.1	1,452.2	+ 48.3
Consumption	5,021.9	5,402.7	- 7.0
* Consumption - Imports + Exports			
Source: Assocarta			

Quality of recovered paper better but still has room for improvement

The quality of recovered paper remains a hot topic, with the organisation reporting progress but highlighting the need for further improvement. Recovered paper collected from private households had an impurity content of 2 per cent in 2022, a figure that declined to 1.55 per cent in 2023. Nevertheless, the consortium feels that there is still a need for improvement. In one in four cases, material was still of inadequate quality, it said. This level climbed to one in three cases in southern Italy. The quality of material from commercial collections was better, although as much as 15 per cent of recovered paper still did not meet optimal quality standards, Comecio stated.

As mentioned, collection volumes increased despite a downturn in paper production and domestic recovered paper consumption. All in all, Italian mills produced 14 per cent less paper and board and consumed 7 per cent less recovered paper last year than in 2022. Recovered paper consumption stood at around 5 million t in 2023. It is only logical that recovered paper imports headed lower, as well. Merchants increasingly sold surplus material outside Italy. After exports had tumbled in 2022 because demand from Italian paper mills was very strong, in 2023 merchants exported almost 50 per cent more recovered paper than in the previous year. Indian buyers were especially active, purchasing large amounts of recovered paper.

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Business operations of insolvent paper and board merchant Inapa continue

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The insolvent Inapa Group, comprising the German subsidiaries Inapa Deutschland GmbH, Inapa ComPlott GmbH and Inapa Packaging GmbH, continues to operate without restrictions.

According to a press release, customers can place orders as usual. Suppliers are reportedly committed to Inapa and supplying the group as planned, the company stated.

"The understandable initial reservations of our suppliers eased after we agreed on new payment terms where necessary," says Inapa's CEO Thomas Schimanowski. Goods supply to the company is therefore secure and deliveries can be made smoothly.

The executive board of Inapa group jointly with provisional administrator Dr Tjark Thies of the law firm of Reimer have reportedly undertaken all measures necessary to stabilise the company's operations. The measures include securing wages and salaries of over 700 employees with the help of an advance insolvency fund as well as drawing up a robust financing plan for the future of the Inapa group.

Parallel to stabilising business operations, the company with the help of M&A specialists and consultants Roland Berger has launched an intensive search for suitable investors. Inapa has reportedly received several, partly concrete enquiries. First acquisition talks are being held in August. "We are very optimistic about presenting a restructuring solution in October," Mr Schimanowski added.

Inapa Deutschland is a fully-owned subsidiary of Portuguese Inapa group. Inapa has now 16 branches in Germany, according to its website. In 2020, Inapa Deutschland emerged from a merger of Papier Union and Papyrus Deutschland. The company's business areas are paper and print substrates, packaging, large-format printing and logistics.

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Recovered paper prices in Italy shrink again amidst summer lull in August

 19 August 2024 [Valeria Buß](#) | ⌚ ~ 4 min | [Published in issue 34/2024](#)

EUWID Price Watch Recovered Paper Italy				
August 2024				
Prices in € per tonne	Aug 2024*	July 2024	June 2024	Sep 2023
Mixed paper and board (1.02)	100 - 110	105 - 115	110 - 120	55 - 65
Supermarket corrugated paper and board (1.04)	110 - 120	115 - 130	125 - 135	60 - 75
Old corrugated containers (1.05)	120 - 130	125 - 140	135 - 145	70 - 85
New shavings of corrugated board (4.01)	145 - 160	150 - 160	155 - 165	85 - 95
Magazines (1.06)	170 - 190	170 - 190	170 - 190	85 - 105
Newspapers (2.01)	170 - 185	170 - 185	170 - 185	100 - 120
White woodfree letters (3.05)	320 - 340	320 - 340	320 - 340	320 - 340
White newsprint (3.14)	330 - 350	330 - 350	330 - 350	330 - 350
White woodfree shavings (3.18)	450 - 470	450 - 470	450 - 470	450 - 470
* Special Price Watch due to changing prices in August. No prior-year figures available.				
Prices ex works, material sorted and in bales				
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August has brought another round of price cuts for ordinary grades to Italy's recovered paper market. Things are quiet both on the Italian domestic market and on Asian export markets, with demand for recovered paper limited as a result. Markets using deinking or high recovered paper grades for production are tranquil, too. However, prices here were unchanged compared with July.

Mixed paper and board (1.02), supermarket paper and board (1.04) and old corrugated containers (OCC; 1.05) became €5-10/t cheaper on the Italian market in August. Mixed paper is less readily available, with mark-downs more commonly approaching €5/t. Market players were not especially surprised by this price cut, even though August is not traditionally a month when prices alter. The summer holidays have slowed business. Paper and board mills are taking their usual downtimes in August. Machines making unlined chipboard and coreboard sometimes idle operations a little longer. Otherwise, the downtimes this summer are mostly within the normal range. Against this backdrop, demand for ordinary recovered paper grades has cooled, as expected. Export business with Asia was not brisk enough to offset weaker demand within Italy. What is more, prices on the export market softened, too. Overall, these factors led the downward trend in Italian prices to continue.

Nonetheless, recovered paper suppliers in Italy interviewed by EUWID were not concerned. Some players noted that demand in Italy and in Europe as a whole was slower, but buyers had still ordered some volumes at the start of August. The same was true of exports to the Far East. Merchants were not seeing any major problems with moving ordinary recovered paper grades as long as the price was adjusted downward.

After all, collection volumes have already been pretty low all year long because paper production has generally declined, which is benefitting suppliers. Arisings from commercial and industrial sources usually decrease over the summer, while household volumes shift from towns and cities to tourist regions. The full impact of the summer holidays on collection volumes will not be entirely clear until the end of August or September, but sources generally think that recovered paper collection volumes are not particularly high.

Exporting to Asia certainly represented an alternative sales avenue for Italian recovered paper merchants in August. That being said, market players pointed out that interest was not as strong this year as it had been last August, for instance, when exports were able to completely offset weak demand within Italy and even sent prices higher. Material had been bought this year, too, and a couple of merchants were also exporting more than they had in June and July. However, deliveries were limited, and prices were pointing lower.

Continuing a pattern seen for some months now, buyers in Asia were not prepared to pay too much for recovered paper, indicating that their needs are not all that pressing. Merchants quoted price reductions of up to €10/t for exports to Asia in most cases. OCC was shipped to Asia at prices of €110-125/t in August, depending on how willing the supplier was to compromise and the date when the agreement was reached. Companies making deliveries very early in August were sometimes still able to sell at unchanged prices.

As mid-August arrived, it was still too early to draw up forecasts for September. Many market players said they had to wait and see how business resumed in the different paper and board markets in the coming month. They felt that another small price cut was just as possible as stable prices or even a small increase if demand improved. After all, insiders agreed, collection volumes are unlikely to be especially plentiful.

No movement in prices for graphic recovered paper grades in August

Market players were unperturbed about what was happening on markets for other recovered paper grades. Demand for deinking grades has reportedly remained somewhat stable. Some companies were feeling the summer slump, while others witnessed hardly any change in demand in the first fortnight in August. Market players told EUWID that paper mills were taking limited downtime in this sector. Even though demand had sometimes softened a little, collection volumes are chronically low in this sector, resulting in balanced supply and demand on the whole. Prices for magazines (1.06) and newspapers (2.01) did not alter between July and August.

There is nothing new to report from the market for high recovered paper grades, either. The market is quiet because of the holidays. Low collection volumes are coinciding with fairly normal demand. August was thus a month of no change in prices for white letters (3.05), white newsprint (3.14) and white woodfree shavings (3.18).

German recovered paper prices point lower

 **EUWID** + 15 August 2024 [Tom Wilfer](#) |  ~ 1 min | [Published in issue 34/2024](#)

Recovered Paper Germany				
July 2024				
Monthly changes in €/t	July 2024	June 2024	May 2024	July 2023
Mixed paper and board (1.02)	+ 1.00	+ 14.00	+ 16.50	- 3.00
Supermarket corrugated paper and board (1.04)	- 4.50	+ 13.00	+ 20.50	- 6.50
Used corrugated kraft II (4.03)	- 5.00	+ 13.00	+ 21.50	- 10.00
Sorted graphic paper for deinking (1.11)	- 2.00	+ 10.50	+ 22.00	- 3.50
Coloured letters (2.06)	+ 9.00	+ 11.00	+ 12.00	- 9.50
Multi printing (3.10)	+ 6.00	+ 14.50	+ 15.00	- 19.00
White newsprint/magazine paper (3.14/3.15)	- 3.00	- 1.00	- 7.50	- 13.00
White woodfree uncoated shavings (3.18.01)	- 13.00	+ 9.50	+ 12.00	- 17.50
Changes based on free delivered prices within Germany.				
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Prices are falling on the German recovered paper market. For August, noticeable mark-downs were reported for supermarket paper and board in particular. Prices for brown recovered paper grades had already begun to soften in July.

EUWID respondents named two main reasons for the price slide: Demand from the paper industry has fallen as a

result of downtime measures, and large volumes of supermarket paper and board are flowing onto the German market from neighbouring European countries due to the lack of export opportunities to Asia.

This is improving availability and creating growing downward pressure on prices on the German domestic market. In August, cuts of €10 per tonne have been reported for grade 1.04 in most cases. In the western region of Germany, the pressure from imported volumes can be even greater due to shipments from British suppliers, EUWID was told.

In the mixed paper segment it is once again a different situation. This grade remains in tight supply because of the weak collection volumes, the EUWID market survey found. Market participants therefore expect prices to hold or decline only slightly in August.

For the other grades of recovered paper, assessments of current developments range from unchanged prices to declines of €10 per tonne. There is a mixed picture in the market for sorted graphic paper of deinking, with players reporting everything from slightly falling to unchanged or even slightly rising prices.

*[Subscribers](#) can access the full monthly report on the **recovered paper market in Germany** and **price change tables and graphing tools** [here](#):*

GAW to carry out upgrades at Sappi's Ehingen mill

15 August 2024 | 🕒 ~ 1 minPublished in issue 34/2024



GAW's Rainer Purgstaller and Wolfgang Schmölzer as well as Wolfgang Bausenhart from Sappi at one of the meetings during the tender stage.

Sappi has selected GAW Technologies to provide upgrades to production equipment at its Ehingen mill in Germany.

GAW will expand the starch storage and upgrade the pigment tanks at the site. The order also includes several safety audits of existing silos. The delivery is scheduled for the end of this year and for early 2025.

Sappi's Ehingen facility is a hybrid mill producing both packaging and coated graphic papers. The mill has a capacity of 280,000 tpy of paper and 150,000 tpy of pulp for internal use.

Austrian technology provider GAW serves five major markets in almost all regions of the world: paper, chemicals, automation, composites, and water and wastewater treatment. The company has sales of €44m and 150 employees, and is part of GAW Group Pildner-Steinburg Holding, owned by the Pildner-Steinburg family.

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Walstead to combine Walstead CE and Walstead Leykam

14 August 2024 [Frauke Schmidt](#) | 🕒 ~ 1 min [Published in issue 34/2024](#)



Grzegorz Czech will become CEO of Walstead CE and Walstead Leykam

Walstead Group has announced that it will combine subsidiaries Walstead Central Europe (CE) in Poland and Walstead Leykam Druck in Austria under a single multinational management team, led by Grzegorz Czech.

Mr Czech is currently CEO of Walstead CE, as he will assume the wider role of CEO Walstead CE and Walstead Leykam.

Combining the territories of Poland and Austria will create benefits for customers, providing a platform with a wide range of services "under one roof", with complementary operating models and a range of capabilities, quality and service levels, Walstead announced. The combined business operates four sites in Poland, three in Austria and one in Czech Republic and in Slovenia.

Paul Utting, CEO of Walstead Group said "We look forward to working closely with Grzegorz in reshaping our business in Central Europe where we believe there is considerable scope for future enhancements."

Walstead Group, based in the UK, is the largest independent commercial web offset printing business in Europe with more than 3,500 employees. It also operates five sites in Britain and three in Spain (Walstead Iberia).

Walstead Group also announced that José Maria Camacho who has been CEO of Walstead Iberia since 2016 and who recently moved into a wider Group role is to leave the business at the end of the year due to personal and family reasons.

Only in May 2024 did Walstead announce plans to [bundle all activities in the EU](#) – Walstead CE, Walstead Leykam and Walstead Iberia – under one roof, with Mr José Maria Camacho becoming CEO of the enlarged activities and Mr Czech stepping down from his position as CEO of Walstead CE.

This article was updated on 15 August 2024.

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