

Italy: Corrugated case material and fine paper prices feeling the pinch in December

Talks about publication paper prices without desired outcome for producers

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EUWID Price Watch Italy December 2024			
Prices in € per tonne free delivered unless otherwise stated	December 2024	November 2024	December 2023
Fine paper			
Woodfree uncoated			
Copy paper 80 g A4 B grade	1,000 - 1,100	1,020 - 1,100	1,010 - 1,080
Copy paper 80 g A4 C grade	900 - 1,020	940 - 1,020	920 - 1,000
Offset sheets 80 g	980 - 1,100	1,010 - 1,100	1,000 - 1,080
Offset reels 80 g	890 - 1,020	920 - 1,020	920 - 1,000
Woodfree coated			
Sheets, double coated, 100 g	1,000 - 1,130	1,020 - 1,130	1,010 - 1,100
Reels, double coated, 100 g	900 - 1,020	930 - 1,020	930 - 1,000
Publication paper			
Standard newsprint 45 g	600 - 635	600 - 635	600 - 630
Standard newsprint 42 g	610 - 645	610 - 645	610 - 640
Improved newsprint ISO 68, 52 g	630 - 655	630 - 655	640 - 660
LWC offset 60 g	750 - 800	750 - 800	780 - 830
LWC rotogravure 60 g	780 - 820	780 - 820	820 - 860
SC offset 56 g (A)	650 - 690	650 - 690	680 - 730
SC rotogravure 56 g (A)	660 - 690	660 - 690	690 - 740
SC offset 52 g (A)	660 - 700	660 - 700	690 - 740
SC rotogravure 52 g (A)	670 - 700	670 - 700	700 - 750
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner 175 g+, European quality	640 - 660	650 - 680	560 - 590
White-top kraftliner 140 g, European quality	800 - 840	800 - 850	740 - 790
Recycled corrugated case material			
Recycled fluting, European quality	360 - 390	380 - 400	330 - 350
Testliner II, European quality	400 - 420	410 - 430	360 - 380
Testliner III, European quality	370 - 400	390 - 410	340 - 360
White-top testliner, grade C, 140 g, European quality	520 - 540	530 - 550	510 - 530
Medium, Italian quality	310 - 330	330 - 350	270 - 290
Testliner IV, Italian quality	320 - 340	340 - 360	280 - 300
Cartonboard			
GD II	600 - 670	600 - 680	620 - 700
GD III	560 - 600	560 - 610	580 - 620
GC II	1,000 - 1,150	1,000 - 1,150	1,040 - 1,150
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As the year draws to a close, there is a lot to talk about in the different segments of Italy's paper and cartonboard market. Manufacturers are generally emphasising a difficult cost situation due to rising energy and logistic costs, in particular. And they are suffering from weak workloads on their machines. Customers are mostly operating in a "wait and see" mode, placing orders only when highly necessary while waiting for the right price offer.

Publication paper and GD board manufacturers were toying with the idea of raising prices at the start of 2025. Their likelihood of success was rather slim. Corrugated case material and fine paper prices have already declined

in the fourth quarter. An additional reduction in prices at the start of 2025 appears inevitable, at least for finepaper. Talks about a potential price increase at the beginning of 2025 are continuing on the GC board market. It remains to be seen whether higher prices will take hold across the board.

Fine paper prices facing mounting pressure as 2024 draws to a close

Paper mills describe Italy's fine paper market as performing anything but well in the final quarter of the year. The situation had initially seemed stable after small price cuts at the start of the fourth quarter. However, additional reductions in pulp procurement costs, slack demand and ample supply created strong downward pressure on prices and resulted in additional mark-downs in the course of the fourth quarter.

A few paper producers told EUWID that they had simply bowed to pressure from customers seeking additional reductions, while other suppliers have proactively lowered their sales prices in an attempt to defend market shares or acquire new business. One supplier explained that adjusting prices was the only way for them to land orders.

In light of this situation, market players are re-reporting additional price cuts to the tune of at least €20-30/t between November and December, bringing the total fourth-quarter decrease to €50/t in many cases. Until now, the fourth-quarter contract business has been spared from these price cuts. Most contract prices have stayed the same since the latest mark-down in October and will likely only be adjusted for deliveries from January onwards, it is said.

However, market prices this high were relics left over from the price talks held at the end of the third quarter and the start of the fourth quarter, according to EUWID-sources. Most fine paper deliveries were fetching prices towards the lower end of the spectrum, one buyer was convinced. Market players are looking here at prices in the spot market or big project-related transactions where, depending on the type and scale of the order, prices even lower than the reported price cut of €50/t were feasible. For instance, a variety of EUWID contacts quoted spot prices well below the €1,000/t mark for coated and uncoated folio sheets and close to the €800/t mark for woodfree uncoated reels and copy paper.

The trajectory of talks about prices for deliveries from January onwards thus appears clear. European paper mills are certainly willing to make compromises, but they also want to raise talks to a reasonable level. They stress that most of their customers were not meeting the conditions for prices this low, namely large-volume orders with short payment terms, and would have to settle for smaller mark-downs.

A few fine paper mills will idle production for up to 10 days at the end of December and start of January. One paper manufacturer stressed that these stoppages were connected partly to the holidays and partly to market conditions. A printer believed that these stoppages would likely not have a major impact on supply.

A battle for volumes and market share has been sparked on Italy's copy paper market after news that Fedrigoni's subsidiary Giano will close woodfree uncoated paper production at Fabriano mill and exit the office paper business by the end of the year. EUWID has learned that Giano last supplied the Italian market with around 40,000 t of copy paper. Along with established paper manufacturers from Europe, Asia and South America, traders and wholesalers are apparently eyeing up this business and want to get a piece of the pie. EUWID sources report that competition in the market for copy paper is thus fierce as the year draws to a close.

Publication paper producers and buyers embroiled in a tug-of-war over prices

Negotiations to settle on prices for publication paper deliveries in the first quarter of 2025 are in progress in Italy. The majority of market players contacted by EUWID believe that they will manage to wrap up these talks before the Christmas holidays. Any exceptions should be handled in January.

As mid-December arrived, it was not entirely clear how this was expected to happen so quickly. After all, both parties – the paper industry on the one hand and printers and publishers on the other – have adopted contradictory pricing positions in some cases. While a few paper producers would like to see some kind of price increase for newsprint and, where possible, also for SC paper, many of the paper industry's customers do not want to dig deeper into their pockets for first quarter deliveries. On the contrary, some buyers are insisting on small price cuts. They note that demand is rather weak and that prices of €610-620/t for SC-A paper, €595-600/t for 42 g standard newsprint and €580-590/t for 45 g standard newsprint have been available on the spot market since November.

A few paper mills are rejecting such calls as disastrous and unacceptable. In conversations with EUWID, several producers expressed amazement that such low prices could arise and endure even on the spot market given cost pressure. Newsprint producers liked to point to cost pressures caused by items such as energy, personnel and logistics. For magazine paper producers, the strained cost environment is compounded by paper machines operating at poor capacity utilisation.

A few paper industry insiders are thus repeatedly warning their customers against going too far. This might lead to more paper machines being shut down in the near term, which would initially further limit supply for publishing customers and commercial printers alike and then make paper more expensive, too.

A few of the paper industry's customers view these remarks as empty threats that are repeatedly trundled out when the supply and demand situation is not supporting paper producers' goals and positions. The European market was still enjoying decent supply, even after all of the capacity closures in recent years, and supply was more than adequate to meet current demand, one commercial printer remarked. Citing the uptick in imports from North America, one printer told EUWID that customers could opt to buy paper from Canada if European paper mills were unable or unwilling to deliver.

Recycled containerboard and kraftliner cost less in Italy as the year ends

Corrugated case material prices have been on the move in Italy, too, in the final weeks before the end of the year. This was especially apparent on the recycled corrugated case material market: November's €10-15/t price cut was followed by an additional mark-down generally reaching €10-15/t in December. Altogether, prices have typically dropped by a maximum of €30/t, sources said. Although the Italian market has been spared from the swift price cuts seen in France and especially in Germany, paper mills in Italy are still having a hard time coping with lower prices. Italian prices for brown recycled corrugated case material and white-top testliner had not risen anywhere near as much as in other markets during the two to three rounds of price hikes that took place up until the summer. That means that even small price cuts are painful, and many paper mills are working very close to break-even despite lower recovered paper costs.

One paper producer pointed out that recycled containerboard mills were being penalised on two fronts: Sales prices are falling, and margins are shrinking in the current market climate of slack demand and abundant supply. At the same time, demand is low and paper mills cannot always operate their machines at adequate capacity utilisation to ultimately turn a profit by selling large amounts of paper at thinner margins.

A few paper mills intend to idle their machines for up to 10 days over the holidays to reduce the supply of recycled corrugated case material and avoid causing a delivery backlog amid lower demand and logistical bottlenecks. That being said, converters will also shut down their operations to a similar degree.

Kraftliner suppliers also have to contend with lower sales prices in December at the latest. This is especially true for brown kraftliner and, to a lesser degree, for white-top kraftliner. Sources are putting the price cuts for these grades at €10-15/t, depending on the previous price, with some mark-downs for brown kraftliner put at €20/t.

Once again, market players are underscoring the special nature of Italy's brown kraftliner market, which is in large part reliant on imports from North and South America. Sources doing business in Italy told EUWID that these imports were a key factor when it came to pricing. After several price adjustments stretching into December, it is not clear how the prices for US kraftliner will develop further down the road, insiders in Italy said. For one thing, the strong US dollar is apparently playing a role. For another, leading US producers have unveiled plans to charge more for kraftliner on their domestic market as of the start of 2025.

Market players have little cause for celebration when it comes to demand on Italy's corrugated board and corrugated case material market. Industrial production continues to fall in Europe, and private consumption is also struggling in the face of the persistently weak economy. Demand for corrugated board and packaging remained modest all fourth quarter long as a result. Although a few plants reported brisker order intake for December, these orders may have included some customers' requirements for the first days of January, it is said.

A few corrugated board and packaging producers primarily doing business with a few big industrial customers said that the growth recorded in the first half of the year had evaporated at the start to middle of the fourth quarter. Others still mentioned higher sales than last year, although this is nowhere near enough to make up for last year's downturn.

A few EUWID sources do not want to make any forecasts about where the corrugated case material market and prices are headed in the near term. One paper manufacturer pointed out that negotiations had only just begun and should not be pre-empted. Others expect the current downward trends to continue in the first few months of 2025.

Suppliers doing business on the market for recycled paper grades expect and fear fiercer competition from March or April of next year when new production capacity is set to come online in Europe. One corrugated board manufacturer noted that non-integrated capacity would pose bigger problems to the market, and it was expected that manufacturers would initially have to buy their way into the market by offering cheap prices. At the same time, stronger demand might push recovered paper prices higher, increasing paper mills' costs as well.

Fresh hikes being sought for GD, with key talks under way for GC

The first GD board producer unveiled plans to charge 8-10 per cent more for deliveries from 1 January onwards in late October. In late November and early December, more recycled board producers came forward. These manufacturers are seeking to tack on €50/t with effect from the start of 2025. A few other GD board manufacturers are staying out in the cold for now. They have not yet announced any price increases so far and some apparently have no plans to do so, either.

The majority of market players interviewed by EUWID feel that there is no basis for GD board to become more expensive in Italy. Even a few producers doubt that their plans will succeed. Machines were operating at somewhat better capacity towards the year's end thanks to many machines taking downtime in recent months. What's more, the way that the holidays fall this year meant that a few orders for late December and early January had to be produced ahead of time. Nevertheless, GD board producers still have rather short order backlogs at 10 to 14 days or, more rarely, up to three weeks.

Insiders in Italy noted that the market continued to experience surplus supply, with the availability of GD board from a variety of countries and at a variety of prices remaining plentiful.

In light of this situation, market players primarily consider the price hike plans by a few producers to be a diversionary manoeuvre. It was better to discuss raising rather than cutting prices, one cartonboard producer said with a wink. A few customers do not plan to be unsettled by such tricks. One converter said that the GD board market was rather ripe for additional mark-downs after the latest cut in recovered paper prices.

There is much to discuss on Italy's primary fibre-based market when it comes to plans to raise GC board prices. Even though demand is slack, a few suppliers seem to be insisting on charging more for deliveries from January onwards. Sources told EUWID that price hikes of €30-50/t, rarely more, were already implemented with some customers, while still being under discussion for a general implementation for deliveries as of the start of 2025. A few Asian suppliers have reportedly also stated their intention to invoice \$30/t more for deliveries from the end of January or February.

On the other hand, insiders in Italy are still reporting unchanged and low prices for cartonboard made in Asia, Southern and Central Europe that customers had access to, at least in December. Others are reporting that a few GC board machines in Europe continue to operate at poor capacity utilisation. One manufacturer told EUWID that attempts to charge more had certainly cost it business and orders in the fourth quarter.

Bearing this state of affairs in mind, a few cartonboard producers are having a hard time implementing a blanket price increase for their entire portfolio and all of their customers. It was not unusual for companies to be continuing talks in early to mid-January.

Italy: production, imports, exports and consumption

January - September 2024

	Production		Imports		Exports		Apparent consumption	
	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23
Total paper and board	6,080,080	+ 7.1	4,024,197	+ 14.6	2,739,403	+ 15.8	7,364,874	+ 7.9
Newsprint	0	-	256,097	+ 22.1	845	+ 63.5	255,252	+ 22.0
Other graphic paper	976,929	+ 20.7	831,317	+ 21.3	726,448	+ 17.6	1,081,798	+ 23.4
Uncoated	325,710	+ 27.0	461,396	+ 13.9	264,006	+ 24.9	523,100	+ 16.2
mechanical	n. a.	-	146,725	+ 20.7	19,554	+ 48.3	n. a.	-
woodfree	n. a.	-	314,671	+ 11.0	244,452	+ 23.3	n. a.	-
Coated	651,219	+ 17.8	369,921	+ 32.0	462,442	+ 13.9	558,698	+ 31.0
mechanical	151,415	+ 3.1	166,678	+ 31.6	192,458	+ 6.5	125,635	+ 35.5
woodfree	499,804	+ 23.2	203,243	+ 32.4	269,984	+ 19.8	433,063	+ 29.7
Household and sanitary paper	1,242,048	+ 6.1	58,176	+ 17.8	669,200	+ 10.8	631,024	+ 2.5
Packaging paper and board	3,593,959	+ 4.6	2,835,354	+ 12.5	1,297,602	+ 17.9	5,131,711	+ 5.7
Corrugated case materials	2,044,272	- 1.9	1,565,944	+ 1.8	368,147	+ 32.1	3,242,070	- 3.1
Corrugating medium	1,065,186	+ 5.9	530,641	- 1.9	215,258	+ 22.9	1,380,570	+ 0.7
Linerboard	979,086	- 9.2	1,035,303	+ 3.8	152,889	+ 47.5	1,861,500	- 5.6
Cartonboard	n. a.	-	779,788	+ 37.7	297,568	+ 9.8	n. a.	-
Other packaging grades	1,549,687	+ 14.6	489,621	+ 18.1	631,887	+ 14.8	1,889,641	+ 25.0
Other paper and board	267,144	+ 2.4	43,253	- 10.3	45,307	+ 6.3	265,089	- 0.5
Paper	215,381	+ 5.1	34,220	- 13.3	32,709	+ 14.6	216,892	+ 0.5
Board	51,763	- 7.6	9,032	+ 3.1	12,598	- 10.7	48,198	- 4.9
Pulp	n. a.	-	2,381,898	+ 5.1	118,826	- 10.5	2,263,072	+ 6.0
Woodpulp	n. a.	-	2,366,966	+ 5.1	118,052	+ 5.9	2,248,915	+ 5.0
Mechanical	n. a.	-	28,109	+ 9.0	967	n. s.	27,142	+ 6.1
Chemical/semi-chemical	n. a.	-	2,338,857	+ 5.0	117,085	+ 5.3	2,221,772	+ 5.0

	Apparent collection ¹⁾		Imports		Exports		Consumption	
	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23	tonnes 2024	% 2024/23
Recovered paper	5,168,775	+ 0.1	223,494	+ 5.1	1,430,856	- 5.4	3,961,413	+ 2.4

¹⁾ Consumption + Exports - Imports n. a. = not available

Source: Assocarta

France: Prices for printing and writing papers under negotiation in December

Further price reductions for corrugated base paper

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EUWID Price Watch France December 2024			
Prices in € per tonne free delivered unless otherwise stated	December 2024	November 2024	December 2023
Fine paper			
Woodfree uncoated			
Copy paper 80 g A4 B grade	950 - 1,130	1,000 - 1,130	970 - 1,130
Copy paper 80 g A4 C grade	900 - 1,080	950 - 1,080	920 - 1,080
Offset sheets 80 g	980 - 1,100	1,010 - 1,100	980 - 1,110
Offset reels 80 g	900 - 1,050	950 - 1,050	930 - 1,060
Woodfree coated			
Sheets, double coated, 100 g	980 - 1,100	1,010 - 1,100	970 - 1,110
Reels, double coated, 100 g	910 - 1,050	960 - 1,050	930 - 1,060
Publication paper			
Standard newsprint 45 g	600 - 630	600 - 630	600 - 640
Standard newsprint 42 g	610 - 640	610 - 640	610 - 650
Improved newsprint ISO 68, 52 g	650 - 680	650 - 680	640 - 680
LWC offset 60 g	770 - 830	770 - 830	810 - 870
LWC rotogravure 60 g	780 - 840	780 - 840	840 - 890
SC offset 56 g (A)	670 - 720	670 - 720	700 - 760
SC rotogravure 56 g (A)	680 - 730	680 - 730	700 - 760
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner 175 g+	740 - 830	760 - 850	670 - 760
Semi-chemical fluting	650 - 710	650 - 710	590 - 630
White-top kraftliner 140 g	860 - 990	880 - 990	790 - 900
Recycled corrugated case material			
Recycled fluting 100 g	600 - 625	620 - 645	530 - 555
Recycled fluting 90 g	610 - 640	630 - 660	540 - 570
Testliner II	620 - 650	640 - 670	550 - 580
Testliner III	610 - 635	630 - 655	540 - 565
White-top testliner, grade B, 140 g	700 - 750	720 - 770	640 - 710
Cartonboard			
GD II	810 - 940	810 - 940	810 - 940
GC II	1,100 - 1,330	1,100 - 1,330	1,150 - 1,330
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December has been, as usual, the month when the course is set for the further price development of newsprint and magazine paper. Negotiations in France were well advanced, especially for newsprint, and a tendency towards hardly any price changes could be seen in the contracts that had already been concluded. Magazine paper was still being negotiated in many cases, with paper manufacturers trying to at least maintain prices here.

Negotiations are also ongoing regarding fine paper prices from January onwards. However, in December, these were under pressure due to the fierce competition and prices

fell, but only in some cases. Prices for corrugated case material in France continued to fall, with price indications for all grades except semi-chemical fluting falling by 20 €/t. Cartonboard prices were mostly unchanged in December, with manufacturers and buyers negotiating higher prices in January, which were announced for both GD (white-lined chipboard) and GC (folding boxboard). As with corrugated case material, demand for cartonboard remained quiet.

Fine paper prices increasingly under pressure

December has seen sustained downward pressure and price cuts on the French market for woodfree coated and uncoated paper. Suppliers of cut-size copy and office paper face biggest competition pressure, market insiders explain. Some suppliers here have devised a short-term sales strategy aimed at capturing orders by reducing prices. The price war has drawn in other suppliers who follow a longer business horizon. Imports from non-European countries are again a co-determinant in that market segment.

It is not just copy paper prices that have started to move: the overall market shows widespread price cuts. For uncoated reels, spot prices amount to around €850 €/t but reports claim that they are offered even for €800/t. Several market players add that lower prices apply only to deliveries in January while others think that the prices are already applied in December. Uncoated offset sheets are said to be less affected but here too, the trend points south, report respondents from the market.

Coated reels are also exposed to pressure but it is reportedly less intense because the supplier structure is different. While spot prices far below €900/t are quoted, price pressure on sheets is less pronounced compared with reels. Market sources report some instances of significantly lower prices for December but several respondents explain that lower prices apply only to deliveries from January.

Prices for January had not been entirely finalised by the end of the second week of December, so there might still be a surprise or two waiting in the wings, market sources added. What is certain, is that the price frame is extremely wide in December. Lowest spot prices and the last of the high prices in December might lie as much as €200/t, according to insiders.

Suppliers describe demand for fine paper as mediocre to weak. Operating loads are far below average despite recent reports of improvement from producers.

It seems to be increasingly the case that a relatively good first half of the year, when a lot of paper was ordered to restock inventories, is followed by a weaker second half. There is an excess of output capacity in the market, which will be reduced by 280,000 tpy of woodfree uncoated paper as a result of the pending closure of UPM's PM 3 at Nordland Papier. The closure of a fine paper machine at Fedrigoni's Fabriano mill is said to have less of an impact on the commodities market.

Price negotiations for publication paper partly finalised

The sometimes very controversial price negotiations for publication paper in France were concluded in some cases at the end of the second week of December with new contracts for the first quarter.

In the newsprint segment a tendency in the deals already signed was to agree on mostly unchanged prices. Manufacturers had insisted on a price increase, referring to thin margins or losses already incurred, while buyers, particularly in the publishing sector, had demanded price reductions in view of their own financial situation. The new contracts often contain unchanged prices; in a few cases, prices were raised slightly. The agreements often apply to the first quarter, but there are also half-year price agreements, respondents in the market confirm.

Paper manufacturers say they currently have plenty to do and that demand is sufficient for acceptable capacity utilisation. "We are on target with volumes," stated a manufacturer of newsprint paper supplying the market in France. Market insiders explain that the fact that producers have backed away somewhat from their urgently needed price increase may have something to do with the slight fall in recovered paper costs.

Some magazine paper negotiations were still ongoing in mid-December, but some deals have already been concluded here too. Market participants reported only minor price changes for SC paper in the first quarter. There are said to have been a few small individual price increases, but prices often remained unchanged, especially in the important French market for retail advertising. In terms of paper grades, the retail market in France continues to focus on SC papers, but the general market trend towards cheaper grades and lighter grammages has not stopped at the French market either. Furthermore, some top prices will no longer be seen at the upper end of the previous price range for SC paper in the first quarter.

The market for LWC has the greatest imbalance between output capacity and consumption, which makes it more difficult to push through higher prices or even just maintain prices. Some prices in the agreements already reached for the first quarter remain unchanged, but LWC is where magazine paper suppliers are facing the greatest downward price pressure. Price reductions are therefore apparently not out of the question.

Meanwhile, the contraction in the market for publication paper continues, with consumption tending to fall. The fact that capacity utilisation among newsprint manufacturers is currently relatively good is also linked to the capacity shutdown at UPM Hürth. According to market participants, this is now having a full impact on the market and this is being felt directly or indirectly. Opinions differ as to whether this also applies to the discontinuation of SC paper production at Heinzel Laakirchen. Some say that the paper machine that was stopped at the end of November no longer took part in the current price round, while others argue that the quantities produced are still on the market.

CCM prices still receding

Prices for corrugated case material in December are still receding in France. After yielding by €20/t in November, brown recycled paper prices receded by the same amount again in December. In terms of price movement, France lags by €20/t behind neighbouring Germany. In Germany, prices fell by €40/t in October, in France by just €20/t. Since cuts of another €20/t are in the offing in Germany in December, prices might be levelled on the French market in January. In fact, several respondents on the French market believe that this will be the case.

Prices of white-top testliner are less likely to move in France where they seemed unchanged until into December. On the other hand, some respondents reported that prices were reduced in many instances by €20/t.

The French market for kraftliner shows similar developments except that sources report different prices for white-top kraftliner. While some market players see price cuts of €20/t for white-top kraftliner in some instances others still report unchanged prices month-on-month in December. From January on, market players expect market-wide implementation of this reduction. For brown kraftliner, the situation is clearer in that prices have reportedly been cut market-wide by €20/t.

Prices of semi-chemical fluting are unchanged in many instances, also because the market is seen to be more balanced with the production outage at Mondi Kuopio.

This is less the case for the recycled containerboard market. Although several reports from France indicated relatively healthy operation in the first half of December, the overall development lags behind the paper industry's expectations. Demand is too weak in the fourth quarter for paper and corrugated board producers to operate at healthy loads, according to market sources. In particular, it is already clear that paper producers must significantly reduce output over the holidays. Aside from muted demand, converters will close from 20 December until at least 1 January, in many cases till 5 January. Suitable curtailment measures will be put in place, say paper industry sources. Whether they will suffice, will be reflected by inventory levels after the holidays.

This year, the market for corrugated board in Europe will show small growth of perhaps 2 per cent year-on-year, say market insiders. France will remain roughly at this level or slightly lower. In retrospect, the year has been very different with sources describing demand in the first half as strong but the second half as lacking growth stimulus.

Consumer sentiment in France has been muted in the last 3-4 years because of the fall in purchasing power. On top, current political conditions offer little reason for optimism and recovery. The situation is certainly no catastrophe, but there is paucity of demand and growth especially against the backdrop of new capacities, says a market player. The French recycled corrugated case material market is expecting the start-up of Norske Skog's rebuilt PM in Golbey scheduled in the first quarter in a market already believed to be rather oversupplied.

The kraftliner market is believed to be more balanced, but this segment too purportedly has to do with lack of overall demand.

Cartonboard prices stable in December, mark-ups for GD in January being discussed

December is usually a weak month on the French cartonboard market and this year was no exception. The slowdown was even more noticeable than usual because order books were already thin in the previous months. However, prices remained unchanged – and players are now mainly focused on 2025. In mid-December, the price discussions were in full swing and, despite the rather feeble demand picture, the outcome of the talks is not certain.

In the recycled board segment, many of the discussions focus on the price hike announced by some European producers who want to raise prices for GD board as of January. Although the current order situation is not really conducive to such a measure, the suppliers argue that the current price level is not sustainable. Many costs had risen considerably, such as those for personnel, chemicals and energy, so margins were too thin and profitability was bad, they argued.

But it will be difficult to implement price hikes in the current market environment. Players report that demand was still weak in December. The order situation was actually even a bit worse than it was in November, a few respondents said, adding that this was normal because customers like to end the year with low inventory levels. Moreover, packaging producers are slated to take downtime over the Christmas and New Year's holidays, resulting in lower demand for cartonboard.

The price trend for recovered paper, which is pointing downwards, is also not playing into the hands of GD board suppliers right now. Although recovered paper prices have been declining for the past few months, board producers argue that this retreat has not yet offset the price surge seen in spring 2024. Still, a few sellers conceded that implementing the hike for GD in January could be problematic. A small number of contracts have already been signed for January containing stable prices, suppliers and buyers confirm. However, many talks have not yet concluded and some producers were not yet ready to give up the fight for higher prices.

Regardless of whether the price hikes actually get implemented or not, the announcement has caused the downward price pressure to ease off, say several respondents. Quotes for GD II in December were stable compared with November. There were not many reports about spot offers on the French market.

Customers in the fresh-fibre board market are also exerting slightly less pressure these days, say some respondents. Others, though, report no major change compared with the previous months. The general sense on the French market is that there still were a few spot prices here and there in December but not many. Overall, prices for GC II in France held steady in December. Some of these prices were contractually fixed until the end of the quarter.

The outcome of the price talks for January was still undetermined by mid-December. A handful of contracts were signed with stable prices for GC II, while the rest of the discussions were still ongoing. Market participants are closely watching what happens with one major folding boxboard producer who finally announced a price hike – long after its peers had done so – slated to take effect in November. Insiders think that the implementation of this mark-up could be postponed until January. At the time of the EUWID survey, however, it was not yet clear whether this supplier's targeted increase would succeed. Some respondents have their doubts, while others believe it will go through but not the full amount. Several GC producers, who had already implemented hikes over the course of 2024, are aiming for price stability in the new year.

The demand situation in the cartonboard segment is not much different than in the recycled board market. There was also still muted interest in GC board in December. One producer said that after a somewhat better November, they had been hoping for a slight improvement, but the upward trend had not continued. Many packaging plants are planning downtimes at the end of the year and several cartonboard producers will do the same. One French supplier is idling its machines for almost the entire month of December.

These are not advantageous conditions for price talks in the new year, but producers are still complaining about high costs, especially for wood. Consequently, they do not want to agree to lower prices.

In many cases, players are aiming for quarterly contracts for both GD and GC in 2025. Some companies, however, operate with open contracts in which the prices are only valid until the next order is placed. Most producers would prefer to avoid half-year contracts.

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Price negotiations for publication paper in the UK close to completion

Prices for corrugated case material declining in December

 18 December 2024 | ~ 10 min | Published in issue 51/2024

EUWID Price Watch UK December 2024				
Prices in £ per tonne free delivered unless otherwise stated	December 2024 £	December 2024 €*	November 2024 £	December 2023 £
Fine paper				
Woodfree uncoated				
Copy paper 80 g A4 B grade	840 - 960	1,008 - 1,152	880 - 960	830 - 960
Copy paper 80 g A4 C grade	810 - 930	972 - 1,116	850 - 930	800 - 930
Offset sheets 80 g	890 - 970	1,068 - 1,164	910 - 970	870 - 970
Offset reels 80 g	810 - 930	972 - 1,116	850 - 930	810 - 930
Woodfree coated				
Sheets, double coated, 115 g	910 - 980	1,092 - 1,176	930 - 980	890 - 970
Reels, double coated, 100 g	810 - 910	972 - 1,092	850 - 910	810 - 910
Publication paper				
Standard newsprint 45 g	480 - 510	576 - 612	480 - 510	500 - 550
Standard newsprint 42.5 g	490 - 520	588 - 624	490 - 520	510 - 560
Standard newsprint 40 g	500 - 530	600 - 636	500 - 530	520 - 580
Improved newsprint 52 g, ISO 68	530 - 560	636 - 672	530 - 560	550 - 600
LWC offset 60 g	680 - 730	816 - 876	680 - 730	730 - 790
LWC rotogravure 60 g	680 - 730	816 - 876	680 - 730	730 - 790
SC offset 56 g (A)	600 - 640	720 - 768	600 - 640	620 - 690
SC rotogravure 56 g (A)	600 - 640	720 - 768	600 - 640	620 - 690
Corrugated case material				
Primary fibre corrugated case material				
Unbleached kraftliner 175 gr, European quality	670 - 735	804 - 882	690 - 750	635 - 680
White-top kraftliner 140 g, European quality	785 - 865	942 - 1,038	830 - 885	750 - 815
Recycled corrugated case material				
Recycled fluting 100 g	545 - 575	654 - 690	565 - 595	510 - 530
Recycled fluting 90 g	545 - 580	654 - 696	565 - 600	510 - 535
Recycled fluting 85 g	555 - 590	666 - 708	575 - 610	520 - 545
Testliner II	565 - 595	678 - 714	585 - 615	530 - 550
Testliner III	545 - 575	654 - 690	565 - 595	510 - 530
White-top testliner, grade B, 140 g	650 - 700	780 - 840	670 - 720	640 - 710
Cartonboard				
GD II	650 - 725	780 - 870	650 - 725	620 - 780
GC II	930 - 1,010	1,116 - 1,212	930 - 1,010	900 - 1,080
* Exchange rate as of 13 December 2024: £1 = €1.20				
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In the UK, negotiations on prices from 1 January 2025 are taking place in the markets for printing and writing paper in December. In the market for newsprint, the contracts already concluded by mid-December indicate that there will be little change. The price increases originally demanded by manufacturers are difficult to implement. For magazine paper and especially for LWC, manufacturers are currently fighting to maintain unchanged prices. In the fine paper market, price pressure began to build up in December, which has already led to price reductions in some cases. The current price negotiations are about price cuts in January.

Following further price reductions for corrugated case material on the European mainland, the British market followed suit. Although demand for corrugated packaging was not bad at the end of the year, experts expect further declines in January as well. The situation for cartonboard is inconsistent. Although manufacturers of GC and GD board are demanding price increases, downward price pressure is high due to weak demand. Negotiations for January 2025 were mostly not concluded at the time of going to press.

Fine paper prices on the verge of major price cut

Prices on the British market for fine paper came under pressure in December. Market insiders report that, in addition to the prices often agreed on a quarterly basis, there were some low-price offers and also sales in December. This is due to the fact that importers from outside Europe are increasingly offering paper at favourable prices, which has triggered strong competition among European suppliers, they say.

The market for copy paper in particular is said to have seen low-price offers in December, but average prices for coated and uncoated reels also fell noticeably in December. Market participants expect that prices will probably be lower across the board from January. There is talk of price reductions of around £50/t and more. In December, the range of transaction prices remained very broad or even widened. However, negotiations on prices in January had still not been fully finalised by mid-December.

While coated and uncoated reels and copy paper are experiencing the greatest price pressure, market insiders are reporting slightly lower price pressure for coated sheets and offset sheets. The price situation on the fine paper market in December and January reflects the current situation between supply and demand. Demand is significantly lower compared to existing capacities. On the supply side, UPM Nordland Papier and Fe-drigoni are closing capacities. However, in the opinion of the Euwid dialogue partners, these will only really make themselves felt in January and the following months.

In view of the existing production overcapacity, market observers see potential for further price pressure in the coming months. The fact that prices are currently beginning to fall further is also influenced by the downward trend in pulp prices. However, non-integrated manufacturers, whose margins had already reached the lower limit with the previous prices, will hardly be able to improve their margins in view of the current price trend.

Insiders report that demand for fine paper is currently picking up in places, but is still weak overall. The second half of the year has been very different to the first six months, when demand was still pointing upwards compared to the weak year 2023 due to some additional stock purchases.

Publication paper negotiations concluded in some cases

In December, the course was set for future price developments in the market for publication paper in the UK. Price negotiations for the first quarter had not yet been finalised at the beginning of the third week of December, but tendencies could already be seen in a number of agreements already reached.

In the newsprint market in the UK, it is becoming apparent that prices in the new year will probably show little change compared to the fourth quarter of this year. Manufacturers had originally aimed for price increases, while buyers demanded price reductions or were at best prepared to accept unchanged prices. The contracts that have already been concluded mostly show unchanged prices. The newsprint market segment is currently characterised by a relatively balanced relationship between demand and supply, although demand in the UK is considered to be one of the weaker in a Europe-wide comparison.

At the beginning of the third week of December, many price negotiations were still underway for magazine paper, and the talks here were more difficult and controversial, according to market participants. In the case of SC paper, paper manufacturers had price increases in mind at the beginning of the talks, but market participants report that higher prices are currently very difficult to realise. Apart from a few exceptions, prices could at best stagnate in January; on the contrary, there is more likely to be

downward pressure, which paper manufacturers are trying to fend off.

This downward pressure on prices appears to be greatest for LWC paper. The segment remains characterised by high overcapacity in Europe, while consumption is continuing to decline. Market participants expect LWC prices in new contracts to remain unchanged at most, with discounts possible, according to reports to date.

Market insiders report that demand in the UK market for newsprint and magazine paper is currently falling more sharply than on the continent. The reason given for this is the lack of a stabilising influence of print advertising for the retail sector. Newspaper circulation figures are continuing to fall and the entire newspaper industry has been in a state of upheaval for years. The most recent example is the sale of the Observer, one of the country's oldest Sunday newspapers. The Daily Telegraph is also to be taken over by the publisher of the New York Sun by the end of the year, after a long period of unresolved ownership, if the financing of the transaction is secured.

Price reductions for corrugated case material also implemented on the UK market

Overcapacity and price pressure were also evident on the British market for corrugated case material in December. A considerable amount of paper continues to be imported into the UK, not only from European countries but even from Australia. Paper stocks along the supply chain in the UK are currently at a high level.

Consequently, the implementation of price reductions that had already taken place on the European continent could also be seen in the UK market. These price reductions and the fact that manufacturers were mostly unable to implement any increases in the fourth quarter are seen as an indication of the desolate state of the market.

As on the continent, prices on the UK market have fallen, particularly for recycled corrugated case material. The cut was mostly put at £20, and in some cases at £15/t, depending on the starting level.

The movement was somewhat slower for kraftliner. Here, the process of reversing the increase from £35/t in October has been completely finalised or a further price reduction of £10 to £20 – in the case of white-top kraftliner rather less – has been implemented. Converters assume that further price cuts will be seen in January, and there could even be another cut in February.

Paper manufacturers consider this development to be “unacceptable.” They point out that all costs apart from recovered paper are still significantly higher than before the crisis. They are endeavouring to reverse the price reductions as soon as possible, with the first quarter of 2025 already being mentioned as a possible date.

Market insiders are following the negotiations between the International Longshoremen's Association and the port operators on the east coast of the USA with great interest. In the event of a strike at the ports, an impact on deliveries of kraftliner from the USA to Europe could be expected. This could lead to some of the lowest prices that are offered by the Americans disappearing from the European market and might take off price pressure here.

Many manufacturers of corrugated sheets and packaging have seen a significant increase in demand since the middle or end of November, which is mainly attributed to the Christmas business. The statements vary from "very satisfied" to "we are only seeing a small increase."

The industry looks back on 2024 with mixed feelings. Demand was generally satisfactory, but often fell short of companies' expectations. In addition, the paper price increases led to challenges for many companies.

The usual automatic passing on of higher paper prices failed to materialise in the first half of the year. Packaging manufacturers were therefore stuck with the higher costs for several months. This illustrates the intense competition on the market, which continues to boast a large processing capacity, experts comment.

The players are hoping for continued or even increased growth in 2025. January could already be described as promising, they said, adding it was important that businesses and consumers regained confidence and invested or spent more. However, according to EUWID's respondents, the Labour government's plans to increase the minimum wage and National Insurance contributions from 2025 stand in the way. It is feared that these will be passed down the value chain, ultimately hitting smaller businesses or consumers. Unless demand increases significantly, some companies will be forced to reduce working hours or cut jobs. Other players are more optimistic and see signs that the UK market has bottomed out and will finally start to recover in 2025.

Weak demand and uncertainties characterise British folding boxboard market

The British market for cartonboard remains tense. After a promising start to the autumn, a quiet phase followed in November and December. British consumers are showing restraint in spending, and when they do spend money, they rather spend it on services rather than packaged goods, posing challenges for the industry.

However, some cartonboard suppliers benefited from a late Christmas business, particularly in the food and cosmetics sectors. Despite these isolated successes, business overall remains weaker than expected, which is problematic for sufficient capacity utilisation for cartonboard manufacturers, especially in the case of GD board. This means that material is readily available in desired quantities.

The closure of 70 per cent of Chenming's capacity in China – a large proportion of which was primary fibre-based board – has only provided a certain amount of relief in the short term. In the medium term, industry sources think that Chenming will either resume production itself or another supplier will gladly step into the gap.

Prices for GC and GD board remained unchanged in December compared to November. In the GC segment, some manufacturers had already implemented selective price increases in the third quarter or early October, often with big customers or where price levels were very low. Several GC suppliers had to roll back their increases over the course of November, so that these now range between £10 and £30/t for GC 2 board. According to some market experts, this could serve as a template for the 2025 contracts.

In addition to the implemented price increases, there is a lot of activity on the spot market, where European manufacturers are defending their volumes against Asian suppliers – also with aggressive prices.

In the GD segment, several producers have announced price increases, but these are mainly interpreted as a measure to defend the current price level. Capacity utilisation at GD producers remains poor and competition from countries such as Turkey is strong.

Given this market situation, attempts to raise prices for GD 2 board in January are "hopeless," according to one expert. A possible improvement in the situation could occur during the first quarter of 2025, potentially resulting in a price increase in February or March. In this context, manufacturers point to production and raw material costs, which remain very high with the exception of recovered paper.

The outlook for 2025 is therefore highly uncertain. "The main problem in the folding boxboard market is weak demand, which weighs a lot heavier than competitive pressure," one expert told EUWID.

However, it is very uncertain whether there will finally be a surge in demand here, even if the economic situation in the UK is currently brightening somewhat.

Therefore experts stress the risk of substitution not only of GC but also GD board with cheap Asian GC board. In the current situation, it is hardly conceivable that packaging manufacturers and end customers could afford to ignore offers that are £100 or more cheaper than European material – despite long delivery times and supply risks, one market player points out.

Recovered paper prices continue to fall in Italy

Paper mills take downtime, cooling demand for ordinary recovered paper grades

 18 December 2024 | ~ 5 min | [Published in issue 51/2024](#)

EUWID Price Watch Recovered Paper Italy				
December 2024				
Prices in € per tonne	Dec 2024	Nov 2024	Oct 2024	Dec 2023
Mixed paper and board (1.02)	75 - 85	80 - 95	95 - 105	65 - 75
Supermarket corrugated paper and board (1.04)	80 - 90	85 - 100	100 - 110	75 - 85
Old corrugated containers (1.05)	90 - 100	95 - 110	110 - 120	85 - 95
New shavings of corrugated board (4.01)	115 - 130	120 - 135	135 - 145	95 - 105
Magazines (1.06)	140 - 160	165 - 180	175 - 190	95 - 105
Newspapers (2.01)	165 - 185	170 - 185	175 - 185	105 - 120
White woodfree letters (3.05)	300 - 320	300 - 320	320 - 340	320 - 340
White newsprint (3.14)	305 - 330	310 - 330	330 - 350	330 - 350
White woodfree shavings (3.18)	425 - 450	430 - 450	450 - 470	450 - 470
Prices ex works, material sorted and in bales				
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In November, merchants predicted a difficult month ahead, with slack demand for sellers doing business on Italy's recovered paper market, as many paper machines were set to take downtime over Christmas and New Year. All in all, suppliers still managed to sell their ordinary recovered paper grades in December thanks to the export business, but price cuts could not be avoided. Deinking grades also became cheaper in

December, especially magazines. Further downward price movement for high grades was observed only here and there or for specific grades. Many prices were also left untouched in December.

Prices for ordinary recovered paper grades continued to point lower in December on the Italian market. Mixed paper and board (1.02), supermarket paper and board (1.04) and old corrugated containers (OCC; 1.05) cost €5-10/t less than in November. Italian prices have thus declined by a total of €35-45/t, depending on the grade in question, since they started to crumble in July. However, prices had previously climbed by €55-60 in the spring.

In November, insiders had already anticipated that demand for ordinary recovered paper grades would be weak, and prices might fall in December. Many paper and board manufacturers will idle their machines over the Christmas and New Year holiday period. Taking downtime has now become an established practice for several mills in this year when order books were sometimes better and sometimes worse, but never especially good. Producers will use the end-of-the-year holidays to schedule stoppages which will be longer than usual in some cases. Sources told EUWID that these downtimes might last 10 days to 3 weeks. That being said, mills will also make decisions at short notice about whether to resume operations sooner or later based on their order books. In light of the planned stoppages, buyers needed less recovered paper.

What's more, demand from other European countries has apparently slowed markedly in recent weeks. Experts said that hardly any orders were coming from Germany at the moment. This downturn in regional ordering, combined with a slight reduction in prices for Far East exports, meant that merchants had to make price concessions in Italy, too.

Market players described collection volumes as relatively stable and generally low towards the middle of December. Although demand for ordinary grades was slack in Italy, merchants managed to move material and keep their inventories low in most cases. Exports to Asia were helping to offset the shortfall of sales in Italy. Sources noted that demand from Asia was not huge but pretty consistent. Buyers from Indonesia are reportedly more active again since they have received new import licences.

Higher export prices under discussion for January

Suppliers had to make some concessions on export prices in December, too. Mark-downs of €5-10/t were customary for transactions agreed made at the start of the month. OCC exports to Asia were then typically priced at €90-100/t ex works, roughly the same as prices paid in Italy. A few merchants inked agreements for December back in November because they did not expect much of Italian buyers this month. In these instances, suppliers were frequently still charging November's prices, peaking at up to €110/t.

Prices of this level were suddenly under discussion again starting in mid-December. Suppliers said that Asian suppliers were making offers at slightly higher prices again. With the year almost over, these possible hikes will generally apply de facto for deliveries in January. This turnaround caught some players by surprise since there was no news of an economic recovery in Asia. Some sources attributed the upturn to lower freight rates, more favourable exchange rates or psychological effects, such as concerns about import tariffs on sales to the US, which might prompt Chinese manufacturers to increase manufacturing as quickly as possible. In mid-December, hardly anybody could imagine that improvement in demand would be lasting.

Nonetheless, this situation might influence prices in January. In the event that export prices climb, as is widely expected, it might help to stabilise prices for ordinary recovered paper grades in Italy. A few sources even think that a small price hike will be possible, but not before February or March. January will be a short working month with Italian paper and board paper manufacturers not producing much. Most industry insiders speaking with EUWID said that they expect unchanged prices for the ordinary grades in January.

Substantial mark-downs for magazines

In December, magazine (1.06) prices saw mark-downs that were substantial in some cases. Pricing can vary from customer to customer, but insiders frequently reported price cuts of €20-30/t. It is not as if there were no demand for this grade. But the closure of Heinzl's SC paper machine in Laakirchen, Austria, has caused a stir and removed a key customer from the market. Other buyers are reportedly operating but have throttled output in some cases.

Newsprint (2.01) prices were less acutely affected because alternative sales opportunities exist for this grade. Some material was exported to Asia and some was sold to the construction industry as insulation material. Prices stayed the same or dipped by €5/t in December.

Prices for high recovered paper grades had started to crumble in November. Now, most market players reported stable prices again for white letters (3.05), white newsprint (3.14) and white woodfree shavings (3.18) in December. A few cases also exist in which suppliers still had to swallow a couple of mark-downs. All in all, demand for these grades remains soft, but there is not much material on the market.

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Prices of ordinary recovered paper grades soften again in France

Good availability and falling prices for sorted graphic paper for deinking

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EUWID Price Watch Recovered Paper France				
December 2024				
Prices in € per tonne	Dec 2024	Nov 2024	Oct 2024	Dec 2023
Mixed paper and board (1.02)	30 - 45	40 - 55	50 - 60	30 - 40
Supermarket corrugated paper and board (1.04)	60 - 75	70 - 85	80 - 90	50 - 60
Old corrugated containers (1.05)	80 - 95	90 - 105	100 - 110	70 - 80
Sorted graphic paper for deinking (1.11)	90 - 100	100 - 110	110 - 120	85 - 95
Intra-Europe exports from France (1.11)	115 - 130	125 - 140	135 - 150	75 - 85
Coloured letters (2.06)	165 - 185	165 - 185	170 - 190	140 - 155
Multi printing (3.10)	195 - 205	205 - 215	215 - 225	195 - 220
White woodfree uncoated shavings (3.18.01)	390 - 405	400 - 415	410 - 425	410 - 430
Prices in € per tonne ex works, material sorted and in bales.				
Reporting for intra-Europe exports of 1.11 from France was added to the Price Watch in March 2023.				
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Due to scheduled downtimes, December promised to be a month of weak demand on the French recovered paper market. It thus came as no surprise that prices for the ordinary grades ticked lower once again – even though French paper and board producers’ activity levels were not bad overall. The downward price trend for sorted graphic paper for deinking also continued. The higher grades of recovered paper became cheaper

as well in some cases. By contrast, coloured letters were sought-after and proved to be the exception to the rule, with stable prices.

In December, prices for ordinary recovered paper grades on the French market slipped for the third month in a row. Quotes for mixed paper and board (1.02), supermarket paper and board (1.04) and old corrugated containers (1.05, OCC) decreased by €10/t. Market participants surveyed by EUWID attributed this to generally weaker demand, especially from Germany, and falling prices in the German and Far East export markets.

December is traditionally a short working month, when many European paper and board mills take downtimes of varying lengths over the holidays and therefore require less recovered paper. In light of the weak order situation in the packaging industry, it is expected that shutdowns this year will be longer rather than shorter. Production stoppages are also scheduled in France. However, some producers of recycled corrugated case material (including larger paper mills) announced in the middle of the month that they would continue to produce throughout the year-end holidays as they had enough orders on hand.

Some merchants in France therefore believe that the price reductions in December were driven more by foreign markets. Orders from Germany had dropped off markedly and prices for the ordinary grades fell even more on this neighbouring market than they did in France, respondents noted. Asian buyers had also trimmed their purchase prices by few euros. This general downward price trend has now also spilled over to the French market.

The supply of ordinary recovered paper grades was described as relatively stable. Waste management firms did not report any changes in collection volumes, which are generally not very high since paper production has been reduced for quite some time. Despite the weak demand, suppliers were usually able to sell all of the volumes that arose – albeit at a lower price. They did not express any concern that they might be unable to move volumes.

For their part, buyers say they have sufficient recovered paper on hand. Producers that are not planning to idle their machines over the Christmas period needed to stock up enough material to secure continuous production because transport capacity is expected to be tight over the year-end holidays.

As always, the Far East export market was an important alternative sales channel for merchants. Market participants describe demand from Asia in December as quite stable – not especially high, but steady. Prices here have also declined, usually by €5-10/t, yet they remained slightly higher than on the French market. In December, old corrugated containers are being shipped from France to Asia for prices of €95-105/t ex works.

Price stability expected in January

The respondents surveyed by EUWID mostly expect fairly stable prices for the ordinary recovered paper grades in January, although they said in mid-December that it was too early to discern a trend. Market developments will depend upon factors such as how much inventory paper mills are holding at the end of the Christmas break, how demand from Asia shakes out and whether prices for recycled corrugated case material fall further, EUWID was told. Some experts also said they could not entirely rule out the possibility of another downward price adjustment for ordinary recovered paper grades in January.

Sorted graphic paper for deinking (1.11) became cheaper again in December. Respondents reported reductions of €10/t compared with November in the French market. One key player was still holding quite high inventory levels, EUWID was told.

Merchants also had to accept mark-downs for deliveries of sorted graphic paper for deinking sent to neighbouring countries such as Germany or Switzerland. Depending on the starting price, cuts of €10-15/t were reported. Availability of the grade had improved considerably in recent months, explained one buyer. Others confirm that supply of sorted graphic paper for deinking currently outstrips demand. The closure of the SC paper machine at Heinzl's Laakirchen site in Austria is likely to have been one factor leading to greater volume availability – at least temporarily – on the market.

Ongoing good demand for coloured letters

There were no changes on the market for coloured letters (2.06) in December. Merchants said they were pleased with the level of demand in this sector. The tissue industry reportedly purchased normal volumes. Prices in December remained stable at the prior month's level as a result.

Demand for multi printing (3.10) was less satisfactory for merchants. One paper producer says there was still leeway for price reductions because consumption was not very brisk and the price level was still relatively high. Moreover, the price pressure for white-top testliner has reportedly intensified buyers' desire to achieve price cuts for this recovered paper grade, some market participants say. Multi printing became €10/t less expensive in France.

It was still very difficult to find buyers for white woodfree uncoated shavings (3.18.01), EUWID was told. Prices of this grade therefore tumbled again in December by up to €10/t in some cases, or occasionally slightly more.

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Italy's coreboard market faces only slight mark-downs in Q4

No changes in demand and prices expected for January

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EUWID Price Watch Italy Coreboard 2024				
Prices in € per tonne ex works	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024
Coreboard 300 J/m ² , ≤ 1.5 cm ³ /g	470 - 520	480 - 545	505 - 545*	495 - 530
* Prices in Q3 were stable compared to the end of Q2. Prices in June were €505-545/t. The price bracket reflects minimum and maximum prices reported over the entire quarter.				
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The fourth quarter was a period of weak ordering and slack demand on Italy's coreboard market.

Nonetheless, there was little change on the price front. Coreboard buyers have hardly leveraged their good position in negotiations. Buyers and suppliers seem to be on a similar strategic path, with nobody interested in too much price volatility. And so buyers have put limited pressure on prices, sources on both sides of the market confirmed.

Nonetheless, small price cuts were still instituted. While a few suppliers were determined to keep prices stable and lost a few orders as a result, others agreed to smaller mark-downs. These cuts stood at €10-15/t and mostly took effect in November. While coreboard had cost €505-545/t ex works in October, prices decreased to €495-530/t in November. As EUWID was researching this report, the same prices still applied for December. The spectrum of prices for coreboard with a ply-bond strength of 300 J/m² and a bulk of up to 1.5 cm³/g therefore spanned €495-505/t ex works in Italy during the fourth quarter.

With demand lacklustre, the price cuts were still rather modest. Sources told EUWID that order books remained slim after activity failed to pick up after the summer as hoped. Some manufacturers put such comments into perspective, stressing that the situation was not completely hopeless. December is usually a somewhat busier month because end customers are set to take downtime and bring orders forward as a result. There was little sign of this effect happening this year, though, market players said.

Keeping this situation in mind, coreboard prices could have actually fallen more significantly. But on the one hand, buyers were not exerting too much pressure. Insiders on both sides of the market said that core manufacturers were working hard to keep their sales prices stable and larger mark-downs for coreboard might thwart these plans. On the other hand, lower prices did not drum up more orders, either, a few producers said, who, given the choice, would rather idle production, losing a few orders in the process, as a few producers conceded.

Echoing developments in other paper and board markets, it has now become normal for coreboard mills to idle their machines for a couple of days each month. This happened in the fourth quarter, too. Companies usually make decisions about stoppages spontaneously and based on order books. Coreboard manufacturers are also planning to idle operations between Christmas and New Year. At the start of December, it was not yet clear how far their orders would take them, but the majority of suppliers

interviewed expected at least 10 days of downtime. Just a few sources are set to go offline for a shorter period of time.

January will be another short month because of these stoppages. Since there were no signs of an economic recovery in December, either, EUWID sources anticipated stable coreboard prices at the beginning of the new year. Raising prices was certainly necessary, one producer stated. Several companies' margins were now razor-thin. This manufacturer did not rule out the possibility of informing its customers of plans to charge more in the near term, although the source did concede that such hikes might not happen until February or March at the earliest. The current market climate did not offer room for higher prices, this expert added. Another producer remarked that price increases would not be possible until demand picked up or the price of recovered paper increased sharply. However, manufacturers did not see any reason for prices to fall, either.

Core prices fairly stable

This year has been a somewhat better year for core manufacturers than for coreboard manufacturers. They reaped the rewards of what happened in 2023 when coreboard prices fell more than their own sales prices for cores. Their margins improved as a result. This year, core prices stayed relatively stable into the fourth quarter. Over the past three months, prices have reportedly dipped marginally at most and were often left untouched.

Core producers were not jumping for joy, either, since demand was weak in this sector, too. The situation had even taken a turn for the worse since September, with a small seasonal improvement in December that had been less pronounced than in years past, one core producer stated. This weak ordering affected all areas, he added. It was palpable that customers themselves were increasingly having a hard time with their order books, insiders said, noting that this was raising concerns among a few market players.

Alzamora expands into the UK

 **EUWID +** 18 December 2024 |  ~ 1 min | [Published in issue 51/2024](#)

Spanish packaging group Alzamora continues its international expansion. The company has announced the acquisition of British company Offset Print & Packaging, based in Aylesford. This gives Alzamora a third production site, in addition to its plants in Spain and Portugal. The number of employees increases to 350.

British company Offset Print & Packaging specialises in printed carton packaging for the food industry.

Alzamora produces carton packaging for a wide range of applications. The group's customers include companies in the food, textile, tobacco, cosmetics, household products, pharmaceutical and beverage industries.

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Metsä's tissue mill in Goole in Yorkshire enters next stage

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The second public consultation for Metsä Tissue's new tissue mill in Goole in Britain was successfully concluded in November 2024. Metsä now aims to submit the planning application to the East Riding of Yorkshire Council by the end of this year.

"2025 should see a planning application decision by the Council and the commencement of the detailed designs of the mill and the specification of machinery and equipment," a Metsä spokesperson told EUWID.

In autumn 2023, Metsä Tissue published plans for a new tissue mill in the UK with a capacity to produce 240,000 tpy of primary fibre tissue paper.

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Fedrigoni definitely idles fine paper machine at Fabriano mill

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Italy's Fedrigoni group has definitely ceased fine paper production at the Fabriano mill, taking another step towards the announced closure of its office paper subsidiary Giano Srl. The last paper offset paper reel on paper machine F3 at the site was produced in the morning of 10 December. The paper machine is geared for a total production capacity of 150,000 tpy and was the biggest paper machine of the entire group.

The closure of Fedrigoni's office paper subsidiary Giano will affect 174 employees. Following the latest round of negotiations with employee and government representatives, however, the company will revoke the collective dismissal procedure and activate an extraordinary wage guarantee fund scheme (cassa integrazione straordinaria). Employees will be temporarily laid-off for one year and during this time, the company will work to offer them redeployment within the group, according to the agreement.

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Coreboard producer Cenpa is in receivership

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French company Cenpa is in financial trouble. The coreboard producer was placed in receivership as of 2 December, a company spokeswoman confirmed. The commercial court ordered a six-month observation phase to give the company time to find a buyer for the mill. Interested parties can submit a takeover bid by 30 January 2025. In the meantime, production continues to run normally, the spokeswoman said.

Cenpa operates a plant in Schweighouse-sur-Moder in eastern France, near the German border. The company produces coreboard with a ply-bond strength ranging from 200 to 600 J/m². The facility has two machines with a combined capacity of 70,000 tpy and employs 93 people.

Cenpa is owned by the German investment firm Acursia Capital, which acquired the French producer in 2021 from the German investment company, Mutares. Previously, Cenpa was part of Sonoco Group until 2016.

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DS Smith reports a challenging half-year with the first signs of recovery

📄 **EUWID +** 18 December 2024 | ⌚ ~ 3 min | [Published in issue 51/2024](#)

Market conditions continued to be challenging in the second half of DS Smith's 2024/2025 financial year, which ended on 31 October 2024. Sales were only slightly down on the same period last year at £3.4bn. However, operating profit and net profit fell significantly to £96m and £43m respectively. CEO Miles Roberts said the group's performance was in line with expectations.

The year-on-year fall in profits was mainly due to a decrease in box prices compared to last year, said group finance director Richard Pike. The negative impact of box prices was £136m, more than offsetting the positive impact of volume and paper price improvements in the period. Cost reduction programmes were able to make up for higher costs for OCC and natural gas (the latter even doubled), said Mr Pike. The Group also incurred additional costs of £75m in relation to the proposed combination with International Paper.

There are also positive signs on the horizon: The company is seeing a recovery in packaging volumes. On a like-for-like basis, box deliveries increased by 2 per cent, compared to 1 per cent in the second half of last year and a decline of 4.7 per cent in the first half of 2023. This recovery is expected to continue in the second half of the financial year. Packaging prices have also started to rise, following the increase in containerboard prices since the beginning of the year.

The development in the markets in North America and Eastern Europe was very positive and Southern Europe was also good, but the markets in Germany and the UK continued to be "particularly difficult," said Mr Roberts.

In terms of market segments, the FMCG market remained fairly resilient, while the industrial segment continued to be challenging. Promotional products like displays performed quite well, recovering from the lows experienced during the pandemic.

DS Smith continued to invest in its assets. The biomass boiler at the Rouen recycled containerboard mill in France is expected to come onstream in the first quarter of 2025 and deliver a return on average capital employed of over 20 per cent. The company has also invested €35m and €25m in its packaging plants in Hungary and Poland, respectively. This will enable DS Smith to capitalise on the strong growth in these countries. The company's new paper machine in Porcari, Italy – a replacement PM, Mr Roberts pointed out – is expected to be operational by late 2025 or early 2026.

Mr Roberts expects market conditions to remain challenging for the remainder of the financial year. However, packaging volumes will continue to grow and DS Smith will increasingly be able to recover higher input costs, he said.

The market for containerboard, however, will continue to be challenging and volatile. After paper prices had increased in the first half of the year, they began to fall from October, mainly due to lower recovered paper prices.

At the beginning of December, the company had still retained a big part of the increases reached in the first half of 2024, Mr Roberts emphasised. "It feels like we are bumping along the bottom," he added.

North America is expected to continue to perform well. The company has been winning a lot of key accounts, mainly on selling points such as lower carbon footprint and better brand image (e.g. shelf-ready packaging). In addition, paper prices have risen over the last 6 months and there have been further announcements of further increases in the US. "Despite the challenges we are seeing, the underlying market conditions remain strong," says Roberts.

DS Smith results		
million £	Half year ended	
	31 Oct 24	31 Oct 23
Key figures		
Sales	3,371	3,513
EBITDA*	221	365
Operating result	96	314
Net result	43	204
Business area review		
Northern Europe		
Sales	1,266	1,348
Ebitda**	101	161
Operating result**	41	107
Southern Europe		
Sales	1,251	1,298
Ebitda**	212	250
Operating result**	147	189
Eastern Europe		
Sales	545	567
Ebitda**	47	64
Operating result**	19	38
North America		
Sales	309	300
Ebitda**	31	47
Operating result**	14	31
* from continuing operations		
** before amortisation and adjusting items		
Source: DS Smith		

Decor paper manufacturers and converters await a decision on provisional AD duties

Producers take additional downtime due to slow demand

 **EUWID +** 18 December 2024 |  ~ 3 min | [Published in issue 51/2024](#)

The anti-dumping investigation into decor paper imports from China that the European Commission launched on 14 June 2024 is slowing down current talks about prices for decor paper deliveries in the first quarter of 2025. Both manufacturers and converters were waiting for the initial results of this investigation to be unveiled, something that was set to happen on 16 December. Provisional measures specified in the pre-disclosure document are then set to come into force on 14 January. Possible provisional anti-dumping duties will apply retroactively to all imports arriving in the EU since 25 October as the European Commission ordered customs authorities to start registering these shipments on 24 October. Volumes that are currently covered by imports from China might shift back to European decor paper manufacturers if the European Commission decides to introduce anti-dumping duties. However, the statements already made by Chinese producers in October and November that they would possibly contribute to the anti-dumping duties if deliveries were continued are a factor of uncertainty. As a result, imports from China could remain attractive to European converters even if tariffs increased.

European decor paper manufacturers want to keep decor paper prices at least at the fourth quarter's level, even though capacity utilisation remains poor and pulp prices continue to fall. In many cases, prices have already taken on board average mark-ups of €10-15/100 kg in the third quarter. A few subsequent corrections emerged in October for prices that were on the low side. Since earnings remain strained and titanium dioxide costs are rising, decor paper manufacturers say that additional price increases will be needed in the first quarter. Manufacturers intend to push these plans with greater force if the European Commission decides to impose anti-dumping duties on imports from China. Bearing this in mind, several companies are holding back on putting pen to paper. New prices were not be set until the second half of December or early January once the European Commission had unveiled its decision. By contrast, a number of decor paper converters have outlined plans for price cuts in the latest round of negotiations, citing falling pulp costs as their main rationale. For their part, manufacturers are underscoring the stronger US dollar against the euro over the past two months, which is thwarting efforts to raise list prices.

Decor paper producers have tended to see their sales take a turn for the worse in November and so far in December after they improved slightly in October.

This trend comes against a backdrop of customers ramping up their production curtailments in the fourth quarter. Most companies will shut down for longer than usual over the Christmas and New Year period. Along with the stoppages held in November and December, several decor paper manufacturers are also planning to idle their machines for at least two weeks

for the holidays. A few machines are expected to go offline for up to three weeks, while production in January and February is expected to run without major interruptions.

As happened this year, decor paper manufacturers are expecting demand to rebound, at least briefly, from the beginning of the year. However, the expected revival will only be fuelled by buyers' inventory changes. Markets are not expected to pick up in the foreseeable future.

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Weak demand for label paper in Germany and some downtime at year-end

 **EUWID +** 18 December 2024 |  ~ 3 min | [Published in issue 51/2024](#)

On the German market for label paper, the hoped-for upswing in the fourth quarter did not materialise. A few paper producers surveyed by EUWID did notice a slight recovery in November, but many players report demand has been declining continuously since August. This downturn is affecting wet strength and alkali-resistant label paper more than non-wet strength grades. "It seems that this year our customers do not want to add even a single tonne of paper to their inventories," said one producer about the market situation in December.

In addition to the scheduled downtime between Christmas and New Year's, some label paper suppliers are already planning to idle machines for around one week per month in response to the weak demand, the market survey found. "Anyone who is not idling production now is doing this because they have decent demand from outside of Europe or because they want to build up inventory for early 2025," said one market watcher. Certain suppliers are apparently also willing to make price concessions in an attempt to continue production without interruptions.

Industry observers say the weak demand is mainly due to macro-economic reasons. "People are economising on food and drinks," said one printer. Moreover, a growing trend towards buying private-label brands is noticeable, EUWID was told. Attendees at the Brau Beviale beverage industry trade show in Germany said the mood this year was more subdued than usual. Given the generally tough economic conditions, the topic of sustainability is not high on the agenda right now, which is having a negative impact on demand for recycled label paper, according to several respondents. In the dairy products sector, companies are also trying to switch to mono-material packaging, which benefits plastic film labels.

At the time of the market survey in the first half of December, delivery times for smooth label paper were said to be 2-4 weeks, while embossed paper had lead times of 4-6 weeks.

Paper producers surveyed by EUWID project that, thanks to the good business development in the first-half, volumes for the full year 2024 will be up compared with the very weak year of 2023. However, it will not be possible to match to the levels seen in 2022, many players say.

With the exception of some individual downward adjustments, prices for both wet strength and alkali-resistant as well as non-wet strength label paper were mostly carried over unchanged from the third into the fourth quarter of 2024.

Talks between the paper industry and printing companies to determine prices and terms for deliveries in the first quarter of 2025 were still underway in most cases as of early December. Pressure throughout the supply chain is significant, said one paper producer, describing negotiations as “tough.” Breweries are facing strong price pressure from retailers, which is spilling over to label printing companies.

Paper producers aim to achieve another roll-over from the fourth quarter into the first quarter of 2025. However, the decline in pulp prices makes this a difficult negotiating position. In some cases, it appears that reductions of €50-60/t could be on the horizon for both paper grades, EUWID was told. A few printing companies, however, said that downtimes at some suppliers could hamper potential price reductions.

EUWID Price Watch Germany Label Paper 2024				
Prices in € per tonne free delivered	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024
Wet-strength and alkali-resistant 70-80 g (reels)	2,070 - 2,240	2,130 - 2,300	2,250 - 2,380	2,250 - 2,380
Non wet-strength 70-100 g (reels)	1,910 - 2,100	1,910 - 2,140	2,010 - 2,170	2,010 - 2,170
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Starch producers urge in vain for direly needed price hike

Will new paper machines boost demand in 2025?

📄 EUWID + 18 December 2024 | ⌚ ~ 5 min | [Published in issue 51/2024](#)

The market for starch products is tough for suppliers as well as buyers. Both starch manufacturers and paper producers have faced intense competition for more than a year. Many starch plants and paper mills alike are challenged by volatile operating loads, rising costs and unprofitable margins. “The paper industry places severe strain on the starch industry,” remarks a market expert on the latest round of negotiations where wheat and corn starch producers faced stiff resistance to their demand for higher prices.

Several producers especially in the wheat starch market are in a precarious situation, say market experts. Demand for starch from the paper industry has gradually increased following growing output, but failed to keep pace with capacity expansion in the starch industry, which has retained oversupply of wheat and corn starch in the market. Furthermore, many paper mills, especially containerboard producers, are mounting pressure on their starch suppliers and thwarting price hikes that starch producers say they need to cover costs.

Starch suppliers complain that their efforts to eliminate “unhealthy prices” have not yet yielded sufficient results in the current price round. The market price, especially for native wheat starch, represents a heavy burden that the starch industry must bear, experts warn.

Already in negotiations for the fourth quarter of 2024, starch producers encountered resistance when they tried to raise prices. Therefore, in the negotiations for prices from January 2025, they have again requested price increases for cereal starches. The aim – again – was to push prices towards the €500 line, a necessary move due to the difficult cost situation, starch industry representatives explain. Starch producers are reportedly finding it increasingly difficult to cover the costs of raw materials, production and logistics with current prices for starch products.

For native wheat starch grades, the outlook for substantially higher prices was marginal in the middle of December, players in the industry say. When the survey was conducted, the general opinion was that fourth quarter prices would be carried forward.

The rollover includes small and marginal increases of €5-10/t, according to EUWID respondents. However, there is a wide spread between quoted prices, which market experts attribute to regional dynamics as well as the present positions of suppliers and buyers.

Quoted prices for native wheat starches range from €435 to €455/t. At the extremes, they could dip as low as €420/t and rise to even €460/470. This does not include even lower spot and special deals that temporary and not everywhere available, it is learnt.

The price level for native corn starch, according to most surveyed respondents, is similar or higher compared to native wheat starch. Other EUWID respondents report regionally pronounced competition between eastern and western European corn starch suppliers. This has reportedly given rise to special offers, which are extended from one quarter to the next.

Expectations of demand from the paper industry are mixed

A survey on the starch market on companies' assessments of current and expected demand from the paper industry yielded different results. On the one hand, overall demand from the paper industry has weakened, due to structural reasons such as digitalisation as well as market-related idling of production facilities. On the other hand, fresh containerboard capacities that have emerged in some regions have already raised order inflow from a few paper producers, EUWID was told.

Some paper mills were closed recently and will no longer need starch. However, several major capacity expansion projects for containerboard are poised to start. According to current plans, the projects at the Golbey, Laakirchen, Shotton, Lucca and Duino paper mills will increase production capacity by around 2.5 million tpy within a year and correspondingly increase demand for starch from the containerboard industry.

Sceptical voices on the market doubt that all paper machines will start up as scheduled. They also question the impact of the new PMs on demand for starch products, as the additional 2.5 million tpy will only seep into the market gradually and as the new paper machines will at least partly replace existing capacities.

Experts expect consolidation to spread also in the corrugated sheets segment – e. g. from the recently completed merger of Smurfit Kappa and Westrock and the forthcoming transaction between International Paper and DS Smith. Market insiders believe that there is more M&A activity to come in this area.

Market experts do not believe that the growing size of paper producers puts starch suppliers at any major disadvantage. One impact in procurement is reportedly that securing delivery volumes for many sites has become difficult. Beyond a certain volume, large orders do not automatically imply low purchasing prices, it is learnt.

Margins remain unsatisfactory, need for cost cuts major point of discussion

"There is no money to be made from the paper segment," complains an insider from the cereal starch market. Wheat starch producers have an edge over corn starch producers because their product portfolio is broader which generates business from

the food and pharmaceuticals industries – segments with potential for better margins. But the potential has been exhausted, the industry insider explains. Pressure can already be felt also in these segments.

Starch manufacturers are emphasising the urgency of bringing margins in some highly unprofitable businesses with paper mills to an adequate level. The starch industry is already facing consolidation pressure as a result. Many companies have been in a crisis for more than a year, reports add. In order to save costs even further, a reduction in staff is being discussed in many places, and is already a major talking point in some companies.

EUWID Price Watch Western Europe Native Starch 2024				
Prices in € per tonne	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024
Potato starch	800 - 1,000	800 - 1,000	800 - 1,000	880 - 1,100
Corn starch	440 - 500	420 - 480	440 - 500	430 - 480
Wheat starch	410 - 470	380 - 440	425 - 480	420 - 470
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Talks to negotiate German newsprint prices gather steam in mid-December

Lack of positive macroeconomic impetus / No signs of a swift turnaround

 18 December 2024 |  ~ 7 min | [Published in issue 51/2024](#)

EUWID Price Watch Germany				
December 2024				
Prices in € per tonne free delivered unless otherwise stated	December 2024		November 2024	December 2023
Fine paper				
Woodfree uncoated				
A4 C-grade, branded paper	950	- 1,010	970	- 1,010
A4 C-grade, non-branded paper	900	- 960	930	- 960
Offset sheets 80 g	1,020	- 1,130	1,040	- 1,130
Offset reels 80 g	950	- 1,030	970	- 1,030
Woodfree coated				
Sheets, double coated, 100 g	1,020	- 1,120	1,040	- 1,120
Reels, double coated, 100 g	940	- 1,000	960	- 1,000
Publication paper				
Newsprint 45 g (coldset)	600	- 630	600	- 640
Newsprint 42.5 g (coldset)	610	- 640	610	- 650
Newsprint 45 g (heatset)	600	- 630	600	- 640
LWC offset 60 g	780	- 820	780	- 850
LWC rotogravure 60 g	800	- 835	800	- 870
SC offset 56 g (A)	680	- 710	680	- 750
SC rotogravure 56 g (A)	680	- 710	680	- 760
Corrugated case material				
Primary fibre corrugated case material				
Unbleached kraftliner from Scandinavia 175 g	830	- 850	850	- 780
Semi-chemical corrugated medium ¹⁾	775	- 1,000	775	- 900
White-top kraftliner 140 g	1,050	- 1,150	1,070	- 1,060
Recycled corrugated case material				
Schrenz	550	- 570	570	- 530
Wellenstoff	580	- 600	600	- 560
Testliner II	610	- 630	630	- 590
Testliner III	590	- 610	610	- 570
White-top testliner, coated	890	- 930	910	- 890
White-top testliner, 140 g, ISO 70-75	770	- 785	790	- 735
Cartonboard				
Unlined chipboard	815	- 855	815	- 885
GD II	850	- 950	850	- 960
GC II	1,210	- 1,235	1,210	- 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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Negotiations for German newsprint prices in the first quarter of 2025 have intensified, yet a significant gap remains between buyers and sellers. Manufacturers are pushing for price increases to maintain profitability despite their paper machines operating at high capacity. Conversely, buyers are advocating for price reductions. Both sides are highlighting the substantial cost pressure they face in their respective positions.

Recycled corrugated case material producers and converters are echoing their complaints about costs. Nonetheless, prices fell again in Germany in December amidst surplus supply. The economy lacks positive

impetus, with no signs of an uptick in consumer spending even with Christmas just around the corner. Negotiations about first-quarter prices are in progress in the Germany cartonboard market, with both sides under severe pressure too.

No change in newsprint prices would leave some unsatisfied

Negotiations to determine newsprint prices in the first quarter of 2025 have picked up the pace in Germany. Sources told EUWID that they intend to wrap up discussions before Christmas. A whole raft of paper mills and buyers expect the talks to gather momentum. Producers are pushing for price hikes, but buyers are seeking price cuts.

Industry insiders report that the German graphic paper sector is in quite a sorry state, though they noted that surplus supply of newsprint did not exist (anymore). There is a consensus among experts that at present many mills are operating at good capacity utilisation, with many paper machines running at full steam. This situation has left buyers with limited flexibility in reallocating their orders. Publishers are ordering “the planned” to “good” amounts, with heatset and improved newsprint highly sought-after. Paper manufacturers are reaping the rewards of downgrading in the publication paper business. Additionally, the

leaflet business was performing very well. Observers added that demand in neighbouring segments, such as book paper, the addition of SC paper to portfolios and the closure of the UPM Hürth paper mill were helping to improve capacity utilisation at several machines making newsprint. The market had returned to a state of consistency in recent months. In this respect, newsprint is quite different to other types of publication paper.

Paper manufacturers told EUWID that the need to charge more was actually obvious. The trend in costs for items such as wages and logistics was putting the paper industry under tremendous pressure. The economy is ailing, with the paper industry facing challenges from both the structural decline in demand and energy costs, which are getting out of hand, potentially threatening the paper industry to take cost-related downtime. Sources told EUWID that prices needed to rise to maintain profitability, even though paper machines were operating at high capacity utilisation.

Experts cautioned that six established companies have just seven paper machines left making newsprint in mainland Europe, notwithstanding capacity in Scandinavia. Another paper machine in England also produces newsprint. The supplier landscape might change painfully if this business remained a loss-making endeavour. Bearing this in mind, manufacturers do not want to agree to unchanged prices in current talks. Stable prices beyond the end of 2024 would not be satisfactory.

Paper buyers also highlighted severe cost pressure. Some – but not all – printers were busy. Additionally, the print sector was suffering from fierce price competition. While publishers can better plan for the structural decline in demand, commercial printers are subject to increasingly volatile business and adopting a more aggressive stance, insiders said. After all, the cost of printing paper is proportionally much higher when producing advertisements than it was for publishers. Market players said that printers found themselves in a hotly contested race, with no signs of things calming down any time soon. Experts are not especially confident about what 2025 has in store and expect mounting consolidation pressure because of surplus supply.

Recycled corrugated case material prices continue to point lower

Recycled corrugated case material manufacturers are finding that their workloads are still well below expectations. That being said, they apparently remained roughly at November's level in the first ten days of December. Hardly any "rush jobs" were reported. Prices in Germany continued on their downward path in December, too. Insiders unanimously agreed that brown paper had become €20/t cheaper, repeating November's mark-down. This means that prices have tumbled by a total of €80/t in the final quarter of 2024. White-top testliner also looks to have fallen by €20/t in price in December.

Producers are saying that they found it "hard to understand" the strategy of constant price cuts adopted by their competitors. Observers are seeing a link with annual talks with the corrugated board industry: market players are hoping to secure orders, assuming that recovered paper will continue to become cheaper. However, EUWID sources fear that this downward trend might reverse course very quickly. Recovered paper prices were also still quite a bit higher than last year at the moment.

A great deal of nervousness is palpable. The economy in Germany is lacking positive stimulus, with no signs of an uptick in consumer spending, even though Christmas is just around the corner. Contacts do not expect the new year to usher in a rapid turnaround, either. Consumption is expected to remain lacklustre in January and February. Compounding matters, the arrival of new capacity will exacerbate the existing supply surplus.

Observers who would like to see more stability forecast that recycled corrugated case material prices might rise rapidly if recovered paper prices rebounded and headed higher again. However, insiders believed that the market would remain volatile for the time being.

The majority of paper mills are planning to take downtime between Christmas and the New Year and will not resume operations until the start of January. This decision is connected to both poor capacity utilisation and the way that the holidays fall this year. Sources told EUWID that logistical issues were inevitable.

Corrugated board plants are often taking extended stoppages or modifying their shifts. Germany's corrugated board industry continues to complain about poor capacity utilisation. The situation is not much better in other Western European countries. The outlook is much more encouraging in Eastern Europe, though.

Talks to decide on 2025 cartonboard prices in progress in mid-December

Negotiations to settle on prices that will apply for both GC (folding boxboard) and GD (white-line chipboard) from 1 January 2025 onwards are dragging on. Manufacturers have announced higher prices for all grades covered by EUWID research, but talks have yet to produce results or have yet to begin. The possible durations of contracts are unusually consistent for all grades.

A few full-year contracts had still been inked for GC this year, but mainly quarter-long and six-month agreements. Thoughts about safeguarding orders and the desire for longer contracts are evident in current negotiations, but nobody currently wants to enter into agreements lasting a full year. Both buyers and suppliers describe the market as too uncertain for them to tie themselves down for longer than six months.

Prices for smaller orders and list prices were adjusted, with large-volume contracts staying the same. The picture is much the same in mid-December. A few big contracts featuring higher prices with individual suppliers will take effect on 1 January, but these are outnumbered and tend to depend on the grade. Otherwise, things remain vague: a few suppliers aim to raise prices on 1 February, while others want to keep prices the same in the first quarter. General increases cannot be ruled out, either.

A similar picture can be painted of talks in the GD and unlined chipboard markets. However, it was less common for insiders to report that talks had begun for these grades. As mid-December arrived, insiders suspect that it is rather unlikely that prices will be increased right at the start of the year. However, market players do think that prices will rise, albeit likely at a later date. A few sources are taking a different tack and agreeing on three-month and six-month contracts containing stable prices. Insiders interpret this to mean that businesses prioritised securing orders over improving prices.

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Recovered paper prices slide once more in Germany at year-end

Will the price erosion come to an end at the start of 2025?

 18 December 2024 | ~ 5 min | Published in issue 51/2024

Recovered Paper Germany				
November 2024				
Monthly changes in €/t	Nov 2024	Oct 2024	Sep 2024	Nov 2023
Mixed paper and board (1.02)	- 16.50	- 13.00	- 8.50	+ 1.00
Supermarket corrugated paper and board (1.04)	- 19.00	- 16.00	- 15.00	± 0.00
Used corrugated kraft II (4.03)	- 20.50	- 15.00	- 12.50	+ 4.50
Sorted graphic paper for deinking (1.11)	- 5.00	- 5.50	- 1.50	- 7.00
Coloured letters (2.06)	- 7.00	± 0.00	+ 2.00	+ 2.00
Multi printing (3.10)	- 11.00	- 1.00	- 7.50	- 2.50
White newsprint/magazine paper (3.14/3.15)	- 9.50	- 2.00	- 5.50	- 10.00
White woodfree uncoated shavings (3.18.01)	- 4.00	- 3.00	- 3.50	- 12.50
Changes based on free delivered prices within Germany.				
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As the year 2024 draws to a close, recovered paper (RCP) prices in Germany are sliding again. For ordinary RCP grades prices are anticipated to tumble by €10-20/t in December while smaller reductions are expected for sorted graphic paper for deinking. For January, on the other hand, market participants expect the price erosion to come to an end, driven by an uptick in export activity and the conclusion of the

extensive downtime in the paper industry.

During November, the general downtrend in recovered paper prices continued on the German market. The analysis of the prices reported by recovered paper suppliers and consumers for November showed a decrease of €16.50/t for mixed paper and board (1.02) compared with October.

Once again, a slightly steeper price drop was seen for supermarket paper and board (1.04), which fell by €19.00/t. Quotes for used corrugated kraft II (4.03) slumped by €20.50/t, whereas sorted graphic paper for deinking (1.11) softened by just €5.00/t.

In contrast to the previous months, falling prices were also recorded in November for medium and higher grades. Coloured letters (2.06) became €7.00/t less expensive, while the price of multi printing (3.10) slipped by €11.00/t. In November, white newsprint/magazine paper (3.14/3.15) cost €9.50/t less than in the previous month and white woodfree uncoated shavings (3.18.01) became €4.00/t cheaper.

The market participants surveyed by EUWID are still reporting much planned downtime in the paper industry in December. Some machines are slated to be idled as early as mid-December and some may not resume operations until well into January. However, the extent of the shutdowns is not as dramatic as initially feared. Paper mills continue to complain about weak order books and insufficient conditions, as recovered paper prices have not fallen off as sharply as quotes for new paper. "Mills really have to fight to achieve positive margins," commented one company representative.

There are also some mills that plan to continue operations through the Christmas and New Year's holidays. Since logistics bottlenecks are expected over the holidays, these companies have already secured enough fibre in advance. Waste management companies say this was one reason why they could often find alternative sales channels in cases where other customers had reduced their contractually agreed call-off volumes. As arisings of recovered paper remain weak and are now only slightly higher than in the preceding months, recovered paper inventories are not especially high right now. Moving volumes is not a problem, according to several respondents.

Waste firms increasingly using Far East exports as outlet valve

Especially in northern and western Germany, waste management companies are also benefiting from rebounding export activities to Asia. Given the inexpensive freight rates, prices were competitive with those offered on the domestic market, they say. Far East exports are therefore being used by some companies as an additional outlet valve to keep inventory levels low over the year-end holidays. Since sellers in neighbouring countries and especially in the UK are also exporting significantly higher volumes to Asia, the pressure from imports on the German market is also easing.

These export activities might also be the reason why prices for mixed paper and supermarket paper and board did not drop as much this month as the paper industry had hoped. The expected mark-downs of €10-20/t in December will likely bring prices for these two grades back in line with the levels seen at the beginning of 2024 and thus erase the sometimes-hefty hikes that occurred in the first half-year.

Price gap between mixed paper and deinking paper grows wider

In contrast, price declines for sorted graphic paper for deinking are again more moderate. Respondents say mark-downs are €5/t at most. The relatively stable price trend is attributed to the lower availability of grade 1.11. Given the growing price gap to mixed paper, sorting recovered from household collections is worthwhile despite the shrinking graphic paper yield, EUWID was told. However, market participants expect this price gap will narrow in the coming months.

For medium and higher recovered paper grades, respondents occasionally report price cuts of around €10 in the current month. Nevertheless, prices remain at a good level, says one merchant.

Trend turnaround next year?

When asked about the negotiations for 2025 annual contracts, respondents described the talks as protracted and difficult. Buyers from the paper industry have apparently had only limited success in achieving the significant cuts to base prices they were looking to obtain.

This is also reflected in the expectations for the future market trend. Most market participants believe that – at least for the ordinary grades – there will be no further price mark-downs at the start of the new year. The trough has been reached, several players say.

Although more recovered paper is usually collected in January, the seasonal uptick in arisings could be less pronounced this time, insiders predict.

Simultaneously, most paper mills will be resuming operations early in the new year. Even if the average capacity utilisation rate in the paper industry is still estimated at just 80-85 per cent, demand for recovered paper is likely to rise again somewhat.

Moreover, volumes will continue to be diverted to Asia to prevent further price reductions on the German market. Deliveries to Asia will be needed until at least March, because only then will the Easter business result in a slight improvement in the domestic paper industry's order situation, one merchant explains.

A different respondent thinks a trend reversal for recovered paper prices might be possible as early as February, noting that collection volumes have traditionally been very weak during that short month. If demand for recovered paper simultaneously rises as a result of a global economic recovery, the market could turn and recovered paper could rapidly become more expensive.

In general, though, the mood in the industry remains gloomy, EUWID was told. Players say there are still no signs of any fundamental improvement. Owing to the many open questions and political uncertainties at both the national and international levels, it is entirely unclear when and if the economy will pick up again.

A few respondents from both sides of the market conceded, however, that the sentiment might be worse than the actual situation, saying some of the complaining might be excessive. As the sales market for new paper remains challenging, other market participants are warning about cutthroat competition as a result of the growing presence of new production capacities in the coming year. Regardless of their specific forecasts, most respondents expect that volatility on the recovered paper market will remain high in 2025.

England shifts to mono-stream collection of recovered paper and board

📄 **EUWID +** 18 December 2024 | ⌚ ~ 2 min | [Published in issue 51/2024](#)

The Department for Environment, Food and Rural Affairs (Defra) has announced significant changes to recyclable waste collections in England under the new Simpler Recycling regulations. From March 2025, waste paper and cardboard will have to be collected separately from other recyclable materials. This represents a change of course compared to plans for the system announced a year ago. At that time Defra stated that all dry recyclables could be collected in commingled collections, causing an uproar among some trade associations, among them the Confederation of Paper Industries (CPI), British Glass and The Alliance for Beverage Cartons and the Environment (ACE) UK.

According to the newly published document, households and companies will use four containers for recycling in future. One container will be required for the collection of each of the following fractions:

- residual (non-recyclable) waste,
- food waste,
- paper and board and
- all other dry recyclable materials (plastic, metal, and glass).

Waste paper and board must be collected separately because they are particularly vulnerable to cross-contamination from food and liquids commonly found on other recyclables. This cross-contamination can significantly reduce the quality and recyclability of these materials, Defra argued.

According to the latest data from the Waste and Resources Action Programme (WRAP), 121 local authorities reported that they already collect paper and cardboard separately from other dry recycling across England.

The new paper also provides for local authorities to opt for more separate containers without additional assessments. Co-collection of paper and board with other dry materials is permitted where separate collection is “technically or economically impracticable or does not provide a significant environmental benefit,” according to Defra. Examples of situations in which separate collection might be impracticable include high-rise flats or houses with very limited outside space.

Defra has set out a phased approach to implementation: By 31 March 2025, businesses and non-domestic premises must arrange for the collection of core recyclable waste streams. By 31 March 2026, local authorities must collect core recyclable waste streams from all households. By 31 March 2027, they must introduce kerbside collections of plastic film. From this date, micro-enterprises will also be required to comply with the new regulations.

The British government developed what is now the “Simpler recycling” programme under the names “consistency of collections” or “consistency in recycling”. The initiative was meant to reduce confusion by standardising collected waste streams across all local authority areas.

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British RCP market faltering as year ends amidst hopes of a turnaround in Asia

 18 December 2024 |  ~ 3 min | [Published in issue 51/2024](#)

EUWID Price Watch Recovered Paper UK				
December 2024				
Prices in £ per tonne	Dec 2024 £	Dec 2024 €*	Nov 2024 £	Dec 2023 £
Mixed paper and board (1.02)	45 - 60	54 - 72	45 - 70	30 - 55
Mixed paper and board (1.02), export	45 - 60	54 - 72	40 - 65	50 - 65
Old corrugated containers (1.05)	75 - 90	90 - 108	75 - 95	80 - 87
Old corrugated containers (1.05), export	75 - 90	90 - 108	70 - 95	85 - 95
Magazines (1.06) ¹⁾	95 - 150	114 - 180	95 - 160	85 - 115
Sorted graphic paper for deinking (1.11) ¹⁾	90 - 110	108 - 132	95 - 115	60 - 80
Newspapers (2.01) ¹⁾	95 - 140	114 - 168	105 - 140	85 - 110
Sorted office paper (2.05)	150 - 165	180 - 198	162 - 170	135 - 150
Multigrade	145 - 160	174 - 192	165 - 180	120 - 135
White newsprint (3.14)	180 - 210	216 - 252	180 - 210	200 - 220
White woodfree uncoated shavings (3.18.01)	360 - 400	432 - 480	360 - 400	360 - 400
* Exchange rate as of 13 December 2024: £1 = €1.20				
¹⁾ Includes exports and non-paper applications		Prices ex works, material sorted and in bales		
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The situation on the British recovered paper market remained challenging for many businesses operating in the final month of 2024. One expert remarked that the year was ending on a sour note, with hopes of a business improvement in the first quarter of 2025 virtually non-existent.

Demand for finished paper was lacklustre, with paper manufacturers compelled to adjust their output to reflect cool demand. Many mills in Europe, especially those in

Germany, will idle paper machines for longer than normal over Christmas. This would result in a further reduction of their output, putting pressure on recovered fibre prices in all segments.

Recovered paper collection volumes increased between November and December. However, they remained at a much lower level than usual. Dwindling amounts of recovered paper generated in the past few years, combined with current pressure on prices, are creating challenges for the recycling industry. A few companies have announced redundancies as a result.

British packaging paper manufacturers are not making purchases on the spot market because of rising collection volumes from their retail contracts. Some of this material is being resold to draw down stock levels in depots as much as possible prior to the typical increase in collection volumes after Christmas.

There were signs of an emerging turnaround in Asian markets. Manufactures there were expected to see a minor increase in demand for finished paper, which will likely cause an increase in recovered paper orders. Sources said that demand has improved, especially from Indonesian and Indian buyers. Some experts suspect that the uptick is connected in part to the shutdown of around 7 million t of capacity at Chenming. Other Chinese manufacturers are now trying to fill the gap.

Reduction in prices for deinking grades smaller than expected

British prices for mixed paper and board (1.02) and old corrugated containers (OCC; 1.05) remain on a downward path. Mixed paper is still proving resilient as it represents an opportunity for many graphic paper producers to offset lower arisings of deinking grades. Consequently, mixed paper costs almost the same as OCC in a few European markets, EUWID was told.

Imports of medium grades from North America and south-east Europe are still flowing into the UK. By sourcing material abroad, the paper industry is aiming to keep British recovered paper prices at a “competitive level”. Nevertheless, the discounts on deinking grades were lower than some market participants had expected.

Woodfree grades have continued to see the biggest price cuts in recent months. Tissue manufacturers in the UK are facing stiff competition from very cheap imports of tissue from Continental Europe and the Middle East, where the number of machines manufacturing is continuously rising.

Demand for sorted office paper (2.05) and multigrade from tissue producers in Europe is subdued at the moment. Additionally, slack demand from white packaging paper producers and the closure of a tissue plant in the UK are having an impact on demand for these recovered paper grades.

A blaze at Fourstones’ tissue mill in Leslie, Scotland, caused only minor damage, allowing production to resume within fewer than 48 hours. Experts suspect that the fire mainly burned the mill’s recovered paper supply, which Fourstones now had to replace. The situation for pulp substitutes remains fairly stable.

Forecasts made by many market experts for January indicate stable or slightly lower prices, at least for mass grades. In the last few years, collection volumes have risen by less than 20 per cent after Christmas, instead of 30 per cent before the pandemic.

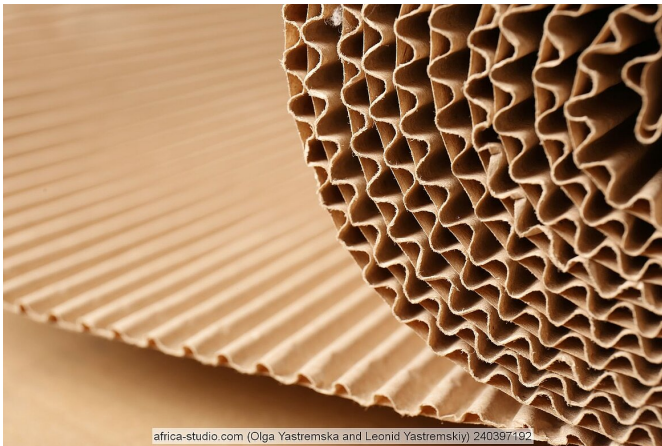
Experts are highlighting the traditionally poor quality of the recovered paper collected after Christmas, noting that it might lead to somewhat greater price volatility, especially for mixed paper. On the other hand, arisings of medium grades will remain rather low since many offices and printers will stay closed over Christmas. Prices are expected to come under less pressure in this segment as a result.

Traditionally, a market turnaround surfaces starting in February or March. However, market insiders are unsure whether the usual patterns will be repeated in 2025. A few insiders anticipate an increase in rates for sea freight transport, not least because “rates cannot actually go any lower,” as one source pointed out. This might stifle a slight rise in exports to Asia, EUWID respondents explained.

UK recovered paper exports			
tonnes	January - September		% Change
	2024	2023	
Total EU 27	647,347	433,477	+ 49.3
France	113,784	54,988	+ 106.9
Germany	212,604	179,618	+ 18.4
Netherlands	218,351	144,549	+ 51.1
Total other Europe	308,905	161,120	+ 91.7
Turkey	308,504	157,938	+ 95.3
Total Asia	1,857,916	2,455,169	- 24.3
China	1,806	2,425	- 25.5
India	637,190	975,365	- 34.7
Indonesia	191,467	334,159	- 42.7
Malaysia	454,023	442,770	+ 2.5
Thailand	132,731	242,603	- 45.3
Vietnam	405,690	411,302	- 1.4
Total South America	104	1,698	- 93.9
Total Africa	395	1,837	- 78.5
Total North America	17	123	- 85.9
Total Australasia	731	156	+ 369.1
Total Exports	2,815,414	3,053,580	- 7.8
Source: CPI			

Trial runs ongoing at Kipas Kagit's new containerboard machine

13 December 2024 Valeria Buß | 🕒 ~ 1 min Published in issue 51/2024



Kipas Kagit's new PM will produce both recycled and fresh fibre-based containerboard

testliner and fluting as well as kraftliner and recycled kraft paper for paper bags. Whether recycled or fresh fibre-based paper is produced will depend on market demand, Mr Tekerek says.

Kipas Kagit runs a second machine at the Söke mill, which has the capacity to produce 720,000 tpy of corrugated case material and cartonboard. The company has a second site in Kahramanmaraş, which can make containerboard with a capacity of 450,000 tpy.

Turkish company Kipas Kagit has started trial runs on its new corrugated case material machine at the Söke mill in western Turkey. Commercial production has not yet started, though. The company told EUWID that it would commence producing marketable paper during the month of January 2025.

The new PM 3 has a capacity of 650,000 tpy. According to group manager Ali Tekerek, it will produce both recycled and fresh fibre-based paper, with grammages ranging from 50-110 g/m². Products include testliner, white-top

Fourstones restarts tissue paper machine after fire

12 December 2024 [Frauke Schmidt](#) | ⓘ ~ 1 min [Published in issue 51/2024](#)



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Fourstones' Sapphire mill resumes operations quickly

Production at the Fourstones Sapphire Mill resumed today, less than 48 hours after a [fire broke out at the site](#) in the early hours of 10 December 2024.

No one was injured in the fire, which was confined to a raw materials store.

"We are pleased to confirm that the core operational areas of the site were not affected and there was no loss of vital infrastructure," the company said.

An investigation into the fire was completed within 24 hours and confirmed that no criminal activity was involved. Staff have since been allowed to return to the site. Fourstones said it would continue to co-operate with the authorities and assist with any ongoing requirements.

Health and Safety Manager Scott Norman said: "Safety inspections, including structural inspections, have been carried out and the site has been declared safe by the fire service. Ongoing fire monitoring is being carried out by staff".

Fourstones produces tissue paper and products from recovered fibre. The company operates three sites in the UK.