

Irving Tissue orders new tissue machine from Valmet

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Finnish mechanical engineering company Valmet has received the order from Canadian tissue products manufacturer Irving Tissue to deliver a new tissue machine for its paper mill in Macon in the US-state of Georgia. In addition to the new tissue machine, capex of US\$600m also encompasses new converting lines and a fully automatic warehouse.

As soon as the third tissue production line will have been commissioned in 2027, the mill's capacity is expected to rise by 75,000 tpy to a total of 225,000 tpy. According to Irving Tissue, the acquisition of the third machine will create 100 new jobs.

Reports indicate that Irving Tissue has already spent US\$1.5bn on its Macon paper mill since the foundation of the mill in 2017. Valmet previously delivered two tissue machines to the plant in Georgia, which were started up in 2017 and 2021.

Irving Tissue forms part of the Irving Group and produces tissue products such as paper towels and napkins. The company has more than 1,500 employees, 400 of whom work at the paper mill in Georgia.

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FSC suspends Asia Pulp and Paper's remedy process

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The ongoing acquisition of Asia Pulp and Paper (APP) by Jackson Wijaya Limantara, the owner of Domtar, previously Paper Excellence, also made the FSC, the international association for sustainable forest management, react. Due to the change in ownership of the Asia Pulp and Paper Group, FSC reports that it has temporarily suspended the Memorandum of Understanding (MoU) on the implementation of the FSC Remedy Framework (FSC-PRO-01-004) by Asia Pulp and Paper (APP) until the end of March.

FSC explained that in the light of this development, it wanted to thoroughly review the consequences and effects of the change in ownership as well as possible effects on the reparation measures. To this end, FSC has commissioned an independent, third-party legal review, reports the organisation. The investigation was already ongoing and was expected to conclude after the transfer of beneficial ownership of APP to Jackson Wijaya, FSC announced.

Asia Pulp and Paper is the pulp, paper and packaging division of Indonesia's conglomerate Sinar Mas Group. The APP group of companies has more than 70,000 employees and offers production and conversion capacities exceeding 28 million t, primarily in Indonesia and China.

FSC disassociated from APP in 2007 after having found that APP was involved in "destructive forestry practices", thereby violating FSC's policy for association. However, the FSC and APP still maintained a kind of dialogue over the past ten years or more evaluating necessary remedies for social and ecological damage caused, and finally for APP's re-association. In May last year FSC and APP eventually signed a remedy framework agreement, thereby initiating the implementation of the remedy process proper. This process has now been stopped until the end of March.

The reconciliation between FSC and APP has been viewed critically by environmental activists and NGOs for years. Some of them voice even more comprehensive demand, and are calling on FSC to rigorously apply its association criteria and cancel the validity of the FSC certifications granted to all of the three companies affiliated under the roof of Domtar, i. e. Paper Excellence, Domtar and Resolute Forest Products, now that, as they say, the connections to APP cannot be denied any longer.

Evonik revamps group structure

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German speciality chemicals producer Evonik has announced changes to its group structure. Until now, Evonik's business in chemicals is organised under three divisions viz. Specialty Additives, Nutrition & Care and Smart Materials. In the new structure, which will be implemented on 1 April 2025, the group's business lines will be grouped under two new areas, Custom Solutions and Advanced Technologies. The two segments each account for annual sales of around €6bn.

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Solidus grows in the UK

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Dutch paper-based packaging company Solidus to invest £6m in the UK to expand its market position and product range in the British Isles.

A company spokesman told EUWID that the move is part of a project to consolidate and improve production facilities. The Skipton site, which will become Solidus' UK headquarters, is to be expanded to around 13,000 m². The Corby site has already been expanded to almost 16,000 m² by 2024. Solidus employs 75 people at each site.

The company said the main investments – a laminator, a KBA press, a modified atmosphere packaging line, multiple punnet lines and improved automation – will be made at the two sites in England. Solidus will also open a new production facility in Armagh, Northern Ireland. The company is in the process of signing a lease agreement for a 2,800 m² site in Armagh, of which approximately 500 m² will be dedicated to manufacturing and 2,400 m² to warehousing and distribution, said Paul Gerstang, Solidus' UK sales director. Operations are expected to commence by the end of Q1 2025.

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Holmen's net profit declines in 2024

Higher deliveries but lower earnings from paper and board segment

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Swedish Holmen Group's profits in 2024 were down around 20 per cent compared to 2023. The weak economy and low consumption hit the group's Board and Paper segment, amongst others. Holmen also battled high costs, especially for wood, and the developments on the Swedish energy market were not favourable for its energy division. The forest division is the bright spot in the dull picture, performing better than in the previous year. Given the challenges in the reporting year, the Swedish group is satisfied with its consolidated figures for the year.

Holmen's net profit in 2024 amounted to SEK2.9bn compared with SEK3.7bn in the previous year. Operating earnings in the reporting year also declined by 22 per cent to SEK3.7bn. Group sales remained virtually stable compared with 2023 at SEK22.8bn.

The fourth quarter was the weakest in the reporting year. However, earnings were comparable with the previous year's corresponding quarter or even marginally better. Holmen reports that fourth quarter's earnings were burdened by maintenance shutdowns at the end of the year flanked by seasonally high costs and slightly lower deliveries. On the plus side, selling prices for logs increased.

Holmen's Wood Products division was burdened throughout the year. The operating profit plummeted year-on-year by more than two-thirds to SEK2m. Central banks had brought inflation under control over the year and had started to cut interest rates but this had not yet boosted consumption or new construction, the company explained. While interest in building with wood remained high, demand was weak, it added. Holmen curtailed production in response, which led to lower deliveries in 2024. However, selling prices increased because wood has become scarce and therefore more expensive.

The Board and Paper division did not find the going any easier: the year-on-year decline in the division's business figures was quite substantial. Consumer caution dampened demand for board in general, Holmen writes. The decline in demand in the fourth quarter was more pronounced than in other years. However, paper consumption was relatively stable with a slight downward trend. Overall, the division delivered slightly more paper and board than in 2023. However, the effect was offset because paper prices receded and wood costs increased.

Forest division benefits from higher wood prices

On the other hand, higher wood prices benefited Holmen's Forest division, which was the only division to post improved year-on-year profit last year. Holmen said that wood prices had increased by over 50 per cent in the last few years. The wood harvest was slightly lower last year but this was offset by higher prices.

Holmen suffered a setback in the energy sector because of the lower prices in Sweden compared with Europe. Moreover, the price of electricity in northern Sweden had been unusually low since the summer and had been 30 per cent lower than the average over the last 20 years. Holmen's wind farms sold more power than in 2023 but deliveries were reportedly 8 per cent lower than in a normal year. In total, operating profit of the segment declined significantly by almost two-thirds compared with 2023.

Holmen results				
million SEK	October - December		January - December	
	2024	2023	2024	2023
Key figures				
Sales	5,513	5,400	22,759	22,795
EBITDA	1,059	1,059	5,110	6,114
Operating result	716	714	3,721	4,755
Net result	558	538	2,861	3,697
Business area review				
Forest				
Sales	2,396	1,939	9,318	7,996
EBITDA	542	408	2,022	1,600
Operating result	522	384	1,947	1,523
Deliveries, own forests, 1,000 m ³	676	618	2,643	2,702
Renewable energy				
Sales	117	312	642	1,070
EBITDA	38	241	375	807
Operating result	10	213	265	697
Hydro/wind power, 1,000 GWh	531	491	1,728	1,658
Wood products				
Sales	933	935	3,896	4,075
EBITDA	24	-48	188	190
Operating result	-18	-89	2	6
Deliveries, 1,000 m ³	325	359	1,348	1,498
Board and Paper				
Sales	3,709	3,471	15,238	14,965
EBITDA	486	503	2,686	3,687
Operating result	241	260	1,702	2,730
Deliveries, 1,000 m ³	341	337	1,424	1,343
Source: Holmen				

Essity posts record profit in 2024

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The tissue industry has yet again demonstrated that it can better overcome a crisis than other sections of the paper industry. Essity concluded 2024 with strong figures. Net profit of the Swedish tissue producer touched roughly SEK21bn, a significant improvement over last year (2023: SEK9.8bn). Operating profit and Ebitda also increased year-on-year by 21 per cent and 11 per cent to SEK18.3bn and SEK25.8bn, respectively. Essity's net sales in 2024 were 1 per cent lower than in the previous year at SEK145.5bn.

Magnus Groth, the outgoing President and CEO of the company who plans to leave Essity in 2025, was very satisfied with the company's performance and said this represented its highest profit ever. He explained that Essity prioritised growth in categories that yield a high return. High organic growth had therefore been noted in its most profitable categories such as incontinence products, medical solutions and feminine care products. Essity also improved its product mix and launched new products.

2024 also saw higher deliveries of medical products and consumer tissue, the company reported. In addition, selling prices increased in several areas. Not least, the company's earnings were augmented by the divestment of its stake in Chinese company Vinda.

Like other companies, Essity had to contend with cost increases. Production costs of goods sold increased in the fourth quarter, mainly due to higher raw material costs in the Consumer Tissue segment, the company writes. The strong dollar also made a negative impact: Currency translation effects impacted earnings by SEK109m compared with the previous year's fourth quarter. However, for the full year, the group's costs of goods sold were lower year-on-year at around SEK98m. Efficiency measures also contributed to the strong results, yielding cost savings of SEK1.5bn, Essity writes.

Slight decline in Consumer Goods segment

Business in Health & Medical as well as Professional Hygiene performed better than in the Consumer Goods segment. Ebita excluding items affecting comparability for the latter in 2024 was slightly lower compared with 2023. Fourth quarter results were likewise weaker year-on-year, which Essity attributes to cost increases. Selling prices in 2024 were also lower compared to 2023.

In contrast, selling prices in the Professional Hygiene segment were higher in 2024 than in the previous year but sales volumes declined. Overall, the business area posted higher adjusted Ebita for the fourth quarter as well as the full year 2024 compared

with the previous year's corresponding periods.

The same is true for the Health & Medical segment for which Essity posts quite significant growth. Here too, higher selling prices made a positive impact. The segment also delivered more products. Essity attributes successful overall performance mainly to high demand for medical products.

Essity results				
million SEK	October - December		January - December	
	2024	2023	2024	2023
Key figures				
Sales	37,805	36,625	145,546	147,147
EBITDA	6,142	6,007	25,800	23,146
Operating result	4,315	4,341	18,295	15,148
Net result	2,893	2,891	21,048	9,796
Business area review				
Health & Medical				
Sales	7,417	7,001	28,599	27,729
EBITA*	1,361	1,125	5,509	4,037
Consumer Goods				
Sales	20,472	19,870	78,892	79,912
EBITA*	2,245	2,585	9,509	9,797
Professional Hygiene				
Sales	9,923	9,752	38,067	39,481
EBITA*	1,817	1,531	6,829	6,288
* Excluding items affecting comparability				
Source: Essity				

Heinzel management team changes

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Austria's Heinzel Group announces several management changes: **Werner Hartmann**, Chief Operating Officer (COO) of the Starkraft business unit, left the company on 31 December. Mr Hartmann will continue to serve the company in an advisory capacity after stepping down. The company's new CEO and CFO **Mike Resnicek** has taken on his agenda from Mr Hartmann.

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Sofidel Chairman Edilio Stefani passes away

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Italian tissue producer **Sofidel** has announced with regret that **Edilio Stefani**, Chairman of the group, passed away unexpectedly on 30 January. Mr Stefani joined Sofidel as early as 1980 at a young age. His father Emi Stefani was the founder of the company, together with Giuseppe Lazzareschi. After holding several other positions within the group, Edilio Stefani was appointed Chairman in 2021, taking over after the death of his father.

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‘Oui Pub’ survey findings: Fewer printed flyers and challenges for distributors

📄 EUWID + 05 February 2025 Bernd Hecht | ⌚ ~ 5 min | Published in issue 6/2025



The preliminary findings of a study on the market for unaddressed printed advertising (‘Oui Pub’ or ‘Yes to advertising’) finally arrived in mid-January after a wait of a few months. Conducted in 14 different towns, cities and areas since 2022, the study explored the impact of bans on delivering unaddressed printed advertising to households in these communities, except to those who placed a sticker on their letterbox stating that they wanted to receive

printed flyers and leaflets.

The survey, which was carried out by France’s energy and environmental authority ADEME and the Inspectorate General for Environment and Sustainable Development (IGEDD), revealed that only small retailers sending out advertising reported experiencing economic ramifications. Medium-sized and large retailers mentioned hardly any negative knock-on effects for their businesses. Adverse effects mainly hit paper manufacturers, printers and advertising flyer distributors. From an environmental perspective, the final report states that there are no advantages in switching from printed to digital advertising.

This April, the French Government is set to decide whether or not to expand these rules to the entirety of France and, if so, in which form.

Few households attached ‘Oui Pub’ stickers to their letterboxes

One of the study’s more easily measurable results is the rate at which households decided to put a ‘Oui Pub’ sticker on their letterboxes. This rate is low but varies significantly from one region to another, stretching from 0.33 to 18.42 per cent of surveyed households. The willingness to place this sticker differs by age and location, with people between 60 and 74 years old and households in rural or suburban areas most likely to do so. Prior to the study, it had been thought that the rate would be much higher.

Using control letterboxes to monitor compliance, research showed that people delivering printed flyers largely followed instructions only to put advertising in labelled letterboxes. Nonetheless, many households still received printed advertising despite not having a sticker on their letterbox.

Advertisers and retailers from a variety of sectors generally feel that the 'Oui Pub' campaign has had few "specific impacts on their economic and social situation". Medium-sized and large food retailers, in particular, are not reporting any difficulties. Such statements were general in nature, though, since stakeholders have provided very little data about the experiment's socio-economic impacts (the trend in revenues, employment, and comments on business activity). Summarised information was only provided in additional interviews.

Small and medium-sized companies operating in rural and suburban communities that were willing to send out flyers were potentially most affected by this experiment. The majority of these advertisers have yet to launch new communication strategies.

Paper industry, printers and distributors all report losses

Paper manufacturers, printers, and brochure manufacturers and especially distributors faced adverse effects as a result of the pilot project. According to the association UNIC, printers had already felt the first effects in late 2022. This business is also experiencing a general downturn in printed advertising that was only accelerated by the 'Oui Pub' pilot.

Distributing paper brochures and flyers has become much more expensive for advertisers and not very profitable for distributors because of the significant reduction in the amount of material to be distributed and the smaller number of letterboxes to be served.

In France, the downturn in the distribution of printed flyers since 2020 has already led to the demise of one of the country's two major distribution companies. Milee (formerly Adrexo) went bankrupt and was liquidated, leaving Médiapost as the only big distribution company operating at a national level.

The survey also showed a sharp decline in the number of orders for printed flyers placed with distributors in the pilot areas and beyond. Facing increased distribution costs, several companies have decided to stop distributing unaddressed printed advertising in 'Oui Pub' areas and sometimes even other areas, too.

Market developments obscure survey findings

The general structural change in the paper and printing industry, developments during the pandemic and the energy crisis make it hard to interpret the findings. Even before the survey began, medium-sized and large food retailers in France started changing their advertising strategies in 2020 during the pandemic. Some retailers stopped distributing unaddressed printed advertising, moved their printed advertising to in-store displays or shifted to digital advertising. This process culminated in a plunge of about 30 per cent in spending on printed advertising brochures between 2019 and 2023.

The survey found that around 900,000 t of unaddressed advertising of all kinds was still made in 2019 and had stayed at roughly this level since 2013. The Covid-19 pandemic led to a substantial decline in these volumes before somewhat of a recovery to 766,000 t in 2021. Volumes fell again considerably to 400,000 t in 2022 and 2023 as the energy crisis and inflation hit.

Isolating the effects of the 'Oui Pub' experiment is very tricky, although the survey indicated that this pilot accelerated developments in the areas under review.

Paper consumption and recovered paper collection volumes falling

In France, the majority of unaddressed advertising brochures and leaflets are printed on SC paper, with smaller amounts printed on newsprint and LWC. SC paper would face a substantial additional drop in consumption if the 'Oui Pub' trial was expanded throughout France.

The survey's findings on recovered paper arisings are clear. The amount of recovered paper collected separately and in the residual household waste stream decreased dramatically in the pilot areas during the experiment: arisings were down between 20 and 70 per cent, with an average decline of 48 per cent. The proportion of printed advertising in the recovered paper stream tumbled from 17-40 per cent to 5-19 per cent for separately collected paper and from 2.6 to 0.2-0.5 per cent in the residual household waste stream.

No environmental benefits to switching from paper to digital advertising

The environmental impact of printed advertising and the avoidance of unnecessary printed products were the main reasons for the project to be conducted since a large proportion of unaddressed advertising leaflets are thrown away unread. The report found that the 'Oui Pub' initiative had allowed researchers to collect previously unavailable data on the environmental impacts of advertising campaigns using printed and digital media. An analysis of this data did not allow the conclusion to be drawn that using less paper and more digital media would be less harmful to the environment. However, both advertising customers and digital platforms had to reduce the environmental impact of their communications by implementing generally environmentally friendly business practices, the report concluded.

Holmen Iggesund orders new reel control system

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Holmen has placed an order with **Valmet** for the delivery of a new reel control system for its Iggesund mill in Sweden. The upgrade is set to be delivered in October 2025 and will replace the control systems of the site's BM 2. Valmet says the new technology will significantly reduce the risk of unplanned downtime caused by component failures. The Iggesund mill operates two machines with a combined capacity of 330,000 tpy of folding boxboard.

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Negative trend in envelope deliveries flattens

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The extremely negative trend in delivery volumes from the European envelope industry seen in 2023 did not progress to the same extent in 2024. According to the Federation of European Producers of Envelopes and Light (E-Commerce) Packaging (FEPE), the trend flattened last year, with deliveries decreasing by 3.1 per cent compared to the year before. Although the fourth quarter of 2024 ended with deliveries lower by 5 per cent year-on-year, this was partly offset by the volumes sold in other quarters.

In total, FEPE members delivered 30.2 billion envelopes in 2024, the federation reported in late January. Including volumes of non-member companies in Europe, deliveries in 2024 amounted to around 35 billion units. In 2023 by way of comparison, envelope deliveries of FEPE members had declined by 15 per cent year-on-year to around 31.2 billion units. FEPE underscores that the reference year 2023 was one of the worst years for the industry. The federation therefore interprets the 2024 figure to represent market stabilisation. As late as five years ago, total deliveries stood at 46 billion envelopes, over 50 per cent higher than in 2024.

Contrasting with the decline, FEPE notes a change in market climate since the beginning of this year. Data gathered by the German e-commerce association (Bevh) also indicates slight improvement in online business last year. For the first time since 2021, Bevh reports growth, with sales in the German online business increasing by 1.1 per cent in the reporting year following a 12.7 per cent decline in 2023.

The advertising market improved last year. Faced with economic uncertainty, numerous companies had slashed their advertising expenditure in 2023, FEPE writes. In the mailing and overprint segments for instance, the industry had suffered a steep decline in order sizes and sales volumes of 25 per cent and more in 2023. However, from the spring of 2024, advertising spending in many regions of Europe started to recover, FEPE explains.

Slight optimism tinges outlook for 2025

FEPE is optimistic in its outlook for 2025. The industry's order situation at the start of the year was healthy. Selling prices are relatively stable. The year-on-year decline of 3.1 per cent in 2024 is lower than the projected long-term structural decline of 5-6 per cent, which FEPE had earlier indicated.

Despite the positive trend seen at the beginning of the year, the federation still forecasts that the development of sales volumes in 2025 will be in line with the long term trend for the industry.

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Germany: Kraftliner producers are also targeting higher prices

Mills in graphic paper segment complain prices are insufficient

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EUWID Price Watch Germany			
January 2025			
Prices in € per tonne free delivered unless otherwise stated	January 2025	December 2024	January 2024
Fine paper			
Woodfree uncoated			
A4 C-grade, branded paper	920 - 1,010	950 - 1,010	940 - 1,010
A4 C-grade, non-branded paper	870 - 950	900 - 960	890 - 910
Offset sheets 80 g	1,020 - 1,110	1,020 - 1,130	1,030 - 1,110
Offset reels 80 g	950 - 1,010	950 - 1,030	960 - 1,010
Woodfree coated			
Sheets, double coated, 100 g	1,020 - 1,110	1,020 - 1,120	1,000 - 1,100
Reels, double coated, 100 g	940 - 990	940 - 1,000	950 - 1,010
Publication paper			
Newsprint 45 g (coldset)	600 - 625	600 - 630	570 - 620
Newsprint 42.5 g (coldset)	610 - 635	610 - 640	580 - 630
Newsprint 45 g (heatset)	600 - 625	600 - 630	570 - 620
LWC offset 60 g	780 - 810	780 - 820	780 - 830
LWC rotogravure 60 g	800 - 820	800 - 835	810 - 850
SC offset 56 g (A)	680 - 700	680 - 710	660 - 720
SC rotogravure 56 g (A)	680 - 700	680 - 710	660 - 720
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner from Scandinavia 175 g	830 - 850 ¹⁾	830 - 850	730 - 750
Semi-chemical corrugated medium ¹⁾	775 - 1,000	775 - 1,000	705 - 880
White-top kraftliner 140 g	1,050 - 1,130	1,050 - 1,150	970 - 1,030
Recycled corrugated case material			
Schrenz	550 - 570 ²⁾	550 - 570	490 - 510
Wellenstoff	580 - 600 ²⁾	580 - 600	520 - 540
Testliner II	610 - 630 ²⁾	610 - 630	550 - 570
Testliner III	590 - 610 ²⁾	590 - 610	530 - 550
White-top testliner, coated	890 - 930	890 - 930	850 - 870
White-top testliner, 140 g, ISO 70-75	770 - 785	770 - 785	710 - 725
Cartonboard			
Unlined chipboard	815 - 855	815 - 855	790 - 845
GD II	850 - 950	850 - 950	825 - 930
GC II	1,240 - 1,275	1,210 - 1,235	1,210 - 1,235

¹⁾ Prices at the upper end of the range represent Scandinavian primary fibre grades, lower-end prices are quoted for other European grades.
²⁾ Some prices decreased by another 20 €/t in January.

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Kraftliner producers have announced price increases on the German market, complaining that profitability is too low and cost pressure too high. Confronted with demands for price hikes for corrugated case material grades, corrugated board producers are now facing challenges.

While fine paper prices slipped again in January, publication paper prices were often rolled with just small concessions. However, special or object deals are apparently common. Paper mills are desperate to avoid losing volumes, which opens the door for discounts, say market experts.

Prices slide again for fine paper in January

Prices for woodfree coated and uncoated paper slipped again in January. However, the reported price reductions can vary markedly. For the most part, these were said to be within a range of €10-30/t, but mark-downs of as much as €50 were also mentioned. Yet, taking into account the starting price level, even with the larger mark-downs, prices were still within the range published by EUWID. Widespread price reductions occurred in the specialty segments, the market survey found. In some cases, the grammage surcharges were eliminated.

Lately, there has been less focus on the coated grades. The strongest price pressure is still being felt in the market for C-grade A4 cut sizes. However, low-price offerings from Asia are also posing a challenge in the uncoated folio sheets business.

According to market insiders, a large number of buyers had already signed quarterly contracts in December. Many customers did not want to take the risk of waiting until January to order, even though they expected prices to decline further due to falling pulp costs. Suppliers were very willing to negotiate, as securing volumes was apparently their main priority, EUWID was told. Now, buyers are asking to renegotiate in some cases.

There are still no problems with paper procurement, even on short notice, buyers say. Issues only crop up when ordering rare grammages. One observer notes, however, that 60 g paper is readily available, a sign that papermakers are doing everything to fill their machines.

Some paper mills reported slightly brisker order intake in January. They attributed this to the effects of inventory restocking, especially by merchants, as well as to special demand due to the upcoming German federal election on 23 February. Most respondents do not expect this to be a lasting trend. Production is still being curtailed to keep costs under control, they say.

Relief in terms of costs is essential to ensure the survival and competitiveness of energy-intensive industries in Germany, according to paper industry representatives. Only with reliable framework conditions and significantly lower energy prices for electricity and gas was it possible to achieve an adequate industrial added value in this country, they say.

There are mixed reports from the printing industry about activity levels. Depending on their customer structure, some players are more satisfied than others. A few printing firms are benefiting from contracts to produce items for the upcoming election (ballots, absentee voting envelopes, polling cards, posters, etc.).

Players in the printing industry are rattled by the growing number of insolvencies. Digitalisation as well as increased price sensitivity among customers are driving even larger printing companies out of business, such as Stark Druck and SDV Medien + Service.

Reducing supply a hot topic on LWC market

The market for LWC and SC paper was relatively quiet at the start of 2025. In most cases, paper factories say their activity levels are subdued and it is rare that a printing firm says it is very busy. The month of January traditionally starts off slow, according to industry insiders, who see signs of a slump in the first quarter. Sceptics complain that this is "more than just the traditional calm." It appears that sentiment is miserable in some cases.

One factor influencing the outlook for 2025 is that many respondents expect paper demand from publishing houses to decrease noticeably. The reduction of circulation figures and page counts is a clear sign of lower demand for newsprint, they say.

Moreover, there is uncertainty about how the advertising market will develop. In the advertising sector, there is a strong focus on digital solutions, so flyers and catalogues are suffering, EUWID was told. On the other hand, there are many indications that advertisers will continue to rely on – and in some cases, even expand – their print advertising. Other industry experts insist that flyers and catalogues have their place and are effective, so they will continue to be used.

In terms of costs, paper buyers expect more price stability and supply security in 2025. Many production-side risks, such as energy and raw materials, have diminished, they say. Against this backdrop, representatives of the printing industry had not been anticipating price increases in the most recent price round, even though a few producers were targeting hikes. However, these did not influence the overall market.

Paper industry representatives, on the other hand, say they are “up to our necks.” Current prices are insufficient given the cost burden, they argue. A few paper mills very urgently need to improve their margins, or else they will be unable to continue production for much longer, industry insider stress. However, it is barely possible to implement the necessary price hikes: It is generally clear to observers that the market for LWC and SC paper still has excess supply. The conversion of the SC paper machine in Laakirchen to containerboard production will not be sufficient to noticeably stabilise the situation in this segment, some say. This effect has already faded, say others.

Moreover, price pressure is building as a result of the competition between paper suppliers due to the overall unsatisfactory capacity utilisation of paper machines. Critics stress that many of the talks between paper producers and printing companies often focus more on volumes and less on prices. After all, buyers have plenty of suppliers to choose from. Consequently, project and object deals are becoming more frequent, market experts report. The volumes in these special agreements are also becoming smaller and smaller, they say. But, given the urgent need to utilise paper machines, there is big price competition for these volumes as well.

In addition, there are still many spot deals on the market in Germany, which are causing a major annoyance, according to paper industry representatives. In this context, there are a wide range of price quotes, with some players even mentioning discount battles. Others, who report that special deals are taking place, point out that suppliers of SC paper are not only competing with each other. For many contracts, there is also competition from newsprint in particular, which continues to benefit from customers downgrading to improved or even standard newsprint.

Against this backdrop, in the price round for the first quarter of 2025 it was rather challenging for paper mills to uphold the fourth-quarter prices. In many cases, this was barely possible, players say. The majority of market participants reported that the outcome was a roll-over or a slight reduction in prices. Paper industry representatives confirm there were signs of marginal concessions, saying these were shifts within the existing price range. They are defending the most recently reported lower limit of the price bracket, but confirm there has been a shift of the quotes within this range. The concessions for SC paper were often said to be €5/t, while the mark-downs could be larger for LWC.

In the SC paper segment, despite the differing approaches taken by suppliers, the majority of quotes for contract deals appear to have moved towards €680/t. Lower figures were also reported. Relatively high prices are less common. For LWC, the reported prices cluster around the €800 mark and below. Here, paper mills had passed along lower pulp costs to their customers.

Suppliers of recycled LWC remain under considerable pressure. The quoted prices stretch from €700-€740/t, or even as high as €750, but there are also figures reported below this bracket. Players say that thanks to the positive image of recycled paper, they are able to gain print contracts in a shrinking market. Suppliers are nevertheless struggling with the structural contraction of demand, the general acute weak demand and competition from fresh-fibre papers. This competition was often played out via prices. Market participants expect that there will be fewer special prices going forward.

The rotogravure segment is proving to be more stable. Here, the print business is still contending with cross-border competition. Yet, the overall picture has not changed much in recent weeks. The same is true for paper prices, as insiders report quotes have been largely stable over the past months. Although some paper mills had been calling for price hikes, these could not be implemented on the market. Meanwhile, market participants are discussing the duration of delivery agreements. Most recently, they were focused on quarterly contracts, but players are often interested in extending these to six months.

As a result, the overall market for coated and uncoated magazine and catalogue paper is very nuanced. The price range for the first quarter thus changed very slightly at the top end of the bracket.

Overcapacity is a topic on everybody's mind. Experts warn against dragging out the process of cutting supply. After Heinzel lowered the supply of SC paper by converting its PM in Laakirchen, many observers are turning their attention to LWC. In this market, there have been no capacity reduction announcements so far.

Producers of kraftliner now aim to raise prices too

Kraftliner producers did not wait long after the announcements by recycled corrugated case material suppliers and have now approached the market with their plans to raise prices. In line with the announcements for recycled corrugated case material, they are also looking to lift prices for all kraftliner grades by €90-100/t, effective as of 3 March.

However, the arguments put forth by producers of kraftliner are not as compelling as those of recycled CCM producers. Market experts note that prices for recovered paper are rising, making such a step necessary for recycled paper mills and painful but understandable for corrugated board producers. By contrast, producers of kraftliner were able to keep their sales prices stable for much longer last year, they had better capacity utilisation and had to make fewer concessions overall. As a result, buyers from the corrugated industry appear to be less willing to accept the demands of kraftliner suppliers. It is currently expected that the potential step for primary fibre-based papers will not be discussed until the negotiations for recycled corrugated case material have concluded.

When asked about the reasons behind the price increases, companies told EUWID that kraftliner mills simply have insufficient profitability due to ongoing cost pressure. In some talks in the past, the gap between the two base paper types had been a common argument.

In recent months, demand for kraftliner has been consistently better than that for recycled corrugated case material. At the beginning of the year, however, demand for all paper grades seems to be levelling out.

Corrugated board industry relieved as 2024 brings no further deterioration

When players in the German corrugated industry were asked about the year 2024, the tenor of their comments was that at least it was better than 2023, when substantial volume declines were seen. Some respondents point out that 2023 was being held up against the boom years of the coronavirus pandemic and therefore the figures in recent years cannot be realistically compared with each other. Taking as a benchmark 2019, the last year before the outbreak of the coronavirus pandemic, the current market development is only slightly below the levels at that time, EUWID was told.

Nevertheless, players say the current business development is what counts and this remains volatile, unsatisfactory and shaped by uncertainty about the future. The first half of January was still influenced by the holiday season, while the second half of the month was comparable with the prior year, the market survey found. This also means that business associated with the automotive sector in particular remained very sluggish. Everything else is generally moving sideways, EUWID was told. In the food segment, there is strong competitive pressure, while business is picking up slightly in the e-commerce sector.

After quotes for corrugated case material steadily ticked lower last year, companies had to make price concessions for corrugated board and packaging, as well. However, the corrugated industry is faced with calls for markedly higher prices from their paper suppliers. Price hikes are being pursued for all corrugated case material grades and are basically the same amount, only the timing varies. Producers aim for recycled corrugated case material prices to rise in February, followed by fresh-fibre paper prices in March.

Market players expect the announcement of higher paper prices to put a stop to the negative price trend for corrugated board and packaging. Sales staff in the corrugated industry have been reportedly told by their employers to forego contracts if the price pressure persists. If prices for recycled corrugated case material do in fact rise as targeted, there will be no further leeway for price concessions in the corrugated board segment without spilling a lot of red ink, industry representatives say.

When the market survey was conducted in the final days of January, it looked like paper mills would be vehemently pursuing their pricing plans and were prepared, if necessary, to remove volumes from their own market.

Threat of US-Canada tariffs on pulp and paper imports still looms despite 30-day reprieve

04 February 2025 | 🕒 ~ 2 min [Published in issue 6/2025](#)



After last-minute negotiations between the USA and Canada, the two countries' planned reciprocal import tariffs have been paused for 30 days. On 1 February, US President Donald Trump officially announced that tariffs of 25 per cent would be applied to imports from Canada as of 4 February and Canada promptly retaliated with tariffs of its own. The country said it would introduce 25 per cent retaliatory tariffs on imports from the US with a total value of CAD155bn in two steps, starting on 4 February.

However, after talks between Trump and Canadian Prime Minister Justin Trudeau on 3 February, the two countries agreed to postpone the tariffs for one month.

The US government had also announced 25 per cent tariffs on Mexico, which were likewise paused for 30 days after talks between Trump and Mexican President Claudia Sheinbaum. The 10 per cent tariff on imports for China, however, took effect as planned on 4 February, with China immediately introducing retaliatory tariffs of its own.

The USA's 25 per cent tariffs would have applied on goods from Mexico and Canada including pulp and paper products, while energy imports from Canada were planned to be subject to tariffs of 10 per cent. Trump has cited multiple reasons for introducing the tariffs. Primarily he wants to compel Canada and Mexico into containing the flow of drugs and illegal immigration from these two countries. Moreover, Trump has repeatedly complained about the size of the US trade deficit, which is more than \$1 trillion. The tariffs were paused after Canada and Mexico agreed to boost border enforcement.

Associations warn of impacts on pulp and paper industry

The threat of tariffs is also sending shockwaves in the pulp and paper industry, as there is significant trade in forest products between the USA and Canada. In 2023, the USA imported a total of 2.7 million t of pulp and 4 million t of paper and board from Canada. This included 1.4 million t of printing and writing paper and 762,000 t of newsprint. The country also sources a significant amount of corrugated case material from Canada, with imports totalling nearly 1 million t in 2023, primarily testliner.

On 1 February, the American Forest & Paper Association (AF&PA) warned that the tariffs "have the potential to seriously disrupt the US forest products industry's complex, cross-border supply chains." It was "imperative" to avoid longer term disruption to US pulp, paper and packaging manufacturing operations, the association said at the time.

Its Canadian counterpart, the Forest Products Association of Canada (FPAC), also expressed disappointment about the decision of the US government on 1 February, saying it would cause hurt on both sides of the border. Americans relied on Canadian forest products for further manufacturing to make everyday household and industrial products such as packaging, diapers, hygiene products, paper towels, toilet paper, magazines, and specialty paper," it added.

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Mayr-Melnhof to close site for leaflet production in France

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Mayr-Melnhof might part with one of its production sites in France. The company announced plans to enter into consultations with local employee representatives about the possible closure of the Sarreguemines plant.

The site is located in the northeast of France close to the German border. It produces leaflets for the western European pharma market with a capacity of 523 million units per year. The closure would affect 49 employees.

The company explained that the Sarreguemines plant had been making losses for years, with no improvement in sight. After an exploration of all options it had become evident that a continuation of operations was not viable, it added.

Mayr-Melnhof operates two other leaflet production sites in France. They are located in L'Isle d'Espagnac und Soyaux, both close to Bordeaux. In France, the group also has two plants for the production of folding boxes for pharma packaging, two luxury packaging plants and a site specialised in printing packaging.

SCA announces price hike for kraftliners

31 January 2025 [Frauke Schmidt](#) | ⓘ ~ 1 min [Published in issue 6/2025](#)



SCA announces price increase

SCA Containerboard.

According to market experts talking to EUWID, other companies have made similar plans public, too.

Prices for recycled containerboard are mostly to increase from February by €90 or €100/t, while prices for fresh-fibre grades are to go up by the same amounts from March.

Swedish SCA has announced plans to increase prices for brown and white-top kraftliner in Europe by €90/t. The new price will be effective from 1 March 2025.

"There is good and solid demand for kraftliner in the market. The continued cost pressure is evident and needs to be addressed to ensure a sustainable supply," says Mikael Frölander, Vice President Marketing and Sales at

VPK to close Leeds site, East Kilbride plant now in joint venture

29 January 2025 [Frauke Schmidt](#) | 🕒 ~ 2 min [Published in issue 6/2025](#)



LtoR: Michael McLaren (McLaren), Jeremy Anderson (VPK), Donald McLaren (McLaren)

VPK UK/Ireland has announced plans to close the corrugated packaging site in Leeds, while the East Kilbride sheet plant will be part of a JV with McLaren Corrugate.

VPK UK & Ireland has announced plans to close its corrugated packaging site in Leeds, Britain, by 29 August. As a result of the announcement, the management team has launched consultation with the local trade union, a company spokesperson said. This decision has been made in response to the long-term commercial viability of the facility.

The Leeds facility currently has 59 employees and specialises in the production of corrugated packaging solutions. Following the closure of the Leeds site, operations will be transitioned to other VPK locations, the spokesperson said.

The Leeds site became part of VPK Group following the [acquisition of Encase in 2020](#). Encase's operations at that time comprised two integrated corrugated packaging facilities in Leeds and Banbury, along with a sheet plant in East Kilburn, Scotland.

McLaren announces JV with VPK's East Kilbride site

At the end of 2024, VPK UK launched a 50/50 joint venture with McLaren Corrugate, part of the McLaren Packaging Ltd. The new company will be called McLaren Corrugate Limited and will be formed through the combination of McLaren's corrugated production facility in Port Glasgow and VPK's site in East Kilbride, McLaren announced. It will primarily serve the Scottish corrugated market.

McLaren Packaging Limited has announced that it will have operational management control of the new joint venture. The group's other businesses (McLaren Tubes, Blue Box Design, Compack Cartons and Interlok Divisions) will not be affected by this change.

Donald McLaren, Managing Director of McLaren Packaging, said: "We are delighted to establish a new joint venture focused on corrugated packaging with VPK's East Kilbride site. This exciting partnership marks a significant milestone for both our corrugate businesses in Scotland. It enables us to use the strengths of the combined companies to deliver a wider corrugate range and service offer, thereby creating greater value for our customers."

VPK UK & Ireland Managing Director Jeremy Anderson commented: "McLaren Packaging has a strong position and reputation in the Scottish food and drinks markets, and we have the corrugate manufacturing capabilities to support growth. Tremendous opportunities exist between our East Kilbride site and McLaren Packaging."

VPK continues to operate four plants in Britain: Banbury, Desborough, Selby and Wellington.