

Boxboard Europe

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Fastmarkets Viewpoint: Paper packaging markets will be characterized by unevenness in 2026

By Alejandro Mata - Wednesday 04 February

By Alejandro Mata, Director, Europe Packaging and Graphic Paper

Broad trends affecting global packaging markets

Geopolitical tensions are a significant factor defining global markets. The ongoing conflict between Russia and Ukraine continues to affect energy prices, trade flows and material availability, especially in Europe. Disruptions in the Red Sea periodically raise freight rates on trade routes between Asia and Europe. Additionally, the strategic rivalry between the United States and China is driving a shift toward regionalized supply chains, which is increasing the importance of local cost competitiveness.

Global GDP growth remains moderate and uneven, with advanced economies growing slowly due to high interest rates, while emerging Asia — especially India and ASEAN — remains the strongest source of consumption and industrial activity. Energy markets continue to be volatile, and Europe's carbon pricing systems threaten to disproportionately raise production costs for both recycled and virgin fiber grades of paper, widening cost gaps between regions. In all major markets, geopolitical uncertainty is slowing investment decisions and elevating the importance of supply security.

Consumer confidence has slightly rebounded from the lows of the 2021-22 inflation shock but remains fragile, leading to greater value awareness in developed markets and more cautious spending in Asia.

E-commerce, once the driving force behind growth in containerboard, has shifted into a post-COVID normalization phase. It is currently experiencing moderate growth in mature markets at mid-single-digit rates, while emerging Asian markets are growing faster. This trend supports a steady demand for lightweight, high-performance corrugated packaging, although the growth is not explosive.

The rapid growth of discount retailers and private labels is reducing demand for fiber-based packaging, primarily in Europe. Private labels often prioritize profit margins, which frequently leads to higher plastic use in their packaging. In the boxboard market, although demand is bolstered by the food, pharmaceutical and personal care sectors, the shift toward discount retail has weakened premium categories. This is especially true for beauty, luxury and branded consumer goods, where folding boxboard (FBB) typically outperforms.

Regulatory pressure — particularly in Europe, at the state level in the US and in certain parts of Asia — continues to promote fiber-based alternatives to plastics, supporting medium-term growth in both cartonboard and some corrugated formats. However, the pace of substitution has slowed for three main reasons: weak consumer demand and cautious behavior from retailers are delaying redesigns and packaging overhauls, high interest rates have led brand owners to postpone capital-expenditure-intensive packaging shifts, and cost optimization pressures have prompted some retailers to maintain or even increase their use of low-cost plastics in discount segments.

The inventory fluctuations in 2022-23, driven by mismatches between production and actual consumption during the pandemic, continue to affect the industry. As we enter 2026, demand signals are still difficult to interpret. Manufacturing sentiment in several regions is improving faster than consumer

spending, raising the risk of another inventory buildup followed by rapid destocking.

Retailers and fast-moving consumer goods (FMCG) companies are keeping lean inventories and placing shorter-cycle orders, resulting in more volatile demand for containerboard and boxboard producers. Weak consumer confidence heightens this risk. Furthermore, global consumption trends are polarized, with premium categories recovering slowly while value-oriented and discount formats grow, creating a more price-sensitive and volatile market for producers. Although demand is stabilizing, growth remains modest in mature markets.

Europe faces weak demand, excess capacity and shifting cost dynamics

The European containerboard market is entering 2026 under significant pressure from weak demand, excess capacity and shifting cost dynamics. Economic momentum in the eurozone deteriorated in late 2025, with manufacturing contracting and new orders sharply declining, although the services sector continued to show limited growth.

Containerboard capacity in Western Europe reached over 1.2 million tonnes of new capacity in 2025, primarily due to recycled containerboard machines from Heintel, Mondi, Norske Skog and Turkish producers, while closures removed only about 435,000 tonnes. This resulted in operating rates dropping to around 84%, the lowest since late 2023.

Costs fell sharply in late 2025, but rising energy prices are now threatening this relief. While net exports reached nearly 5.0 million tonnes, they were insufficient to offset the weak domestic demand. The outlook for 2026 indicates a slow recovery, with containerboard demand projected to grow by only 1.7%, requiring additional closures to improve operating rates.

The cartonboard market in Europe is even weaker, with a sharp contraction driven by low consumer confidence and negative retail sentiment. Demand fell 10% year on year in the fourth quarter of 2025, driven by declines in beverage and tobacco production, modest growth in food categories and a consumer shift toward discount and private label products that use more plastic packaging.

Net exports declined in the fourth quarter due to reduced competitiveness, higher tariffs and increased imports from China, which rose 35%. Consequently, production fell in 2025, while capacity declined only slightly, leading to operating rates of around 69% in the fourth quarter, among the lowest on record.

Demand is set to gradually recover after the destocking phase, but it will likely stay significantly below early 2024 levels until late 2026. Overcapacity will exceed 1 million tonnes, prompting companies to further reduce capacity through 2027. The sector faces ongoing margin compression, cost-driven pricing pressures and a strong need for consolidation.

North American market looks to move past turbulent 2025

In North America, the US packaging paper sector enters 2026 following an exceptionally turbulent 2025 that was marked by significant supply rationalization and persistently weak demand. Containerboard producers permanently closed more than 4 million tons of capacity, marking the largest one-year reductions on record. Although box shipments and manufacturing activity remained subdued, these closures lifted operating rates from the high 80s to the mid-90s by the end of 2025, setting the stage for price increase attempts in early 2026.



Demand was fragile in 2025 despite healthy headline economic growth. If this growth feeds into goods spending and packaging demand in 2026, the rise in containerboard operating rates that has so far mostly been driven by closures will be amplified by a stronger domestic demand environment. Inflation remains a major issue in the US consumer economy, with costs also an important concern for packaging producers.

On the cartonboard side, the challenges stem from excess supply from new SBS (solid bleached board) and CRB (coated recycled board) machines amid weak demand. Beverage, food and folding carton applications underperformed in 2025, causing SBS operating rates to drop to around 82% and leading to price erosion. Although CRB operating rates briefly increased due to earlier closures, we expect them to fall again as new capacity ramps up. Closures may be necessary to restore the balance between supply and demand.

Asia still faces tremendous oversupply

Asia is grappling with soft demand, increasing capacity and volatile prices. China leads the market, but while containerboard consumption grew marginally, hurt by weak consumer spending — despite some surprisingly healthy support from goods exports — producers continued to add capacity (up 7%), which lowered operating rates and eroded producer margins. The rest of Asia also experienced slower demand growth due to the trade war and sluggish consumer spending. This, along with weaker exports to China, led to lower operating rates and flat production growth. Given the wide gap between regional demand and supply, there are limited prospects for Asia to simply grow its way out of oversupply. Capacity closures will be required.

In December 2025 and January 2026, prices for testliner and corrugating medium in China declined significantly after the solid rally from August to November. That rally resulted from seasonal demand improvement and, mostly, rising OCC cost pressures.

China's sudden implementation of a 100% inspection policy on recovered paper pulp imports in early October, along with higher OCC costs and resulting uncertainty, contributed to the price increase. The rally paused in December, and declines continued in January as seasonal demand weakened and excess capacity put downward pressure again. In Southeast Asia, import prices rose later in the year, but domestic prices in some markets — such as Indonesia — climbed more sharply as domestic markets tightened due to brief export opportunities to China and stronger seasonal demand. Those opportunities have now faded, so the near-term outlook points to weaker prices. The main uncertainty comes from China's final regulations on recovered paper pulp imports, which could be announced in the coming months.

The Asian cartonboard market is stable but vulnerable. In late 2025, rising costs, seasonal demand and restocking efforts drove up prices for coated ivory board and duplex board in China. Unlike containerboard, cartonboard suppliers successfully raised prices in December and January, due to stronger demand and the need to recover margins. Improvements in the coated duplex market, driven by capacity shifts, contributed to these price hikes. However, overcapacity will still be an issue in 2026, especially for ivory board. While some announced projects have been delayed, two large machines commenced operations in China during the second half of 2025, and a significant expansion in Indonesia is anticipated soon. Both countries are aiming to expand in export markets, which will intensify competition with North American and European suppliers.

In recent years, Asia has become self-sufficient in containerboard and a net exporter of boxboard in 2022, with shipments steadily increasing. Reliance on North American kraftliner has decreased as Chinese buyers shift to local or lower-cost suppliers. As a result, Asia is disrupting global packaging paper markets and is no longer a potential outlet for excess supply. Looking ahead to 2026, the Asian paper packaging market will likely face oversupply challenges, as demand growth remains subdued. This will make it difficult to absorb recent supply increases, especially with new capacity coming on line. Cost-driven competition will continue, keeping profit margins low, which could trigger much-needed capacity closures, though it might take time.

In Latin America, fading momentum and structural and behavioral shifts will cut demand

Latin America is losing economic momentum in 2026, with uneven growth and rising uncertainty. High interest rates and slower household income increases have reduced demand for packaging-intensive goods. We now project containerboard demand will grow 1.4-1.8%, down from 2.3%. **In Brazil, corrugated box shipments will rise only an estimated 0.7%, below the 1.6% GDP growth rate**, while containerboard demand growth slows to 0.8%. These changes reflect the increasing influence of agribusiness and exports, affecting domestic packaging and posing ongoing challenges for manufacturers and consumers.

The regional paper packaging markets are feeling the effects of global trade trends, which are limiting exports and causing exchange rates to drop. Rates fell in 2025 and will likely decline further in 2026, reaching a two-year low. This trend is affecting industry competitiveness and reducing regional demand. However, Peru stands out for its growing agribusiness sector, which is supporting packaging demand for containerboard, particularly for niche markets such as blueberries, mangoes and avocados, with annual consumption of about 480,000 tonnes.

The demand for boxboard in the region has been challenged since the pandemic, driven by declining paperboard usage amid fluctuating consumer confidence and a shift toward digital entertainment and value-conscious spending. Sectors such as food, pharmaceuticals and personal care provide some stability, but the outlook for 2026 remains cautious, with demand expected to be flat. **The popularity of GLP-1 medications is also changing how consumers buy packaged foods.** While there may be some growth in proteins and fresh produce, the decline in processed foods — an important downstream user of boxboard and corrugated packaging — raises concerns. In response, end-users are shifting back to more affordable plastic packaging to maintain profit margins amid falling volumes.

Latin American boxboard markets are facing significant challenges due to the rise of affordable Asian imports, particularly Mexico, Brazil and Argentina. Mexico's tariffs on non-partner countries, which went into effect in 2024, have inadvertently created difficulties for Brazil by narrowing profit margins and slowing shipments into Mexico, making them less competitive. Asian producers, pushed out of the Mexican market, are now targeting Argentina and Brazil, intensifying competition in markets with weak local demand. As a result, the boxboard industry across the region is experiencing tighter margins, increased volatility and a more crowded competitive landscape.

Looking ahead, the Latin American packaging sector remains exposed to both cyclical and structural risks. Regionwide shifts in trade policy, evolving consumer behavior and currency volatility have and will continue to contribute to a **more uncertain operating environment**.

As we enter 2026, the packaging paper industry faces geopolitical tensions, lingering inflationary effects and weak consumer confidence. Demand is uneven, and cost pressures are straining competitiveness. With oversupply in key markets and cautious spending patterns, any recovery is likely to be slow and bumpy.

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UK cartonboard commentary: FBB, WLC prices largely stable in February

By Daniela Wortmann - Thursday 05 February

Prices for folding boxboard (FBB) and white-lined chipboard (WLC) were largely steady in February, after declining in January, sources said, leaving Fastmarkets' assessments unchanged month on month.

Fastmarkets' price assessment for **coated duplex (GC2), 270-280 g, UK** was £960-1,145 (\$1,314-1,567) in February, unchanged from January.

And Fastmarkets' price assessment for **white-lined chipboard (GD2), 300 g, UK** was also unchanged at £685-735 per tonne in February.

Related News Boxboard/Cartonboard Europe

SIG's new chief executive officer Mikko Keto to assume role on March 1, 2026

- Thursday 05 February

As announced on November 17, 2025, the Board of Directors of SIG has appointed Mikko Keto as Chief Executive Officer. The Group now confirms that Mikko Keto will assume office on March 1, 2026.

Anne Erkens, who has served as CEO ad interim of SIG since August 2025, will continue in her role as CFO. The Board of Directors deeply thanks her for assuming the additional responsibilities and for leading SIG during the past months.

About SIG

SIG is a leading solutions provider of packaging for better – better for our customers, for consumers, and for the world. With our unique portfolio of aseptic carton, bag-in-box, and spouted pouch, we work in partnership with our customers to bring food and beverage products to consumers around the world in a safe, sustainable, and affordable way. Our technology and outstanding innovation capabilities enable us to provide our customers with end-to-end solutions for differentiated products, smarter factories, and connected packs, all to address the ever-changing needs of consumers. Sustainability is integral to our business, and we strive to create a regenerative system for food packaging.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland, and is listed on the SIX Swiss Exchange. The skills and experience of our approximately 9,600 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries. In 2024, SIG produced 57 billion packs and generated €3.3 billion in revenue. SIG has an AAA ESG rating by MSCI, a Platinum CSR rating by EcoVadis, and is included in the FTSE4Good Index.

Eco-Products to launch environmentally responsible packaging products; available at sister company Vegware in UK

- Monday 02 February

Reusable, recyclable, and compostable products will be available through UK-based Vegware, a sister company of Eco-Products

Eco-Products, a certified B Corp and leader in environmentally responsible foodservice packaging, is officially launching in the U.K. The Eco-Products portfolio of reusable, recyclable and compostable packaging will be available through UK-based Vegware, a sister company.

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Eco-Products, a Novolex brand, and is a leading provider of foodservice packaging made from renewable and recycled resources. Eco-Products offers packaging with real environmental benefits, works with customers to improve composting and recycling, and collaborates with the broader industry to shift how businesses and consumers think about and manage waste.

For more than 30 years, Eco-Products has been redefining what is possible in foodservice packaging in the U.S. From stadiums and universities to cafés and caterers, the company partners with organisations to deliver practical packaging solutions and support waste diversion goals.

Eco-Products has been active in Europe since 2017, building a strong customer base across the EU with a growing portfolio of compostable, recyclable, and reusable packaging. The U.K. launch marks the next step in expanding access to this proven range, supported by local expertise and service through Vegware.

"We're excited to officially launch Eco-Products in the U.K.," said Wendell Simonson, General Manager of Eco-Products. "As in the U.S., demand continues to grow for products and services designed to help the foodservice industry meet its sustainability goals. Working closely with the Vegware team to support customers in their home market is something we're really looking forward to."

"We're seeing strong customer interest in reusable and recyclable options alongside compostables," said Helen Mathieson, Managing Director at Vegware. "Partnering with Eco-Products allows to offer proven designs, reliable performance, and a joined-up approach to packaging that fits the realities today's foodservice operations."

The Eco-Products U.K. portfolio includes:

- Reusables, including the new Veda collection — durable, high-performance products designed for closed-loop reuse systems.
- Recyclable products, such as hot and cold cups compatible with U.K. recycling streams.
- Compostable packaging designed for industrial composting.

Together, these products offer U.K. operators practical, high-impact solutions for managing packaging responsibly across every service model, from on-the-go to dine-in.

Through this partnership, U.K. customers gain access to a broader range of high-performance packaging, supported by Vegware's local expertise and customer support.

As a Certified B Corporation, Eco-Products meets the highest verified standards of social and environmental performance, transparency, and accountability.

ABOUT ECO-PRODUCTS, PBC

Eco-Products, a Novolex brand and certified B Corp, is a leading provider of foodservice packaging made from renewable, recycled, and reusable materials. Eco-Products offers packaging with real environmental benefits, works with customers to improve composting and recycling, and collaborates with the broader industry to shift how businesses and consumers think about and manage waste.

ABOUT VEGWARE

Vegware, a Novolex brand, is a trusted brand of compostable foodservice packaging, made from renewable and recyclable plant-based materials. Our products are designed for industrial composting alongside food waste, supported by our award-winning environmental consultancy, which helps businesses successfully compost their Vegware packaging.

MM Board & Paper expands pulp portfolio by launching BCTMP Birch, new hardwood pulp

- Monday 02 February

MM Board & Paper has expanded its pulp portfolio with the launch of BCTMP Birch, a new hardwood pulp produced from 100% Nordic birch fibres at MM FollaCell in Norway. The product is designed to combine high bulk and high brightness, while offering adjustable specifications to meet individual customer requirements.

At market launch, BCTMP Birch is available in two grades – 350/84 HB and 400/83 HB – addressing the needs of cartonboard, tissue and specialty paper producers.

The high bulk of BCTMP Birch contributes to superior stiffness and bending strength, particularly in cartonboard applications, supporting robust packaging performance.

In addition, the pulp's high brightness and even fibre distribution enable a premium surface quality, while high purity and cleanliness support dependable quality and safety for food-contact applications. Built-in absorption capabilities further extend the product's suitability to tissue production.

BCTMP Birch can be used in a wide range of applications, including virgin and recycled cartonboard, tissue products, and specialty papers. Customers are expected to benefit from efficiency gains through high bulk, enhanced visual appearance, and flexibility through tailored specifications. The company's technical team supports customers during qualification trials.

From a sustainability perspective, the birch raw material is responsibly sourced from Nordic forests. MM FollaCell is fully compliant with the European Union Deforestation Regulation (EUDR), and all roundwood and sawmill deliveries are accompanied by the required EUDR information.

MM FollaCell has consistently advanced its decarbonisation trajectory in recent years and now operates with a 96% share of renewable and low-carbon energy.

MM BOARD & PAPER GmbH

MM Board & Paper is the leading European producer of cartonboard*, offering a wide range of kraft papers and uncoated fine papers and also pulp. Through its seven European mills, MM Board & Paper supplies fibre-based solutions that prioritise recyclability and can replace less sustainable materials.

The company focuses on cartonboard and paper products for a broad range of applications, with a particular emphasis on the consumer packaging industry. Its competitive portfolio includes both recycled and virgin fibre products, meeting the needs of customers seeking high-quality packaging solutions designed to be recycled.

As part of MM Group, MM Board & Paper is committed to driving sustainability and innovation in the cartonboard and paper industry.

* excluding liquid packaging board

MM FollaCell AS

MM FollaCell AS, located in Norway, is part of MM Board & Paper and produces high-quality mechanical pulp. The mechanical pulp is used for both MM Board & Paper's virgin fibre and recycled cartonboard grades and is also sold on the free market.

MM FollaCell's location in northern Europe offers several advantages. The raw material grows close to the mill, and access to the Trondheim Fjord provides ideal infrastructure. With its own ice-free harbour, the mill can reliably receive raw materials and deliver pulp by ship all year round. The energy required for the mill is mainly supplied by a nearby environmentally friendly hydroelectric power plant.

Boxboard/Cartonboard Europe Key Attributes

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0098	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered France, €/tonne	01 Jan 2026	950 - 1190	-45 (-4.04%)	Jan 2026	950 - 1190
FP-CBB-0100	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g free delivered Germany €/tonne	01 Jan 2026	950 - 1180	-45 (-4.05%)	Jan 2026	950 - 1180
FP-CBB-0099	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered France, €/tonne	01 Jan 2026	670 - 710	-22.5 (-3.16%)	Jan 2026	670 - 710

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0101	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered Germany, €/tonne	01 Jan 2026	650 - 705	-22.5 (-3.21%)	Jan 2026	650 - 705

Boxboard/Cartonboard Germany Markets

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0100	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g free delivered Germany €/tonne	01 Jan 2026	950 - 1180	-45 (-4.05%)	Jan 2026	950 - 1180
FP-CBB-0101	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered Germany, €/tonne	01 Jan 2026	650 - 705	-22.5 (-3.21%)	Jan 2026	650 - 705

Boxboard/Cartonboard Spain Markets

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0104	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered Spain, €/tonne	01 Jan 2026	940 - 1190	-45 (-4.05%)	Jan 2026	940 - 1190
FP-CBB-0105	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered Spain, €/tonne	01 Jan 2026	665 - 690	-22.5 (-3.21%)	Jan 2026	665 - 690

Boxboard/Cartonboard France Markets

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0098	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered France, €/tonne	01 Jan 2026	950 - 1190	-45 (-4.04%)	Jan 2026	950 - 1190
FP-CBB-0099	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered France, €/tonne	01 Jan 2026	670 - 710	-22.5 (-3.16%)	Jan 2026	670 - 710

Boxboard/Cartonboard Italy Markets

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0102	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered Italy, €/tonne	01 Jan 2026	950 - 1190	-45 (-4.04%)	Jan 2026	950 - 1190
FP-CBB-0103	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered Italy, €/tonne	01 Jan 2026	650 - 700	-12.5 (-1.82%)	Jan 2026	650 - 700

Boxboard/Cartonboard UK Markets

Symbol	Description	Date	Price	+/-	Month	Monthly Average
FP-CBB-0094	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered United Kingdom, £/tonne	01 Feb 2026	960 - 1145	0 (0.00%)	Feb 2026	960 - 1145
FP-CBB-0095	Cartonboard/boxboard, folding boxboard (GC2) 270-280 g, free delivered United Kingdom, €/tonne	01 Feb 2026	1109 - 1323	9 (0.75%)	Feb 2026	1109 - 1323
FP-CBB-0096	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered United Kingdom, £/tonne	01 Feb 2026	685 - 735	0 (0.00%)	Feb 2026	685 - 735
FP-CBB-0097	Cartonboard/boxboard, white-lined chipboard (GD2) 300 g, free delivered United Kingdom, €/tonne	01 Feb 2026	791 - 849	5.5 (0.68%)	Feb 2026	791 - 849