

PPI Europe

PAPER, PACKAGING AND FIBER MARKET NEWS AND PRICES FOR EUROPE, THE MIDDLE EAST AND AFRICA

Schumacher selling Polish containerboard sites to Saica; in talks to sell facilities elsewhere in Europe

Saica has announced that it has struck a deal with the Schumacher Group to acquire its paper and packaging plants in Poland, inclusive of the Grudziadz and Myszkow recycled containerboard (RCCM) mills.

The Grudziadz mill can produce 150,000 tonnes/yr of RCCM, while after a 2023 rebuild the Myszkow mill has a capacity of 300,000 tonnes/yr. The deal also includes Schumacher's corrugated board plants in Bydgoszcz and Wroclaw.

"[...] the agreement includes all (Schumacher) activities in Poland: the whole management, all employees, two state-of-the-art corrugated board plants in Bydgoszcz and Wroclaw, two paper mills in Grudziadz and Myszkow," confirmed a Saica spokesperson. "This would be a very important milestone if materialised. Not only is this a step forward in Saica's business growth strategy, but it also aims to further develop our infrastructure and services in eastern Europe."

The Polish Office of Competition and Consumer Protection is considering the deal. The companies did not comment on its value or likely conclusion date.

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Newsprint prices rise for Q3 deliveries, driven by cost increases; magazine paper prices fairly stable

Despite overcapacity still affecting the market, European newsprint paper producers managed to force price increases through for the first time since October 2022, in a move that most market participants deemed purely cost-driven.

The pricing situation is more fragmented on the magazine side, with some producers managing to implement small increases for supercalendered (SC) paper prices, and little adjustments both upwards and downwards recorded in the lightweight coated (LWC) segment.

During the first two quarters of the year, newsprint demand improved slightly thanks to the end of the destocking period and to downgrading from better-quality grades, namely SC paper. Magazine paper demand remained soft during the period.

According to the latest statistics provided by Euro-Graph, the European association of graphic paper producers, European newsprint demand

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PRICE WATCH: Germany

Euro/tonne (unless otherwise noted). Graphic paper and packaging paper prices as well as prices are free delivered, buyer's facility.

	Most recent prices			Year-to-year	
	Jul. 2024	Jun. 2024	May 2024	Jul. 2023	% chg.
GRAPHIC PAPER					
Newsprint					
45-g	595 - 640	570 - 625	570 - 625	580 - 680	-2.0
42.5-g ¹	630 - 678	604 - 662	604 - 662	614 - 720	-1.9
52-g Improved (68 ISO)	635 - 680	610 - 660	610 - 660	625 - 660	2.3
Uncoated mechanical					
SC rotogravure reels, 56-g	670 - 760	670 - 760	670 - 760	710 - 830	-7.1
SC offset reels, 56-g	670 - 760	670 - 760	670 - 760	710 - 830	-7.1
Coated mechanical					
Rotogravure reels, 80-g	840 - 895	860 - 895	860 - 895	870 - 1,000	-7.2
Offset reels, 80-g	790 - 870	820 - 870	820 - 870	850 - 970	-8.8
LWC rotogravure reels, 60-g	800 - 855	820 - 855	820 - 855	830 - 955	-7.3
LWC rotogravure reels, 57-g	820 - 875	840 - 875	840 - 875	850 - 975	-7.1
LWC rotogravure reels, 54-g	850 - 905	870 - 905	870 - 905	880 - 1,005	-6.9
LWC offset reels, 60-g	780 - 830	780 - 830	780 - 830	800 - 930	-6.9
LWC offset reels, 57-g	800 - 850	800 - 850	800 - 850	820 - 950	-6.8
LWC offset reels, 54-g	830 - 880	830 - 880	830 - 880	850 - 980	-6.6
Uncoated woodfree					
A4 copy (B grade), 80-g	1,160 - 1,200	1,160 - 1,200	1,160 - 1,200	1,170 - 1,210	-0.8
A4 copy (C grade), 80-g	1,070 - 1,120	1,070 - 1,120	1,070 - 1,120	1,080 - 1,130	-0.9
Offset reels, 80-g	1,070 - 1,120 *	1,070 - 1,120	1,070 - 1,120	1,080 - 1,130	-0.9
Offset sheets, 80-g	1,100 - 1,160 *	1,100 - 1,160	1,100 - 1,160	1,110 - 1,150	0.0
Coated woodfree					
Reels, 100-g	1,000 - 1,100	1,000 - 1,100	1,000 - 1,060	1,010 - 1,040	2.4
Reels, 90-g	1,020 - 1,140	1,020 - 1,140	1,020 - 1,100	1,030 - 1,080	2.4
Reels, 80-g	1,070 - 1,170	1,070 - 1,170	1,070 - 1,130	1,080 - 1,110	2.3
Sheets, 100-g	1,080 - 1,190 *	1,080 - 1,190	1,080 - 1,170	1,090 - 1,120	2.7
Sheets, 90-g	1,110 - 1,230 *	1,110 - 1,230	1,110 - 1,210	1,120 - 1,160	2.6
PACKAGING P&B					
Virgin fiber containerboard					
Unbleached kraftliner, 175-g+	760 - 790	760 - 790	720 - 750	700 - 740	7.6
Unbleached kraftliner, 150-g	775 - 805	775 - 805	735 - 765	715 - 755	7.5
Unbleached kraftliner, 125-g	790 - 820	790 - 820	750 - 780	730 - 770	7.3
White-top kraftliner, 140-g+	930 - 935	900 - 925	885 - 900	875 - 880	6.3
Semi-chemical fluting, 127-g ²	630 - 660	600 - 630	600 - 630	560 - 590	12.2
Recycled containerboard					
Testliner 2, 140-g	685 - 690 **	665 - 670	625 - 630	595 - 600	15.1
Testliner 3, 140-g	655 - 670 **	635 - 650	595 - 610	565 - 580	15.7
Fluting (Wellenstoff), 105-g	645 - 660 **	625 - 640	585 - 600	555 - 570	16.0
White-top testliner, 140-g ³	745 - 795	715 - 755	715 - 755	695 - 745	6.9
Cartonboard					
Coated duplex (GC2), 270-280-g	980 - 1,300 ***	980 - 1,300	980 - 1,300	1,130 - 1,450	-11.6
White-lined chipboard (GD2), 300-g	650 - 765	650 - 765	650 - 765	735 - 845	-10.4

NOTES

1. Calculated via full-yield formula using the 45-g grade as the base price. 2. Nordic SC medium prices are reflected at the top end of the range, while other European qualities are shown at the lower end. 3. Prices are for uncoated board with a brightness of ISOs70.* Some higher prices were mentioned for deliveries in July. ** Contacts either reported price increases of Euro 40/tonne from week 29 or an increase of Euro 20/tonne on July 1 to be followed by a Euro 20/tonne hike August 1. *** Some contacts reported a partial implementation of the increase announced by producers effective July 1, while many said it had been delayed.

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Paper for recycling: Europe

Euro/tonne (unless otherwise noted). Prices for paper for recycling are delivered, buyer's warehouse.

WEEKLY	Weekly Prices			Monthly Average Prices		
	Jul 23, 2024	Jul 16, 2024	Jul 9, 2024	Jun 2024	May 2024	% chg.
Pan European						
PIX OCC 1.04 dd	165.63	165.60	167.22	159.33	141.10	12.9
PIX ONP/OMG 1.11 dd	214.01	214.46	214.46	207.38	190.31	9.0
MONTHLY						
Pan European				Monthly Prices		
				Jun 2024	May 2024	% chg.
PIX SOP				219.71	208.47	5.4
PIX Multiprint				239.08	230.28	3.8
Germany						
PIX RCP Mixed 1.02 GER				153.18	136.34	12.4
PIX OCC 1.04 GER				177.83	164.56	8.1
PIX ONP/OMG 1.11 GER				217.82	208.77	4.3

Note: The monthly prices of the Pan European PIX OCC 1.04 dd and PIX ONP/OMG 1.11 dd are averages of the weekly indices published during the month, released on the last Tuesday of the month. The Pan European PIX SOP and PIX Multiprint and PIX Germany are published on the second Tuesday of the following month. For details, see the [PIX methodology and grade specifications](#).

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PRICE WATCH: France

Euro/tonne (unless otherwise noted). Graphic paper and packaging prices are free delivered, buyer's facility.

	Most recent prices			Year-to-year	
	Jul. 2024	Jun. 2024	May 2024	Jul. 2023	% chg.
GRAPHIC PAPER					
Newsprint					
45-g	600 - 650	570 - 640	570 - 640	630 - 700	-6.0
42-g	620 - 670	590 - 660	590 - 660	650 - 705	-4.8
40-g ¹	675 - 731	641 - 720	641 - 720	709 - 788	-6.1
Uncoated mechanical					
SC rotogravure reels, 56-g	710 - 750	710 - 750	710 - 750	730 - 870	-8.8
SC offset reels, 56-g	710 - 750	710 - 750	710 - 750	730 - 870	-8.8
Coated mechanical					
LWC rotogravure reels, 60-g	830 - 880	830 - 880	830 - 880	890 - 970	-8.1
LWC offset reels, 60-g	800 - 875	800 - 875	800 - 875	870 - 940	-7.5
Uncoated woodfree					
A4 copy (B grade), 80-g	1,140 - 1,210	1,140 - 1,210	1,140 - 1,210	1,150 - 1,200	0.0
A4 copy (C grade), 80-g	1,070 - 1,140	1,070 - 1,140	1,070 - 1,140	1,080 - 1,130	0.0
Offset reels, 80-g	1,100 - 1,150	1,100 - 1,120	1,100 - 1,120	1,110 - 1,130	0.4
Offset sheets, 80-g	1,160 - 1,190	1,150 - 1,190	1,150 - 1,190	1,160 - 1,180	0.4
Coated woodfree					
Reels, 100-g	1,030 - 1,070 *	1,030 - 1,070	1,030 - 1,070	1,010 - 1,040	2.4
Sheets, 100-g	1,080 - 1,170 *	1,080 - 1,170	1,080 - 1,170	1,090 - 1,140	0.9
PACKAGING P&B					
Virgin fiber containerboard					
Unbleached kraftliner, 175-g+	785 - 810	785 - 810	745 - 770	715 - 760	8.1
Unbleached kraftliner, 150-g	800 - 825	800 - 825	760 - 785	730 - 775	8.0
Unbleached kraftliner, 125-g	815 - 840	815 - 840	775 - 800	745 - 790	7.8
White-top kraftliner, 140-g+	930 - 940	905 - 925	885 - 905	875 - 885	6.3
Semi-chemical fluting, 127-g ²	635 - 695	605 - 665	605 - 665	575 - 615	11.8
Recycled containerboard					
Testliner 2, 140-g	675 - 680	675 - 680	635 - 640	605 - 610	11.5
Testliner 3, 140-g	650 - 660	650 - 660	610 - 620	580 - 590	12.0
Fluting, 105-g	640 - 650	640 - 650	600 - 610	570 - 580	12.2
White-top testliner, 140-g ³	725 - 785	695 - 745	695 - 745	675 - 735	7.1
Cartonboard					
Coated duplex (GC2), 270-280-g	980 - 1,310 **	980 - 1,310	980 - 1,310	1,130 - 1,460	-11.6
White-lined chipboard (GD2), 300-g	670 - 770	670 - 770	670 - 770	740 - 860	-10.0

NOTES

1. Calculated via full-yield formula, using the 45-g grade as the base price.
2. Semi-chemical fluting prices reflect levels for Nordic and northern European qualities.
3. White-top testliner prices are for uncoated board with a brightness of ISO≥70. * Some higher prices were mentioned for deliveries in July. ** Some contacts reported a partial implementation of the increase announced by producers effective July 1, while many said it had been delayed.

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High production costs put pressure on publication paper mills to get hikes through

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was stable year on year during the first four months of 2024 at 922,000 tonnes - positive news considering that it had dropped by 22% over full-year 2023. Total European shipments slid by 1% to 1.1 million in the first four months of 2024, with shipments to Europe improving by 3% to 861,000 tonnes and those to non-European destinations falling by 12% to 274,000 tonnes.

European uncoated mechanical paper demand, which includes improved newsprint, rose by 9% on a year-on-year basis to 402,000 tonnes during the first four months of 2024, while SC and coated mechanical reel demand dropped by 9% and 2% to 483,000 tonnes and 641,000 tonnes respectively.

Production costs continued to increase in Q2, putting pressure on paper producers dealing with low sales prices and narrow margins. Mixed paper and board prices in Germany rose by approximately Euro 44/tonne between January and June due to low collection

rates and the poor quality of the paper collected. Transport and pulp prices also increased significantly during the period.

At the end of May, UPM announced its intention to permanently idle its Hürth newsprint mill in Germany by the end of the year, thus reducing newsprint production capacity by 330,000 tonnes/yr. This announcement, together with an improved booking situation and better operating rates, as well as the need to improve profitability, gave European producers the strength to announce price increases for deliveries from July 1.

Palm informed customers of its intention to raise newsprint prices by Euro 60-80/tonne, while other producers said they were willing to increase prices by Euro 40/tonne or Euro 60/tonne.

"They say PfR prices and transport costs are rising, but a price increase on July 1 - it just does not make sense in the current market conditions. I think the price increase announcements

are only used as a way to avoid further price drops," a market source said in June.

On the magazine side, some SC and LWC producers announced price increases, although the market situation did not allow for much hope.

"We are also asking for Euro 20-30/tonne more on new orders, but customers say they cannot afford it. Still, the necessity of a price hike is high because pulp prices are soaring and all input materials are increasing," a producer told *PPI Europe* in June.

"We definitely want to increase prices in SC paper. Paper for recycling (PfR) prices, but also other costs, are rising," another one said.

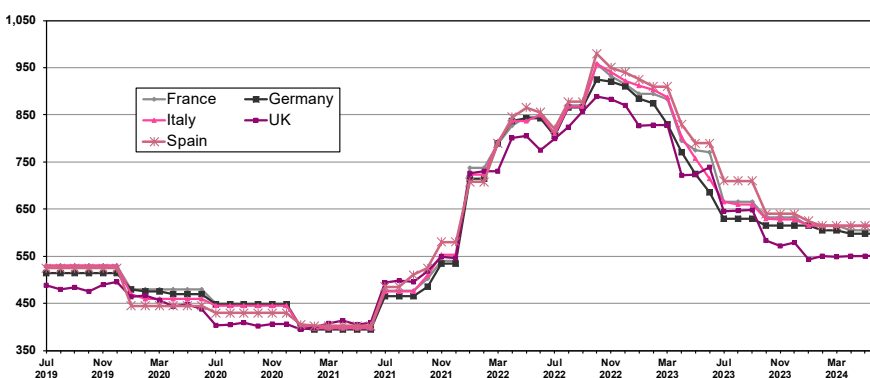
Newsprint prices rise: Prices for newsprint deliveries in the UK rose by £25-40/tonne on average, with 42-g newsprint reaching £470-515/tonne in Q3. Newsprint prices rose by Euro 20-40 in Germany and France. In Germany, 45-g newsprint is now priced at Euro 595-640/tonne, while 42-g newsprint prices in France reached Euro 620-670/tonne. Preliminary data show that newsprint prices rose in a similar way in Italy and Spain.

"We need to accept that we gave paper mills the money to run their machines without having losses," one market commentator said.

According to a European buyer, price increases will have implications for end users, possibly further hitting paper demand. "We managed to negotiate the price increase, but

Newsprint 45 g

Euro/tonne



Prices are based on average monthly values.

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the situation of our products in terms of prices for our external customers is not good, so I don't know if it's really a success. Now the discussion on if it's worth having printed product or not will come back," a European buyer commented.

In terms of contract lengths, a growing number of deals are now being sealed – at higher prices - with six month validities. According to some market sources, heatset newsprint prices rose more than coldset ones, as they had reached a much lower level during the first half of the year.

Despite price increase announcements by some producers, SC Q2 prices were mostly carried over into Q3 in the UK and France, while small increases on some accounts were recorded in Germany. "We received price increase requests for SC paper, but the market situation did not allow them to increase prices. Operating rates are low and some retailers downgraded to newsprint," a source said.

In Italy, first indications are

that prices remained mostly stable this month, although some producers managed to slightly increase prices on some accounts. In Spain, while the price level remained fairly stable, one customer said he managed to reduce prices by Euro 20/tonne.

LWC prices also remained basically flat for deliveries in Q3, with some customer here and there managing to obtain some discounts.

"We were able to reduce prices for SC paper a little bit with one supplier, and LWC paper prices as well. But they were corrections that brought them near to the others," one European buyer said.

A couple of customers mentioned recycled-based LWC producers managed to slightly improve prices in some cases.

Consolidation continues: As previously announced, Leipa permanently idled PM 1 at its Schwedt mill in Germany, thus reducing recycled-based LWC output by approximately 170,000 tonnes/yr (see story on page 7).

In Norway, Norske Skog announced it will not rebuild PM 6 at its Saugbrugs mill in Norway and will investigate the possibility of production of bleached chemi-thermomechanical pulp at the mill instead.

In Switzerland, CPH Group spun off its paper manufacturing and real estate activities into a new company called Perlen Industrieholding, while keeping its chemistry and packaging businesses.

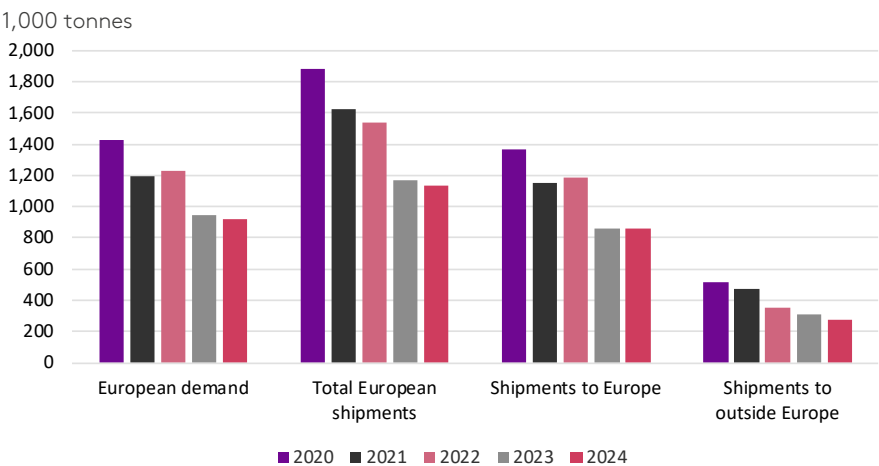
Perlen Industrieholding's Perlen Papier said it will continue operating in the publication paper market, pursuing its 'last man standing' strategy.

Meanwhile, the announcement of the closure of UPM's Hürth newsprint mill in Germany by the end of the year was welcomed by the market, which sees the need for a further reduction in production capacity. But while many market commentators believe this is a step in the right direction, they feel it will not be enough to bring operating rates back to historical levels, allowing prices to increase and restoring profitability.

"Paper producers applauded the announcement of the closure of the Hürth mill, but that is just a drop in the ocean," one market source said.

In the SC segment, market participants hope that the announced conversion of Heinzl's PM 11 at its Laakirchen mill in Austria, now expected at the beginning of 2025, will help rebalance the market by reducing SC capacity in Europe by 330,000 tonnes/yr.

European newsprint demand and shipments January-April



Source: Euro-Graph.

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Despite this, many believe that further reductions are needed both in the SC and, especially, in the LWC market. "We need capacity closures in LWC, we cannot continue like this in the long term," a market commentator said.

While newsprint order intake in July has been described as okay, bookings for magazine grades are currently quite low - with some exceptions - due to seasonality. Market players hope that the catalog season, which usually starts between September and October, will actually happen this year, after two years with a slower-than-expected Q4.

On the cost side, market commentators believe both fiber and energy costs will rise during the last three months of the year, and paper producers are expected to pursue another price increase attempt.

"The Q3 price increase is not covering production costs so

far; we've heard that they might go even more up in Q4," one market source commented.

"In Q4 all paper mills should increase prices by Euro 40-50/tonne because energy prices will increase," another one added.

Concern about EUDR: At the end of the year, the implementation period for the European Deforestation Regulation (EUDR) will end, and this is causing concern in the paper and printing industries because of the excess of bureaucracy and lack of essential and suitable tools for implementation.

"We are waiting to read the next FAQ from the EU regarding the EUDR -they were expected in July but we still did not receive them. We are thinking about the worst case scenario, that we have to declare each newspaper and magazine as being EUDR-compliant," a European publisher told *PPI Europe*.

General news

French P&B production rises by 9.5% year on year in H1 2024

French paper and board (P&B) production rose by 9.5% year on year to 3.3 million tonnes in H1 according to data from Copacel, the confederation of French pulp, paper and board industries.

Production of graphic paper increased by 2.8% to 397,200 tonnes, with uncoated woodfree paper production improving by 9.5% to 229,400 tonnes.

Packaging paper production rose by 11.6% on a year-on-year basis to 2.4 million tonnes during the first six months. Containerboard production increased by 11.5% to 2.0 million tonnes, while production of cartonboard and flexible packaging paper grew by 6.0% and 28.6% to 264,000 tonnes and 121,800 tonnes respectively.

Tissue paper production also improved in H1, by 1.8% to 412,000 tonnes.

Pulp production increased by 15.8% on a year-on-year basis to 677,700 tonnes during the semester, while paper for recycling consumption grew by 9.9% to 2.6 million tonnes.

Sappi's Saiccor dissolving pulp mill in South Africa hit by fire

Sappi's Saiccor pulp mill in South Africa was hit by a blaze on Wednesday last week when a fire and subsequent explosion occurred on a supplier truck delivering liquid oxygen.

The company stated that the mopping up and assessment

French pulp and paper production H1 2024

(1,000 tonnes)

	H1 2024	Production % change
Graphic paper	397.2	2.8
Packaging	2,359.9	11.6
<i>Containerboard</i>	1,974.1	11.5
<i>Cartonboard</i>	264.0	6.0
<i>Flexible packaging paper</i>	121.8	28.6
Tissue	412.3	1.8
Other paper	173.6	17.4
Total P&B	3,343.0	9.5
Pulp production	677.7	15.8
Paper for recycling consumption	2,570.1	9.9

Source: Copacel.

operations have been completed and that damage is limited to the vaporisers and some peripheral equipment. Replacement equipment was being installed on Friday.

“Work should be completed by July 21, with [the timing of a] phased start-up then reliant on receiving the prerequisite Department of Labour approval,” ran the statement.

According to Fastmarkets RISI’s Asset Database, the Saiccor mill produces 890,000 tonnes/yr of elemental chlorine-free dissolving pulp.

Sun Chemical announces immediate price hike for EMEA ink offerings

Sun Chemical has announced that it will increase prices across a broad offering of its inks portfolio in the EMEA region effectively immediately.

The company cited a number of challenges in recent months including increasing sea freight rates from Asia, anti-dumping import tax, shortages and insolvency. The amount was not made public but will be communicated directly to customers, according to the firm.

“The pressure across the supply chain is causing a significant rise in ink’s raw material costs and unfortunately requires us to increase prices,” said Mehran Yazdani, president, global packaging and advanced materials, Sun Chemical. “We will continue to work with our sourcing partners to manage and minimize the impact on our customers,” he added.

Graphic Paper

Leipa stops CMR production on PM 1 at its Schwedt mill in Germany

Leipa has permanently idled PM 1 at its Schwedt mill in Germany, as previously announced in March. PM 1 had a capacity of some 170,000 tonnes/yr of recycled-based lightweight coated and mediumweight coated paper.

“In view of the challenges facing the paper industry due to external factors such as political decisions, a weak economic environment and declining demand for graphic papers, Leipa is taking proactive measures,” the firm said in a statement at the time of the announcement.

Leipa will continue production of coated mechanical reels (CMR) on the mill’s PM 4, which has a production capacity of 360,000 tonnes/yr.

Sappi to sell Lanaken mill to Dutch industrial property converter UTB

Sappi has signed a deal with Dutch industrial property converter UTB Waalwijk (UTB) for the sale of its Lanaken mill in Belgium.

UTB will buy all the shares in Sappi Lakanen, including all its assets, for Euro 50 million (\$55 million), of which Euro 40 million will be paid in cash. The sale is expected to be closed in October.

Sappi’s Lanaken mill was closed in December 2023. It used to produce 530,000 tonnes/yr of coated woodfree paper on two paper machines.

Woodfree paper distributor Inapa to file for insolvency

Paper distributor Inapa – Investimentos, Participações e Gestão (Inapa IPG) has said it will file for insolvency under Portuguese law, following the insolvency of its subsidiary Inapa Deutschland.

The German company filed for insolvency on Monday due to a Euro 12 million (\$13 million) short-term cash shortage for which no financing solution was found within the period established by German law.

“Aware of the immediate impacts the insolvency filing of Inapa Deutschland will have on Inapa IPG, the board of directors of Inapa IPG met and analyzed its financial situation, concluding that Inapa IPG is consequently and imminently insolvent,” the company said in a statement.

Inapa has an annual turnover of Euro 969 million and operates in Germany, France, Belgium, Luxembourg, Spain, Portugal, Austria, the Netherlands, Turkey and Angola.

Packaging

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Schumacher confirms talks in progress over sale of European facilities

Saica is the third largest RCCM producer in Europe at 3.3 million tonnes/yr. Its paper production is concentrated in Spain, France and the UK, but it has converting facilities in several European countries, and has voiced interest in expanding into eastern Europe for some time.

Schumacher strategy: The sale of its Polish activities covers more than half of Schumacher's packaging paper capacity: the company also operates the 200,000 tonne/yr Cardella RCCM mill in Italy, as well as two recycled cartonboard plants in Germany with a cumulative capacity of about 100,000 tonnes/yr.

Schumacher also runs considerable converting capacity in Germany, where two of its plants can process more than 300 million m² of corrugated board per year.

The firm explained this week that the sale of its Polish activities to Saica would not impact its general European business: "the spin-off of the subsidiary will have no impact on the operational business of the group, which will then have 2,400 employees and 17 locations in 5 European countries (Germany, Czechia, the UK, Italy, and the Netherlands). This is because the Polish organization works almost independently of other country organizations with its own management. Business will continue as before."

Nonetheless, Schumacher stated the deal is part of a future-proofing strategy of allying itself with larger firms, given the rash of recent big merger announcements in the containerboard sector. The firm is in advanced negotiations with "potential partners," a spokesperson confirmed, for its western European facilities.

"Although we are one of the fastest growing companies and recognised innovation and technology leaders in the [containerboard] industry in Europe, we cannot ignore these changing market conditions. In

a few years' time, the pressure on companies like us with a current turnover of around one billion euros will be noticeably greater than it is today," explained Björn Schumacher, Schumacher's CEO. "[. . .] against this backdrop, our analyses and future planning led us to the conclusion that continuing as an independent, family-run company would entail significantly more risks than continuing the business in a group with one or more larger competitors."

Heinzel shuts Raubling RCCM mill in southern Germany; machinery for sale

The Heinzel Group has finalized its plan to shut its Raubling recycled containerboard (RCCM) mill in southern Germany after a social plan was agreed with the local workers' council.

The terms of the agreement will see Raubling Papier cease all operations by December 31. According to a company spokesperson, paper production has already stopped at the mill, whose capacity Fastmarkets RISI's Asset Database puts at 230,000 tonnes/yr on two machines.

It had seen low operating rates for some time; Heinzel put its 2023 production at just under 181,000 tonnes, in itself a 20,000 tonne drop from what the company called a "weak" 2022.

The firm announced it is now selling the mill's assets. "Until then [December 31] the focus will be on selling machinery and equipment, so no production of paper. We assume that the sale of all machines and systems will take up to 2.5 years," said the spokesperson.

Hamburger moves to raise prices for white-top testliner by Euro 60/tonne from August 1

Hamburger Containerboard, a subsidiary of the Prinzhorn Group, has announced plans to increase its price for both coated and uncoated white-top testliner by Euro 60/tonne for deliveries from August 1.

In a statement announcing the hike, the firm attributed the move to continued high production costs.

Fire at Kipaş Kağıt's Söke mill in Turkey raises local objections

A five-day fire at a paper storage facility at Kipaş Kağıt's 720,000 tonne/yr Söke recycled packaging paper mill in Turkey has raised local objections. The company itself declined to comment on the incident, including its impact on operations.

Local actors were aggrieved over the incident, with farmers complaining about their water allotments being used to extinguish the blaze during a period of extreme local heat.

And the regional Republican People's Party representative attacked the mill for using excessive groundwater even during normal operations, exacerbating drought risks, and for multiple safety incidents since its 2021 startup.

STF Group to build new corrugated plant in Adygea, Russia by end of year

Russia's SFT Group, one of the country's largest producers of recycled containerboard

(RCCM), expects to complete the construction of its new corrugated packaging plant in Adygea, southern Russia by the end of the year.

SFT Group previously announced that the new plant, known as Kartonara-2, would be operational by September or October.

The plant, which will be located in the city of Maykop, is described as “the most modern corrugated packaging plant in southern Russia.” It will have a capacity of some 130 million m²/yr and will use 100% recycled paper. Some 135 new jobs will be created.

About Rouble 2.8 billion (\$31.7 million) will be invested into the project, Adygea’s regional government stated.

Stora Enso inks Euro 435 million loan with EIB to support fiber-based packaging at Oulu

Stora Enso has secured a Euro 435 million (\$474.3 million) loan with the European Investment Bank (EIB) to help support the growth of fiber-based packaging board.

The loan, set to be repaid in full by 2036, will assist in financing the group’s conversion project at its Oulu mill in Finland. Stora Enso is converting the remaining idle paper machine PM 6 at the site to folding boxboard and coated unbleached kraft production. PM 6 is expected to start up in the first half of next year.

Some 750,000 tonnes/yr of capacity are expected and annual sales of board produced by the machine are estimated at Euro 800 million.

The investment is expected to create 300 new jobs at the site.

“The investment in Oulu supports our growth strategy in renewable, circular packaging by providing new volume for the growing packaging segment. The wood fiber is sourced from sustainably managed forests in the Nordics, and the boards are designed to replace plastics in food and personal care packaging,” said Stora Enso executive vice president, packaging materials division Hannu Kasurinen.

“This new loan with EIB will not only provide us with financial flexibility, but it also underscores our commitment to sustainable, profitable growth. Securing access to long-term capital from a variety of sources is a pivotal element of our strategy, as it enables us to invest in new growth opportunities,” added Stora Enso SVP group treasury Kaarlo Höysniemi.

Ostroleka project: Elsewhere, Stora Enso has announced that it is investing Euro 30 million to expand corrugated packaging production at its Ostroleka mill in northeastern Poland.

The company stated that with a new 2.8 m corrugator and some other upgrades, Ostroleka would be able to meet increasing customer demand in the food, furniture and electronics sectors, as well as from e-commerce.

The company said that work on the site is expected to begin in the third quarter and be completed by the end of 2025.

The Ostroleka mill, which employs 1,040 people, manufactures about 660,000 tonnes/yr of finished paper and board products.

Van Genechten Packaging inks deal to acquire Poland’s DOT2DOT Group

Belgian folding boxboard (FBB) converting firm Van Genechten Packaging has signed a deal to acquire 100% of the shares of DOT2DOT Group, which operates in two locations in Poland (Gdańsk and Warsaw). The price tag of the deal was not made public.

DOT2DOT Group, founded in 1987, specializes in premium packaging solutions for the beauty, confectionery, personal and health care, and premium spirits sectors and posts a turnover of more than Euro 50 million/yr (\$54.6 million/yr).

“Apart from sharing the same DNA, we are leveraging our capabilities in several strategic market segments. With this acquisition, we are not only strengthening our European market position in premium packaging but also significantly extending our multinational customer base. We look forward to a successful collaboration and the exciting opportunities ahead,” said Van Genechten Packaging Group CEO Frank Ohle.

Specialty paper

France’s Stenay Papers goes into receivership

The Bar-le-Duc Commercial Court put French specialty paper producer Stenay Papers (Stenpa) into receivership (*redressement judiciaire*) on July 5. The company will now go through a six-month observation period, which can be prolonged twice.

The Stenay paper mill, which has a turnover of Euro 50 million (\$54 million), was sold by Ahlstrom to private equity holding Accursia Capital in October last year.

In a statement, Filpac CGT trade union accused Accursia of not having invested in the site, and accused Ahlstrom of not having played its role in supporting the mill with orders following the divestment.

Ahlstrom and Accursia Capital did not respond to a request for comment.

The Stenay mill produces one-side coated specialty paper for packaging applications, has a capacity of around 55,000 tonnes/yr, and employs some 120 people.

Tissue

Eren to build new TM at its Shotton mill in the UK

Modern Karton subsidiary Eren Paper is planning to build a new tissue machine at its Shotton paper mill in the UK.

The company filed an application for the project with the Flintshire County Council via SLR Consulting Limited. According to the proposal, the firm will install a single TM on the main site instead of the already-approved corrugating facility, which will now be located in another area within the site at a later period.

The Shotton mill already has approval for three tissue lines on the site and the investment decision on the other two tissue lines will be taken later. "We have our plans and permits for three tissue paper machines. However, it is a staggered base investment plan. We will implement the first one and, depending on the market conditions, we may implement the rest," Eren Paper CEO Sabri Çimen told *PPI Europe*.

"Analysis of the UK paper industry shows that the UK is currently a net importer of both containerboard products and tissue products, while at the same time being a net exporter of recycled paper. The proposed development is intended to close both these gaps by increasing production at the site, thereby allowing the use of more recycled paper, with the proposed new cardboard paper production facility using 100% recycled paper," the firm said in the application.

According to the original plan, approved in late 2022, Eren intends to install three tissue lines with a combined capacity of 210,000 tonnes/yr at the Shotton site, as well as a corrugated packaging plant with a capacity of 110,000 tonnes/yr.

It also plans to convert the mill's existing newsprint machine to a 650,000 tonne/yr recycled containerboard machine, to be known as PM 3.

The start-up of PM 3, originally scheduled for Q2 2024, has been postponed to H1 2025.

Russia's Kamilia to build tissue facility in Kaliningrad

Russian paper and board company Kamilia will construct a facility for the production of toilet paper and paper towels in the Khrabrovo industrial park in Kaliningrad, western Russia.

Kamilia, which has received permission for the scheme from Kaliningrad's ministry of urban development policy, will invest Rouble 20 million (\$227,000) in it. The company will begin the construction of the 0.67 ha facility this year. No details were released about its capacity.

"We looked at a large number of sites near Kaliningrad and chose the Khrabrovo industrial park because it provides the necessary infrastructure," Kamilia's general director Pavel

PRICING NOTICE: Open consultation on methodology for Global Pulp – Final Decision

Fastmarkets RISI invited feedback from the industry on the pricing methodology for Global Pulp, via an open consultation process between May 24 and June 28, 2024. This consultation was done as part of our published annual methodology review process.

Feedback was received during the consultation period of an immaterial nature that would not impact the result of price assessments. Therefore, while no material changes will be made to the methodologies at this stage, clarification indicating that the Effective List price treats changes in annually established discounts during the year as changes in the price will be included.

This consultation, sought to ensure that our methodologies continue to reflect the physical market under indexation, and is in compliance with the International Organization of Securities Commissions (IOSCO) principles for Price Reporting Agencies (PRAs). This includes all elements of our pricing process, our price specifications and publication frequency.

You can find the current methodology for Global Pulp here: <https://www.fastmarkets.com/methodology/forest-products/>

Polyakov said. "When water, sewerage, gas, and electricity are available, production costs are significantly lower."

Fiber

European consumer pulp inventories decline in June, consumption increases

Consumption of pulp in Europe moved north month on month in June, while consumer pulp inventories shrank, according to the latest figures released by UTIPULP.

Consumer pulp inventories stood at 637,773 tonnes in June, a decrease of 3.9% from the 663,658 tonnes registered in May, while consumption rose by 1.3% to 856,413 tonnes, the UTIPULP figures show.

Hardwood kraft pulp inventories declined to 400,527 tonnes in June, down from 425,279 tonnes the previous month, while softwood kraft pulp levels moved south from 207,091 tonnes in May to 203,736 tonnes in June.

In year-on-year terms, inventories were 5.6% lower than the 675,436 tonnes registered in June 2023, while consumption was 15.4% higher year on year.

The figures break down as 23 days of supply in June, one day less than both May this year and June 2023.

UTIPULP statistics include information from Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Portugal, Spain, Switzerland and the UK for sulfite and kraft pulp.



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