

PRELIMINARY STATISTICS 2023

European pulp & paper industry

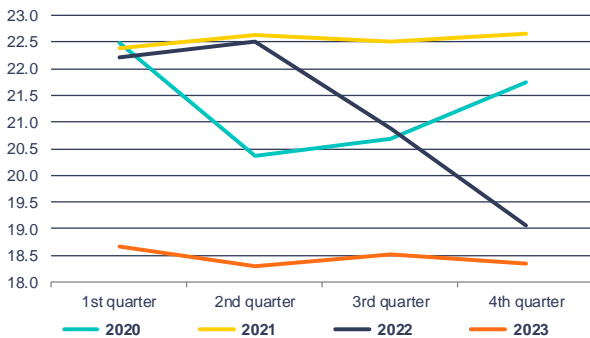


Consumption and production of paper and board in Europe followed a downward course, hit by the adverse macro-economic trends and a long-lasting movement of destocking.

In Cepi member countries¹, paper and board production decreased by 12.8% in 2023 compared to the previous year, according to preliminary figures, reflecting adverse macro-economic trends, long-lasting destocking along the supply chain throughout the year and the heavy impact on the industry of high energy and manufacturing costs. Total production in 2023 reached 74.3 million tonnes, with a decrease reported in all paper and board grades.

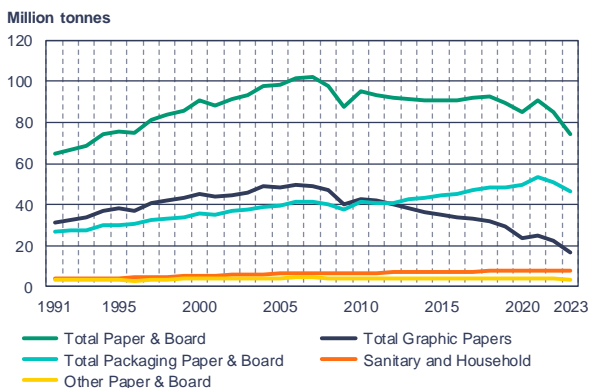
A decrease in production was observed in most global regions, but to a lesser extent than in Europe. Canada, Japan, the United States and South Korea recorded paper production falls ranging between 2.0% and 9.8%.

Quarterly production of paper and board in Cepi countries



In terms of individual paper grades, the structural divergence in the production trends for graphic grades and packaging as well as sanitary and household grades continued in 2023.

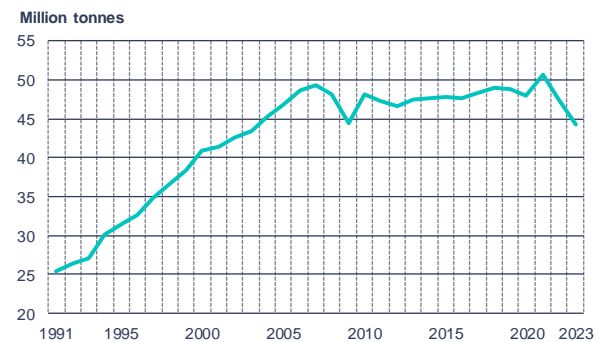
Production of paper and board in Cepi countries



The utilisation of paper for recycling by companies in the geographic area covered by Cepi members decreased by 6.9% compared to 2022.

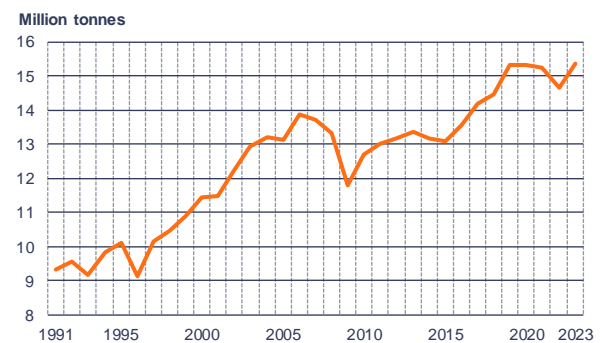
This is to put in relation with a decrease in packaging paper and board production, as European production is relying mainly on recycled feedstock. Another factor is the closure of certain graphic paper mills using paper for recycling.

Utilisation of paper for recycling in Cepi countries



Amongst these negative trends, European market pulp production grew by 4.8% in 2023, driven by dynamic exports to China.

Production of market pulp in Cepi countries



The depressed economic environment, with high inflation and interest rates and depressed private consumption, has heavily impacted demand. Apparent consumption of paper and board, measured by Cepi statistics, has decreased by 15.3%. This decline would be less pronounced if the consumption of stocks had been considered.

¹Cepi members are associations based in the following European countries: Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Italy, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, the Netherlands, and the United Kingdom.

The EU economy has grown by 0.6% in 2023 according to the latest estimates and is now forecast to grow by 1.2% in 2024. This places the EU among the least dynamic regions in the world.

Overall apparent paper and board consumption decreased by 15.3%.

The overall consumption of paper and board in Cepi countries in 2023 decreased by 15.3% compared to 2022, based on figures available for the first 9 months of the past year. It has been hit more severely than at any time during the Covid-19 pandemic, as private consumption expenditure was impacted by high interest and inflation rates.

As in 2022, sanitary and household paper was the most resilient segment, carried by the strength of the ‘at-home’ sub-segment, including products such as tissues or toilet paper, while the ‘away-from-home’ sub-segment suffered from less dynamic markets. Sanitary and household consumption decreased only by 3.7%.

Demand for graphic paper remained negatively impacted in 2023 (-27.5%), because of the declining demand observed in printing and publishing, compounded with the effect of destocking, which amounts to a significant share of the decrease. Packaging paper and board demand decreased by 12.2%.

Decrease in production of all paper and board grades

The production of packaging grades is estimated to have decreased by 9.1% compared to 2022. Within packaging grades, containerboard – mainly used for transport packaging and corrugated boxes recorded a decrease of 4.7%. The output of carton board plus and other packaging board mainly used for retail packaging decreased by 17.3%. The production of wrapping grades – used for paper bag production – decreased by 15.9%.

The share of packaging grades accounted for 62.3% (60.1% in 2022) of the total paper and board production, with graphic grades accounting for 22.6% (25.9% in 2022). Output of all other grades of paper and board – mainly for industrial and special purposes – decreased by 12.2%, with a share of 4.8% of total paper and board production.

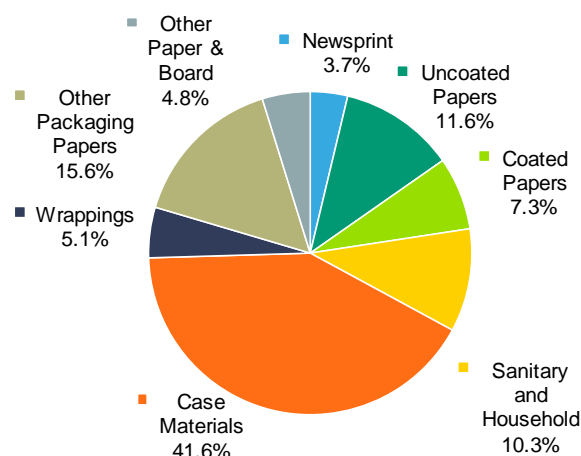
Sanitary and household paper manufacturers’ output decreased by about 4.4% compared to 2022 and accounted for 10.3% of total paper and board production.

The overall production of graphic grades fell by 24.6%. Newsprint decreased by 19.9% whilst printing and writing papers decreased by 25.4%, as a result of machine closures and conversions.

The production of printing and writing papers – used for magazines and catalogues, direct mail, directories, etc. – decreased at different rates depending on precise grade categories. Output of coated mechanical paper and uncoated mechanical paper decreased by 24.4% and 23.4% respectively. Uncoated woodfree grades - copy paper - have decreased by 23.9%, and coated woodfree grades were the most impacted with a decrease of 31.2%.

Overall, this means that production of coated and uncoated graphic papers decreased by 27.9% and 23.7% respectively. Production of woodfree graphics showed a decrease of 26.4%, while output of mechanical graphic papers fell by 23.9%.

Production of paper and board by grade in Cepi countries in 2023



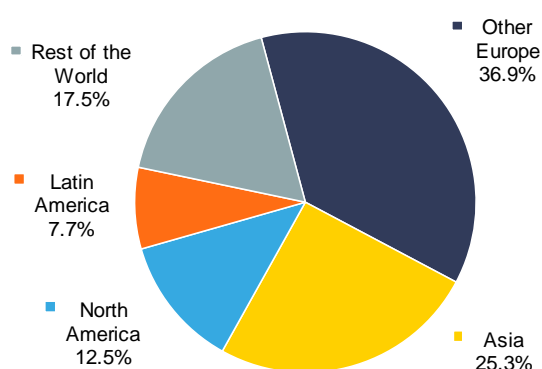
Paper and board deliveries by Cepi countries decreased by 15.4%, with exports falling by 15.7%

Based on cumulative data from the first nine months of 2023, it is expected that total paper and board deliveries for the year decreased by 15.4% compared to 2022, and exports outside Cepi by 15.7%. This reflects last year’s paper production decline in Europe and the global slowdown in economic growth. By the end of September 2023, deliveries of graphic grades had decreased by 27.3% whilst deliveries of packaging grades decreased by 11.9%.

Exports decreased by 15.7% by the end of September 2023, recording a huge decline in almost all regions: European neighbouring countries -18.2%, North America -30%, Latin America -33.8% and other countries of the world -11.8%. Exports to Asia went up by 5.2%, with a 29.6% increase recorded for China.

In terms of market share, other European countries remain the main markets for exports with 36.9% of total European exports; Asia accounts for 25.3%, North America 12.5%, Latin America 7.7% and all other countries 17.5%.

Exports of paper and board by region in 2023



Preliminary indicators show that imports of paper and board into Cepi member countries decreased by around 14.0% compared to 2022, with decreasing volumes coming from other European countries (-29.3%). Other European countries, not represented in Cepi's membership, account for 38.9% of all European imports, North America 28.2%, Asia 21.6%, Latin America 6.1% and the rest of the world 5.3%.

As a result, the trade balance of paper and board has decreased by 16.4% compared to 2022 but remains largely positive.

Total pulp production decrease by 6.2% while market pulp production increased by 4.8%

The production of pulp (integrated + market) has decreased by 6.2% compared to the previous year, with a total output of approximately 33.5 million tonnes. Output of mechanical pulp decreased by 12.2%, whilst production of chemical pulp fell by 4.5% compared to 2022. Chemical pulp accounts for 79% of total pulp production. Output of market pulp showed an increase of 4.8%.

DISCLAIMER

Cepi statistics are collected on a regular basis from our members, the National Associations. The compliance of our statistics reports with EU competition laws is periodically checked by licensed experts. Furthermore, Cepi has commissioned Deloitte to issue each year a limited assurance statement on its data quality.

Sustainability statistics will be reported on in another report, to be published in 2024.

Two annual reports are available on Cepi's website:

<https://www.cepi.org/statistics/>

- Preliminary Statistics 2023 - February 2024

- Key Statistics 2023 – will be made available in July 2024

Statistics subscriptions

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