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mills which operate their own power plants, creating what insiders described as a split in the market. Mounting haulage issues were reportedly leaving their mark, as well. All told, uncertainty was growing and mills were increasingly reluctant to buy recovered paper.

Market players' forecasts for recovered paper prices were mixed on the whole. A few market players certainly think that prices might fall sharply in the weeks ahead. Widespread machine stoppages, dwindling consumer spending and the resulting cooler demand for recovered paper might quickly tip the balance on the recovered paper market, sources believed.

Yet, other insiders expect that prices will remain on their upward path. The availability of recovered paper will likely take a turn for the worse on the German market because of the Easter holidays and exports to Asia, they said. What is more, higher haulage costs had to be reflected in recovered paper prices, they added. □

Spain reports higher corrugated board output in 2021

The Spanish corrugated board industry concluded 2021 with significantly higher output and sales. According to figures published by Spanish industry association Asociación Española de Fabricantes de Envases y Embalajes de Cartón Ondulado (AFCO), Spanish companies last year produced 6.12 billion m^2 of corrugated board, 570 million m^2 more than in the previous year. Member companies of the industry association also increased total sales, which were up from €5.27bn in 2020 to €6.27bn in the reporting year.

Spanish companies in 2021 consumed 3.46 million t of corrugated case material to produce corrugated board compared to 3.18 million t in the previous year. AFCO adds that Spain still ranks third after Germany and Italy in the line-up of Europe's biggest corrugated board producing countries.

The 71 Spanish corrugated board producers together operate a total of 89 facilities in the country and employed 23,797 (2020: 23,530) persons last year.

Noticeable shifts were observed in 2021 in the target markets to which corrugated board from Spain were delivered. 35 per cent of total deliveries were sent to the food sector compared to just 16 per cent in 2020. The agricultural sector was the next biggest buyer accounting for a share of 25 per cent (2020: 23 per cent) followed by the beverage industry with 9 per cent (15 per cent).

Spain's per capita consumption of corrugated board in 2021 increased to 65.9 kg from 60.7 kg in 2020. □

Austrian converters have to pass on higher costs

Given the persistingly high cost burden, Austria's manufacturers of paper and board products feel forced to push through further price increases, says Propak, the Austrian Professional Association of the Paper Converting Industry. Energy and raw material prices had risen drastically since the end of 2020, and there was nothing in sight that would stop the price spiral, the association noted.

According to Propak, the order situation in the industry was excellent, which made the situation even more paradox. While the volume of orders on hand was rising, costs were simultaneously rising drastically, the association said, adding that it was above all raw material scarcity that was driving paper and board as well as raw material prices up.

The situation was aggravated by the unprecedented increase in energy and logistics costs as well as the highest rate of inflation in a decade, which also causes a massive rise in wages and salaries to be paid by the industry's companies, Propak explained. With effect from 1 March 2022, approximately 9,000 workers employed by Propak's member companies have reportedly earned 4 per cent more. □

Intergraf warns of aggravating paper shortage and its repercussions on industry and economy

European printing industry association Intergraf has once again called attention to the ongoing "paper crisis" in Europe and warned that the situation could be further aggravated, with severe repercussions on the supply of print and paper products for all economic markets. According to the European printing association, the industry is experiencing an unprecedent crisis as strong increase in graphic paper prices was followed by a shortage of paper supply across Europe.

Paper supply issue constituted a threat not only to the graphic and printing industry but also endangered its support function for all sectors and the much needed rebound of the European economy, Intergraf said. The industry "produces schoolbooks, labels for food or pharmaceutical products, advertising, packaging of all kinds as well as printed media such as books, magazines and newspapers. The continuous supply of these products is in real danger," Intergraf stressed.

Intergraf names several reasons for the current "paper supply shortage" in Europe and calls for immediate action in order to resolve these issues. Among other things, total graphic paper capacities in Europe have been reduced in the last 5 years by 26 per cent. In addition, the ongoing strike at UPM's paper mills in Finland – now set to last until the end of March or even April – aggravates the situation for the supply of paper and board in Europe in the very short term. "The stocks of printing companies will not last until the strike has been settled," Intergraf stressed once again.

Besides these two arguments tightly related to paper production capacities and output, there is a lot of uncertainty regarding continuous supply of energy and fibre in Europe. According to Intergraf, the paper industry is experiencing reduced availability of recovered paper and increased competition for wood fibres from several other sectors like construction, textile, or energy. This situation is further aggravated by the current war in Ukraine which is reportedly not only having impacts on energy prices, but also on wood and pulp supplies for European paper companies.

Against this background, Intergraf calls for an immediate stop or at least a significant reduction of exports of pulp and paper to third countries to safeguard the autonomy of Europe's printing and publishing industries. The association also once again urged UPM and the Paperworkers Union (Paperliitto) to find a quick solution and bring the ongoing strike to an end in order to guarantee the availability of paper and board on the European market.

Intergraf voices concern about the impacts of EU 2030 Forestry Strategy on wood supply

In the longer term, Intergraf is also calling on governments and companies to find a way to secure European autonomy on wood, pulp and paper supplies for all economic sectors by ensuring a sufficient supply of raw material and production capacity in Europe. In this vein, Intergraf has already addressed the European Commission (EC) on the potential negative impacts of the new EU Forest Strategy for 2030 on the availability of wood for the production of paper and board, writes Germany's printing and media industry association Bvdm.

Furthermore, Intergraf pointed to anti-dumping and countervailing duties on imports of certain graphic paper grades from China and called on the European Commission to take the situation of printers into account if an extension of these duties is being considered, according to Bvdm.

Responding to Intergraf, the EC stressed that forest-based and related industries, including printing and publishing, played a central role in the EU bioeconomy, agreed to discuss aid measures in line with EU legislation, Bvdm announced.

A meeting between Intergraf and EC representatives is reportedly scheduled for April. □