

Stora Enso considers rebuilding second idled PM at Oulu mill to produce packaging board

"Responding to strong consumer demand to replace plastic in packaging"

Stora Enso is considering to rebuild the idle wood-free coated paper machine (PM 6) at its Oulu mill in Finland to produce folding boxboard (FBB), coated unbleached kraft (CUK) and liner grades. The company said that it was starting a feasibility study and could make a final decision by the end of this year if the feasibility study was successful. The planned capacity of the converted machine would be 750,000 tpy, capital expenditure for the project is estimated to amount to €900-1,000m during 2023-2026.

Stora Enso said that the project was line with its strategy to invest in growth to meet demand for sustainable packaging and replace plastic in packaging. It will evaluate the profitability of the possible conversion and is seeking to optimise synergies with the current production at the Oulu site, where it started production of kraftliner on the other former woodfree coated paper machine at the beginning of last year.

Cartonboard from the converted machine would serve customers in the frozen and chilled food and beverages segments as well as in non-food markets such as pharma and cosmetics. The

investment would include the conversion of the PM 6 and the sheeting facility. In addition, investments would also be made in wood handling, the BCTMP plant, the biomass boiler and the effluent plant at the site.

Stora Enso estimates that the Oulu mill's future pulp wood demand would be around one million cubic metres, which could be met by volumes available after the closure of the Veitsiluoto mill. Captive chemical pulp would be used for the project, Stora Enso says, reducing its net market pulp exposure by approximately 300,000 tpy. About 150-200 new employees would be needed for the project, including for tasks as logistics and maintenance.

The company said it was expecting future demand for packaging board to be strong. Furthermore, the company has already gained experience for such conversions from the rebuild of the other fine paper machine at the Oulu site. The PM 7 produced the last reels of WFC paper in September 2020 and was then rebuild to produce up to 450,000 tpy of brown and white-top kraftliner. PM 6 was also shut down in September 2020. □



Kaipola Green Port plans to develop Kaipola real estate

UPM sold the Kaipola mill site in Jämsä, Finland, to Kaipola Green Port Oy at the end of 2021. Kaipola Green Port is a real estate development company owned by Finnish private citizens. Before, UPM closed down the Kaipola paper mill in early 2021 for good. According to a press release, the sale only encompassed the real estate. Reports indicate that Kaipola Green Port plans to convert the mill site to other production and industrial logistics purposes.

In addition to the Kaipola paper mill, UPM also sold the Shotton paper mill in Wales and the Chapelle Darblay paper mill in Grand-Couronne, France, in the course of the past 12 months. □

Sweden: market pulp production and deliveries

January - December 2021

1,000 t	January - December		%
	2021	2020	2021/2020
Production			
Mechanical pulp	448	437	+ 2.4
Chemical pulp	4,301	4,355	- 1.2
Total	4,748	4,792	- 0.9
Exports			
Mechanical pulp	345	341	+ 1.2
Chemical pulp	3,810	3,909	- 2.5
Total	4,155	4,250	- 2.2
Deliveries of chemical pulp by destination			
EU excl. Sweden	2,105	2,046	+ 2.9
Germany	517	567	- 8.9
France	260	272	- 4.6
Italy	332	276	+ 20.4
Other Europe	485	511	- 5.1
United Kingdom	224	244	- 8.5
Asia	787	1,020	- 22.9
China	412	667	- 38.2
North America	343	222	+ 54.3
Other countries	91	109	- 17.0
Total exports	3,810	3,909	- 2.5
Domestic deliveries	474	430	+ 10.1
Total deliveries	4,284	4,339	- 1.3

Chemical pulp = bleached sulphate, unbleached and bleached sulphite

Source: Swedish Forest Industries Federation

Strike at UPM's Finnish mills extended again

The Finnish Paperworkers' Union Paperiliitto has extended the strike at UPM's mills by another three weeks. The strike will continue until 6 a.m. on 2 April 2022 unless a new collective agreement is reached before then, Paperiliitto wrote.

The Paperworkers' Union's strike at UPM Pulp, UPM Biofuels, UPM Communication Papers, UPM Specialty Papers and UPM Raflatrac units in Finland began on 1 January 2022. Currently, approximately 200 union members work at the mills in tasks critical to society, such as power plants and water treatment facilities.

"In recent weeks the parties have negotiated both in the presence of the National Conciliator as well as in one-on-one negotiations. The parties now are familiar with each other's objectives, so the negotiators have the chance to bargain and reach business-specific agreements," says Jyrki Hollmén, Vice President, Labour markets, UPM.

All UPM businesses have organised internal teleconferences where the negotiation goals have been opened and the personnel has had an opportunity to ask detailed questions, UPM wrote. □