

or close it. In addition, it is also possible that Stora Enso's Langerbrugge mill in Belgium, which is not for sale, could be rebuilt to produce packaging paper for integrated consumption.

It therefore looks increasingly likely that the recent price levels for publication paper could be roughly maintained. Prices for standard newsprint, like all other printing and writing paper grades, recently reached new highs. Peak prices were said to be more than €900/t, while a large share of quotes were between €800-900. Prices in excess of €1,000 were reported for LWC, and SC paper has reached levels that in extreme cases are not far off the €1,000 mark. Since gas prices have retreated from the peak in early March, some producers have now lowered their energy surcharges. But chronically elevated energy costs will certainly be an ongoing factor in pricing.

It is a similar picture for fine paper, where quotes far over €1,000 are now the rule rather than the exception. With the decision to sell the Stora Enso Nymölla mill, the future of around 340,000 tpy of capacity for woodfree uncoated paper is now up in the air. In addition, there is the rebuild of the Double A/VPK Alizay mill and the closures that have occurred recently.

Corrugated case material consumption will decide price development

A completely different market situation has been seen on the market for corrugated case material, but it has also been driving price developments. This market grew by nearly 10 per cent last year. As a result, paper producers were able to pass on higher production costs to buyers despite the new capacities added to the market. The price

hike announced in April in response to surging gas prices in early March apparently went through, even though the market has not shown signs of scarcity and is considered more or less balanced. Consumption in the current year will determine whether the upcoming new production capacity, for example, at Norske Skog or the former Stora Enso Eilenburg mill, can be absorbed in the near future. So far, market participants are expecting growth of 3-4 per cent, an assumption that may need to be corrected downward.

Prices for virgin-fibre corrugated case material exceeded the €1,000 mark in some cases and also reached new record highs. Even if possible overcapacity occurs, paper producers will not be able to let prices sink back to the level of two years ago because they still face strong cost pressure, and their break-even point will probably be much higher. □

All negotiations between UPM and Paperworkers' Union suspended, strike to continue until 14 May

UPM and the Finnish Paperworkers' Union again failed to reach an agreement on a new collective agreement. On 14 April, the union rejected four settlement proposals submitted by the mediator for UPM Pulp, UPM Specialty Papers, UPM Raflatrac and UPM Biofuels. Paperiliitto says that the unanimous decision to reject the four settlement proposals was made because of the previously ended negotiations with UPM Communication Papers. Without the paper segment, the four compromise proposals would cover only half of UPM's unionised employees in Finland, the union explains.

As a result, the exceptionally long strike at UPM's pulp and paper mills in Finland continues. The union's executive committee has announced that it will be extended until 14 May, unless an agreement can be reached before then.

UPM says that Paperiliitto had previously agreed that each UPM company could reach a settlement on its own. This was one of the main objectives of

the UPM group, which wanted to get out of the unity agreement for all Finnish sites.

"The mediation found settlement proposals for four businesses that took the needs and wishes of both parties into account. We were confident that both parties undertook to accept these settlement proposals and industrial peace would resume", Jyrki Hollmén, Vice President, Labour Markets at UPM explains.

"UPM has backed itself into a corner because of its drastic targets and does not seem to be moving," Petri Vanhala, chairman of Paperiliitto, commented on the deadlocked situation.

About 2,000 UPM employees are currently on strike. About 200 union members work in areas such as heat generation and water management, which must remain in operation according to a court order dated 21 January 2022.

UPM reiterates that it serves its customers as much as possible from mills outside Finland. First quarter results will be announced on 26 April. □

Segezha not affected by British sanctions

In the context of the latest British sanctions which took effect on 13 April 2022, Segezha Group PJSC, a subsidiary of Sistema PJSC, informs that it is not affected by strictures against the parent company's founder and principal shareholder Vladimir Yevtushenkov.

Sistema PJSC owns 62.2 per cent of ordinary shares in Segezha Group, the company said. Mr Yevtushenkov reportedly owns 49.2 per cent of the equity in Sistema PJSC. He is said to indirectly control roughly 30.6 per cent of Segezha Group. Around 25 per cent of the shares in the Segezha

are held by miscellaneous owners at the Moscow stock exchange. The company's shareholders also reportedly include international investors. The company added that Mr Yevtushenkov does not hold any leading position in Segezha group's management.

Segezha Group continues to do business as usual, the Russian forestry products company informed. No legal or natural person involved with the company is currently subject to sanctions imposed by the USA, EU, Norway, Switzerland, Japan, Australia or Singapore, the company clarified. □

NEWS IN BRIEF

Chilean pulp and board producer **Empresas CMPC** has completed the acquisition of certain assets of Brazil's pulp, paper and packaging manufacturer **Iguaçu Celulose, Papel**. The acquisition covers three facilities in Brazil's Paraná and Santa Catarina states with total capacity of 105,000 tpy of unbleached softwood pulp, 120,000 tpy of sack kraft paper, 21,000 tpy of speciality paper as well as converting lines to produce around 500 million paper sacks per year. The transaction also includes 1.9 million m² of forestry assets. Iguaçu's Frei Rogério, Santa Catarina, mechanical pulp mill is not included in the deal.

Brazilian paper, cartonboard and packaging manufacturer **Klabin** announced on 12 April that it had begun the process of restarting its board plant in Monte Alegre. A stoppage for maintenance at the site, which makes fresh-fibre cartonboard, started on 5 April and was slated to end on 16 April.

Sappi Europe has announced plans to raise prices for coated mechanical reels by 8 per cent with effect from 15 May for its European customers. Sappi said that it was raising prices due to ongoing high cost and volatility in raw material, energy and transportation costs.

Italian coreboard manufacturer **Cartonificio Sandreschi** will modernise its plant in Villa Basilica in Italy's Tuscany region. According to a press release from **Toscotec**, who was entrusted with the rebuild work, Cartonificio Sandreschi is planning to completely renew the wet end and press sections of its PM 1. The rebuild work is scheduled to be carried out in the third quarter of this year and is particularly aimed at increasing machine efficiency. Cartonificio Sandreschi produces coreboard for use in the tissue and textile industries as well as edge protectors.