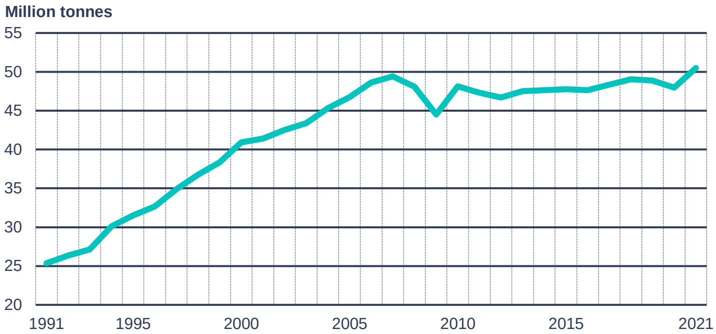
Utilisation of paper for recycling in Cepi countries

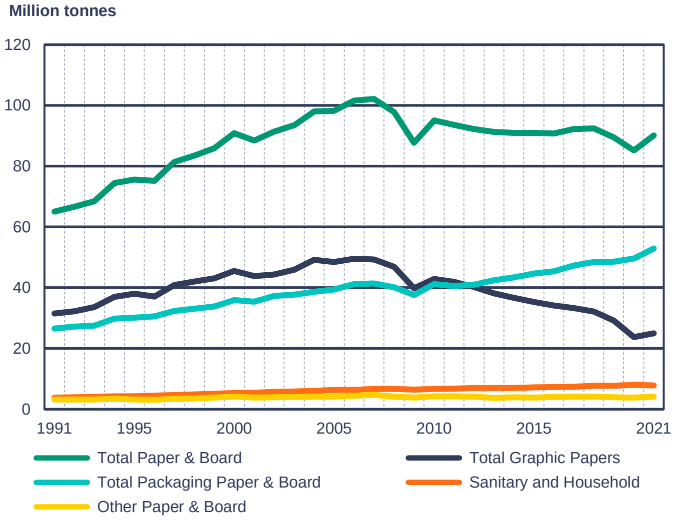


Paper and board production increased by 5.8% in 2021, returning to pre-Covid level

Cepi member countries' paper and board production increased by 5.8% in 2021 compared to the previous year, according to preliminary figures. Total production in 2021 reached 90.2 million tonnes, with an increase reported in almost all paper and board grades, in line with the growth of the EU's economy.
The EU GDP achieved a growth rate of 5.0% for 2021, contrasting with the decline recorded in 2020 (-6.1%). Following a strong recovery by 5.3% in 2021, the EU economy is now forecast to grow by 4.0% in 2022 and by 2.8% in 2023.

This rebound was also observed in most countries in the world. China, the US, Japan, India, Korea and Canada recorded paper production growth ranging between 2% and 7%. As a result, global paper and board production went up by around 3.0% in 2021, according to first estimates, after the sharp decline recorded the year before (-5.0%).

Production of paper and board in Cepi countries



The pandemic has shown that paper products are essential goods. Tissue and hygiene products are of vital importance to EU citizens: paper tissues offering the safest option in their product category. Fibre-based protective packaging is essential to transport all types of food, pharmaceutical, and medical supplies. The structural divergence in the production trends for graphic grades and packaging grades continued in 2021, reinforced by the sanitary crisis.

Paper for recycling utilisation was up by 5.3%

The utilisation of paper for recycling by paper companies in the Cepi area increased by 5.3% compared to 2020, reaching its highest level ever at 50.5 million tonnes. Moreover, 96% of European paper for recycling utilisation is supplied domestically. The pandemic and the changes induced on the society impacted the availability and quality of paper for recycling. Exports went down by close to 25% according to preliminary statistics.

Overall paper and board consumption benefited from the economic rebound and increased by around 5.0%

The overall consumption of paper and board in Cepi countries in 2021 increased by around 5.0% compared to 2020, based on the latest data available. It benefited from the much more favourable economic environment. This crisis and the periodical confinements and restrictions have accelerating consumption patterns change and will have a long-lasting impact.
In continuation from the past 2 years, the pandemic has accelerated consumption patterns changes and resulted in a growing demand for packaging grades of paper and board. Demand for graphic paper remained negatively impacted in 2021 like in 2020, because of the declining demand observed in printing and publishing.

Sanitary and household grades consumption declined by 4.1% because of the lockdowns and restrictions, primarily within professional hygiene and the 'away-from-home' markets, but should continue to benefit from higher hygiene requirements over the long term.

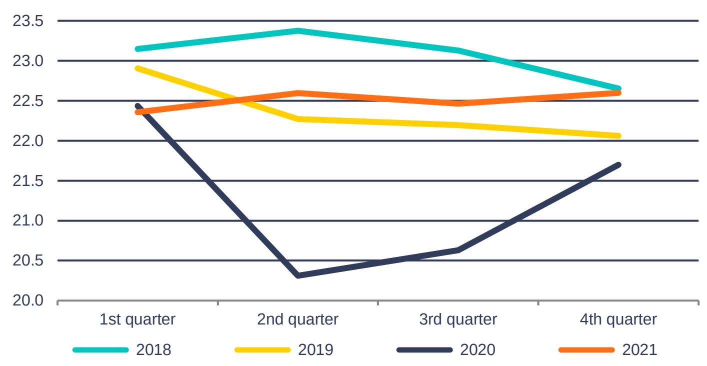
Packaging paper and board has benefited from e-commerce growth and the substitution trend out of fossil-based materials. Consumption has become much more packaging intensive; i.e. more food and products are consumed in a package form. As mentioned above, paper packaging remains also essential to transport and deliver all types of food and pharmaceutical supplies, such as medicines, in protective packaging.

Increase in production of all paper and board grades except newsprint and sanitary and household

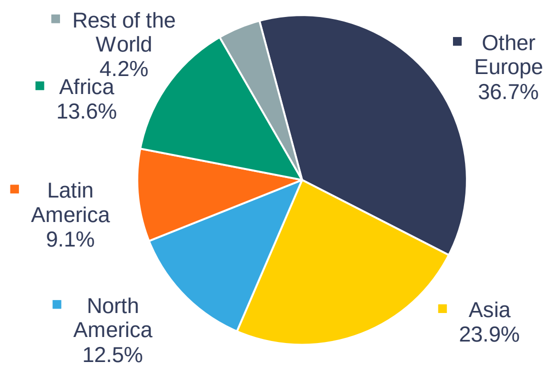
The production of packaging grades is estimated to have increased by 7.1% compared to 2020 (2.1% in 2019), reaching the highest level ever. Within packaging grades, case materials – mainly used for transport packaging and corrugated boxes – was positively impacted by the current e-commerce boom and recorded an increase of 7.8%. The output of carton board plus other packaging board – mainly used for retail packaging – increased by 4.1%. The production of wrapping grades – used for paper bag production – increased by 11.7% and benefited from substitution effects resulting from the EU-backed phase-out of plastic packaging.

The share of packaging grades accounted for 58.7% (58.2% in 2020) of the total paper and board production, with graphic grades accounting for 27.8% (unchanged). Output of all other grades of paper and board – mainly for industrial and special purposes – increased by 9.6%, with a share of 4.8% of total paper and board production.
After a peak reached at the beginning of the Covid crisis, sanitary and household paper manufacturers' output decreased by about 2.5% compared to 2020 and accounted for 8.7% of total paper and board production.

Quarterly production of paper and board in Cepi countries



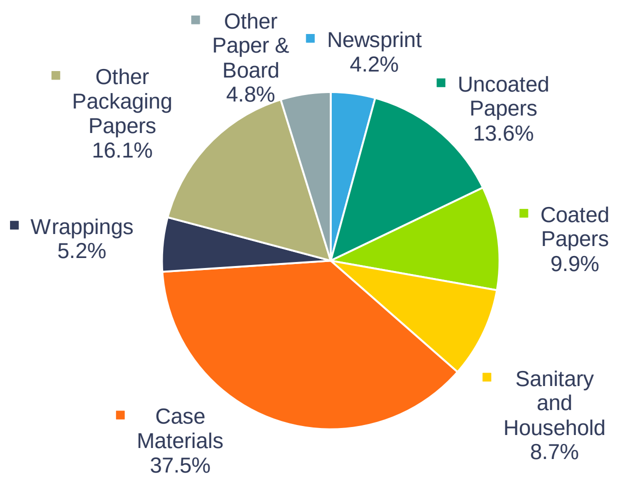
Exports of paper and board by region in 2021



The overall production of graphic grades rose by 5.4%. Newsprint decreased by 7.4% whilst printing and writing papers increased by 8.0%. The pandemic has accelerated this already well-established structural decline. Permanent mill closures or machines conversions have been announced, to adjust to the situation.

The production of printing and writing papers – used for magazines and catalogues, direct mail, directories, etc. – increased with different trends from one grade to another. Output of coated mechanical paper and uncoated mechanical paper rose by 7.4% and 6.1% respectively. Uncoated woodfree grades - copy paper - have increased by 8.4%, and coated woodfree grades by 10.2%.
Overall, this means that production of coated and uncoated graphic papers increased by 8.8% and 7.5% respectively. Production of woodfree graphics showed an increase of 9.1% whilst output of mechanical graphic papers rose by 6.7%.

Production of paper and board by grade in Cepi countries in 2021



Paper and board deliveries by Cepi countries increased by 5.8%, with exports rising by 9.2%

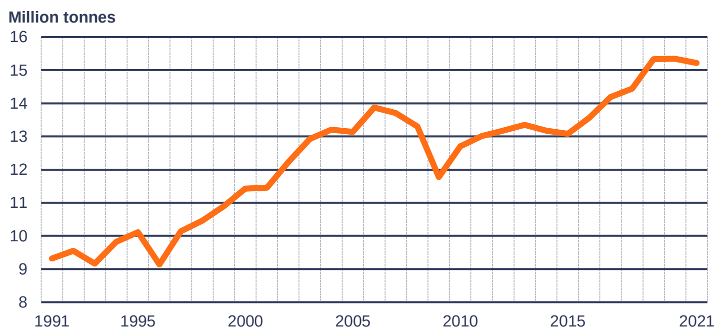
Based on cumulative data from the first nine months' of 2021, it is expected that total paper and board deliveries for the year increased by 5.8% compared to 2020, and exports outside Cepi by 9.2%. By the end of September 2021, deliveries of graphic grades had increased by 4.8% whilst deliveries of packaging grades rose by 7.3%.
Exports increased by 9.2%, recording a huge increase in almost all regions: European neighbouring countries +10.3%, North America +20.4%, Latin America +27.7%, and other countries of the world +13.9%. Exports to Asia declined by 5.0%.
In terms of market share, other European countries remain the main markets for exports with 36.7% of total European exports; Asia accounts for 23.9%, North America 12.5%, Latin America 9.1% and all other countries 17.8%.

Preliminary indications show that imports of paper and board into the Cepi area increased by around 1.5% compared to 2020, resulting from the increasing volumes coming from other European countries (+21.8%). Other European countries account for 50.0% of all European imports, North America 21.7%, Asia 10.0%, Latin America 5.8% and the rest of the world 12.3%.
As a result, the trade balance of paper and board has increased by 12.3% compared to 2020.

Total pulp production increased by 2.2%, but market pulp production fell by 0.8%

The production of pulp (integrated + market) has increased by 2.2% compared to the previous year, with a total output of approximately 37.0 million tonnes. Output of mechanical pulp remained unchanged, whilst production of chemical pulp rose by 2.9% compared to 2020. Chemical pulp accounts for 77% of total pulp production. Output of market pulp showed a limited decrease of 0.8%.

Production of market pulp in Cepi countries



Cepi countries in 2021

Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

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Preliminary Statistics 2020 & Key Statistics 2020
https://www.cepi.org/statistics/
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