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Navigator Increases Paper Prices in Europe up to 6%

Following the outstanding escalation in raw materials, logistics, energy and other costs throughout 2021, The Navigator Company will increase paper prices in Europe up to 6%, effective 27-Sep.

Since the beginning of the pandemic, the industry has been operating within a framework of unacceptable margins to remunerate capital, which jeopardizes its future sustainability. The escalation of prices for raw materials and subsidiaries, logistics, energy and CO2 throughout 2021 has brought even more pressure to these margins forcing the Company to raise prices to recover acceptable levels of profitability.

The present context on the demand side, with record high order books and supply limitations and disruptions supports this margin recovery movement along the value chain.

Sonoco to Increase Prices for Uncoated Recycled Paperboard in North America

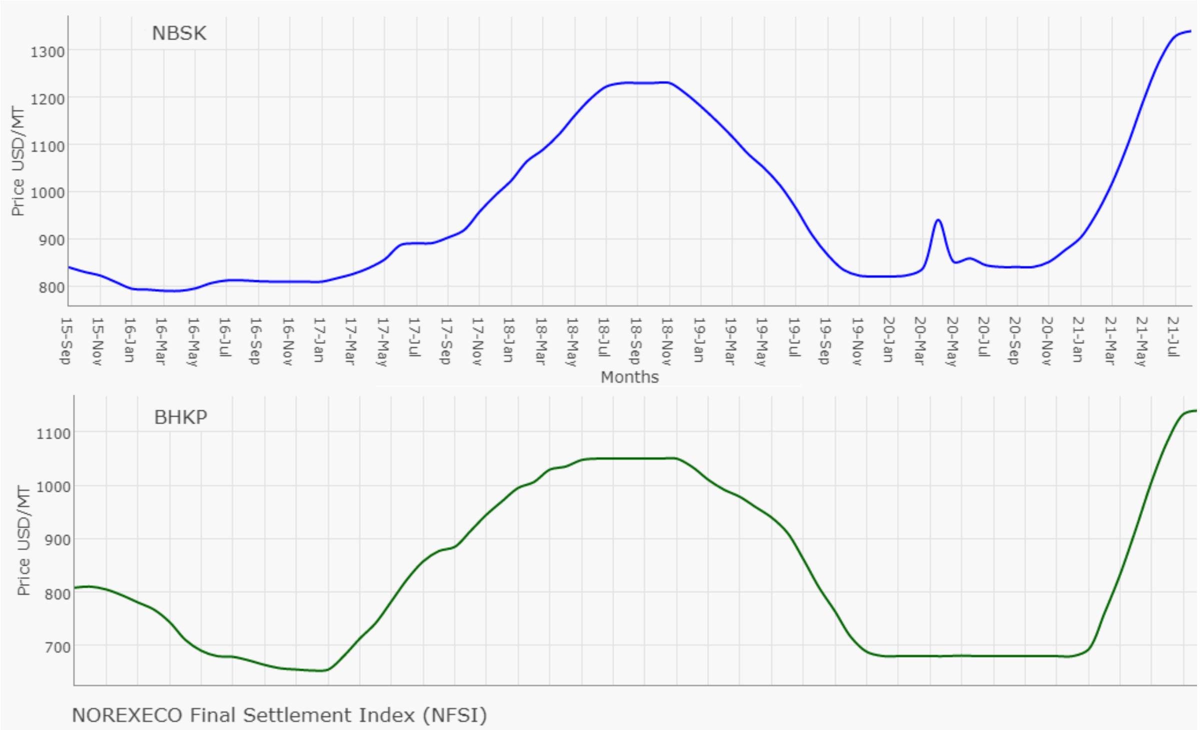
Sonoco will implement a 70 $/ton price increase for all grades of uncoated recycled paperboard (URB) in Canada and the U.S., effective with shipments beginning Sept. 7, 2021.

In a statement, Sonoco says the price increase was in response to continued tight market conditions as strong demand across the company's U.S. and Canada mill network has resulted in order backlogs remaining at near-historic highs as well as inflationary pressures on papermaking.

This is the company's second price hike on North American uncoated recycled paperboard this year.

Metsä Board Announces Hefty Price Increase

Cartonboard prices have been rising in the past months. In a market that is shaped by long delivery times and high costs, Metsä Board has now announced another hefty price increase from November onwards.



European Magazine Paper Prices Increase Sharply

European magazine paper prices rose sharply in July for deliveries in the second half of the year despite still sitting at low levels. These price hikes are not strictly linked to increased European paper demand, instead caused by European producers attempting to reduce the losses linked to steep increases in all raw material costs.

Supercalendered (SC) paper prices and lightweight coated (LWC) paper prices increased in both continental Europe and the UK.

Upward Price Pressure Persists for Mixed Paper in Italy

Although the price level for ordinary recovered paper grades in Italy is already high, mixed paper prices sometimes rose again a little in July. The grade is particularly hard to source. Brisk business on the paper markets is keeping prices for recovered paper high in Italy. Corrugated case material manufacturers, in particular, were enjoying persistently good order intake in July and were constantly buying large quantities of recovered paper. Strong demand was coinciding with a supply situation that market players described as neither abundant nor especially weak.

Against this backdrop, OCC (1.05) prices in July were stable. Prices for mixed paper and board (1.02), on the other hand, were under more pressure. Market players told EUWID that the grade was hard to track down. As a result, a couple of hikes - mostly in the region of €5/t - emerged now and again for mixed paper in July. Some prices also stayed the same as in June.

Online Retailers Get Boxed in by Higher Cardboard Prices

Recycled cardboard, an alternative to using new pulp, is also in short supply. “Boxes, specifically, are the most recycled packaging in the U.S.,”. Dotcom Distribution provides snazzy fulfilment services for pricey online retailers. “We like to think of ourselves as not only are we putting widgets in boxes, but if they paid $125 per T-shirt, they also got an experience,” says CEO Maria Haggerty.

Voith Announces Necessary Price Adjustments for the Paper Industry

Voith announced that it has to make price adjustments in the paper industry. One of the many impacts of the global pandemic is the enormous cost increases in many industrial sectors, such as raw materials, packaging and transport. The company stated in a release that it was able to offset this development through various measures, thus managing to avoid significant price increases for its customers. However, given the current market situation, Voith is unable to compensate all increased costs any longer. It is therefore forced to make price adjustments for some products and services in the paper industry.

Prices will increase between 2.8% and 4.2% in the product areas of paper machine clothing, shoe press sleeves, roll covers, mechanical roll service and doctoring solutions. Voith will announce further details in autumn. The new prices will then be applied to newly placed orders.

Recycled Pulp Prospects

Unbleached recycled fiber pulp (URP), also referred to as recycled fiber (RCF) pulp, is a relatively new grade of market pulp that is produced using recovered paper that has been processed through fiber stock preparation systems, formed and then dried or dewatered and shipped in bales or rolls. Wet lap pulp is a wetter version of URP.

Many URP projects were in response to China's restrictions and ultimate ban on recovered paper imports. While paper mills in China can't import old corrugated containers (OCC) to make containerboard, these mills can import URP. Some recyclers have wondered if China could reverse its ban on recovered paper imports, which would greatly reduce the need for URP. Johnny Gold, president of Boston-based The Gold Group Recycling Consultants LLC, says he doesn't think that will be the case, though.

"I don't think these recycled pulp projects are just a Band-Aid because the investment made into them is multiple millions to build new machines and retrofit them," he says. "I still think it's economically expensive, but this must be the way mills over in Asia have to handle it."

To make recycled pulp, mills use a blend of OCC as well as some mixed paper. The pulp can be used to make either containerboard or away-from-home tissue products. To make containerboard, URP incorporates higher levels of OCC; to make away-from-home tissue products, URP incorporates higher levels of mixed paper.

Recovered paper prices began to rise at the start of this year, and the URP price also followed a similar trend upward to start the year. At the start of the year, Fastmarkets RISI began tracking brown recycled pulp pricing. In January, brown recycled pulp was $450 per ton CIF (cost, insurance and freight) to China. The price rose to $480 per ton CIF in February and to $520 per ton CIF in March. However, the price has hovered at about $520 per ton since then and was at $515 per ton CIF in July.

A handful of mills currently produce URP. Some speculative projects also are said to be on the way in the U.S. and Southeast Asia. Bill Moore, president of Atlanta-based Moore & Associates, provides a list of URP projects that are completed and those anticipated to come in the future.

Existing dried URP mills:

- Lee & Man, Selangor, Malaysia – 400,000 metric tons per year (wet lap);
- Lee & Man, Bago, Myanmar – 340,000 metric tons per year (wet lap);
- Nine Dragons, Pahang, Malaysia – 400,000 metric tons per year (wet lap);
- ND Paper LLC, Fairmont, West Virginia – 217,000 metric tons per year;

• ND Paper LLC, Old Town, Maine – 66,000 metric tons per year;
• NORPAC, Longview, Washington – 135,000 metric tons per year (existing machine with intermittent production);
• Shanying/AA, Chonburi, Thailand – 300,000 metric tons per year; and
• Sun Paper, Xepon, Laos – 400,000 metric tons per year.
Planned pulp mill:
• Zhejiang Jingxing, Selangor, Malaysia – 800,000 metric tons per year.
Speculative pulp mills and projects:
• Kamine Development Corp., Tampa, Florida – 575,000 metric tons per year;
• Nine Dragons, Maharashtra, India – 500,000 metric tons per year; and
• Shanying, Southeast Asia – 770,000 metric tons per year

M&A Activity / (Dis) Investments

- Smurfit Kappa to acquire Verzuolo Paper Mill from Burgo Group for €360M
- Ahlstrom-Munksjö acquires Kämmerer's electrotechnical paper business

New Developments

- Stora Enso introduces Papira, paper-recyclable cellulose foam
- Andritz to deliver tissue plant to Croatia's Astrabel
- Andritz to supply chip storage system to Visy Pulp & Paper's Tumut mill in Australia
- Andritz to supply high-speed tissue machine to ST Paper in Duluth, Minnesota, USA
- Valmet to invest in a new service center in Guangxi, China
- A.Celli rebuilds and starts up Smurfit Kappa Roermond Papier’s PM3
- Toscotec to supply a turnkey tissue line to Vajda Papír in Hungary

- Recard delivers Meghna Pulp & Paper Mills its second turnkey plant

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