

PRELIMINARY GH5 HIGH G' & \$&4

European pulp & paper industry

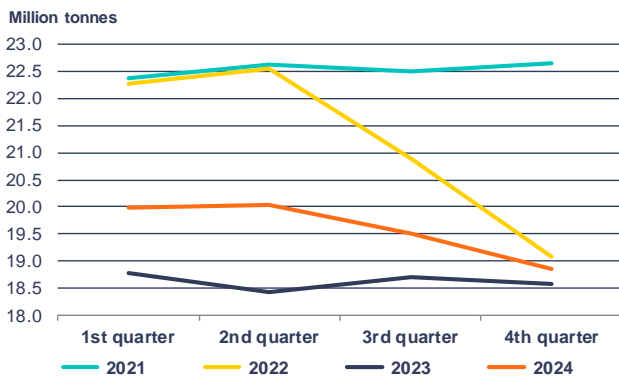


European consumption and production of paper and board recovered from last year's sharp decline, benefiting from an improved macro-economic environment in 2024

In Cepi member countries¹, paper and board production increased by 5.2% in 2024 compared to the previous year, according to preliminary figures. This rebound occurred after the sharp decline recorded in 2023 (-13% and -18.3% cumulated since 2021), which was driven by a combination of adverse macro-economic trends, long-lasting destocking along the supply chain throughout the year and the heavy impact on the industry of high energy and manufacturing costs. Total production in 2024 reached 77.8 million tonnes, with an increase reported in most paper and board grades.

An increase in production was also observed in most paper and board producing countries, except Japan, in 2024. The United States, Brazil, Canada, China, India and South Korea recorded a paper production increase ranging between 1.5% and 5.5%. According to very first estimates, global paper and board production grew by 3.6% in 2024, fully recovering from the decline recorded in 2023 (-3.3%).

Quarterly production of paper and board in Cepi countries

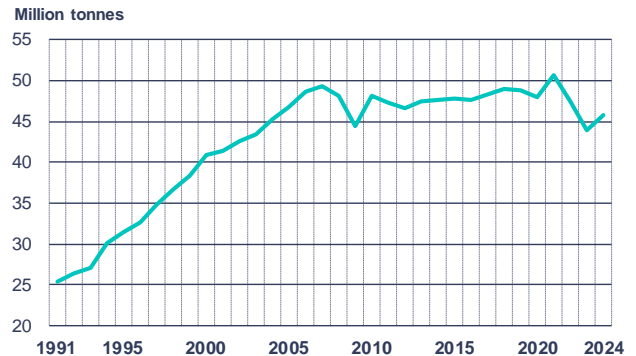


Packaging grades remain in the lead in terms of growth, ahead of tissue paper and graphic papers.

Remaining within the levels recorded between 2019 and 2022, European market pulp production slightly decreased (-1.0%) in 2024, in contrast with the growth observed the previous year (+2.3%). It was impacted by less dynamic exports.

The utilisation of paper for recycling by companies in the geographic area covered by Cepi members increased by 4.1% compared to 2023. It reflects the positive evolution of paper and board production in 2024 and comes after two successive years of decline.

Utilisation of paper for recycling in Cepi countries



Apparent consumption of paper and board, measured by Cepi statistics, has increased by 7.5% (nine months), driven by the improved economic environment in Europe.

The EU economy grew by 1.0% in 2024 - slightly better than 2023 (+0.6%) - and is now forecast to grow by 1.4% in 2025, according to the latest estimates. The EU remains slightly below advanced economies' average growth rates.

Overall apparent paper and board consumption increased by 7.5%

The overall consumption of paper and board in Cepi countries in 2024 increased by 7.5% compared to 2023, based on figures available for the first nine months of the past year. This particularly strong growth rate comes after a very negative year for paper and board consumption, which was hit more severely than at any time during the Covid-19 pandemic, as private consumption expenditure was impacted by high interest and inflation rates.

Packaging paper and board demand increased by 8.6%, outpacing graphic paper and tissue paper demand, which increased by 5.2% and 5.8% respectively. The graphic paper demand has experienced its first year of expansion since 2010. Woodfree grades showed stronger growth than mechanical grades.

Increase in production of most paper and board grades

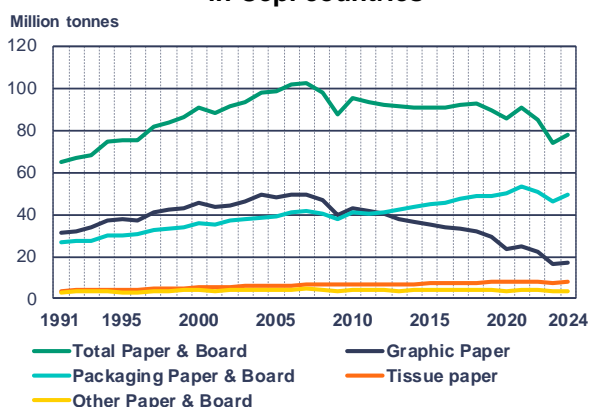
The production of packaging grades is estimated to have increased by 6.5% compared to 2023. Within packaging grades, containerboard – mainly used for transport packaging and corrugated boxes – recorded an increase of 4.3%.

¹Cepi members are associations based in the following European countries: Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Italy, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, the Netherlands, and the United Kingdom.

The output of carton board and other packaging board mainly used for retail packaging increased by 9.9%. The production of wrapping grades – used for paper bag production – increased by 14.4%.

The share of packaging grades accounted for 63.0% (62.4% in 2023) of the total paper and board production, with graphic grades accounting for 22.0% (22.6% in 2023). Output of all other grades of paper and board – mainly for industrial and special purposes – increased by 5.7%, with a share of 4.8% of total paper and board production.

Production of paper and board in Cepi countries



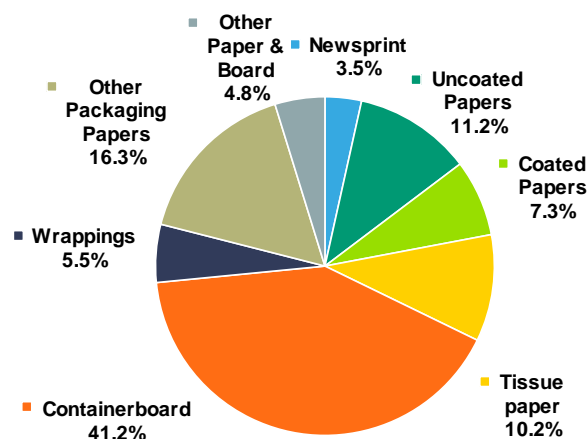
Tissue paper manufacturers' output increased by about 3.5% compared to 2023 and accounted for 10.2% of total paper and board production.

The overall production of graphic grades grew by 2.2%. Newsprint production decreased by 1.3% whilst printing and writing paper production increased by 2.9%.

The production of printing and writing papers – used for magazines and catalogues, direct mail, directories, etc. – has experienced different developments, depending on precise grade categories. Output of coated mechanical paper and uncoated mechanical paper decreased by 2.1% and 3.0% respectively. On the contrary, uncoated woodfree grades output - copy paper - increased by 5.8% and coated woodfree grades output by 8.2%.

Overall, this means that production of coated and uncoated graphic papers increased by 3.1% and 2.7% respectively. Production of woodfree graphics showed an increase of 6.6%, while output of mechanical graphic papers fell by 2.6%.

Production of paper and board by grade in Cepi countries in 2024



Paper and board deliveries by Cepi countries increased by 6.0%, and exports by 7.2%

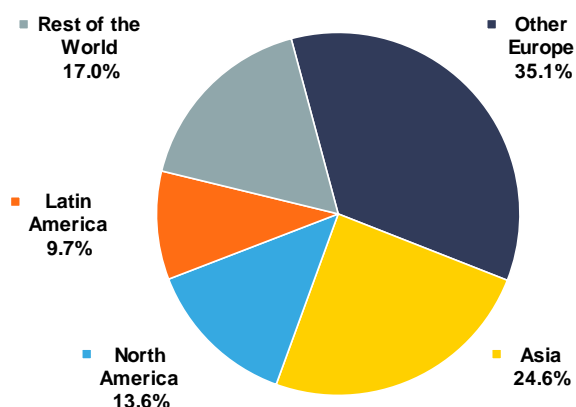
Based on cumulative data from the first nine months of 2024, it is expected that total paper and board deliveries for the year increased by 6.0% compared to 2023, with internal deliveries growing by 5.7% and exports outside Cepi by 7.2%. By the end of September 2024, deliveries of graphic grades had increased by 8.5% and deliveries of packaging grades by 5.5%.

Exports increased by 7.2% by the end of September 2024, recording a significant increase in almost all regions: European neighbouring countries +2.0%, North America +16.8%, Latin America +34.1%, Asia +4.1% and other countries of the world +4.1%. This positive development comes after a difficult year marked by a 12% decline. In terms of market share, other European countries remain the main markets for exports in 2024 with 35.1% of total European exports, Asia accounts for 24.6%, North America 13.6%, Latin America 9.7% and all other countries 17.0%. Exports accounted for 21% of paper and board production in 2024.

Preliminary indicators show that imports of paper and board into the Cepi area increased by around 25% compared to 2023, after a 17% decline the year before, with increasing volumes coming from other European countries (+28.4%). Other European countries, not represented in Cepi's membership, account for 40.0% of all European imports, Asia 24.3%, North America 23.3%, Latin America 7.0% and the rest of the world 5.4%. Imports accounted for 8% of paper and board consumption in 2024.

As a result, the trade balance of paper and board has slightly decreased by 0.9% compared to 2023 but remains largely positive.

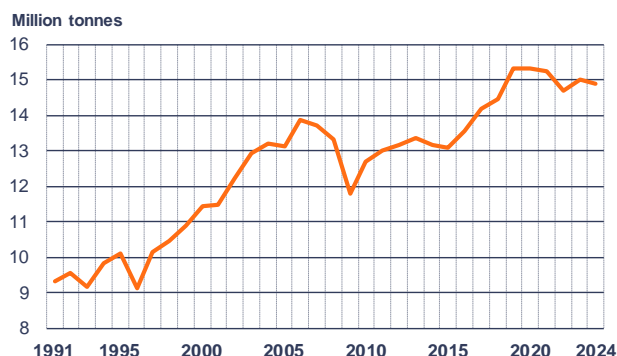
Exports of paper and board by region in 2024



Total pulp production increased by 3.0% while market pulp production decreased by 1.0%

The production of pulp (integrated + market) has increased by 3.0% compared to the previous year, with a total output of approximately 33.6 million tonnes. Output of mechanical pulp increased by 3.5%, and production of chemical pulp by 2.7% compared to 2023. Chemical pulp accounts for 79% of total pulp production. Output of market pulp showed a decrease of 1.0% but remains at a relatively stable level since 2020.

Production of market pulp in Cepi countries



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Cepi statistics are collected on a regular basis from our members, the National Associations. The compliance of our statistics reports with EU competition laws is periodically checked by licensed experts.

Furthermore, Cepi has commissioned Deloitte to issue each year a limited assurance statement on its data quality.

Two annual reports are available on Cepi's website:

<https://www.cepi.org/statistics/>

- Preliminary Statistics 2024 - February 2025

- Key Statistics 2024 – will be made available in July 2025

Statistics subscriptions

More detailed Cepi statistics are available to those who subscribe:

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