

## Press release

# Paper and Board sector impacted by lower level of demand in Europe, destocking and high production costs

Brussels, 13 February 2024

*Suffering from an adverse macro-economic context, production of pulp and paper in Europe has experienced a decline in 2023. It was due to several compounding external factors: a poor economic environment, destocking and still high energy costs, as shown by the [Cepi preliminary statistics report](#) published today.*

With mid-term global economic trends impacting the demand for paper and board and exacerbating destocking, consumption fell by 15.3% in 2023 and, in turn, production in the paper and board industry suffered a second consecutive year of contraction, decreasing by 12.8%. After a year 2022 marked by sky high energy prices, the **decrease in production in 2023 continues to be more pronounced even than it was during the Covid-19 crisis** (-4.7% in 2020).

These global trends have been **worsened by the comparative high costs in Europe for production inputs, and notably energy**, which cost continues to be unsustainably high. This is illustrated by Europe's domestic paper and board production contracting more than in many other world regions, where decreases ranged between -2% and -10%. But, in a globalised low demand context, both imports and exports diminished equally, and Europe's pulp and paper's trade balance remains by far positive, as it is one of the top EU manufacturing sectors by this measure.

Traditionally an engine for growth in the sector, the **production of packaging paper and board in Europe has also continued on a downward trend, with consumption decreasing by 12.2%**. The segment has suffered from a slowdown in retail and e-commerce figures having reverted back from pandemic levels. This in turn impacted the consumption of paper for recycling (-7.3%), as paper-based packaging in Europe is predominantly made of recycled material.

Graphic paper, which includes printing and writing paper, saw consumption drastically decrease (-27.5%). This can only partly be explained by longstanding trends towards more digital content, as destocking effects could possibly account for up to half of the decline. **Within this category the book sub-segment remained resilient.**

Sanitary and household paper also appeared much more stable than other segments, with a limited decline of -3.7%. These are still benefiting from **societal trends favourable towards hygiene products**, with 'at home' markets including tissues and toilet paper performing better than 'away-from-home' markets, more impacted by inflation and sluggish private consumption.

Finally, **Europe's pulp production also declined less steeply than overall paper production, by 7.5%**. The decrease in the production of this 'processed wood', which is the primary raw material for making paper and board, is to be attributed to a high number of closures of graphic paper mills which were also producing pulp. The production of market pulp grew by 4.8% in 2023 as capacities went full speed and benefited from a strong demand from China.

Download [Cepi's preliminary statistics report for 2023](#).

### Quote by Jori Ringman, Director General Cepi, Confederation of European Paper Industries

*"Out of all the macro-economic issues born of the crises of the recent years, improving basic operating and investment conditions for the EU's manufacturing sector, while still being a big challenge, might still be one of the lowest hanging fruits for EU policymakers."*

### Notes to editor:

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For more information on Industry commitments,  
please consult

[Cepi's Sustainable Product Pledge](#),

[Cepi's Pledge to support the 3 billion trees initiative](#).

[The 4evergreen cross-industry alliance](#).

For our 2022 industry statistics, please refer to

[Cepi Statistics 2022](#)

### About Cepi:

Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy. We are a responsible industry: 85% of our raw materials are sourced in Europe and certified as sustainable, 92% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 71.4%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 25 billion value addition to the European economy and €5 billion investments annually. Through its 19 national associations, Cepi gathers 500 companies operating 895 mills across Europe and directly employing more than 180,000 people.

More information about our sustainability performance [here](#).