

Press release

In a very difficult context, pulp and paper industry has shown resilience in 2023

Brussels, 9 July 2024

In an economic context that continues to be exceptionally difficult and marked in 2023 by low consumption linked to massive destocking, many pulp and paper companies have seen a turnover decrease in the past year. A record high annual recycling rate indicates the industry's autonomy and circularity.

The decrease in paper and board production in 2023 (-13%) resulting from low demand was far more pronounced even than during the Covid-19 crisis (-4.7% in 2020). This is a trend that is not particular only to Europe, but the global slowdown has been **worsened in the EU by comparatively high costs for production inputs, notably energy**. The European economy as a whole has lost momentum, against the background of a high cost of living, monetary tightening, and a weak external demand.

All paper and board grades recorded a sharp decline of production, with a varied situation across grades. The production of **packaging grades** decreased by 11% in 2023 compared to 2022 while **sanitary and household paper** registered a decrease by about 4.0%.

Despite these developments **the pulp and paper industry has shown some surprising signs of robustness in 2023, with an exceptional recycling rate of 79,3%** - or 74,4% on a three-year rolling average. It remains more than ever a "made-in-Europe" industry with 91% of fibres sourced from within the European Union. Adding to this was a positive trade balance for market pulp, produced to be sold on the market rather than used on-site, for the first time since data is collected by Cepi.

The trade balance for the sector overall remains high, placing it in the top European manufacturing sectors on that metrics. Still, this second consecutive year of decrease could point towards a loss in global competitiveness for Europe's pulp and paper industry.

In another area of high performance amongst industrial sectors, **the decoupling of pulp and paper production from CO₂ emissions continues on a steady trajectory**, decreasing by 5.8% in 2023. The sector has already achieved over 46% reduction of carbon emissions since 2005. Investments remain proportionally high, despite a continuously difficult context, and will need to accelerate in the coming years to reach the decarbonisation objectives set by the European Commission.

An early sample of company data points towards a **rebound in production and profitability across all European pulp and paper sector segments in 2024**. But the industry's position remains far from what it was before the Covid crisis and war in Ukraine.

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

Quote by Jori Ringman, Cepi Director General

"Considering the context, the pulp and paper industry in Europe can be proud of what it has achieved in terms of climate action and circularity. In a more supportive and predictable regulatory environment, our outlook could be very positive and our contribution to the EU Green Deal even more enhanced."

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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.](#)

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: 91% 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 79.3%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 20 billion value addition to the European economy and €5.5 billion investments annually. Through its 19 national associations, Cepi gathers 480 companies operating 856 mills across Europe and directly employing more than 175,000 people.

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