

SPECIAL NEWS BULLETIN

TO: WCO MEMBERS

31. January 2012

Europe – containerboard development 2011/2012

Dear Members,

While the containerboard conditions within the US have remained stable for one year now, it seems that European conditions have been on a roller coaster ride.

Within the first 6 months, European containerboard market was quite equilibrated. Two German mills took downtime within the first half 2011 due to rebuilds. In the second half of 2011 the two above mentioned mills came back on stream, and after the summer holidays the stocks level increased.

This development would not be surprising if the market situation would have worsened. But did the markets really become weaker? The statistics of WCO's sister organization, Cegi ContainerBoard, showed in 2011 a European recovered based containerboard production of 16.201.467 tons (2010: 15.748.971 t) and sales of 16.142.007 tons (2010: 15.783.245 t). The difference between production and sales is 59.460 tons or 1.4 days of supply/year. This figure clearly indicates that the demand was still not bad, although the total stock figures increased accordingly.

At the end of the year a number of European mills were running through, while most of the corrugated plants took the seasonal Christmas holidays. This put further pressure on the containerboard conditions. On top of this, an increase of recovered paper price of 20 € was announced in January 2012.

At the beginning of January 2012 European demand for containerboard is still good. Due to the fact that some 'Christmas downtimes' have been shifted into February, it is expected that the situation for the European containerboard industry will improve. On January 30, 2012 Europe's market leader announced a price increase of 100 € as per February 1st, 2012. This announcement follows multiple other industry participants' announcements.

Don't forget the next upcoming events

Board of Directors Meeting and Marketing Committee Meeting in Vienna/ Austria on April 18, 2012 (within the FEFCO Summit)

The next ICCA/ WCO Global Summit will take place in Paris/ France in the Spring of 2013.

Klaus Spielmann
Managing Director