

### **European Union Pulp and paper industry has shown resilience in 2023**

In European Union, many pulp and paper companies have seen a turnover decrease in the past year. 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. 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%.

However, the pulp and paper industry has shown 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.

In another area of high performance amongst industrial sectors, the decoupling of pulp and paper production from CO<sub>2</sub> 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.