

Press release

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The market for paper packaging: Tear-proof and resistant even in times of crisis



Moderate downturn, fast recovery.

Supported by several megatrends, the market for paper packaging is defying the crisis. Even though technology and market are comparatively mature, opportunities for sustainable growth exist for old and new players.

The market for paper packaging continues to be comparatively unaffected by the current pandemic: the slump in 2020 remains moderate with a lower single-digit range. While the corona waves are literally washing away other industries, the decline in demand for paper packaging is limited. Even further restrictions for the economy due to subsequent pandemic waves will not change much about that.

The demand for paper packaging is driven by several megatrends. The most important one is sustainability.

On the one hand, the trend for recycling is significant. The demand for sustainable packaging is higher than ever. On the other hand, technological progress and changing end-user requirements allow for ever-greater substitution potentials for sustainable solutions. Hence, paper replaces plastic wherever possible. In the e-commerce business, paper packaging has almost completely replaced its plastic rivals.

E-commerce is the second megatrend that is protecting the market from the crisis. Both, sellers and consumers are increasingly switching to online mail order due to lockdowns and contact restrictions. The pandemic has changed the behavior of many market participants. For many of them, the mail-order business is not just a temporary solution, but will continue to be their first choice of doing business resp. buying / shopping. This is why paper packaging e.g. corrugated cardboard boxes are facing particularly high demands.

However, external trends are not the only factors that are changing the market. Currently, there are various developments and changes within the otherwise

standardized market. For example, consumers of corrugated board packaging are demanding ever-lighter packaging with the same stability. Lightweight packaging have an effect on the entire value chain: Even in the production of recycled containerboard, lightweight papers are increasingly popular.

In addition, exports are playing an increasingly important role in various stages of the value chain, as more and more countries are dependent on imports due to a lack of raw materials. For example, China has quickly increased its imports of recycled containerboard more than tenfold after the introduction of new regulations.

Therefore, experienced packaging companies as well as potential new players need reliable information with technical expertise. Which products are particularly attractive? How can players assert themselves in the standardized market and stand out from competition? What are the trends that enable sustainable growth and which cannot offer that? How will demand change within different regions or countries in the future?

Schlegel and Partner can provide clarity and expertise on these and other questions.

Are you interested in further information?

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