



Strong folding carton demand leads to supply chain challenges

Folding carton volumes have grown significantly during 2021, driven by a surge in sales of food and beverage packaging. Meanwhile, converters are experiencing growing supply chain disruption associated with the 'perfect storm' of Covid-19 factors, especially regarding raw material deliveries of cartonboard.

The very high order intake to cartonboard mills means some mill order books are full, with order lead-time growth from 3-5 weeks to 12-20 weeks... and when coupled with increasing input costs to cartonboard mills, the European folding carton converters are being impacted by unprecedented price increases.

The root cause of the current challenges can be summarized as follows:

- Covid-19 driven waste-paper collection issues leading to shortages in recycled fibre
- Strong domestic Far-East demand coupled with distribution challenges to Europe, curtails imports of Far-East cartonboard and folding cartons
- Historically significant growth in folding carton demand partly fueled by the green transition, as consumer preferences shift to fibre packaging

The folding carton supply chain is **resilient** and an escalation of the supply chain challenges can be mitigated by sound management across the entire value chain, of the forward inventory of both cartonboard and folding cartons.

Our sector fully recognizes the consumer shift to highly sustainable and circular folding cartons and is fully focused in supporting customer expectation.

Information about ECMA

The European Carton Makers Association brings together folding carton converters, cartonboard mills, national associations and suppliers to the folding carton industry. ECMA represents over 500 carton producers with a current workforce of 50,000 located across nearly all countries in the European Economic Area – this equates to over 80% of the €12.2 bill European folding carton market.

