

Cardboard Prices to New All-time Highs because of E-commerce Success

Due to the popularity of online shopping, prices of cardboard reach a record. Throughout Europe, cardboard prices and other packaging materials are rising rapidly by 30% and sometimes 65%. Due to the growth of e-commerce since the start of the coronavirus pandemic, the demand for cardboards raised. On the other hand, the [pandemic](#) created a toxic cocktail for the paper industry.

Rising prices in the cardboard industry

While the prices for waste paper and cardboard were historically low before the corona pandemic, the high demand for packaging material and the tight supply of waste paper are pushing cardboard prices up. Experts expect that prices will continue to rise. But more importantly, online stores can pass on the higher costs to their online customers.

On the other hand, the European paper industry struggles with a toxic cocktail that contains four parts. One, Stora Ensa, the biggest paper manufacture in Finland, announced a drastic reduction of around 35% of its paper production capacity due to the corona pandemic, which means 1,2 million tons. Secondly, the high demand for raw materials. Thirdly, energy is an important part of the production process, and the energy prices have doubled since early 2020. Finally, due to a shortage of containers and transport capacity and incorrect container allocations, transport costs have increased enormously in a year.



Cardboard price development since jan 2019

The online webshops and also marketplaces are less happy with the price increases of cardboard. At the moment, online customers do not face a higher price yet for products. But the question is: when will the online customer face a higher price? Bol.com is also struggling with the rising prices of cardboards but [says](#) that this has no consequences for customers.

Recycling market

On the other side, the higher cardboard prices are favorable for recyclers. The recycling industry sees it differently: balanced pricing. For example, recycling company Renewi sees an increase in turnover from waste paper since September. In the case of Renewi, higher cardboard prices were needed to make up for their earlier losses.

Also, according to the Dutch Waste Paper Industry Federation (FNOI), before the COVID-19 outbreak, the waste paper price was very low for multiple years. This because of more China imports. But, since the start of the pandemic, consumers buy online a lot and buy more paper products, especially toilet

paper and tissues. Due to this higher price, the market is healthy again.