

Sappi Alfeld Mill to refocus output

Paper and pulp company Sappi (SAP) said on Tuesday that Sappi Alfeld Mill in Germany would be converted to focus exclusively on producing one-sided coated paper for packaging, labels and technical applications in response to strong growth and positive market forecasts for the packaging market.

The project - which is being undertaken by Sappi Fine Paper Europe - will take 12 months to complete.

Sappi Fine Paper Europe CEO Berry Wiersum said: "Our decision is in line with the Sappi group strategy to invest in higher growth and higher margin businesses. In addition, it will further improve Sappi's cost position in coated woodfree paper in Europe and elsewhere."

The decision will entail the conversion of paper machine number 2 (PM2) from producing 150,000 tons of coated fine paper per annum to producing 135,000 tons per annum of speciality paper.

Paper machines 1, 3, 4 and 5 at Sappi Alfeld Mill already produce jointly 165,000 tons of speciality paper and board per year.

Once the conversion is complete, the Sappi Alfeld Mill will benefit from increased margins, improved quality, increased efficiencies on raw material consumption and an optimised fixed cost profile.

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