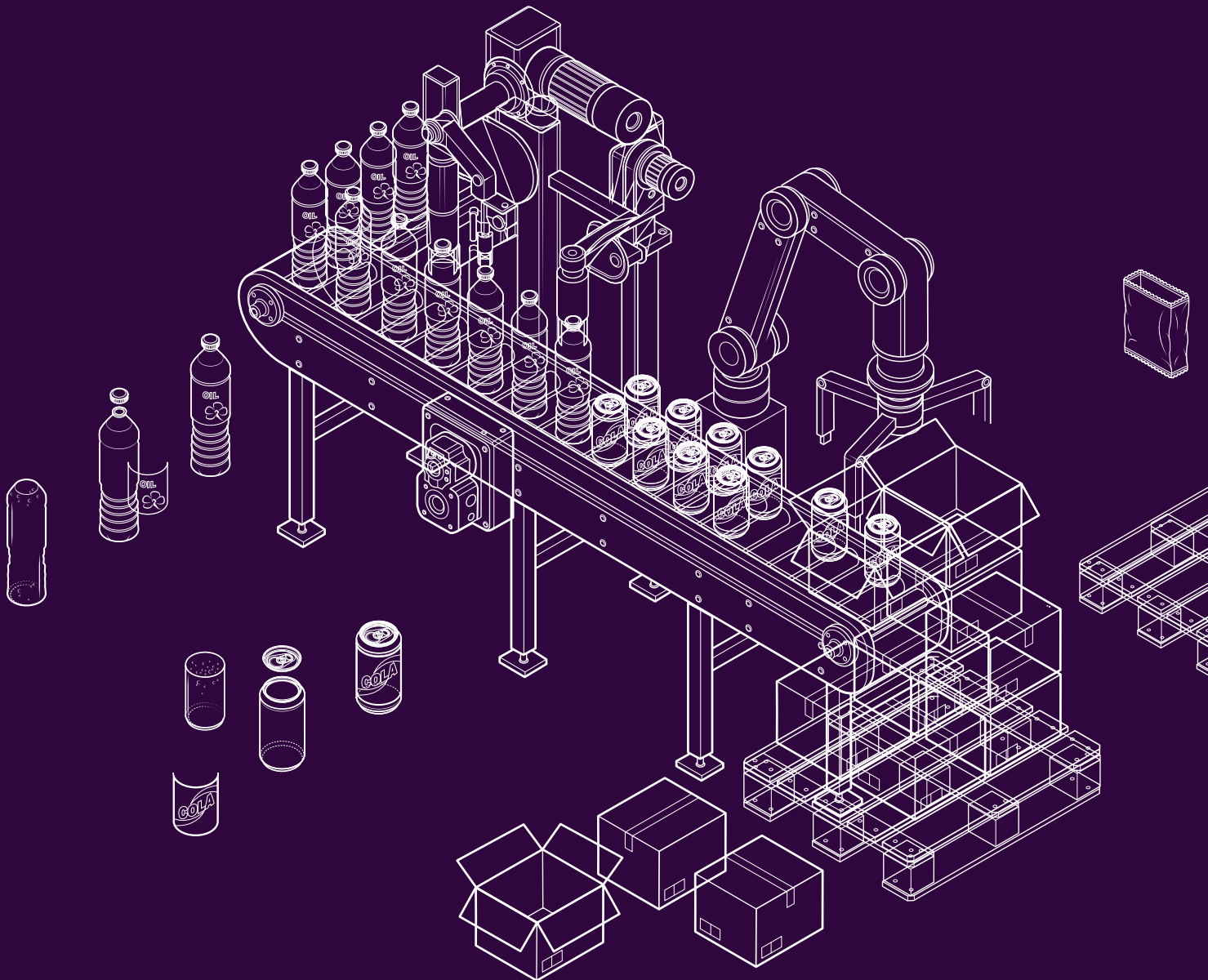


Paper packaging market outlook 2026

A strategic guide for Food and Beverage procurement



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01

Executive summary

The 2026 outlook for the paper packaging market is defined by a unique convergence of overcapacity, consolidation and shifting consumer behaviors. For food and beverage (F&B) procurement leaders, this environment offers both significant risks and strategic opportunities. While global economic growth remains sluggish—projected at just 2.9% for the US and 1.5% for Europe in 2024—structural imbalances in the packaging supply chain are creating new leverage points for buyers.

This report outlines the critical market dynamics, from the “boring” growth of the global economy to the 23-million-tonne surplus in containerboard capacity, providing actionable insights to secure fair pricing and supply resilience.

23 million-tonne surplus in
containerboard capacity



02

Macroeconomic context

Navigating “boring” growth

The global economy is settling into a period of slow, steady “boring” growth. While we have avoided a deep global recession, the momentum required to drive robust demand for packaged goods is lacking.

Inflation is stabilizing but remains above regional targets and geopolitical risks—measured by the Geopolitical Risk (GPR) Index—continue to create volatility in energy and freight costs. For F&B buyers, this means input costs may fluctuate wildly even as demand remains tepid.

Key statistics:



US GDP growth forecast:

2.9% (2023) → 2.8% (2024) → 2.0% (2025)



Euro area GDP growth forecast:

1.7% (2023) → 1.5% (2024) → 1.5% (2025)

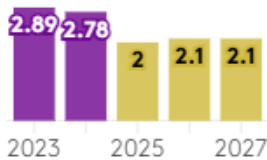


China GDP growth forecast:

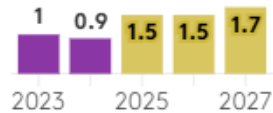
5.2% (2023) → 5.0% (2024) → 4.9% (2025)

Economic growth is stabilizing but slowing across major regions, impacting demand forecasts for packaged goods

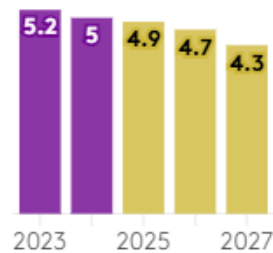
United States



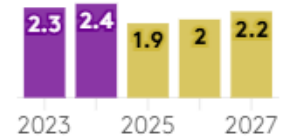
Euro area



China



Latin America



Source: Fastmarkets • Forecast from January 2026, annual real GDP growth



The new normal looks and feels different than before the pandemic. Growth is present, but it lacks the momentum to drive significant demand spikes.

03

Consumer dynamics

The private label surge

Post-pandemic consumption patterns have shifted permanently. Consumers are spending a larger share of their wallet on services rather than goods, dampening demand for packaging. However, a critical trend in the European grocery market is the aggressive rise of private labels.

As consumers continue to save more than the long-term average, they are turning to private labels, which they now view as equal in quality to major brands. This shift places immense pressure on manufacturers to reduce packaging costs to maintain margins on lower-priced items.

Key statistics:

81% of consumers believe private label quality is as high or higher than A-brands.

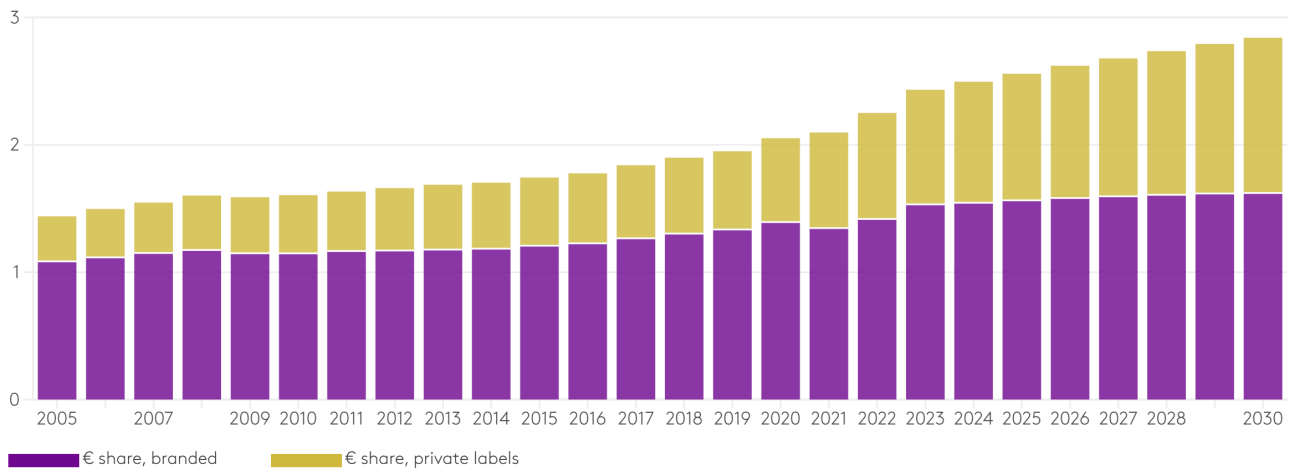
84% of consumers will continue buying private labels even if their purchasing power grows.

Savings rates: European consumer savings remain above the long-term average

The dominance of private labels is reshaping the European grocery landscape, driving the need for cost-efficient packaging solutions



€ trillion



Source: Fastmarkets, McKinsey, Eurostat, GlobalData.



In Europe, private labels are no longer the ‘budget’ option—they are the preference. 81% of consumers see no quality difference between private labels and big brands.

04

Containerboard market

The overcapacity opportunity

The most significant operational lever for food and beverage procurement in 2026 is the massive overcapacity in the global containerboard market. Driven largely by capacity additions in Asia, the market is currently oversupplied, keeping operating rates well below historical averages.

This supply-demand imbalance typically signals a buyer's market. However, regional nuances matter. While the global gap is wide, specific regions like North America and Europe have tighter operating gaps compared to Asia, meaning global oversupply does not automatically guarantee low prices locally without strategic negotiation.

Key statistics:

Global overcapacity

23
million tonnes
(2026 projection)

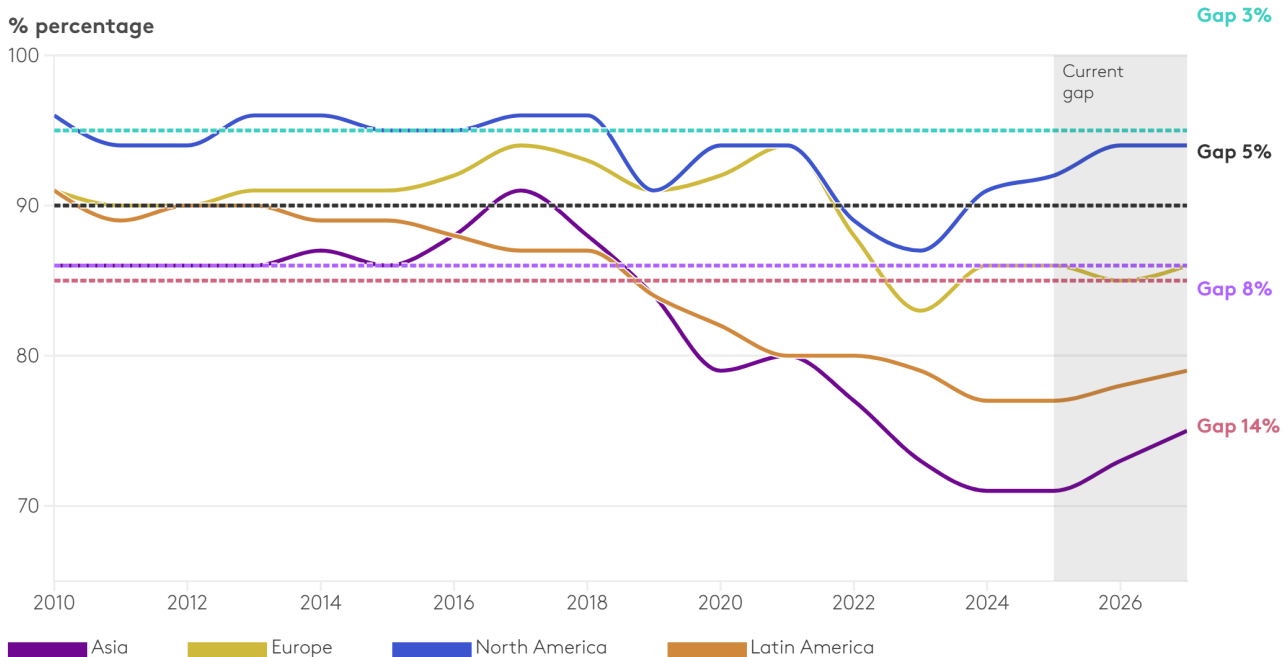
Asia's share

70%
Asia accounts for nearly
70% (17.5 million tonnes) of this
overcapacity

Operating rate gaps (vs. 2010-19 average)

14% Asia **5%** Europe **3%** North America

Operating rates remain below historical norms, with Asia driving significant global overcapacity



Source: Fastmarkets

05

Cartonboard market

Managing supply gaps

Similar to containerboard, the cartonboard market is facing structural oversupply, though the dynamics differ slightly. European production in 2024 has stagnated, matching levels seen back in 2017.

The recovery in demand has been slower than the capacity additions, leading to a surplus that buyers can leverage.

Key statistics:

Global overcapacity

10
million tonnes

Asia's share

66%
Asia accounts for 66%
(6.9 million tonnes)
of this surplus

European overcapacity

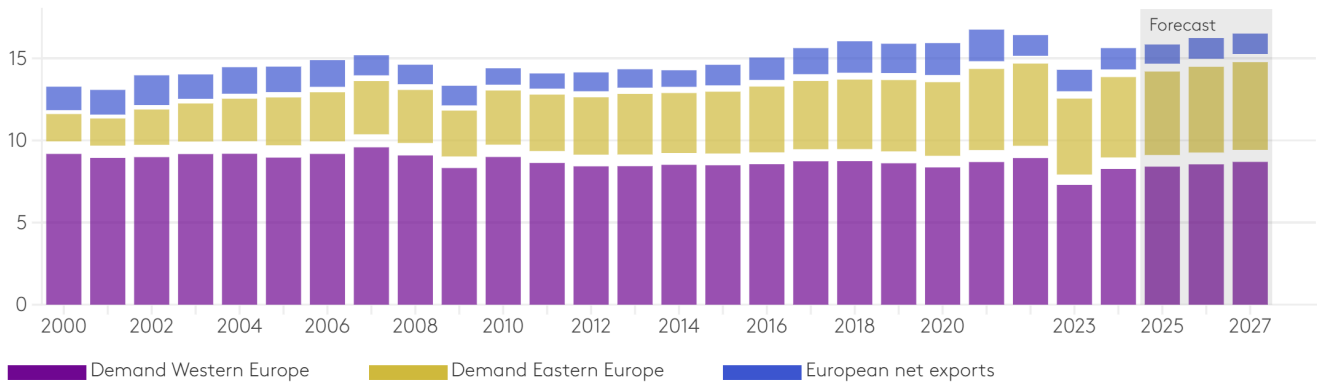
1.0
million tonnes

Operating rate gaps

9% Europe
5% North America

European cartonboard production has effectively stalled, returning to 2017 levels despite capacity growth

Million tonnes



Source: Fastmarket



With 10 million tonnes of excess capacity in the global cartonboard market, buyers have room to negotiate—provided they understand the regional split of that surplus.



06

Consolidation watch

The new supplier landscape

While overcapacity suggests a fragmented market fighting for volume, the top of the market is consolidating rapidly. Recent mega-mergers have been creating giants with significant market power. In Europe, the top five producers now control 40% of capacity, up from 37%.

This consolidation allows suppliers to manage capacity in a more disciplined manner, potentially offsetting some of the pricing weakness caused by oversupply. Procurement leaders must assess their exposure to these new entities.

Key M&A moves:

Smurfit Kappa + WestRock = Smurfit Westrock (2nd largest global containerboard company).

DS Smith + International Paper = 2nd largest containerboard player in Europe.

Top 5 Share: The top 5 producers in Europe now hold 40% of the market share.

07

Strategic recommendations

Data-driven procurement

In this complex landscape—defined by weak demand but strong supplier consolidation—data is your only true leverage.



Leverage overcapacity

Use the 23-million-tonne containerboard surplus as a key negotiation point but be aware of regional tightness in North America and Europe.



Monitor private label trends

If your portfolio includes private label goods, prioritize cost-engineering in packaging to meet retailer price pressures.

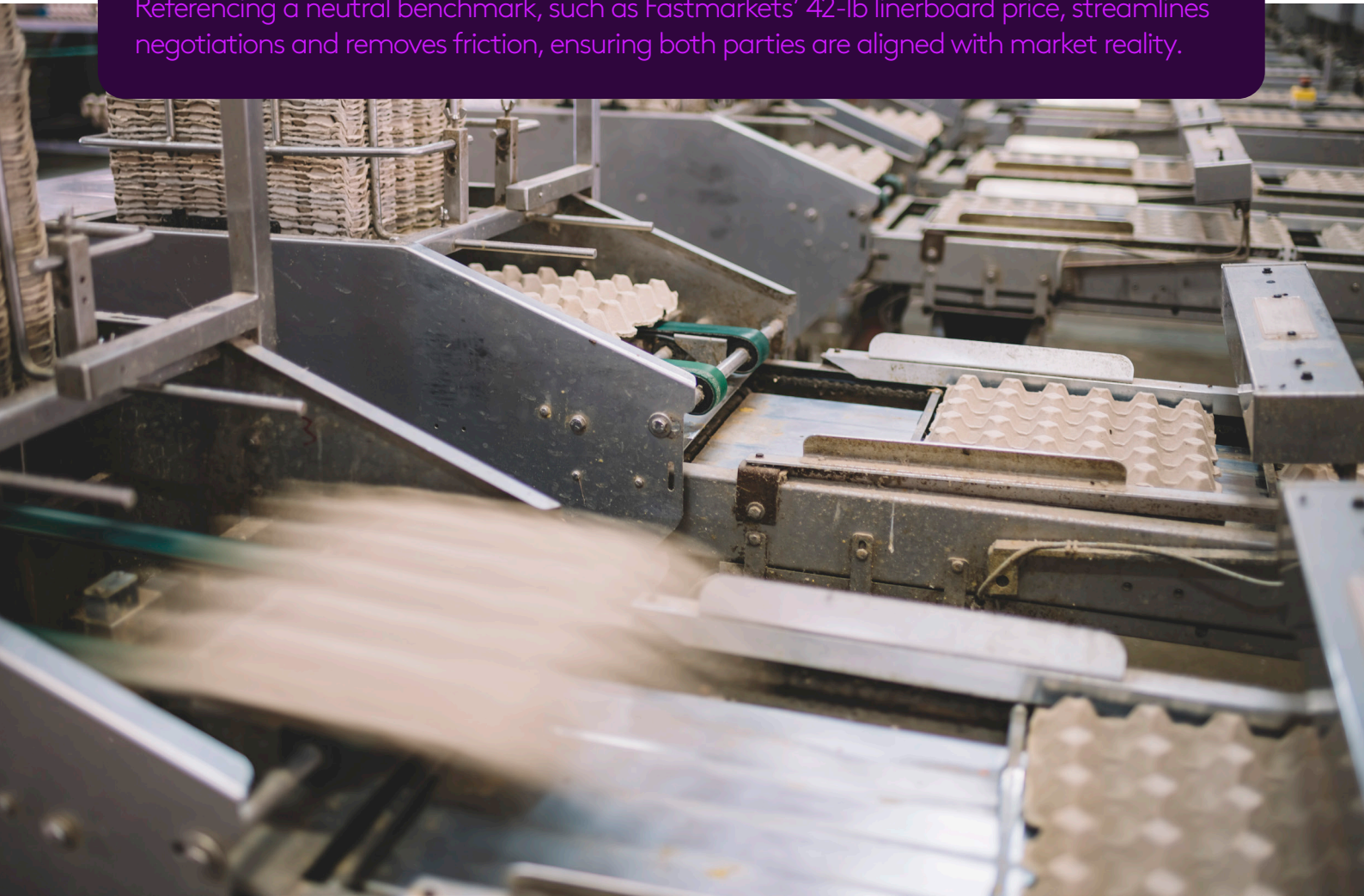


Demand transparency

Move away from ambiguous pricing models. Utilize index-linked contracts based on transaction-based price assessments to ensure fairness.

Fastmarkets recommendation

Referencing a neutral benchmark, such as Fastmarkets' 42-lb linerboard price, streamlines negotiations and removes friction, ensuring both parties are aligned with market reality.



08

Conclusion

The 2026 paper packaging market is a landscape of contradictions: global oversupply vs. regional tightness; weak economic growth vs. high operational costs. Success belongs to the procurement teams that can parse these signals using independent, transaction-based data.

Ready to build a resilient packaging strategy?

Stay ahead of the market with Fastmarkets' complete suite of pricing data and forecasts for the food and beverage industry.

[Get a demo](#)

About the data

This report utilizes data from Fastmarkets' ["Winning in F&B Packaging" webinar \(Feb 2026\)](#). Projections regarding GDP, capacity, and operating rates are based on Fastmarkets' proprietary forecasting models.



