



Paper Cost Increases

March 2022

Dear Customers

I thought it paramount that I keep you updated on the current supply chain situation.

Following on the cost pressures announcement at the end of last year ever worsening news regarding stock availability and product cost pricing compels additional action and update.

The situation is deteriorating quickly and feedback from our supply chain is that it is now becoming increasingly challenging to keep up with supply and demand. The challenges are market-wide and exacerbated by the issues highlighted previously – strike action, non-European capacity being driven elsewhere and wider transport disruption. Additionally, we have made the decision to cease supply of paper from Russian mills, which has an immediate impact on product availability.

UPM Mill in Finland, where workers have been striking for 3 months have announced that this strike action has now been extended until at least April 6th. This will continue to have a knock-on impact on paper availability across Europe as no raw materials have been produced this year. Non-European paper is now being diverted to other parts of the globe, with rises in freight and energy costs also having a significant impact.

We are working tirelessly to try to mitigate anticipated supply restrictions through spot-buying our multifunctional paper product. As a result, going forward we will be unable to offer the same high level of consistency of wrap on these codes and there may be a need to substitute our products for equivalents without notice.

Furthermore, we have received notification from suppliers that they will be further increasing prices as a result of the pressure on energy and production costs.

These increases will be applied during March and mean that DEOS will be applying increases between 6-18% on the following categories of products:

- Coated and uncoated papers in all formats, including cut size and digital grades
- Envelopes
- Carbonless
- Graphical Board including Greyboard and Display Boards'
- Selected LFP Inkjet Papers, Banner, Exhibition Films, ACM and Specialty SFD films
- Labels self-adhesive, pressure sensitive and security products
- Selected Packaging and specialty grades

I would like to reiterate that the situation with stock is unprecedented at the moment. The current stock shortages are not just on our multifunctional sheet and these are beyond everyone's control that are contributing to the current UK paper supply concerns. We are having daily conversations with mills and merchants advising of stock delays and unknown lead times. It is just completely unpredictable and incredibly frustrating, for you of course, but also for all UK merchants and suppliers.

This situation affects the whole paper supply chain, and it is likely that there will be further paper price increases. We continue to monitor the market to ensure we continue to be a very competitive supplier and thank you for your continued support during these extenuating circumstances.

Sources:

[Printweek - Energy Crisis](#)

[Printweek - FSC Announcement](#)

[Antalis - Paper Merchants](#)

[Navigator Company - Price Increase](#)