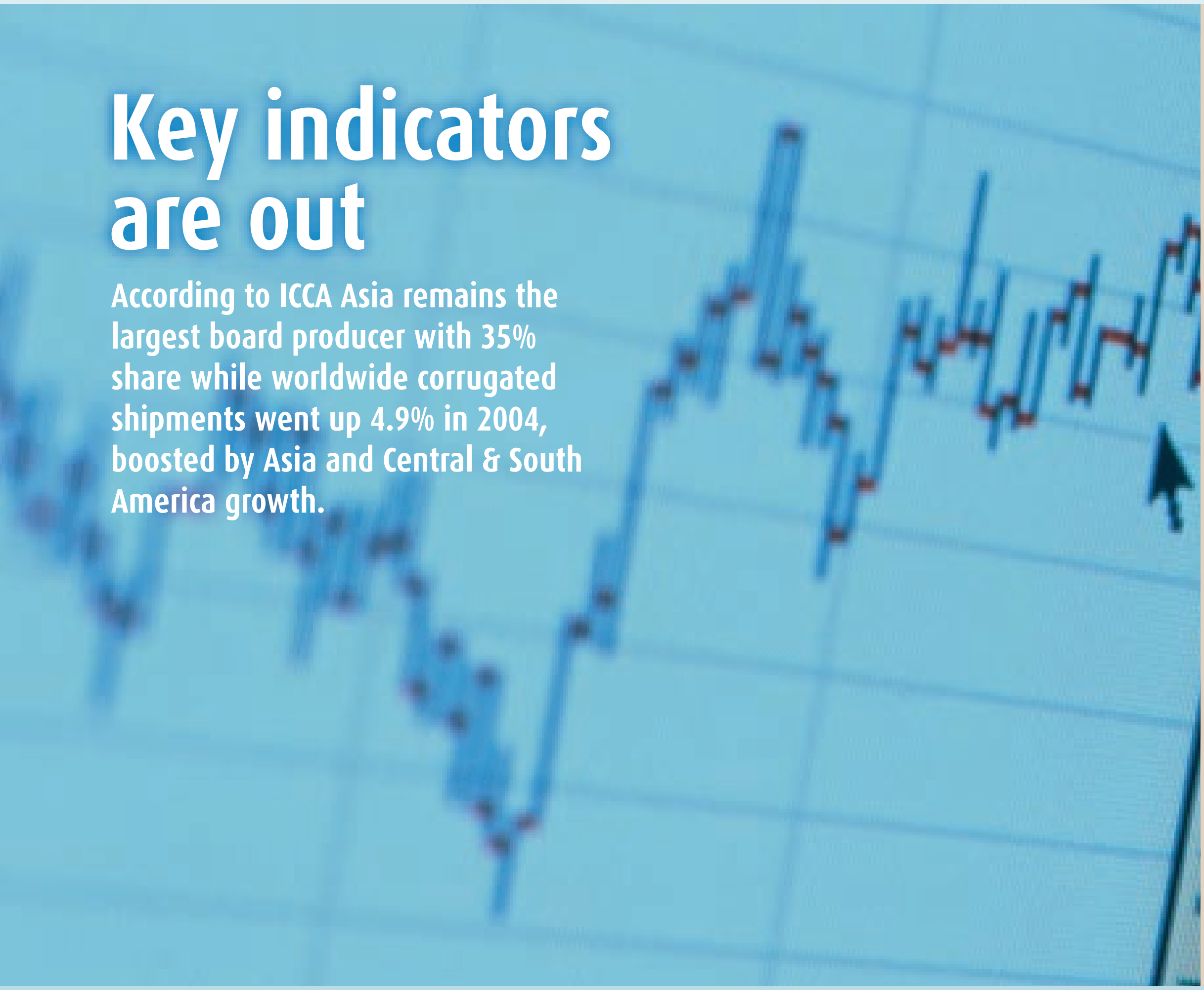
FEFCOnnect
4 September 2005

Istanbul FEFCO MARKETING CONGRESS 29-30 september 2005

Produced by the European Federation of Corrugated Board Manufacturers

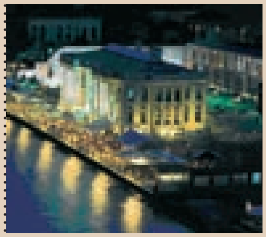


Key indicators are out

According to ICCA Asia remains the largest board producer with 35% share while worldwide corrugated shipments went up 4.9% in 2004, boosted by Asia and Central & South America growth.

The Price to pay for Energy

Our industry needs to be energy aware to remain competitive.



Focus on Turkey

Country profile inside, and more on the preparations for the 16th FEFCO Marketing Congress in Istanbul

Contents

ANNE-SOPHIE DUCHENE
COMMUNICATIONS MANAGER, FEFCO

Editorial

Welcome to the latest issue of FEFCOnnect. This fourth edition aims to give you even more in-depth reviews on Europe's "corrugated board community" and its various partners and stakeholders. New sections include a National Associations Update, Suppliers Corner and the latest from our partners, in this instance CITPA and ICCA.

The 16th FEFCO Marketing Seminar in Istanbul addresses the issue of evolving business models in the Corrugated Industry

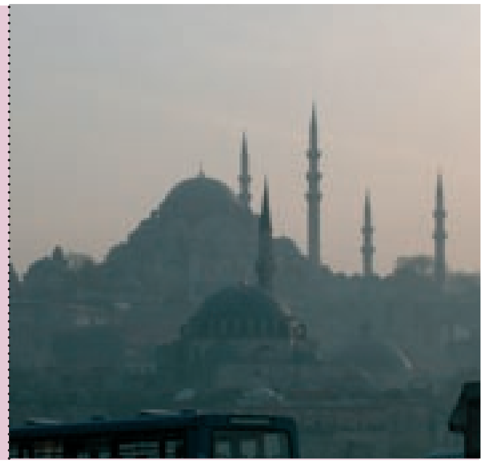
The highlight of this quarter will undoubtedly be the 16th FEFCO Marketing Seminar in Istanbul, on 29-30 September, addressing the issue of evolving business models in the Corrugated Industry with a programme entitled: "The Courage to Change: The Value of Marketing". Pre-registrations for this event have already surpassed all predictions! Read more in FEFCO activities.

Amongst the main market, regulatory and technical issues being covered this quarter are: the possible impact of the so-called Plastics Super Regulations, and the price to pay for energy. We also go into more details on the new GMP communications campaign.

Finally I would like to take this opportunity to encourage all of you, members and partners, to send us your news and articles, and to share your issues with the rest of our community.

Enjoy this new issue of FECOnnect!

Country Profiles Turkey



AKIN PAKSOY
PRESIDENT

HAKKI YÜCESOY
SECRETARY GENERAL

While corrugated board has been used, worldwide, for more than 135 years, the first corrugated box facility in Turkey was established by SEKA in Izmit in 1954. The private sector in Turkey became involved in the corrugated business after 1960.

In the 1980's the Turkish private sector invested in high technology equipment, and some companies took 2nd, 3rd, and even 4th corrugators into operation, yielding capacity growth. SEKA, the only governmental facility in the corrugated business, withdrew from the sector in 1993. The Turkish corrugated board sector is in operation in 26 cities with 117 companies, 125 plants and 138 corrugators. Referring to 2004 figures, the corrugated sector is the leading sector of paper & board consumption with a 37% ratio.

OMÜD (Corrugated Board Manufacturers Association) is the professional institution representing the Turkish Corrugated Board Industry and has been active since 1987. It has 103 statutory and 19 sympathiser members registered. The members of OMÜD account for 80% of the total corrugated board production in Turkey.

The Turkish corrugated board sector is in operation in 26 cities with 117 companies, 125 plants and 138 corrugators

OMÜD is an active member of FEFCO (European Federation of Corrugated Board Manufacturers) since 1990 and the representative of RESY.

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Website: www.omud.org.tr

OMÜD OLUKLU MUKAVVA SANAYİCİLERİ DERNEĞİ

Plastics Super Regulation for Food Contact Affects Paper Packaging

The European Commission is currently developing a Regulation to encompass all existing legislation on plastics for food contact. Unfortunately, this measure also includes materials that are laminated with plastic, which means that the regulation in its current form will also be applicable to paper and board.

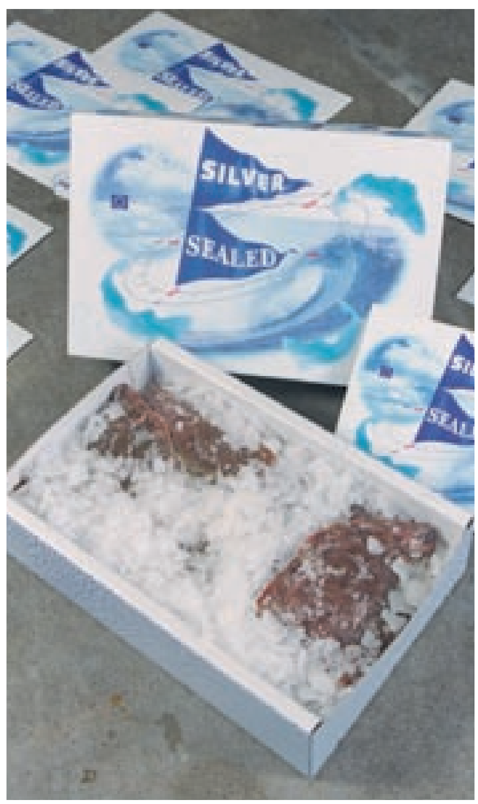
The implications for the manufacturers of products combining paper and plastic could be extremely serious: expected loss of business due to increased compliance costs for paper makers and converters (inappropriate testing methods), and loss of certain applications (products) currently considered safe.
If this regulation comes into effect the impact on our industry will be considerable. A rough estimate is that corrugated, in a multilayer situation, represents an estimated 3% of our volume, which means that the outcome can only be negative and would certainly be felt.

The EC regulation contributes to higher costs but not to higher safety

Furthermore it could well be that the next intended step for this regulation would be that all paper in contact with food be subjected to the same conditions. In that case an even much larger part of the corrugated volume would be affected.

FEFCO's involvement in this is to try to convince the commission that this regulation is not appropriate because it contributes to higher costs but not to higher safety. FEFCO does this on behalf of all paper converters gathered within CITPA and in close consultation with the paper industry (e.g. CEPI). All attempts are directed at a reversal of the decision. Until now these attempts have not been fully successful since the Commission claims to be under extreme pressure from Member States to raise the level of consumer safety. Similarly, the Commission is resisting all attempts to reduce the impact of the Regulation on the industry. National associations have therefore been asked to contact their own governments to make sure that such pressure is halted.

We will keep you informed about this issue in future newsletters. If you would like to know more please contact the CITPA secretariat in Brussels: info@citpa-europe.org or +32 2 626 9838



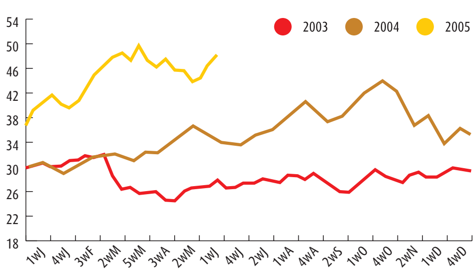
The price to pay for energy

BY **WIM HOEBERT, SECRETARY GENERAL**

In the last months the price of oil has risen sharply: in the last two months alone it has gone up 30% to over USD 60 per barrel. Since the price of most other types of energy generally follow the variations of oil prices this is bad news for consumers of energy and thus for our industry.

Energy contributes to about 3% of the cost price of corrugated board in Western Europe

OPEC Reference Basket
weekly spot crude prices (US$/b)

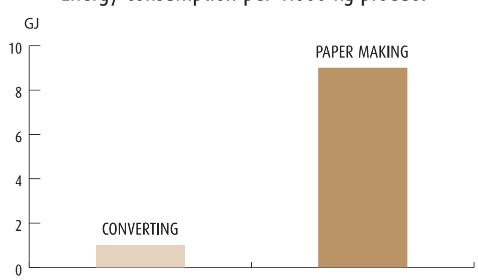


Over the years, according to the FEFCO LCA-study[1], the corrugated industry has been able to bring consumption of energy considerably down to about 1,6 GJ per 1.000 kg of product. The drivers for this were in most cases environmental considerations, and to a lesser extent, economic factors.

It is however not just converting that needs energy. The paper making process is even more energy intensive. In comparison: the production of test liner requires about 8,03 GJ per ton produced.

It is clear that our industry, when setting sales prices, will be forced to take the cost of energy into account. After all, the knife cuts on both sides: the raw materials side (price of paper) and the converting side.

Energy consumption per 1.000 kg product



Energy represents 3% of the total cost of the converting process. A recent survey amongst a number of corrugated plants in Western Europe showed that energy (at 2004 price levels) contributed to about 3% of the cost price of corrugated board. Imagine what would happen if the cost of energy doubled, bringing it to a share of 6%!

With the potential for more permanently high and even higher prices this means that the cost of energy will be a serious factor in the profitability of plants.

Energy consumption is becoming a factor when selecting equipment. When converters buy new equipment energy consumption is always an issue, but from an uptake point of view. The major concern is whether the capacity of the electrical system is up to the demand of the new printing press (with infrared drying) or the die-cutter. The same considerations apply to machine suppliers, for them energy efficiency has never been a top-of-the-list issue either. When asked what level of energy was consumed to produce 1.000 sheets or boxes, 9 out of 10 machine builders could not give an answer. In most cases, and after consultations, electrical take-up was the only aspect mentioned[2].

Considering the turmoil of the energy markets and the effects that the emission trading schemes which started on January 1st have had on prices, it is clear that awareness of energy costs is rising.

Investment in corrugated equipment is made for long term. Low energy efficiency of equipment therefore will become a serious financial burden and limit the competitiveness of a plant.

FEFCO has already had discussions with representatives of equipment producers to make them aware of the need for energy efficient equipment in support of the competitiveness of our industry.

We have to be energy aware to remain competitive. Although corrugated is the most versatile and economic packaging material on earth alternatives do exist. It is therefore very important that our industry should not only consider the actual price of energy per kW or GJ but also be aware of the level of energy consumption, when selecting the right equipment or raw material.

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[1] *FEFCO/Groupement Ondule/ECO - European database for Corrugated Life Cycle Studies*
[2] *survey amongst exhibitors at SuperCorr 2004 and China Corrugated 2005.*

FEFCO Activities

Marketing Congress in Istanbul, 29-30 September 2005

The 16th FEFCO Marketing Congress will explore the issue of evolving business models. High level speakers include Alain Goudsmet, from the Mentally Fit Institute (Belgium) and Susan Cantrell and Jane C. Linder, of the Accenture Institute for High Performance Business (USA).

Although pre-registrations have surpassed all hopes it is still time to register if you want to join us in Istanbul for a very high level and exciting event. You can register online at www.fefco.org

- Hotels: Make your reservations through the official travel agent Vista.
- Venue: Feriye Restaurant and Conference Centre, Ciragan Cad. N°: 124, Ortaköy, 80700 Istanbul, Turkey.
- Registration: The welcome and registration desk will be at your disposal from 8:00 a.m. on Thursday 29th September 2005. You will receive your badge at the registration desk.
- Networking: The Welcome Cocktail sponsored by OMUD, the Turkish Corrugated Board Manufacturers takes place on Wednesday 28th September at 18.00.

FEFCO Get-Together Dinner takes place on Thursday 29th September at 8.00 p.m. at the Esma Sultan Palace, Muallim Naci caddesi N°: 20 Ortaköy-Istanbul.

Please visit www.fefco.org for more details.

Good Manufacturing Practice Awareness Campaign

FEFCO is launching a communications campaign to promote the GMP standard and to start working more closely with retailers and producers. Whereas good manufacturing practices and hygiene management have been major concerns within the food industry for a long time it is a relatively recent trend for such management tools to be related to packaging. There is now a clear demand for Good Manufacturing Practices, hygiene management and transparency coming from the food processing industry and from retailers, who want to make sure that packaging is manufactured in a controlled environment as far as quality, hygiene and traceability are concerned. The FEFCO/ESBO GMP standard, launched in 2003, covers the manufacturing of packaging made of corrugated and solid board so as to satisfy market demands for hygienic requirements. It is a vertical and totally transparent standard which guarantee that corrugated and solid board packaging have been manufactured in a controlled, hygienic and safe environment.

List of GMP Certified plants

- Smurfit Socar
  Mortagne sur Sevre - France
- Smurfit socar
  Mellac - France
- Kappa De Zeeuw Golfkarton
  in Eerbeek - The Netherlands
- Kappa Twincorr
  in Hoogeven - The Netherlands
- Kappa Twincorr
  in Nieuwe Pekela - The Netherlands
- Kappa Oudenbosch Golfkarton
  in Etten-Leur - The Netherlands
- Fustelpack S.p.A.
  in Capocolle di Bertinoro - Italy

FEFCO will promote GMP through a number of new activities such as a presence at the ANUGA Food Fair in Cologne on 8-12 October (come and visit booth D-034 in hall 13.1) and a number of web pages giving more information about GMP, including a weblog open for comments from across the food industry (go to www.fefco.org/gmp). Detailed account of the benefits of GMP certification from one of the certified plants will be published in a future edition of this newsletter.

The GMP standard is a guarantee for packaging manufactured in a controlled, hygienic and safe environment

RFID task force launches Communication Kit
The FEFCO RFID task force has put together a set of tools to communicate more efficiently with the industry and other stakeholder on issues of traceability and RFID. This kit includes a fact sheet, a few web pages with information such as a glossary of terms, and blog inviting your comments and questions. Find out more at http://rfid.fefco.org

FEFCO Annual Report 2004 is out: please contact FEFCO to request your copy. Alternatively the full statistics are now on the website www.fefco.org

Trainings

On 13 April, and 7 June 2005 FEFCO organized in Brussels two training sessions on the use of the Logistics Optimization Software developed in 2004. The next GMP training for auditors will take place on 7th and 8th September 2005. In collaboration with Belgian member VPK Packaging n.v. in Oudegem, FEFCO will be organising a Paper Mill and Corrugated Plant visit for our trainee auditors on the afternoon of 6th of September (the day before the course).

Regulatory Affairs

20th July was Carmen Fernandez Aparicio's last day at FEFCO. In her role as Regulatory Affairs Manager Carmen had, for the past three years, been involved in keeping track of the different legislations impacting the industry and in managing lobbying activities. Her enthusiasm and determination will be greatly missed and we would like to wish her all the best in her future endeavors.

News & Personalia

Michael Smurfit knighted: Dr Michael Smurfit, chairman of the Jefferson Smurfit group was awarded a knighthood for services to British Business and charitable interests, on 11 June 2005 by Queen Elisabeth II.

Paul Brown has been appointed new VP European Container Division of International Paper, located in Brussels, Belgium.

Russia: Cardboard boxes output up 8.9% in Q1 2005. According to the official statistics, Russian paper mills manufactured a total of 415.33mn square metres of cardboard boxes in the first quarter of 2005, up 8.9% compared with January-March 2004. Top-five regions ranked by cardboard boxes output in the reported period look as follows: Republic of Tatarstan - 51.73mn square metres of boxes (up 4.3% year-on-year); Kursk Region - 49.8mn sqm (up 19.2%); Moscow Region - 45.96mn sqm (up 7.3%); Kaluga Region - 43.75mn sqm (up 0.9%); St. Petersburg Region - 27.77mn sqm (up 0.3%). (Source: TsBK Express, May 2005, Issue 14)

Germany: Südwestkarton investing in corrugated board. Südwestkarton, a company of Panther group, is to install a new corrugated board facility at its site in Illingen. According to Panther Packaging, the project meets the requirements of the Good Manufacturing Practice. Recently Südwestkarton built a new paper warehouse. (Source: Lebensmittel Zeitung, 10 Jun 2005)

Germany: P-Well started operation in Gildehaus. P-Well GmbH of Altenberge started operation of the new corrugated board plant in Gildehaus on June 1, 2005. The 2.80 metre wide machine is run in two shifts. The processing unit has yet to be completed. Two punching lines and two lines for the production of big folding boxes will start operation in August 2005. (Source: Euwid Papier, 10 Jun 2005)

UK: DS Smith posts rise in profits. DS Smith recorded profits before exceptionals of GB£ 76.1mn (US$ 137.33mn) for the year to 30 April 2005, up from profits of GB£ 64.8mn (US$ 116.94mn) the previous year. The producer of packaging said a robust performance at its corrugated packaging unit had contributed to the increase in profits. The increase was achieved despite a weaker performance from its paper business, which suffered from lacklustre demand and lower prices. DS Smith said pre-tax profits declined from GB£ 61.2mn to GB£ 57.1mn, while turnover for the year increased from GB£ 1.5bn to GB£ 1.6bn. (Source: Financial Times, 01 Jul 2005)

France: 2005 Cofresco Institute prize. The 2005 prize for innovation from the Cofresco Institute, which was created in November 2001 to promote and stimulate research in food packaging for the home, was given to the Carole Guillaume project. The prize recognizes the development of household biodegradable packaging for the storage of fresh fruits and vegetables. This food wrap mixes paper and wheat gluten, adapts to rates of carbon dioxide in case of exceedance and maintains the ecological interest of agro-polymers (Source: Emballages Magazine, 05 Jul 2005)

UK: Paper and board still dominate packaging. According to an MBD study, the market for paper and board packaging accounted for 42% of packaging demand last year to a value of around GB£ 3.6bn (US$ 6.5bn). Between 2005 and 2009 yearly rises of up to 2% are thought likely. Folding cartons will grow 6% between 2004 and 2009, although demand for other types of boxes is likely to fall. Corrugated cartons demand will rise between 2005 and 2009, giving an overall rise of 7%. Paper bags and sacks will grow 10% during the period. (Source: Packaging Magazine, 30 Jun 2005)

France: Kaysersberg Packaging expects to invest EUR 28mn (US$ 33.79mn) in Continental Europe (France and Poland mainly), in the 2005-2006 period. In France, where the cardboard packaging manufacturer runs two production plants in Alsace (eastern France), the company is to change its name to DS Smith Kaysersberg, effective from 1 September 2005. (Source: Dernières Nouvelles d'Alsace, 8 July 2005)

World: Asia grew box making market share by 9% in 2004. Asia grew its share of the global box making market in 2004, with 53.03 billion sq. metres of boxes produced in the region. This is 9% up on production in 2003, and Asia's share of the global market grew to 35.5%. North America, which is the second largest box making region, saw its production increase by 2.7% in 2004 to 42,367 billion sq. metres, giving it a 28.4% share of the global market. Box production in Europe grew by 1.7% to 40,862 billion sq. metres, or 27.9% of the global market. Total global box production rose by 4.9% to 149,147 billion sq. metres. This is according to a report from the International Corrugated Case Association. (Source: Pulp & Paper Week, 11 Jul 2005).

UK: Retailers issue pledge over packaging. Some 13 leading UK retailers have vowed to cut down on packaging and uncover methods to cut the proportion of food people discard. The move is an attempt to assist the UK government adhere to its targets on waste and recycling. The amount of packaging on consumer items has been growing and the initiative aims within five years to reverse this. The move will entail fresh material and design-related investment, but is likely to create long-term savings for retailers, due to reduced material and transport costs. An innovation fund worth GB£ 8mn (US$ 14.09mn) can also be accessed and which is administered by the Waste and Resources Action Programme (Wrap). (Source: Financial Times, 27 Jul 2005, p.5)

Suppliers' Corner

CUIR factory in Carvin, France

Open days at equipment makers

The volume in most of Western Europe has ceased to grow. According to many machine suppliers, companies have seen restrictions grow on buying new equipment. Contacting the right customer is therefore not only a challenge for the corrugated industry but also for its suppliers.

At the Technical Seminar in Nice in April this year about 70 exhibitors were present to show their latest developments or innovations. In the wake of the Technical Seminar some of them organised open days at their production plants to show their products.

Cuir in Carvin near Lille (France) was one of these companies. Mr. Marc Sabbagh and his team welcomed many guests to show them the latest die cutters and printing equipment during open days in the first week of June. (www.cuir.com)

Note: sympathiser members who have information that could be placed in this section of FEFCOnnect can get in touch with Anne-Sophie Duchene at FEFCO: anne-sophie.duchene@fefco.org

Printing ink suppliers merge

The market for printing inks for the packaging industry underwent major changes in the past months. Siegwerk Group announced in June the acquisition of SICPA's packaging ink division while in July it was announced that US-based Flint inks would merge with Xsys Print Solutions in Germany.

Xsys was itself the result of the merger in September 2004 of BASF Printing Systems and ANI Printing Inks. Both companies had been previously acquired by CVC Capital partners. CVC and the management will be the owners of the new group, which has a turn-over of € 2,1 billion.

The global market for packaging inks, estimated to be worth around € 4,4 billion, has become quite consolidated now and a strictly limited number of players remain, limiting the choice for converters. Sun Chemical is still the number one supplier of printing inks.

Top league of printing ink suppliers

1. Sun Chemical
2. Flint/Xsys
3. Siegwerk-group

National Associations Update

Spain

AFCO have developed a new corporate image. It is also launching in association with Aspapel, Aspack, ProCartón and Recipap, a unique initiative in Spain: the Paper Forum. The aim of this platform is to communicate, in a totally transparent manner, what the whole sector is really about, with the help of the main associations of the paper chain.
www.afco.es

Italy

GIFCO have created a new logo which was presented during its 2005 Annual Congress.
www.gifo.it

France

Corrugated Packaging Competition Etoiles de l'Ondulé has new guidelines. The 2005 edition opens to members of the Fédération Française du Cartonnage, which should call for more applications. The award ceremony will take place on 17 November 2005. Application forms are available at www.ondef.org

Poland

The 15th International Papermaking Conference will take place on 28-30 September 2005 in Wroclaw, and will focus on the Efficiency of papermaking and paper converting processes. More information at www.spp.pl

Scandinavia

Wim Hoebert, FEFCO Secretary General, will be speaking at the Annual Meeting of the Scandinavian corrugated Board Associations on 26-27 August 2005 in Copenhagen.

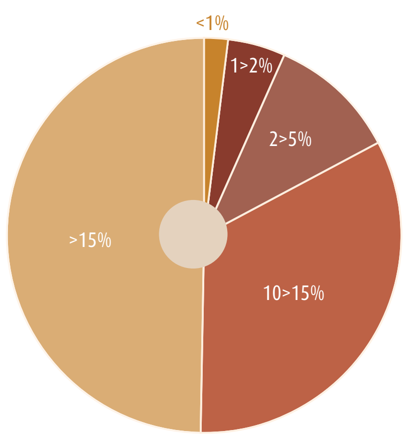
Indicators

FEFCO
Key indicators 2004

FEFCO key indicators 2004

The following tables represent some of the statistical data collected by FEFCO's National Associations over a period of 10 years. Total shipments in m² reached 39182 millions in 2004, up 3.3% from 2003. Highest growth markets are Turkey (14%), Poland (15%) and Czech Republic (24%). You can see the full 2004 statistics on our website: www.fefco.org

Europe - Relative Share per Country in m²



Norway	0,5%	Austria	2,2%
Slovak Republic	0,5%	Netherlands	2,7%
Finland	0,8%	Belgium	2,8%
Ireland	0,8%	Poland	4,2%
Romania	0,8%	Turkey	4,3%
Hungary	1,1%	Spain	11,3%
Portugal	1,1%	Great Britain	11,7%
Switzerland	1,1%	France	13,4%
Denmark	1,3%	Italy	15,8%
Sweden	1,7%	Germany	20,1%
Czech Republic**	2,0%	Europe	100%

Total shipments in Millions of m² (including non-Members)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Austria	534	536	556	605	652	681	721	734	788	816	844
Belgium	881	881	881	954	996	1062	1081	1092	1103	1064	1086
Czech Republic**	363	437	466	488	533	571	630	665	538	623	773
Denmark	503	495	514	529	509	502	520	511	511	504	511
Finland	271	286	303	319	304	274	276	266	290	298	305
France	4435	4525	4402	4692	4888	5054	5288	5236	5147	5239	5232
Germany	6052	6340	6411	6693	6826	7071	7421	7382	7531	7641	7866
Great Britain	3865	3958	4052	4300	4258	4590	4643	4583	4581	4492	4580
Hungary	186	210	216	242	270	278	310	330	400	417	415
Ireland	271	285	290	300	300	300	300	294	287	289	294
Italy	4546	4788	4818	4997	5173	5433	5717	5883	6062	6078	6177
Netherlands	910	927	939	1003	1020	1017	1041	1036	1015	1007	1073
Norway	205	215	223	212	204	204	201	194	188	192	192
Poland	NA	NA	NA	797	902	983	1039	1150	1275	1441	1660
Portugal	386	371	367	391	374	391	409	410	415	433	435
Romania	NA	NA	NA	122	107	156	175	233	273	307	329
Slovak Republic	NA	NA	NA	NA	NA	NA	NA	NA	170	169	180
Spain	2936	3003	3044	3382	3669	3846	4032	4104	4292	4386	4444
Sweden	606	599	597	635	626	656	645	664	667	634	652
Switzerland	365	385	390	390	440	461	464	442	436	425	434
Turkey	692	813	976	1112	1100	1216	1290	1199	1386	1492	1699
Europe	**28008**	**29055**	**29445**	**32164**	**33150**	**34745**	**36204**	**36407**	**37355**	**37948**	**39182**

Average Shipment per Capita in Kg

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Austria	34,9	34,4	35,4	38,9	41,2	43	44,6	46	48,7	50,6	51,5
Belgium	48,3	47,7	47,7	52,8	54,9	58	58,9	59	59,4	56,6	58,0
Czech Republic**	13,3	14,9	16,5	16,6	18,2	19	19,8	21	26,0	30,8	36,6
Denmark	53,3	52,3	54,0	53,0	51,0	50	51,8	51	50,5	49,6	50,1
Finland	28,0	29,2	30,0	32,0	31,0	27	28,0	26	28,9	29,8	30,0
France	42,2	42,1	41,6	48,0	48,0	48	51,0	51	49,0	49,5	47,6
Germany	41,4	41,9	42,0	43,7	44,5	46	48,1	48	47,8	45,3	46,9
Great Britain	32,9	33,5	34,4	36,6	40,5	37	36,4	36	35,9	35,3	36,2
Hungary	10,3	9,2	11,7	12,8	13,4	14	16,2	17	20,8	21,0	21,1
Ireland	42,0	45,0	45,0	46,6	46,6	47	46,6	43	41,7	39,9	30,0
Italy	48,5	49,0	50,8	53,4	54,8	58	61,5	63	63,3	64,0	64,1
Netherlands	33,3	33,5	33,8	36,4	37,1	37	37,4	37	36,3	35,7	42,9
Norway	23,6	25,1	24,1	24,2	25,3	27	23,1	23	22,1	22,7	22,4
Poland	NA	NA	NA	11,0	12,5	13	13,6	15	16,9	18,8	21,7
Portugal	20,0	20,3	19,9	21,3	20,0	21	21,5	21	20,7	21,2	21,7
Romania	NA	NA	NA	NA	3,0	4	4,1	6	6,1	6,9	7,5
Slovak Republic	NA	NA	NA	NA	NA	NA	NA	NA	15,1	14,8	16,8
Spain	42,5	43,3	44,8	50,3	53,7	54	58,0	57	58,0	57,6	57,9
Sweden	36,0	39,2	39,1	41,6	37,4	39	37,7	39	39,6	37,8	38,3
Switzerland	31,3	25,0	24,0	24,0	33,0	35	34,7	32	31,2	30,5	30,9
Turkey	6,5	7,5	8,8	10,2	10,0	11	11,0	10	10,9	12,3	13,3
Europe	**29,8**	**30,0**	**30,6**	**33,9**	**35,2**	**36**	**37,1**	**37**	**37,9**	**38,4**	**38,8**

** Until 2001, figures for Czech and Slovak Republic are grouped. From 2002, figures for Czech Republic are separate.

Indicators

CEPI
Annual Statistics

Average weight of board in g/m²

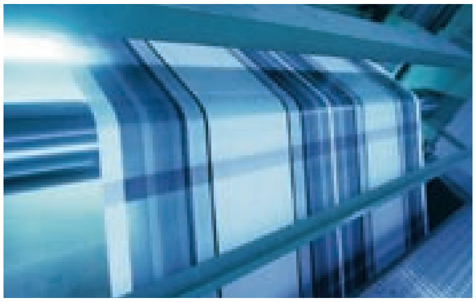
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Austria	525	516	514	519	510	509	502	501	505	500	499
Belgium	553	548	548	562	561	559	557	553	555	552	554
Czech Republic**	565	546	556	537	533	525	495	493	496	505	497
Denmark	551	552	552	529	530	530	531	530	530	530	530
Finland	524	511	514	517	517	517	519	515	519	521	521
France	584	573	582	582	579	580	576	573	569	563	559
Germany	557	539	536	536	535	535	533	529	529	528	527
Great Britain	497	496	499	501	498	471	462	457	461	467	465
Hungary	567	578	570	538	509	518	524	518	523	511	516
Ireland	575	571	554	560	560	560	560	558	564	558	540
Italy	610	599	605	609	604	607	619	604	604	603	601
Netherlands	563	560	557	566	569	573	570	568	574	574	568
Norway	495	483	476	528	539	539	515	529	537	538	535
Poland	NA	NA	NA	534	538	530	506	511	512	500	500
Portugal	518	550	545	550	543	545	540	529	518	507	517
Romania	NA	NA	NA	598	598	529	523	526	491	490	496
Slovak Republic	NA	NA	NA	NA	NA	NA	NA	NA	476	471	463
Spain	586	583	584	590	583	581	578	569	565	561	557
Sweden	523	523	527	528	530	529	520	520	529	533	529
Switzerland	548	545	561	561	526	530	530	526	523	525	519
Turkey	578	574	576	577	572	561	557	556	530	554	560
Europe	**563**	**555**	**557**	**558**	**555**	**551**	**549**	**544**	**542**	**541**	**539**

CEPI Paper Key Figures 2002 - 2004

'000 Tonnes	2002	2003	2004	% Change 2004/2003
Production	93 015	95,217	99,488	4.5
Total Deliveries	92 543	94,730	98,733	4.2
Exports to outside CEPI	11 518	13,040	14,761	13.2
CEPI Internal Deliveries	81 025	81,690	83,972	2.8
Imports from outside CEPI	4 649	4,441	4,215	-5.1
Consumption	85,674	86,131	88,187	2.4

CEPI (Confederation of European Paper Industries) - Annual Statistics

Paper industry in CEPI countries saw increased production (+4.5%) and demand (+2.4%) for paper and board during 2004 compared with the previous year. Deliveries of paper to non-CEPI member countries rose substantially for the second year running (+13.2%), whilst imports fell by 5.1%.



For the packaging sector, production increased by 2.4% (+911,000 tonnes). Case material production rose by 2.4% (+542,000 tonnes) and the output of carton board showed a rise of 2.3% (+182,000 tonnes). Production of wrappings returned to the level of 2002 (+3.4%). Output of all other packaging grades also bounced back after a decline in 2003 (+1.4%). www.cepi.org

Recovered Paper Utilisation by Sector in CEPI Countries in 2004

Paper Sector '000 Tonnes	Mixed Grades	Corrugated & Kraft	Newspapers & Magazines	High Grades	Total use of R.P.	Usage by sector*	Total Paper Production (%)	Utilisation Rate** (%)
Newsprint	190	0	8,656	155	9,001	19.4	11,265	79.9
Other Graphic Papers	115	133	2,242	808	3,298	7.1	38,509	8.6
Total Newsprint + O.G.P.	305	133	10,898	963	12,299	26.5	49,774	24.7
Case Materials	4,532	15,493	214	641	20,880	44.9	23,032	90.7
Carton Boards	1,644	543	410	774	3,371	7.3	8,117	41.5
Wrappings, Other Pack. Paper	1,824	1,548	429	609	4,410	9.5	8,148	54.1
Total Packaging Papers	8,000	17,584	1,053	2,024	28,661	61.7	39,297	72.9
Household & Sanitary	528	81	935	2,080	3,624	7.8	6,146	59.0
Others	323	1,175	102	291	1,891	4.1	4,271	44.3
Total	**9,156**	**18,973**	**12,988**	**5,358**	**46,475**	**100.0**	**99,488**	**46.7**

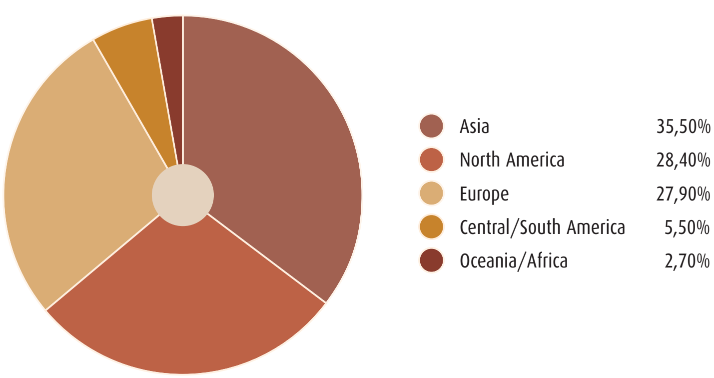
ICCA Key Indicators

International Corrugated Case Association

Region/Country	Data type	1st quarter 2004	1st quarter 2003	2nd quarter 2004	2nd quarter 2003	3rd quarter 2004	3rd quarter 2003	4th quarter 2004	4th quarter 2003	%change	Total 2004	Total 2003	Total %change
Asia		12 759	11 550	13,319	12,134	13,313	12,223	13,646	12,730	7.2	53,036	48,637	9.0
China & Hong Kong	E	5 212	4,470	5,493	4,671	5,544	4,786	5,647	4,912	15.0	21,896	18,839	16.2
India	E	489	460	501	466	512	474	522	480	8.8	2,024	1,880	7.7
Indonesia	E	607	536	484	484	486	479	553	518	6.8	2,130	2,017	5.6
Japan	P	3 145	3 040	3,436	3,391	3,392	3,330	3,586	3,632	-1.3	13,559	13,393	1.2
Malaysia	E	276	241	315	278	311	281	307	285	7.7	1,208	1,085	11.4
Philippines	E	264	268	266	268	278	275	271	255	6.3	1,080	1,066	1.3
Singapore	E	74	66	63	52	66	59	67	59	13.6	271	236	14.7
South Korea	E	719	647	767	680	757	682	746	701	6.4	2,989	2,710	10.3
Taiwan	P	500	499	497	468	491	495	523	512	2.1	2,011	1,974	1.9
Thailand	E	593	532	618	576	600	556	618	570	8.4	2,430	2,234	8.8
Other (inc. Mideast)	E	879	791	879	801	876	806	806	806	0.0	3,440	3,204	7.4
North America		10 350	10 027	10,776	10,346	10,791	10,454	10,450	10,428	0.2	42,367	41,255	2.7
Canada	S	785	779	844	822	829	824	770	787	-2.2	3,228	3,212	0.5
Mexico	E	705	683	677	650	704	671	734	708	3.7	2,820	2,712	4.0
USA	S	8 860	8 565	9,255	8,874	9,258	8,959	8,946	8,933	0.1	36,319	35,331	2.8
Central/South America		1,971	1,789	2,015	1,791	2,105	1,879	2,072	1,982	4.5	8,163	7,441	9.7
Argentina	E	276	243	294	279	315	286	318	293	8.5	1,203	1,101	9.3
Brazil	S	913	829	963	801	1,035	871	1,007	964	4.5	3,918	3,465	13.1
Caribbean Islands	E	78	71	76	71	73	71	71	71	0.0	298	284	4.8
Central America	E	199	182	191	179	193	184	195	184	6.0	778	729	6.7
Chile	E	142	134	139	131	145	133	144	133	8.3	570	531	7.3
Other South America	E	362	330	352	329	344	334	337	337	0.0	1,395	1,330	4.9
Oceania		538	537	580	559	593	576	613	600	2.2	2,324	2,272	2.3
Australia	E	433	432	464	447	506	491	509	501	1.6	1,912	1,871	2.2
New Zeland	E	105	105	116	112	88	85	104	99	5.1	413	401	2.9
Africa		419	411	423	411	432	419	419	419	0.0	1,693	1,660	2.0
South Africa	E	220	216	222	216	227	220	220	220	0.0	889	872	1.9
Other	E	199	195	201	195	205	199	199	199	0.0	804	788	2.0

Data Type: P = reported production, S = reported shipments, E = estimate

Regional Share of 2004 Production/Shipments



Source: ICCA

ICCA was formed in 1961 to give the world's regional corrugated industry associations a place to network and pool their resources. Today, it is the global platform for the corrugated industry. Along with gathering, compiling and distributing corrugated statistics, ICCA sponsors a biennial Management Conference to allow world-wide corrugated industry executives to come together and share information, in a legal manner, on appropriate issues.

For more information on ICCA, visit www.iccanet.org.

Contact Peggy Lacy, ICCA Data Services Director (placy@fibrebox.org), with questions regarding ICCA statistics.

Strategic Alliances

CITPA – International Confederation of Paper and Board Converters in Europe
European paper and board industries refute results of recent PlasticsEurope study on Resource Efficiency when applied to paper.

Using more paper is good for resource efficiency, renewable energy and European competitiveness

Increased consumption of paper products and the substitution of paper in place of synthetic materials such as plastics would be beneficial to European targets for competitiveness and sustainability.

Why? European paper industries are a model for combining sustainability and competitiveness with proven environmental performance. The main indicator of the paper industry's success is the fact that paper and board production can show absolute decoupling with all essential indicators between economic growth and environmental impact.

This is due not only to significant investments in better production processes, but also to the unique nature of paper as a natural and recyclable material produced from a fully renewable raw material. In fact, the European paper industry is the leading recycler in Europe.

In many areas of energy efficiency, such as renewable energy sources and combined heat and power production, paper is a European model industry.

Paper can be produced with domestic raw materials and energy, both vitally important factors in the economic and social pillars of sustainability.

LCA vulnerable to misinterpretation
In the recent PlasticsEurope study on Resource Efficiency, the choice of system boundaries may have had a large impact on the results published.

PlasticsEurope has chosen a time perspective that is too short for emissions from land filled plastics to arise, but allows emissions from easily degradable materials such as wood and paper to be included to a large extent.

The problem can be easily illustrated with one product, a carrier bag, considered in the PlasticsEurope study: If the time perspective chosen would be short enough for methane emissions to be negligible in all materials, then a paper bag would save 262 g CO2 per each kilogramme of plastic avoided. The results would be equally favourable for paper bags if the time period chosen were long enough to allow for the emissions from plastics to occur.

European paper industries call for harmonised EU calculation methods for Life-Cycle Assessment (LCA) to prevent this kind of possible misinterpretation of LCA.

In many areas of energy efficiency, paper is a European model industry

Flawed by unrealistic assumptions and incomparable data
The European paper industries consider that the PlasticsEurope study is flawed by unrealistic assumptions, such as the amount of paper disposed on landfills.

In reality paper is recycled in large volumes and increasingly diverted from landfills to paper production. Equally the assumption of no energy recovery of landfill gases is not realistic.

More seriously, the data for different materials are not comparable. For example the energy demand and emissions data for paper packaging used were mainly ten years old whereas the data for plastics is more up to date.

Statistics show that in paper packaging volume is growing faster than weight due to the success of paper producers and converters in reducing paper weight, while maintaining or even improving the good physical properties of paper. At the same time, energy efficiency has increased significantly. This also applies to other paper and board products.

The study states that the equivalent of a huge number of oil tankers would be necessary to feed the extra energy allegedly needed for substituting plastics. In reality if paper were to be substituted for plastics, 60 per cent of the total energy described by the study would be domestic renewable energy. Thus contributing to the EU–15 Kyoto target not jeopardising it. In some applications such as packaging the share of renewable energy would be as high as 89 per cent.

And as the raw material for paper itself is renewable, the oil tankers mentioned would be more likely to lie empty if paper materials in Europe substituted plastics.

Background
In the report "the Contribution of Plastic Products to Resource Efficiency" GUA, Gesellschaft für umfassende Analysen GmbH, commissioned by PlasticsEurope, have estimated how energy use and emissions of greenhouse gases would be affected if the total market of plastic products in Western Europe would be substituted by products of other materials, with the same function.

If you are interested in learning more about the European paper and paper packaging industries and their contribution to sustainability and reducing climate change, log on to: www.cepi.org and www.citpa-europe.org

News: CITPA launches new website and extranet.

http://www.citpa-europe.org

Calendar of Events

Fefco events

- 16th Marketing Congress
  "The Courage to Change:
  The Value of Marketing"
  29-30 Sept. 2005, Istanbul, Turkey
  Website: www.fefco.org

- 29th FEFCO Congress
  21-23 June 2006
  Dublin, Ireland
  Website: www.fefco.org

- 14th Technical Seminar
  25-27 April 2007
  Nice, France
  Website: www.fefco.org

Industry events

- ProPak Malaysia 2005
  20-23 september, Kuala Lumpur, Malaysia
  E-mail: propak@oesallworld.com
  Website: www.allworldexhibitions.com

- Taropak
  20-23 September, Poznan, Poland
  Website: www.taropak.nl

- Packaging Innovation Show 2005
  27-29 September, Birmingham, England
  E-mail: barbara.jackson@reedexpo.co.uk

- XV International Papermaking Conference
  28-30 September 2005 - Wroclaw, Poland
  Association of Polish Papermakers (SPP)
  Tel: (+4842) 630 01 17
  Fax: (+4842) 632 43 65
  e-mail: info@spp.pl

- ANUGA
  8-12 October 2005, Cologne, Germany
  Website: www.anuga.com

- Propak Cape 2005
  18-20 October 2005, South Africa
  E-mail: Specialised@specialised.com
  Website: www.specialised.com

- EMPACK Brussels
  12-13 October 2005
  E-mail: frederik.van.aken@easyfairs.com
  Site: www.easyfairs.com

- VerpakkingVak 2005
  8-10 November, Zwolle, The Netherlands
  E-mail: e.vola@expogroep.nl
  Website: www.verpakkingsvakbeurs.nl

- Packaging Industry Exhibition
  9-13 November, Istanbul, turkye
  E-mail: atlas-2000-events@planet.nl

- IPT Istanbul 2005
  15-18 November 2005
  www.hkf-fairs.com

- Fruit Logistica
  2-4 February 2006, Berlin, Germany
  Website: www.fruitlogistica.com

- EMPACK Brabanthallen, Den Bosch
  19 & 20 April 2006
  E-mail: frederik.van.aken@easyfairs.com
  Site: www.easyfairs.com

- Converflex 2006
  9 - 13 May 2006, Fiera Milano
  Rho Exhibition Centre, Milan, Italy
  jane.harris@reedexpo.co.uk

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