

2015 ICCA / WCO GLOBAL SUMMIT

HELD IN TAIPEI, TAIWAN IN APRIL, THE GLOBAL SUMMIT ATTRACTED RECORD ATTENDANCE.
BY JACKIE SCHULTZ

In a show of global solidarity, more than 215 corrugated industry executives met in Taipei, Taiwan, last month for the 2015 International Corrugated Case Association/World Containerboard Organisation Global Summit. This was a record-setting attendance since the two Associations first began hosting the Global Summit in 2007 in Sydney, Australia. Since then, the bi-annual event has taken place in Tokyo, Montreal and Paris.

The Summit brings

together both ICCA and WCO memberships to address a variety of topics pertinent to a global audience. Representatives from some of the largest companies in their respective markets, including DS Smith, Smurfit Kappa, Pratt Industries, PCA, RockTenn, Klabin, Rengo, Georgia-Pacific and Cheng Loong attended this year's event.

"This is the most international Global Summit on record," said Frank Cheng, Vice Chairman of Cheng Loong Group and ICCA Chairman. "We have



Jan Klingele, Klingele Papierwerke GmbH & Co. and Nina Iversen, Glomma Papp.



Karin Maurer-Leinss, Klaus Spielmann, Florian Stockert and Christoph Bader.



Lars (left) and Christian Engel with Steve Young (middle).



From left, Greg Tucker, Dermot Smurfit, Coni Wolf and Luis Martinez.



representatives from all over the world, including North America, Central and South America, Europe, the Middle East and Asia.”

The Summit serves a very important purpose, Mr Cheng said.

“The world is changing. Technology is enabling companies to grow faster, to do things faster, to make things more efficient. It has also put a lot of companies out of business and put pressure on those still

around. How are we responding to these changes? At this year’s Global Summit we will address these questions and more.”

Speakers addressed a variety of topics that included global



ICCA/WCO officers from left, Frank Cheng, Klaus Spielmann, José Soares, Mike Harwood and Carl Bohm.



Keiga Lan and Liping Li.

economic outlooks and regional market conditions, corrugated innovations and industry threats. The Summit concluded with a global leadership panel in which five executives discussed key issues facing the industry.

"This is the deepest programme Carl Bohm, ICCA President and I have seen in the five bi-annual meetings we've had of Global Summits," said Mike Harwood, WCO Chairman and Deputy Chief Executive Officer of Pratt Industries.

Many of the speakers were well-known to the audience and long-time champions of an industry that plays a vital role in the global economy. They presented information to help attendees confront global challenges and threats from competing materials, (such as RPCs) and they highlighted corrugated packaging's sustainability and innovative designs. In addition, several suppliers were invited to present cutting edge technology that plants and mills are employing today to produce high quality products and meet customer demands.

The mood among attendees was cautiously optimistic, with many eager to hear more in-depth market data about their regions of the world. Overall, the news was positive with the global GDP showing upward movement since 2013. "I think everybody in this room is aware of the correlation between expanding economies and the demand for our packaging products," said Brandon Bennett, President, Containerboard and Kraft, Georgia-Pacific. "If we see positive GDP expansion globally, we're going to see growth for our packaging products."



John Zhu, HSBC.

Regional View

In what has become a tradition at every Summit and a favourite among attendees, the conference kicked off with a world tour of containerboard business conditions, beginning with Asia. John Zhu, an Economist with HSBC, presented a snapshot of the Asian market. The region, which consumes more than half of all corrugated in the world, has been growing much faster than most Western and emerging economies, however, it has been experiencing some slowdown and deflation.

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Nevertheless, Mr Zhu said Asia overall is in a "reasonably strong position," with growth averaging about 5 per cent annually since 2012.

Paul Leclair, Vice President and Chief Economist of Numera Analytics, reported on the European economy and its impact on packaging grades. "It's one of the trickier economies in the world today," he said. In 2014, global containerboard demand increased by just over 3 million tons or 2.1 per cent. Western Europe increased by 2.3 per cent and Eastern Europe increased by 4.7 per cent, "which is pretty good when you compare that to the rest of the world," Mr Leclair said. Much of that growth is the result of improved sales of non-durable goods.



Mike Harwood (left) and Carl Bohm (right) with speakers Paul Leclair (second from left) and Dan Meges.

Consumer spending and reduced energy prices are driving growth throughout the global corrugated industry. The United States is 66 months into a recovery that Dan Meges, Business Development Manager of The Freedonia Group, said could last another 24 to 36 months. “2014 was a year of employment growth, the housing market is gaining strength, but FX (foreign exchange) trends could hurt the manufacturing sector,” he said.



The Freedonia Group’s Dan Meges.

Regarding global industry challenges in the next nine to 18 months, Mr Meges said, “We have a strong US dollar, relatively low energy prices compared to six months ago (which could fluctuate), and we have an emerging market slowdown. Geo-political risks abound and we have the dynamic of climate change talks and an increased regulatory environment.”

Beyond Business

In addition to the conferences, the Summit provided an opportunity for attendees to renew friendships, many of which were established during the first Summit in Sydney. Attendees were also able to explore and learn more about the host city and the host company, which this year was Cheng Loong.



Tong-Ho Tsai (left), Carl Bohm (middle) and Frank Cheng.

During his opening speech, Frank Cheng introduced attendees to his family’s company and the city of Taipei. Founded in 1959, Cheng Loong is the largest paper company in Taiwan with five paper mills and 26 box plants. The company has 12 paper machines, 21 corrugators and 12 litho print facilities throughout Taiwan and China. With more than 8,000 employees, Chen Loong produces 2.6 million tons of paper and 2.1 billion sq meters of corrugated. Revenue in 2014 was \$1.4 (US) billion.

Taipei is the capital city of Taiwan. With 24 million people, its population is equivalent to

Australia, Texas and Shanghai. “Taiwan is about 36,000 sq kilometers, which is slightly smaller than Switzerland and yet larger than Belgium,” Mr Cheng said.

The next Global Summit will take place in the spring of 2017 in Brazil. More in-depth coverage of Global Summit presentations will be featured in upcoming issues of International Paper Board Industry. ■

