

Convener Report
Committee for International Trade 2015-16 At Managing Committee
Meeting of FPTA to be held at NAGPUR on 09th & 10th Jan - 2016

I thank our President for nominating me for this post and thank my team members for cooperating with me throughout the term towards fulfilling my duty as Convenor – Committee for International Trade.

Global scenario for Paper & Board industry is generally weak. Prices are generally on downward side. Lot of newsprint mills, old mills are shutting down in North America & Europe.

Asia's outlook for the printing & Graphics Markets is that Chinese Government is trying to control in excess capacity in Coated grades and forcing the closure of small, old & polluting paper mills and export focus shifting from Coated to uncoated woodfree. Import of Copier from Indonesia & Thailand at zero duty on regular basis is a reality now which has spoiled the local copier market further. On an average both countries are supplying around 2000 tons per month in southern & western India market.

- 1. International Market for Pulp, Paper & Printing very negative, Since 6 Months. Most of the prices are in downward phase with little movements:*

Current Average Rates:

<i>Soft wood pulp</i>	<i>- 540 US \$</i>
<i>Hard Wood Pulp</i>	<i>- 570 US \$</i>
<i>Waste Paper Average - Brown</i>	<i>- 210 US \$</i>
<i>- White</i>	<i>- 410 US \$</i>

India Imports nearly – 2.3 Million Tons of Waste Paper.

Coated Paper - 630 to 670US \$

<i>Wood free Paper</i>	<i>-710 to 760 US \$</i>
<i>Copier</i>	<i>-750 US \$</i>
<i>Newsprint</i>	<i>-500 US \$</i>
<i><u>US \$ – is stable & currently around 67.00 INR</u></i>	

2. India's yearly

<i>Exports of Paper & Boards</i>	<i>- 0.4 Million Tons</i>
<i>Imports of Paper & Boards</i>	<i>- 1.5 Million Tons+</i>
<i>Newsprint Imports</i>	<i>-1.5 Million Tons</i>

Asia & Particularly China dominates the Global production of Paper & Paper Board. Asia is now size of North American & Europe combined. Production is as under:-

<i>a. Asia</i>	<i>- 177.0 M.T</i>	<i>Packaging Grades</i>	<i>- 223.0 M.T</i>
<i>b. America</i>	<i>-107.0 M.T</i>	<i>Wood free Grades</i>	<i>- 125.0 M.T</i>
<i>c. Europe</i>	<i>-106.0 M.T</i>	<i>Coated Grades</i>	<i>- 23.0 M.T</i>
<i>d. Others</i>	<i><u>- 10.0 M.T</u></i>	<i>Tissue & Others</i>	<i><u>- 29.0 M.T</u></i>
<i>Total</i>	<i><u>- 400.0 M.T</u></i>	<i>Total</i>	<i><u>-400.0 M.T</u></i>

Per day World consumption is 1.1 Million Tons of Paper & board. Global revenues of Paper Industry is around 565 Billion U.S Dollars

- Sinarmas & April to invest in Indonesia Pulp Production – around 2.3 USD billion. Pulp Production of Indonesia to reach 10.25 Million by 2018.*
- Import of Paper excluding Newsprint was 7250 Crores compared to 5990 in previous year of that Import from China was 1300 Crores in FY 14-15 around 18%. In past four years due to zero duty paper Import has grown at a compounded annual rate of 18% capacity utilisation of Indian mills is at all time low due to cheap Imports.*

Chinese mills capacity utilisation is around 75 % now. Indian Paper mills have approached Government for safeguard duty which right now has not been accepted by Government.

5. *Duty Charges from 1st January 2016.*

*South Korea - 1.56 %, Japan – 5.5 %, China - 10 % ,
Indonesia & Thailand – 0 %.*

6. *New developments in the field of Paper & Boards, that will take Paper to a greater newer heights.*

a) *Reversible Paper - Tosibha has launched world's first eco friendly MFP system that can erase images & text on the prints.*

b) *Paper bottles secure big Investment.*

c) *Paper composite, a future material for construction Industry..*

d) *Scientists make paper that is stronger than steel.*

e) *Packaging has been used is to make container for normal cooking on gas stove at Shanghai*

7. *Foreign mills like APP (China) have started their conversion plants and warehouses in cities like Chennai & Mumbai for tissue paper and packaging varieties. Many big foreign trading houses like JPP and others are setting up offices across India.*

8. *Coated Paper there is over capacity in the world. Total consumption is 23 million tons. China produces 8 Million Tons & as against demand of 4 million tons of demand. As China cannot export much to Europe & US, it diverts its excess quantity to Indian sub-continent & Middle East countries. These results in coated prices are getting cheaper than uncoated paper by nearly 75 to 100 USD per Ton.*

9. *By 2020, Chinese producers will dominate 60 to 70% in W&P & 30% to 40% of Industrial grade as China is investing heavily in Technology and Economies of scale. Currently it produces around 110 Million tons of Paper & Board annually. Average age of Chinese machines is 6 to 7 Years only and in developed nations like US and Europe average age is 35 to 40 years.*
10. *The major portion of growth around 10 Million Tons in India in the next decade will largely be met by imports except for low grades mainly due to AFTA agreements/Raw material problems/Economies of scale. No new major capacities are under pipelines.*
11. *The Graph of W& P Paper seems to be going negative by - 1.8% due to e-books & digital revolution etc. Industrial paper is growing 2 to 3% and tissue by 5 to 6%.*
12. *Global Print market is around 800 billion USD in 2013. Future is in Digital & Nano technology in printing. India print market is around 20 billion dollars.*
13. *More than one billion smart phones sold in one year globally. More than 200 million Tablets sold in one year. E-books Sales value more than one billion USD in 2014.*
14. *China – Shandong Tranlin is investing in USA for new mills for tree free paper.*

We are planning a trip to South Korea or Russia in next Six months. We are trying for appointments with M/s. Moorim Paper Mills, Hansol Paper Mills Etc. Once all things are in place we will inform all the associations.

Thanking you,

Shekar Chandak

Convener

Committee for International Trade – FPTA