

## Convener Report

### Committee for International Trade 2015-16 At 55<sup>th</sup> AGM of FPTA to be held at MUMBAI from 23<sup>th</sup> to 25<sup>th</sup> September - 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 Convener – Committee for International Trade.*

*Global Scenario for Paper & Board industry is generally stable. Prices are stable. Lot of newsprint mills, old mills are shutting down in North America, Europe & China.*

*Import of Copier, Woodfree from Indonesia & Thailand at zero duty on regular basis is a reality now which has disturbed the local copier market further. On an average both countries are supplying around 3000 tons per month in southern & western India market.*

*1. International Market for Pulp, Paper & Printing stable, Since 3Months. Most of the prices are stable with little movements:*

#### Current Average Rates:

<i>Soft wood pulp</i>	<i>- 620 US \$</i>
<i>Hard Wood Pulp</i>	<i>- 500 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.*

<i>Coated Paper</i>	<i>- 640 to 670US \$</i>
<i>Wood free Paper</i>	<i>-740 to 780 US \$</i>
<i>Copier</i>	<i>-760 to 800 US \$</i>
<i>Newsprint</i>	<i>-500 US \$</i>

*US \$ – is stable & currently around 67.00 INR*

*2. India's yearly*

<i>Exports of Paper &amp; Boards</i>	<i>- 0.5 Million Tons</i>
<i>Imports of Paper &amp; Boards</i>	<i>- 2.3 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>- 10.0 M.T</i>	<i>Tissue &amp; Others</i>	<i>- 29.0 M.T</i>
<i>Total</i>	<i>-400.0 M.T</i>	<i>Total</i>	<i>-400.0 M.T</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*

- 3. Sinarmas & April to invest in Indonesia Pulp Production – around 2.3 USD billion Pulp Production of Indonesia to reach 10.25 Million by 2018.*
- 4. Pulp & Paper gets Red in colour coded categorisation of Industries.*
- 5. Pakistani, China companies sign agreement for Industrial & Business cooperation.*
- 6. Import of Paper excluding Newsprint was 12350 Crores 2014-15 compared to 7152 in 2010-11. Imports from China was 1500 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%. 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.*
- 6.A By 2024 Paper Board packaging market to touch USD 230 Billion. This segment is estimated to be growing at CAGR 7.2 % between 2016 to 2024. Currently the market is 130 billion dollars.*
- 6.B DRUPA – 2016 was held in June 2016 was a resounding success. 1837 exhibitors from 54 countries, 2,60,000 visitors from 180 Countries.*

### Lot of Innovations in printing :-

- a) *Korean scientists invent inkjet that prints electric circuits & super caps.*
- b) *Inspired by nature – 4D bio-mimetic printing.*
- c) *Ocean waste turned into fashionable wears through 3D printing.*
- d) *Printed solar cells. Capturing sunlight on paper.*

### Digital Print growth:-

- 36 % Growth of Commercial printer*
- 24 % Growth of Publishing printer*
- 13 % Growth of Packaging printer*
- 59 % Growth of functional printers like Textiles, Electric cards.*

*Epson's paper lab recycles paper right in office. The company has developed the world's first compact Office paper making system called paper lab. It is capable of producing new paper from shredded waste paper without use of water. It will be first sold in Japan this year end.*

#### **7. Duty Charges from 1<sup>st</sup> January 2016.**

*South Korea - 1.56 %, Japan – 5.5 %, China - 10 % , Indonesia & Thailand – 0 %. South Korea duty will be Zero from 1.1 .2017.*

#### **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 2015. Future is in Digital & Nano technology in printing. India print market is around 20 billion dollars.*
- 13. More than 1.5 billion smart phones sold in one year globally more than 300 million tablets sold in One year. E- Books sales value more than one billion USD in 2015.*
- 14. China – Shandong Tranlin is investing in USA for new mills for tree free paper.*

*We had planned a trip to Russia in October 2016 which could not happen due to permission issue with IP Russia. We are planning a trip to South Korea may be in March – 2017 depending on permission & consensus. 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*