

# Corrugated TODAY

THE BI-MONTHLY PUBLICATION FOR AMERICAN

AND CANADIAN INTEGRATED AND INDEPENDENT BOX MAKERS

JULY/AUGUST 2015

INSIDE | ICCA/WCO SUMMIT • PRATT LEWISBURG • COMPETITIVE THREATS • AICC ANNIVERSARY • FBA MEETING

## Mitsubishi Corrugating Machines

### Industry Leading Technology

90° extended nip area for constant even pressure

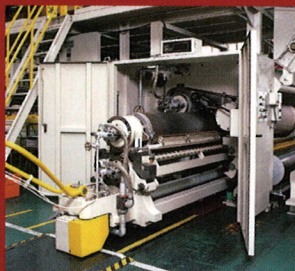
No pressure roll marks

Nip and Glue Roll Gap automatically adjusted

Kappa Belt warranty for 65 million lineal feet

Minimal maintenance cost

Quieter operation



Widths from 72" to 110"  
1500 fpm machine speed  
Multiple Flute Capability

### 60H PASER II

#### Single Facer

Featuring Kappa Belt Pressure System



## Corrugating Made Easier and Better.

Better corrugating starts with superior technology. Mitsubishi's 60H II Single Facer's patented Kappa Belt pressure system applies even, optimum pressure to the corrugating roll, effectively eliminating pressure marks and board defects common among pressure roll designs. The Kappa Belt, made of durable, flexible fabric, remains debris-free and reduces wear on the corrugating roll. With automated control and diagnostics, automatic adjustments for board and liner thickness changes plus total temperature control, the 60H II almost runs itself!

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# 2015 ICCA / WCO GLOBAL SUMMIT

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

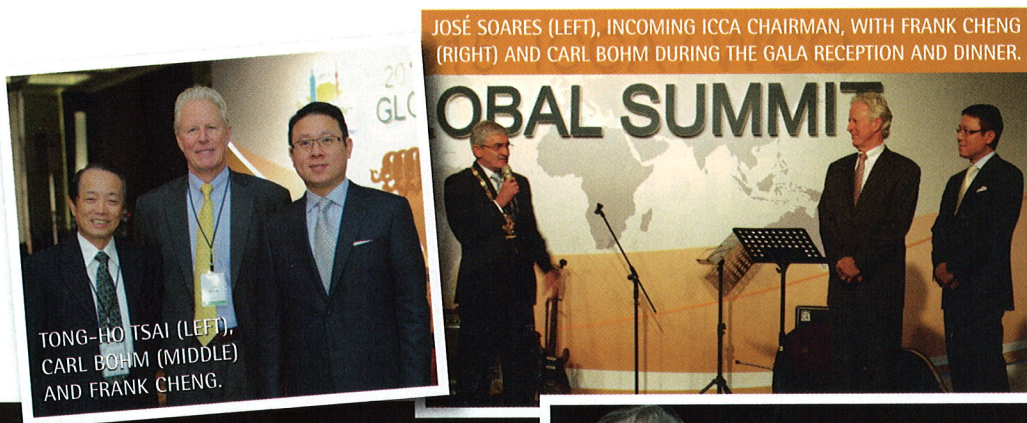
BY JACKIE SCHULTZ

In a show of global solidarity, more than 215 corrugated industry executives met in Taipei, Taiwan, April 13-15 for the 2015 International Corrugated Case Association (ICCA) / World Containerboard Organisation (WCO) 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 RockTenn, PCA, Pratt, DS Smith, Smurfit Kappa, 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 representatives from all



TONG-HO TSAI (LEFT),  
CARL BOHM (MIDDLE)  
AND FRANK CHENG.

JOSÉ SOARES (LEFT), INCOMING ICCA CHAIRMAN, WITH FRANK CHENG  
(RIGHT) AND CARL BOHM DURING THE GALA RECEPTION AND DINNER.



LARS (LEFT) AND CHRISTIAN ENGEL (RIGHT) OF BHS CORRUGATED  
WITH STEVE YOUNG.



FROM LEFT, GREG TUCKER, DERMOT SMURFIT, CONI WOLF AND LUIS  
MARTINEZ.



over the world, including North America, Central and South America, Europe, the Middle East, and Asia."

The Summit serves a very important purpose, 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 economic outlooks and regional market conditions, corrugated innovations and industry threats. "This is the deepest program Carl Bohm, ICCA President and I have seen in the five bi-annual meetings





## Global Summit

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."

## Regional View

In what has become a tradition at every Summit and a favorite 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



JOHN ZHU,  
HSBC.

world, has been growing much faster than most Western and emerging economies, however, it has been experiencing some slowdown and deflation. Nevertheless, Zhu said Asia overall is in a "reasonably strong position," with growth averaging about 5% annually since 2012.

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

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.

(foreign exchange) trends could hurt the manufacturing sector," he said.

Regarding global industry challenges in the next nine to 18 months, Meges said, "We have a strong U.S. 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."

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



MIKE HARWOOD (LEFT) AND CARL BOHM (RIGHT) WITH SPEAKERS PAUL LECLAIR (SECOND FROM LEFT) AND DAN MEGES.



containerboard demand increased by just over 3 million metric tons or 2.1%. Western Europe increased by 2.3% and Eastern Europe increased by 4.7%, "which is pretty good when you compare that to the rest of the world," Leclair said. Much of that growth is the result of improved sales of nondurable goods.

## 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.

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 printers throughout Taiwan and China. With more than 8000 employees Chen Loong

produces 2.6 million metric tons of paper and 2.1 billion sq meters of corrugated. Revenue in 2014 was \$1.4 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," Cheng said.

More in-depth coverage of Global Summit presentations is featured in the following pages of this issue.

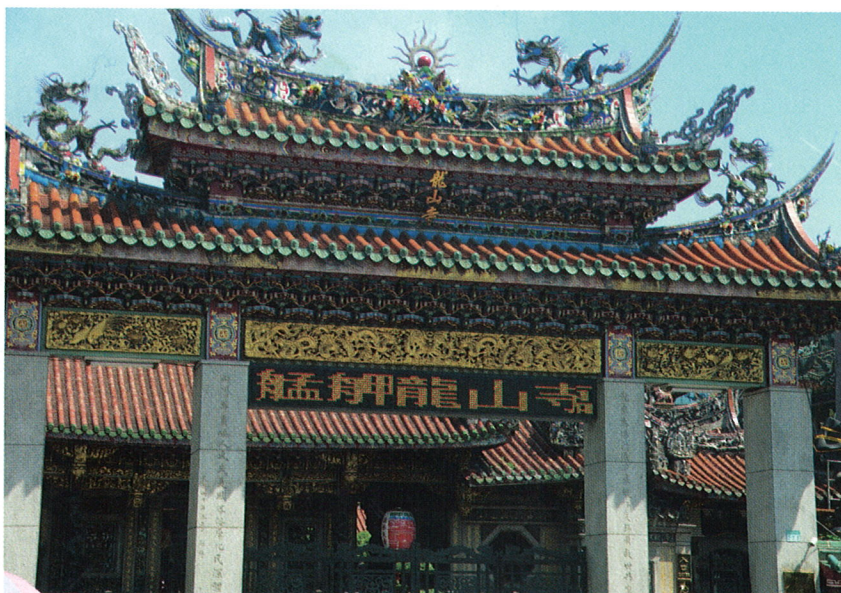
The next Global Summit will take place in the spring of 2017 in Brazil. ■



LEFT: AN EVENING RECEPTION AT THE SILKS PALACE. BELOW: DINNER AT CHENG LOONG. BOTTOM: LUNGSHAN TEMPLE.



FRANK CHENG, ICCA CHAIRMAN





# 2015 ICCA / WCO INDUSTRY INNOVATIONS

A REVIEW OF HIGH-TECH PACKAGING, DIGITAL PRINTING, AND NEW MACHINERY DEVELOPMENTS. BY JACKIE SCHULTZ

**Frank Cheng, ICCA Chairman and Vice Chairman of Cheng Loong Group, kicked off the innovations session of the ICCA/WCO Global Summit in Taipei, Taiwan, with a presentation about his company's eManagement system. The system links sales, production, and warehousing/logistics.**

Previously, his company, which is based in Taiwan, was using a paper-based system. Today, everything is done via computer. The company has saved 5200 work hours at each plant annually as a result of its implementation.

Kim Nelson, CEO of Royal Containers Ltd, presented a few examples of design innovations produced by U.S. and Canadian members of the AICC – The Independent Packaging Association. The products incorporated high-end graphics and high-tech components, such as LED lights and computerized features and interactive push buttons, in order to attract the consumer's attention.

Luis Martinez, Vice President of Smurfit Kappa, presented his company's Bag-in-Box

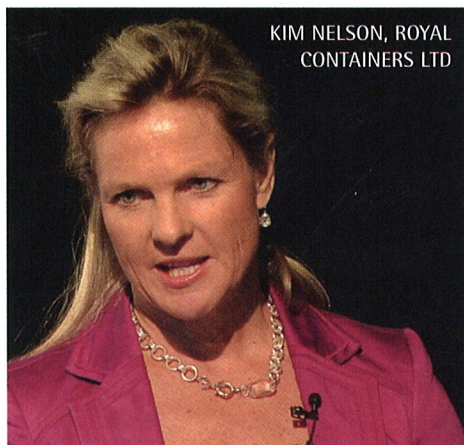


FRANK CHENG, CHENG LOONG GROUP

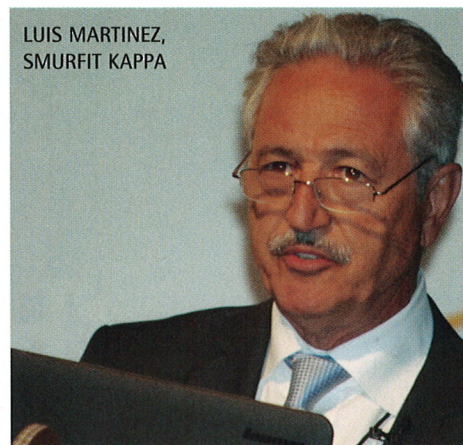
(BIB) solutions. They are suitable for beverages, oils, sauces, chemicals, detergents and pharmaceutical products. The system consists of thin film bags, contained in a corrugated box. A Vitop tap dispenses the product, which is protected from air and light while retaining its organoleptic properties. The biggest advantage of BIB is optimized shelf life, according to Martinez.

One of the newest markets for BIB is bottled water. Martinez said there is significant potential where tap water is not used for drinking, such as in Asia and Latin America. The market is forecast to reach \$70 billion by 2017.

One of the fastest growing corrugated segments in Asia is e-commerce. Vincent Hsieh, President of Uitox Global, presented



KIM NELSON, ROYAL CONTAINERS LTD



LUIS MARTINEZ, SMURFIT KAPPA



## Global Innovations



VINCENT HSIEH, UITOX GLOBAL

his company's global e-commerce solution. Uitox's mission is to lower the cost between producers and consumers by streamlining order processing, warehouse management, delivery and payment options. The company offers warehouse and logistics fulfillment to fill local and cross-border delivery requirements. It has platforms throughout Asia, including Shanghai, Taiwan, and Singapore. This year Uitox will expand its services to 30 locations around the world.

### Digital Solutions

Miles Roberts, Group Chief Executive of DS Smith, presented Europe's view of Retail Ready Packaging (RRP). Convenience stores in Western Europe



MILES ROBERTS, DS SMITH



ROBERT SEAY, HEWLETT PACKARD CO.

are forecast to grow 5.3% by 2018. With smaller shelf space, products are at risk of being depleted and statistics have shown that when a product is out of stock, 37% of shoppers will purchase the competition's brand. RRP is expected to reach \$63.4 billion and 32.1 million metric tons by 2017. Europe holds the largest share of RRP globally. Asia is expected to have the highest growth rate with demand predicted to improve at a rate of 6.2% annually. DS Smith's focus on RRP aligns with the company's recent purchase of an HP T400 Simplex Color Inkjet Web Press. The company also will be the world's first user of HP's upcoming wide-web digital preprint solution, the HP T1100 Simplex Color Inkjet Web Press.

The HP T1100 was developed in conjunction with KBA and will be available commercially by 2018. Planned to print at speeds of up to 600 ft (183 meters) per minute and produce up to 300,000 sq ft (30,000 square meters) per hour, the press will print rolls of corrugated liner that can then be placed directly onto existing 110 inch-wide (2.5 or 2.8 meter) corrugators.

Less than 1% of corrugated packaging is printed digitally, however, the tipping point between analog and digital is getting closer, said Robert Seay, Business Development Director of

Hewlett Packard Co. During his Summit presentation, Seay explained HP's digital value proposition, which is to optimize print costs by eliminating plate making and reduce setup time; make short runs fast, efficient and economical; reduce finished goods inventory costs; provide added revenue through value-added capabilities such as variable data; and increase time to market.

### Machine Developments

Lars Engel, owner and Managing Director of BHS Corrugated, presented the concept of Corrugated 4.0., which refers to smart factories and the digital transformation of the corrugated industry. BHS Corrugated's four major goals that align with Corrugated 4.0 include board quality; waste reduction; productivity; and tracing. The corrugators are engineered with Warp Control Systems, Target Speed Controls, and Zero Defect Systems, which constantly monitor the quality of the bonding of the singleface web. By the end of this year the company will



LARS ENGEL, BHS CORRUGATED



## Global Innovations

introduce a Zero Defect System for combined board on the wet end. At the dry end the system will automatically measure the caliper, width and scoring of the board to ensure quality. The corrugators also offer continuous tracing. The reel verification system ensures that the correct paper is loaded for the corresponding order. BHS Corrugated has also developed a bundle stacker that automatically counts the sheets at the end of the stacker. This system is especially useful in Asia where sheets are counted manually, creating bottlenecks.

In response to the industry's request for more packages with innovative shapes and lower tolerances, Guangdong Dongfang Precision Science & Technology Co., Ltd., has developed inline solutions for modern diecutting and converting. According to Graziano Galletti, Chief Engineer, the rotary diecutting units have an advanced grinding system, which keeps the anvil

roller perfectly flat, yielding a perfect cut. A complete range of stripper stackers and automatic palletization is available. For the flexo folder-glue with inline diecutting, Dong Fang is developing a new stripping section that can be placed between the diecutter and the folder, ensuring the complete cleaning of boxes before folding. Galletti announced several new developments — a folder-gluer for top and bottom printing with multi-out folding capability and a new concept of die change which combines a cylinder quick lock, reducing setup time to one minute.

Dr. Kari Räisänen, Sales Director of Valmet Technologies, Inc., presented recent papermaking innovations. The new Aqua layering technology uses a thin layer of water as a headbox wedge to stabilize the layers and form an even film while layers of stratified paper are being joined together. The VacuMaster high vacuum suction box maximizes dryness and minimizes drive power. The

company has also introduced new machine designs allowing for improved accessibility and operator safety. Valmet has been involved in the startup of several recent containerboard machines, including the Greenpac linerboard machine in the U.S., the Blue Paper conversion rebuild in France and six new startups in Asia.

Ilkka Kuusisto, Vice President of Sales and Marketing of Pöyry, addressed energy developments, costs and trends.



IIKKA  
KUUSISTO,  
PÖYRY



GRAZIANO GALLETTI, GUANGDONG  
DONGFANG PRECISION SCIENCE &  
TECHNOLOGY CO., LTD.



DR. KARI  
RÄISÄNEN,  
VALMET  
TECHNOLOGIES,  
INC.

Energy to run a testliner mill in Europe represents 49% of total costs and 12% of total costs to run a corrugated plant. Kuusisto said energy solutions do exist, however, there is no standard solution. The total energy consumption of box plants includes the boiler (75%), the corrugator (8%), motors (5%) and blowers and fans (5%). Potential areas where box plants can save money include adjusting corrugator speed; repairing steam and compressed leaks; installing insulation; adjusting steam boiler operating pressure; using blowers instead of compressed air; recycling steam and using high efficiency lighting. Pöyry has assisted with several projects that have improved paper mill production, electricity and steam usage and internal material handling and logistics for a total potential savings of 5-8% of turnover. ■