

# General Session I

## Monday - May 23, 2011

# THE AMERICAS

Michael Harwood



# The Americas

## Corrugated Consumption



### Consumption By Country METRIC TONNES

USA - 26,701,000

Canada - 2,835,000

Mexico - 2,784,000

Central  
America - 802,000

**TOTAL = 33,122,000**



# Containerboard Supply/Demand Summary (MT) 2010 - 2011

Country	Production Capacity	All Demand	Imports	Current Operating Rates, %
USA	31,000,000	29,000,000	800,000	96%
Canada	3,600,000	2,835,000	286,000	95%
Mexico	2,600,000	2,784,000	640,000	94%
Cent. Amer.	270,000	802,000	634,000	N/A

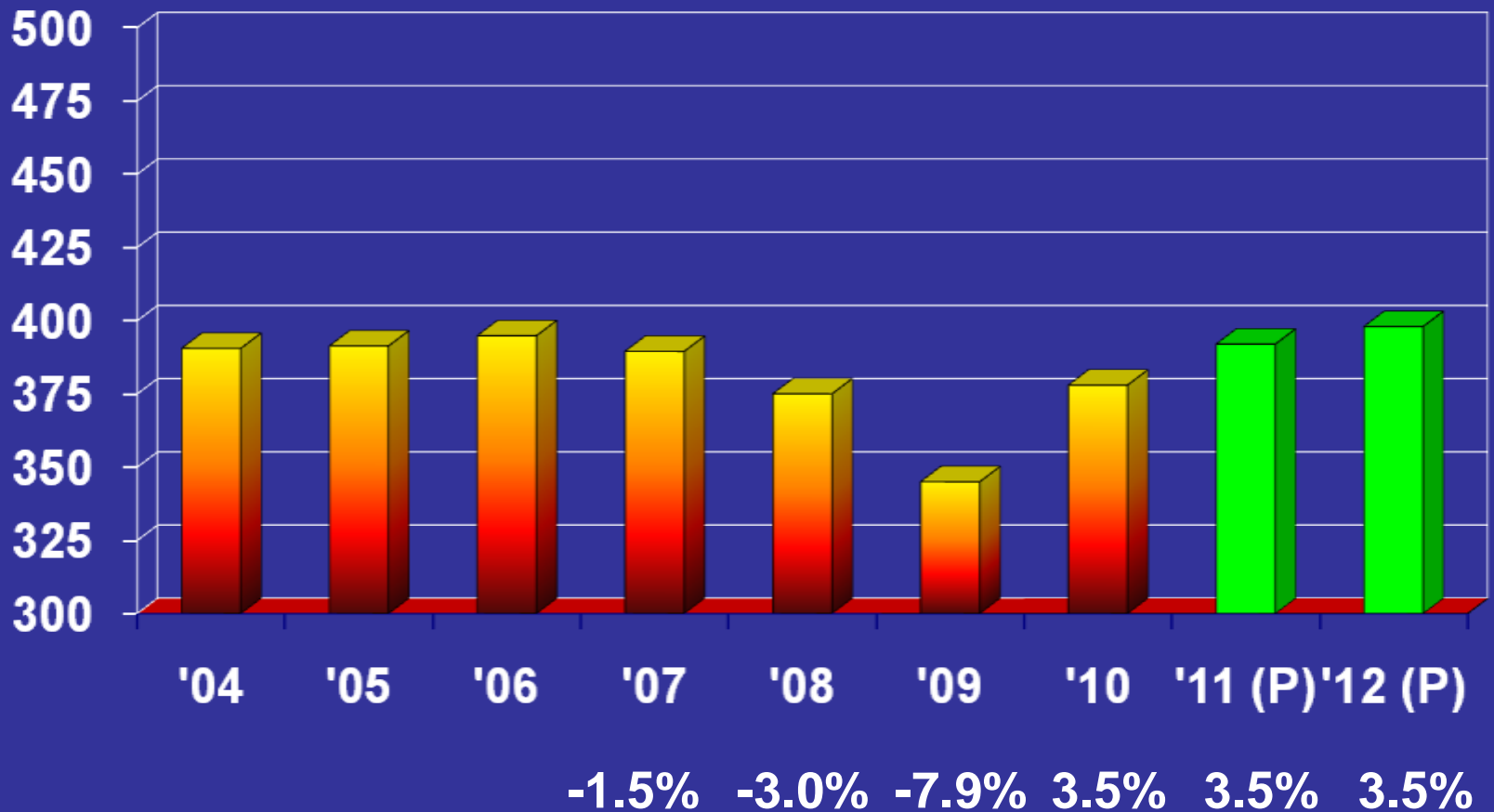
**UNITED STATES OF AMERICA**

**Corrugated & Containerboard  
Outlook**



# United States Corrugated Shipments

Billions of Square Feet

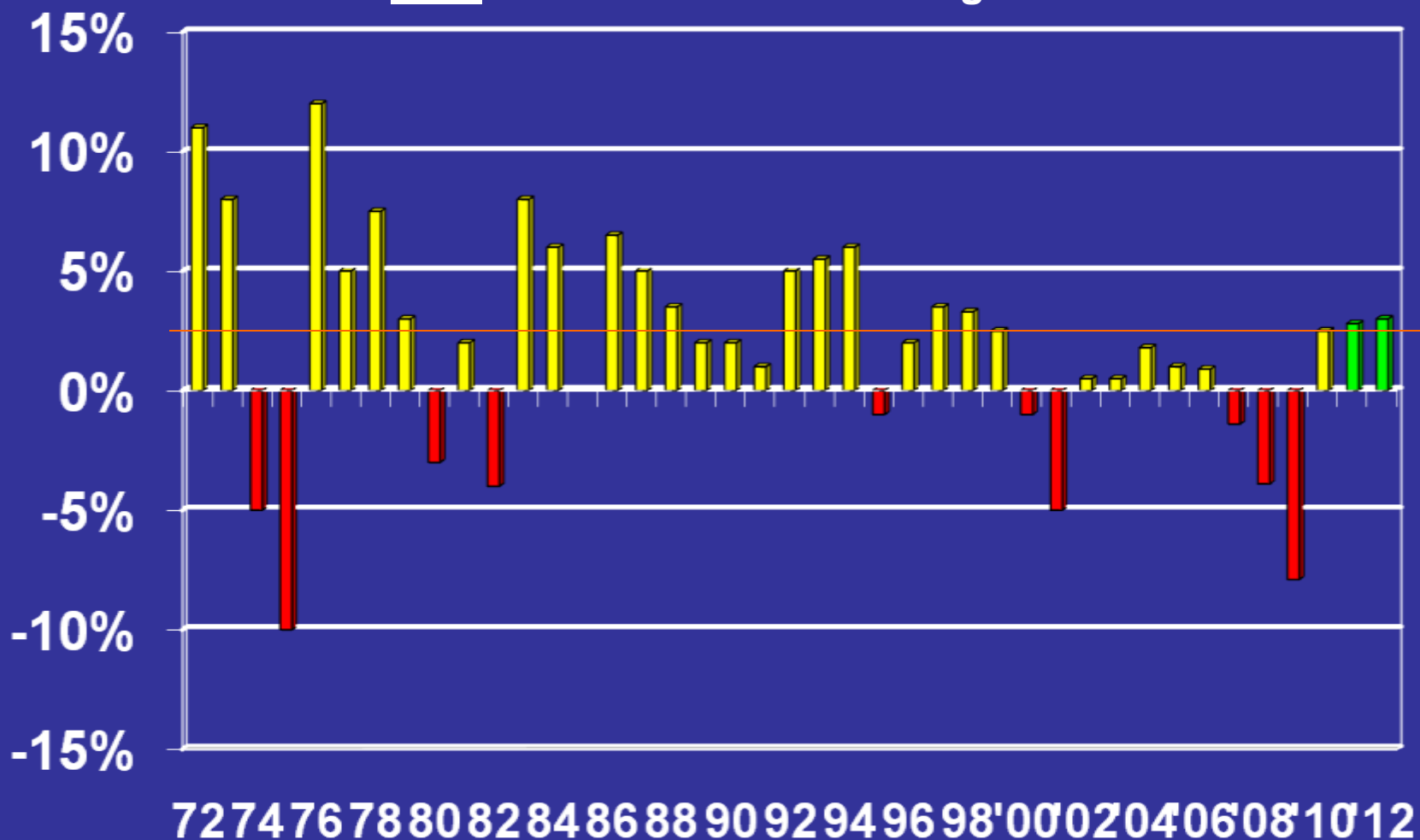




# USA BOX SHIPMENTS (Year over Year)

% Change

Note: 2011-2012 is estimated growth



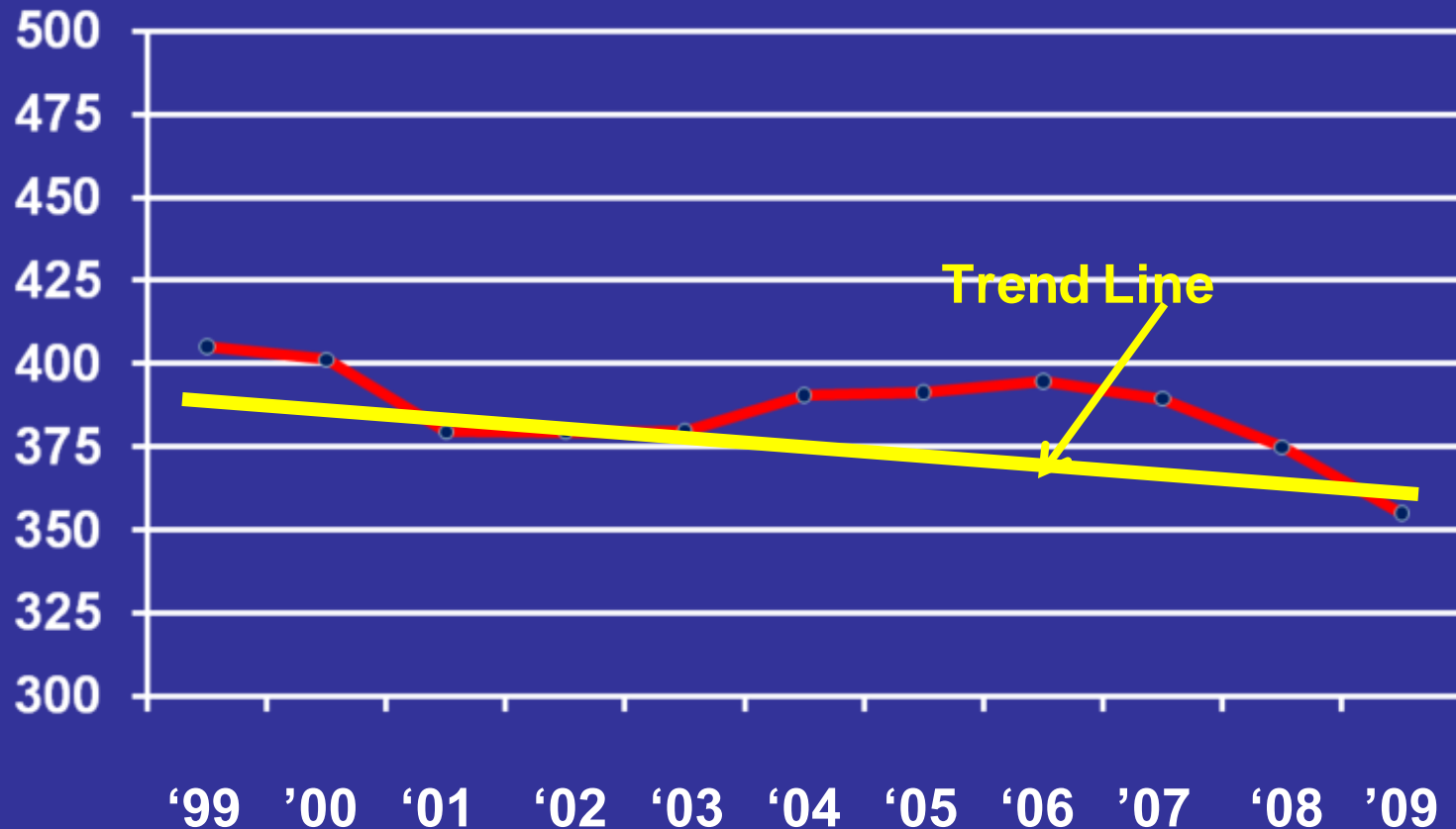
Note: Shipments averaged 2.5% growth from 1980-2004.



# United States

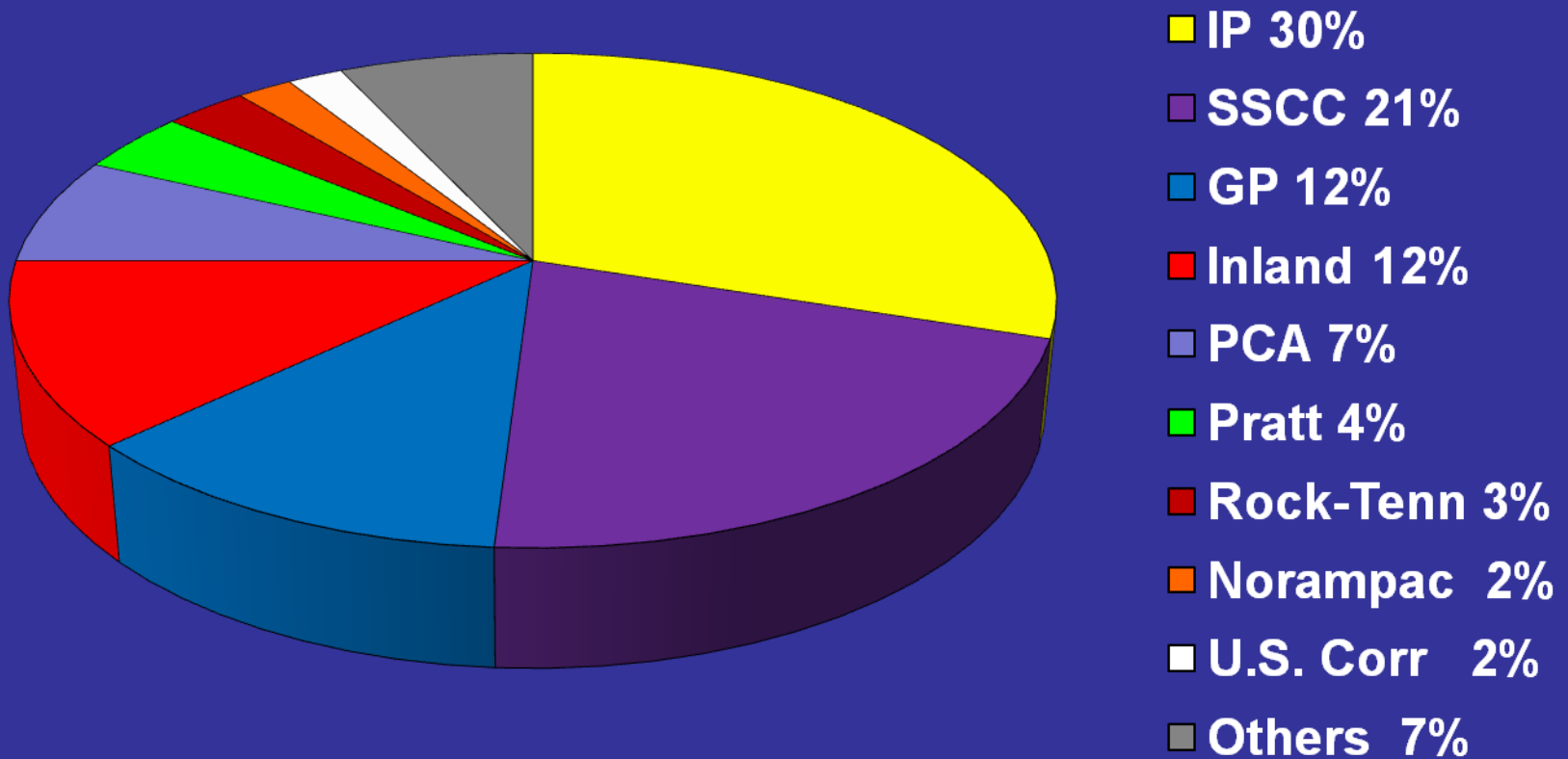
## Ten Years Shipments Trend

Billions of  
Square Feet



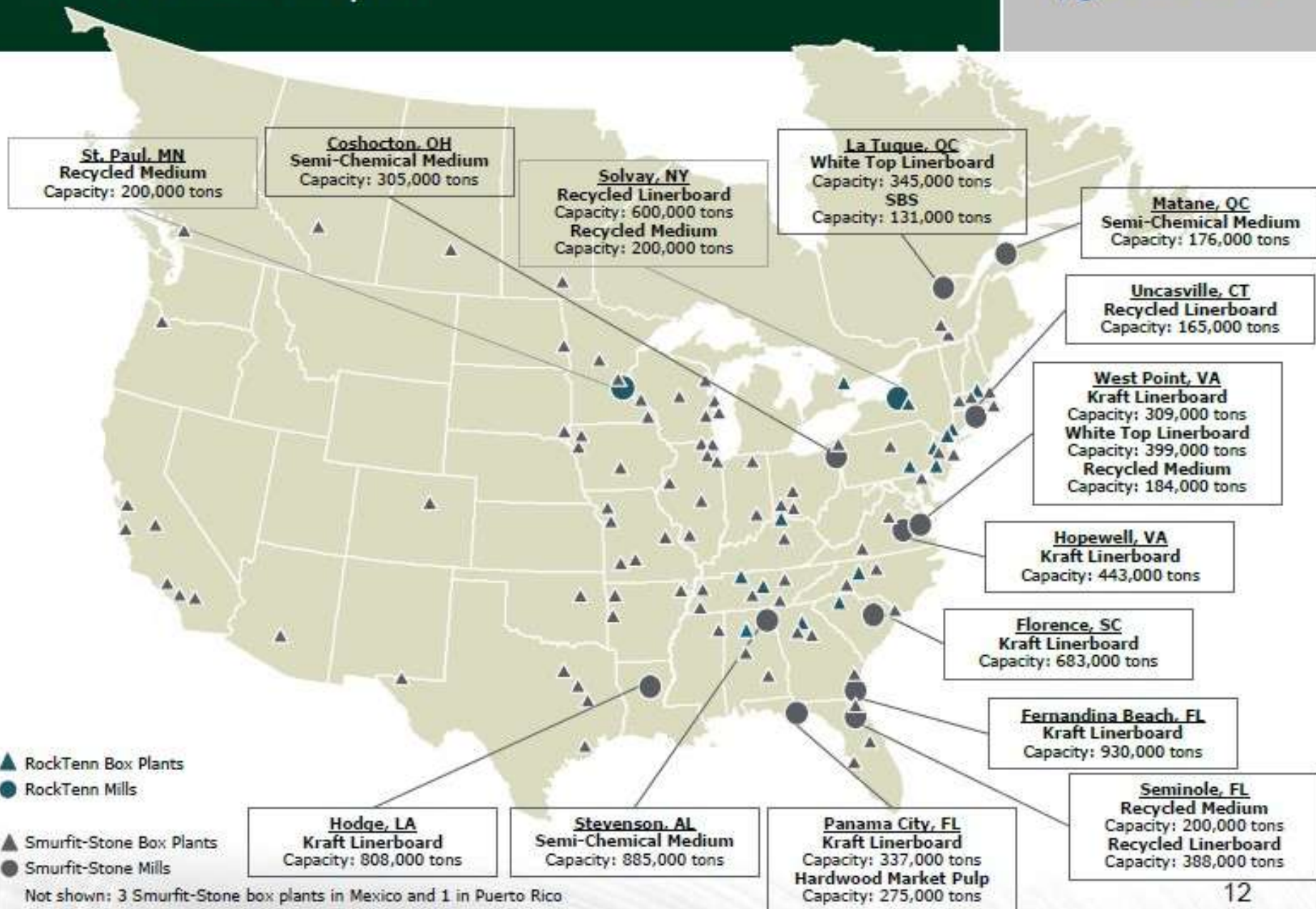
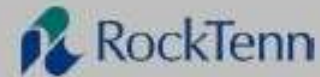


# USA Corrugated Market Share



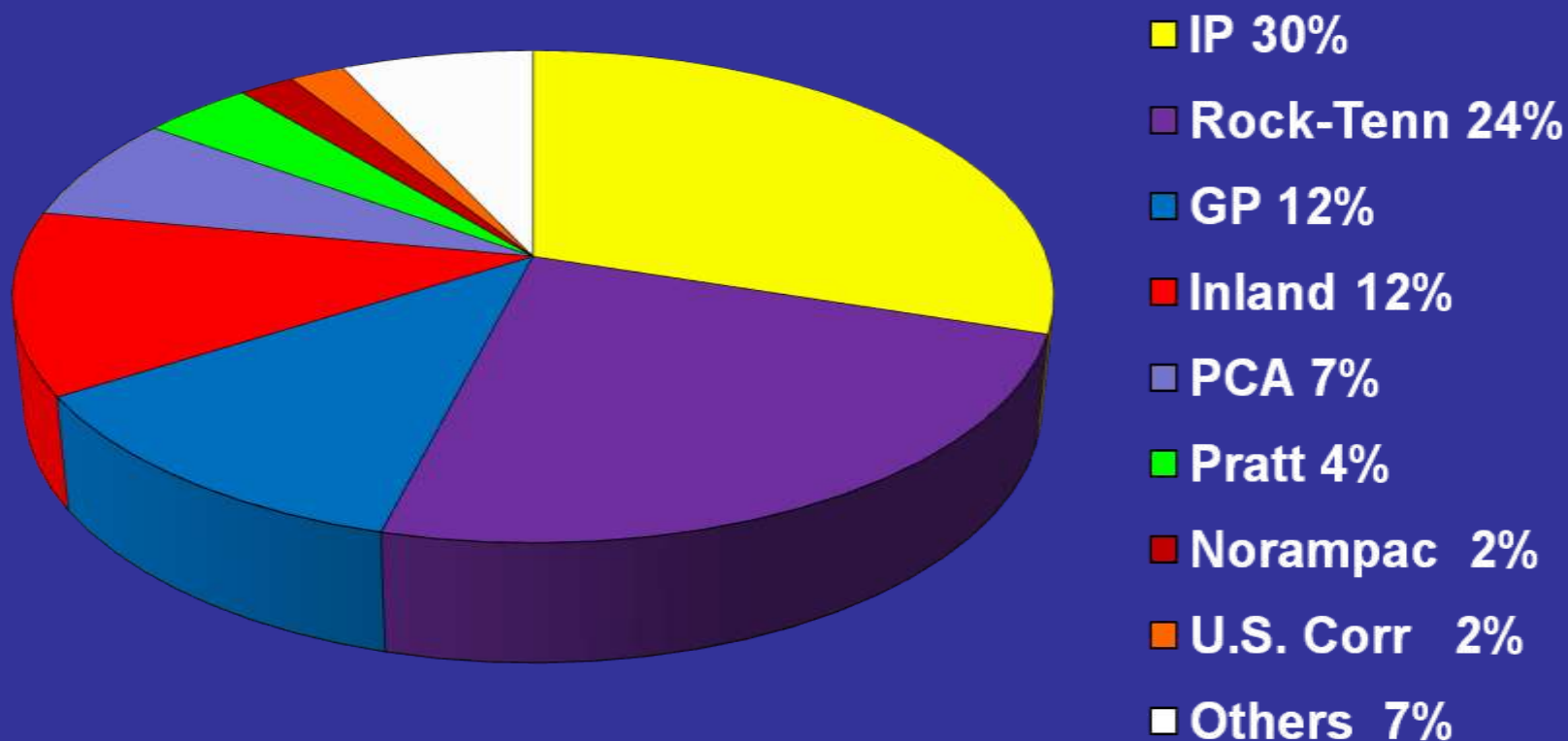


# Containerboard Footprint



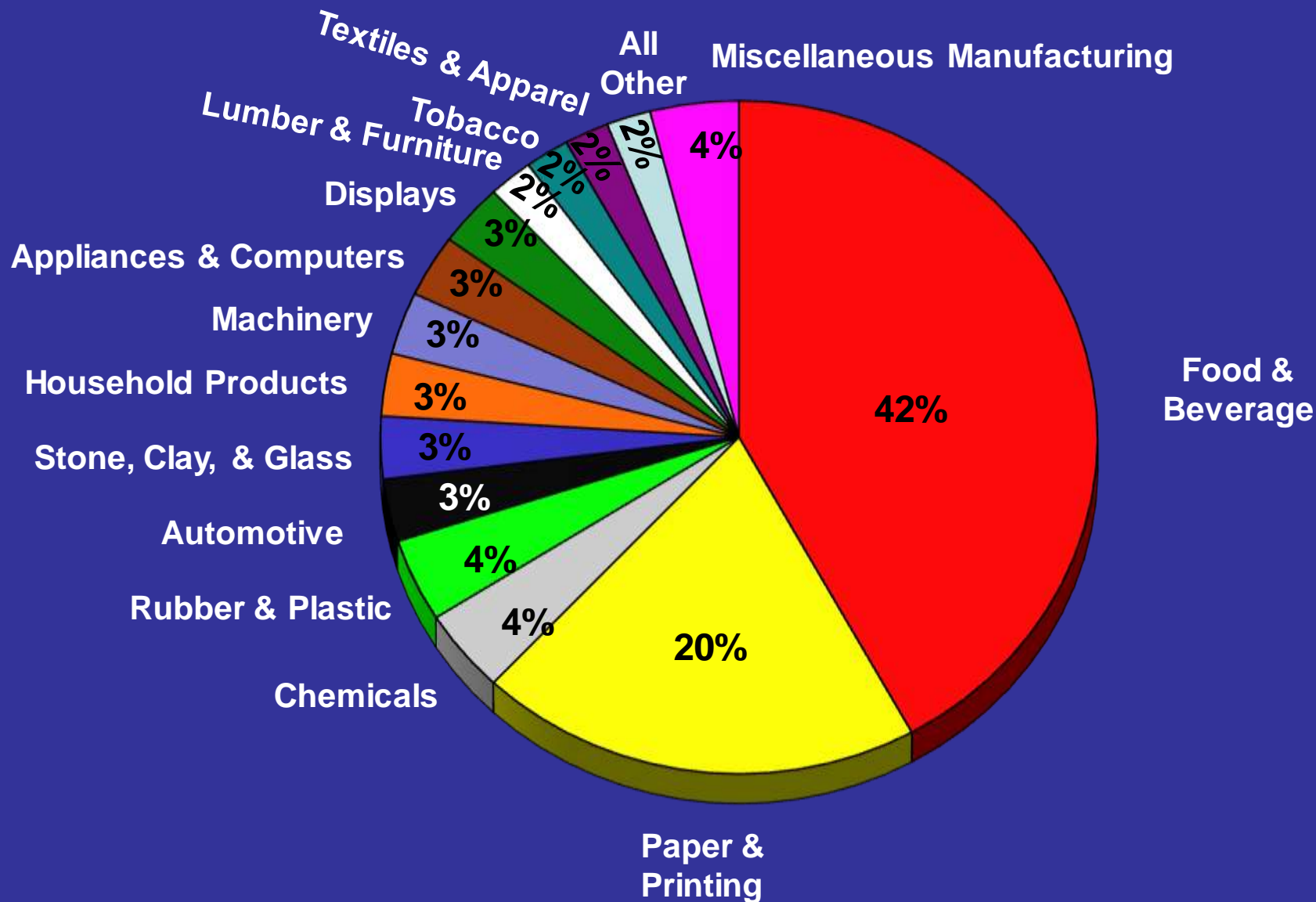


# USA Corrugated Market Share (After RKT Acquisition)





# U.S. Corrugated Key End Uses





# SUMMARY

## Major Industry Trends (2011-2012)



US emerging from recession & growing



Corrugated shipments to expand by 3% or more/year



Containerboard supply/demand to remain in balance



Export demand will be strong due to weak US dollar



Rising input costs keep margins low



No significant containerboard expansions in near future



Mergers & consolidations will continue

**REPUBLIC OF MEXICO**

**Corrugated & Containerboard  
Outlook**





Capacity  
2.60 million  
tonnes

Growth Rate = 3.5%

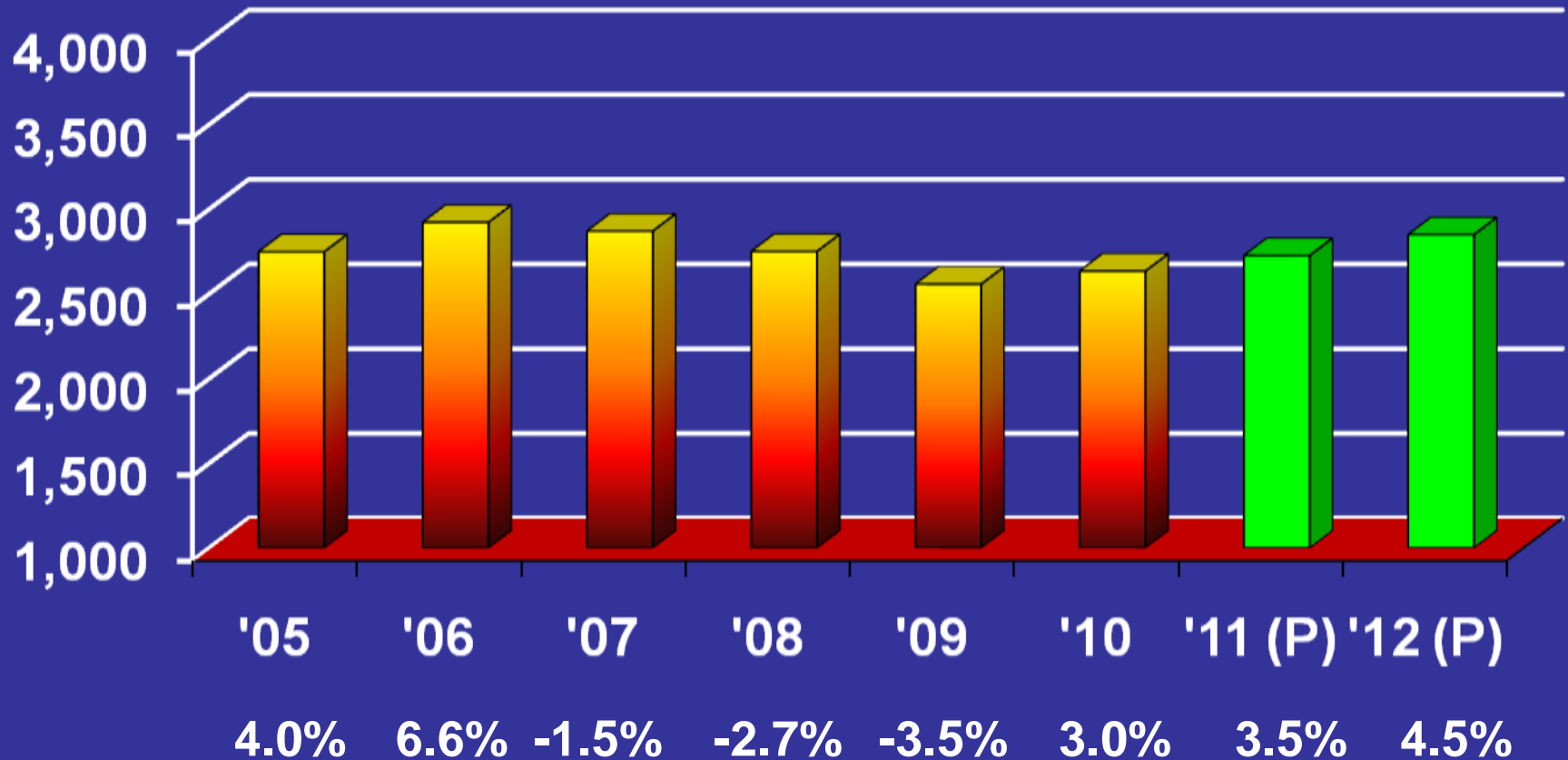
Demand  
2.80 million  
tonnes



# Mexico

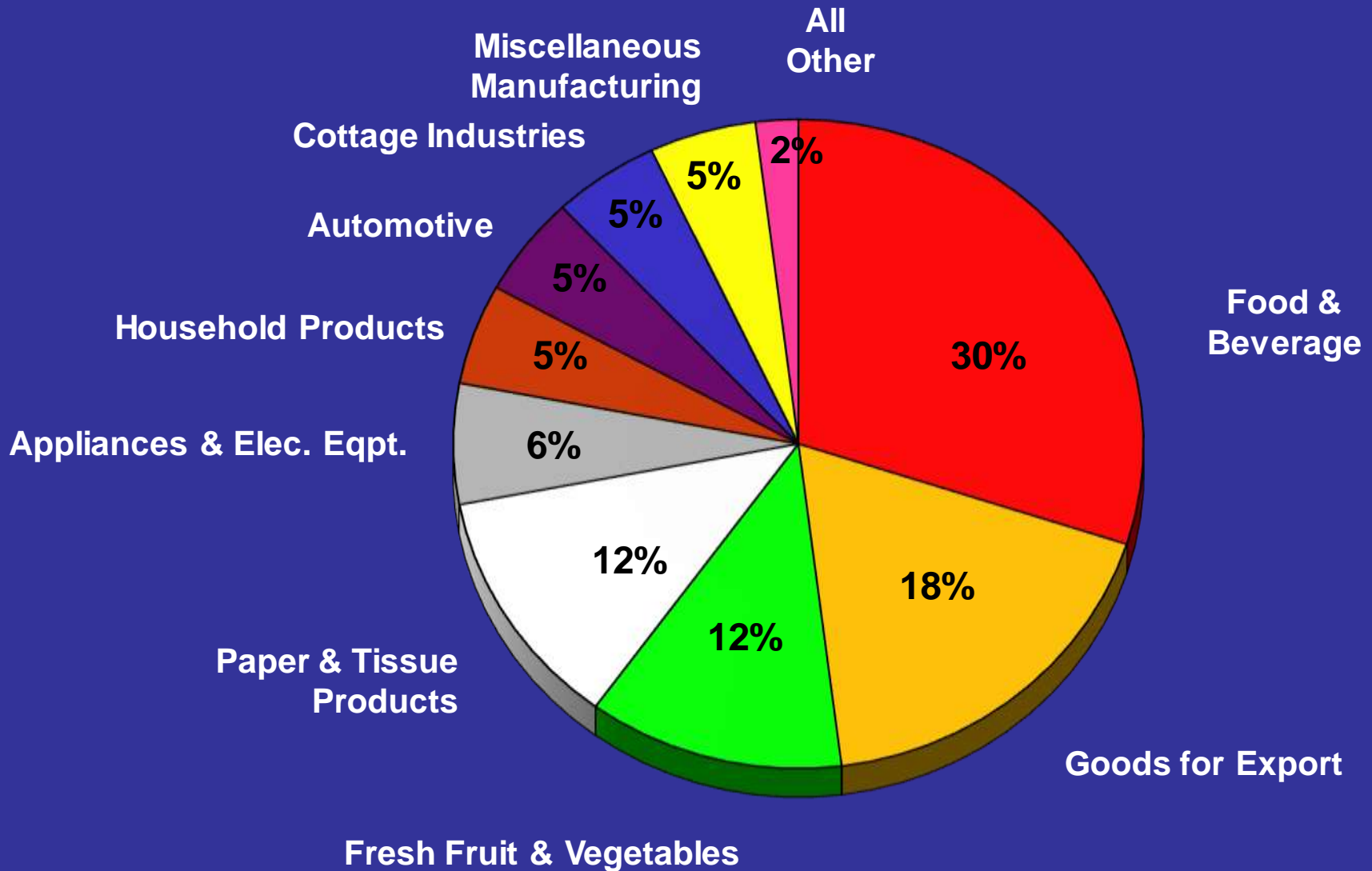
## Corrugated Shipments & Forecast

Metric Tons  
(000)





# Mexican Corrugated Key End Uses

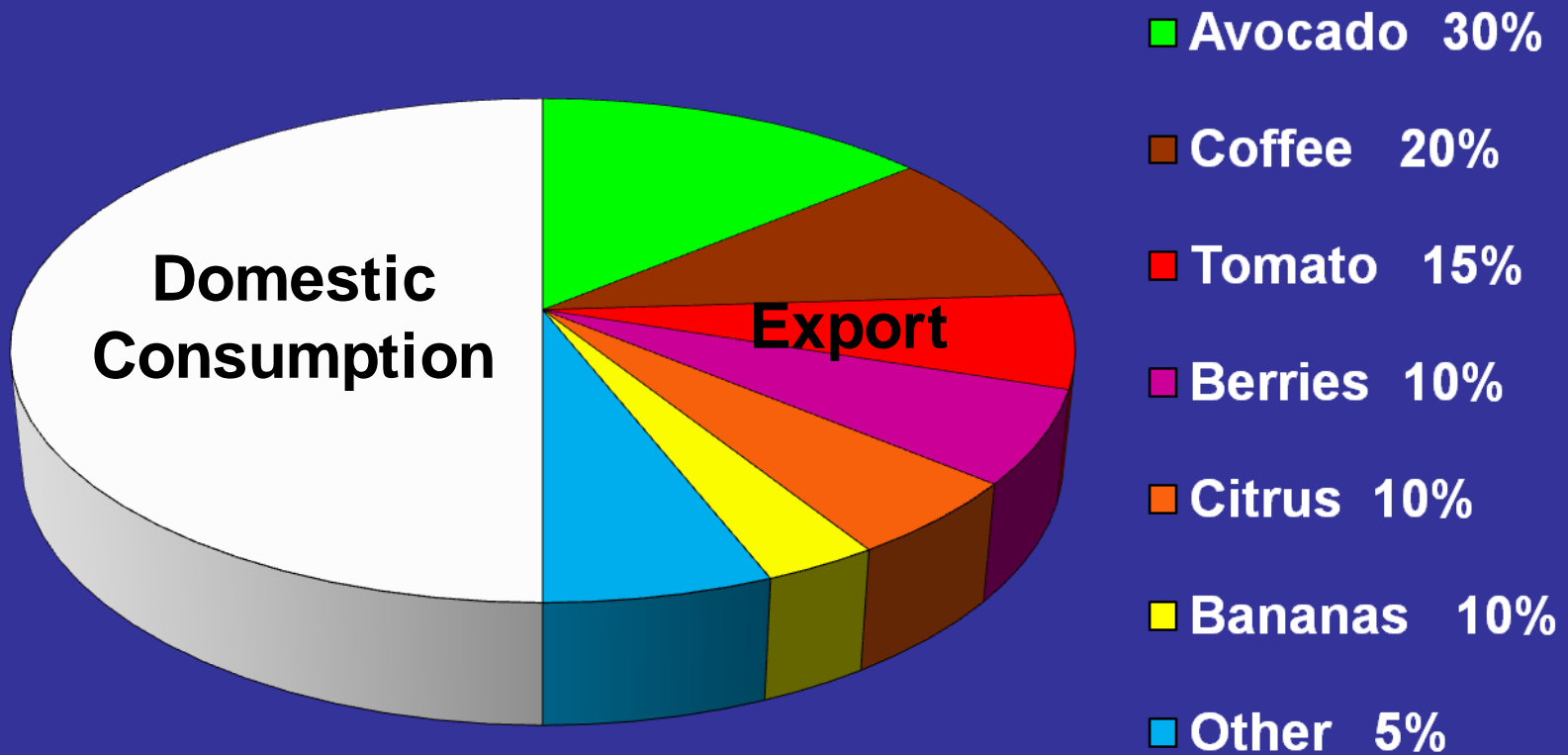




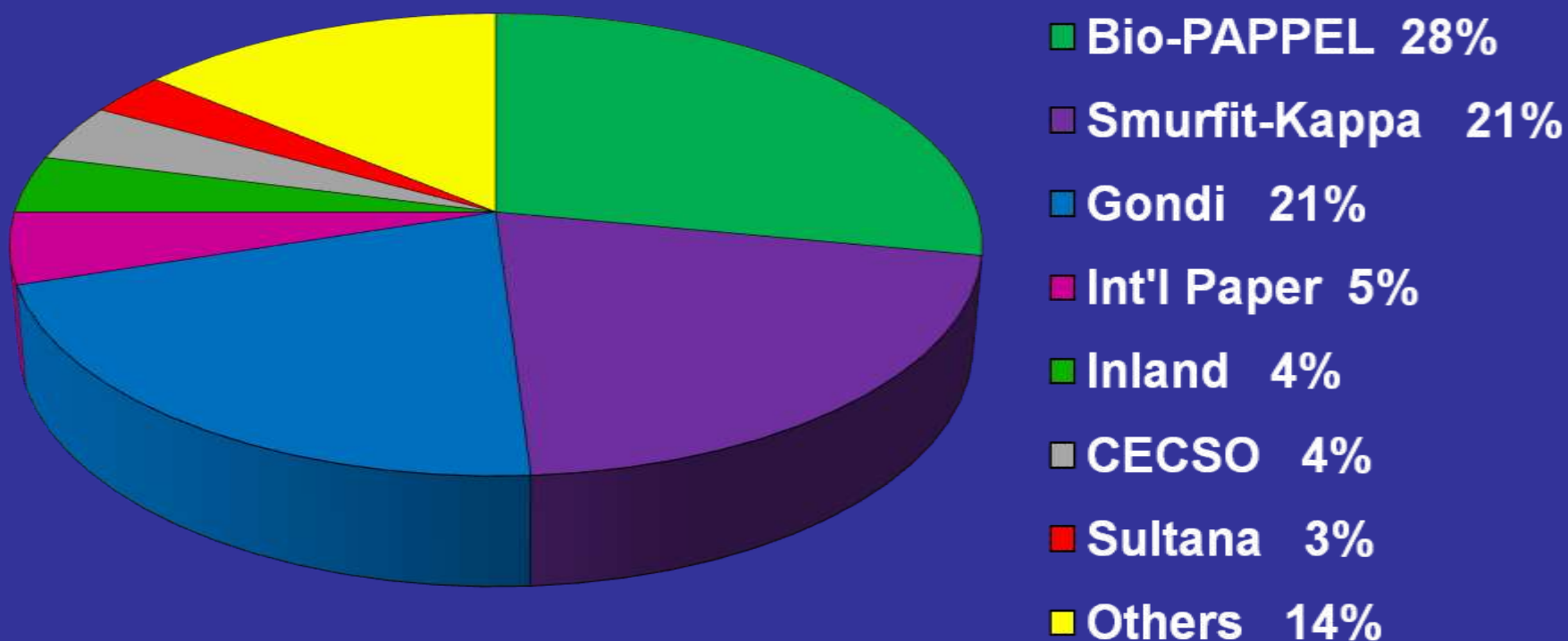


# Mexico

## Fruit & Vegetable Exports



# Mexico Corrugated Market Share





# MEXICO

## Box & Containerboard Summary



Financial institutions improving; recession receding



Manufacturing growth to outperform prior 3 years



Paper imports are vital; domestic paper is mediocre



Agricultural production is expanding rapidly



Industry rationalizations to continue

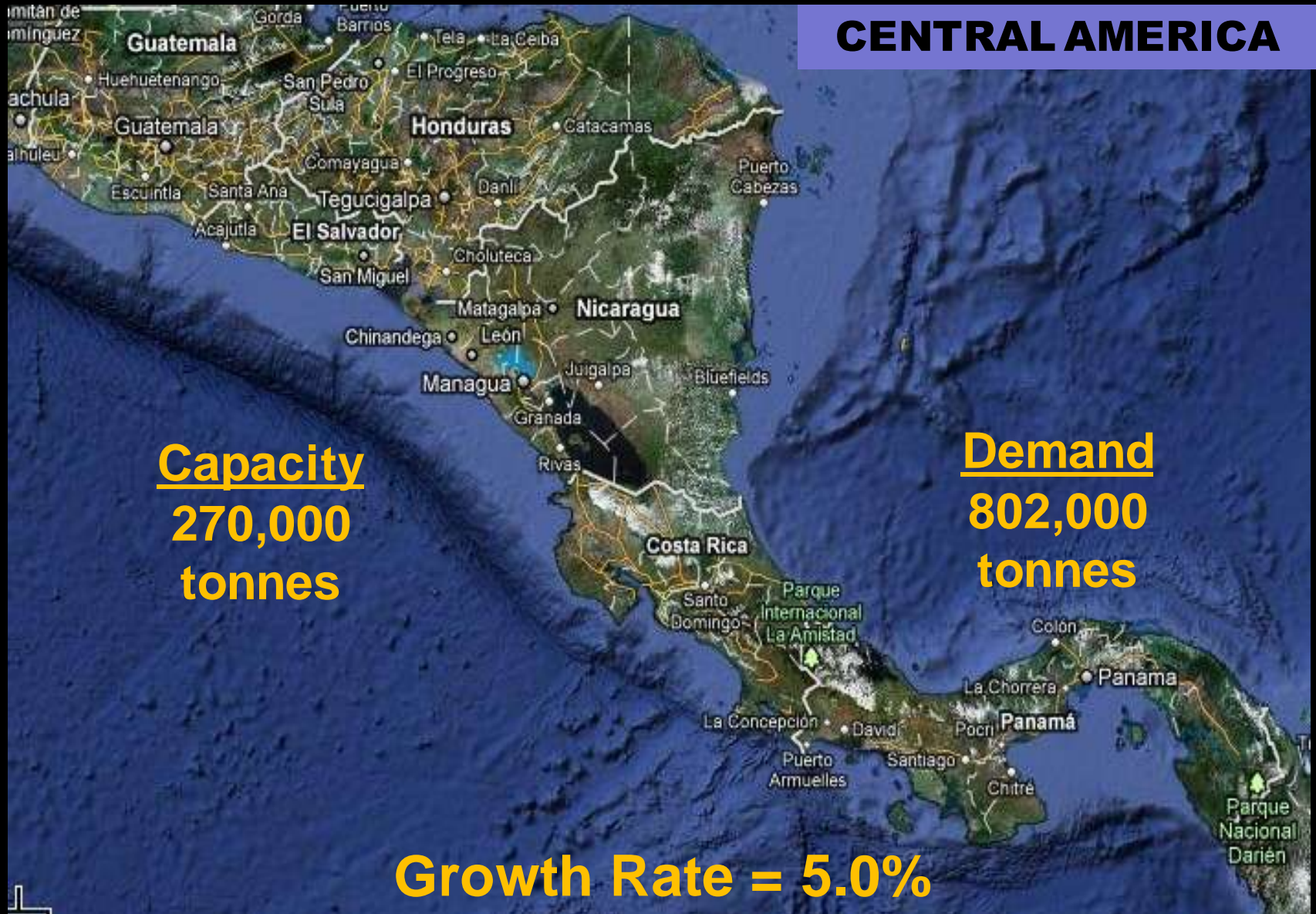


Government at war with drug cartels

# **CENTRAL AMERICA**

## **Corrugated & Containerboard Outlook**

# CENTRAL AMERICA



**Capacity**  
**270,000**  
**tonnes**

**Demand**  
**802,000**  
**tonnes**

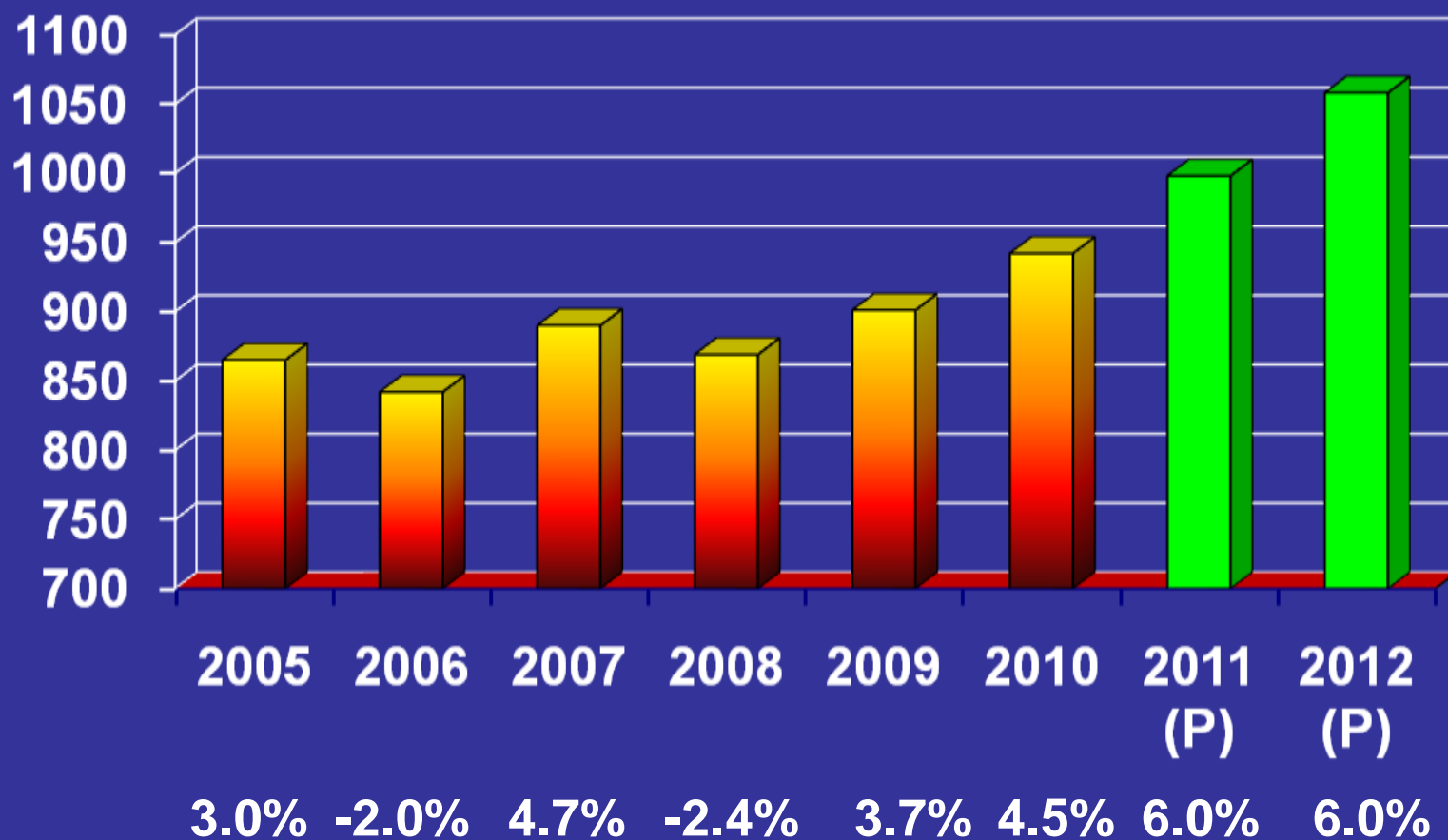
**Growth Rate = 5.0%**



# Central America

## Corrugated Shipments & Forecast

Million Square Meters

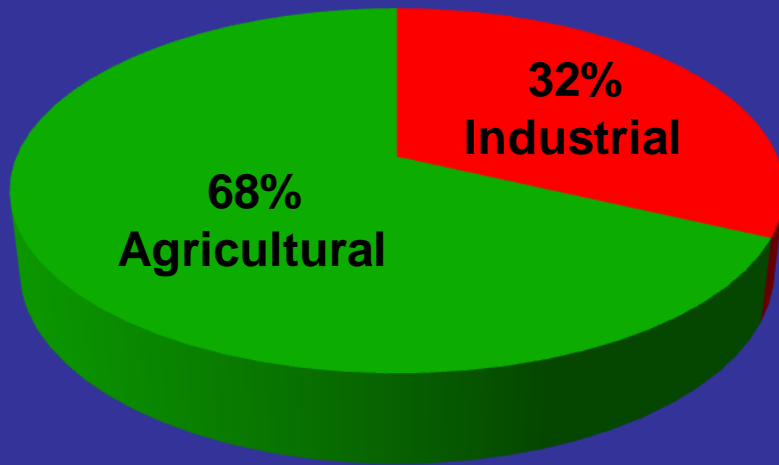




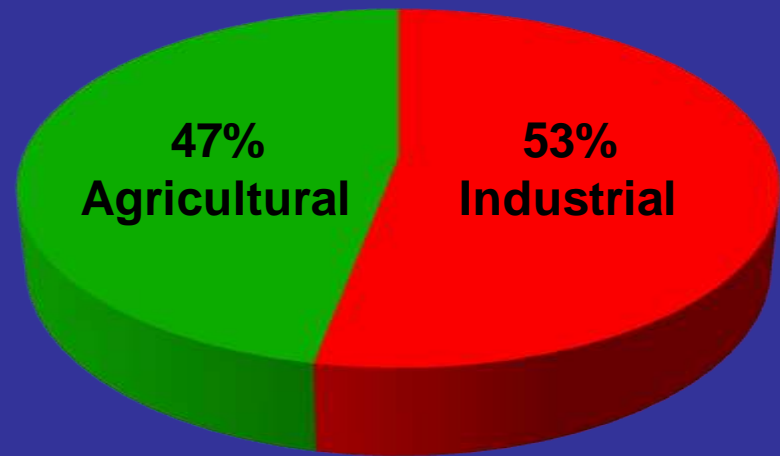
# Central America

## Expanding Containerboard Consumption

2000



2010

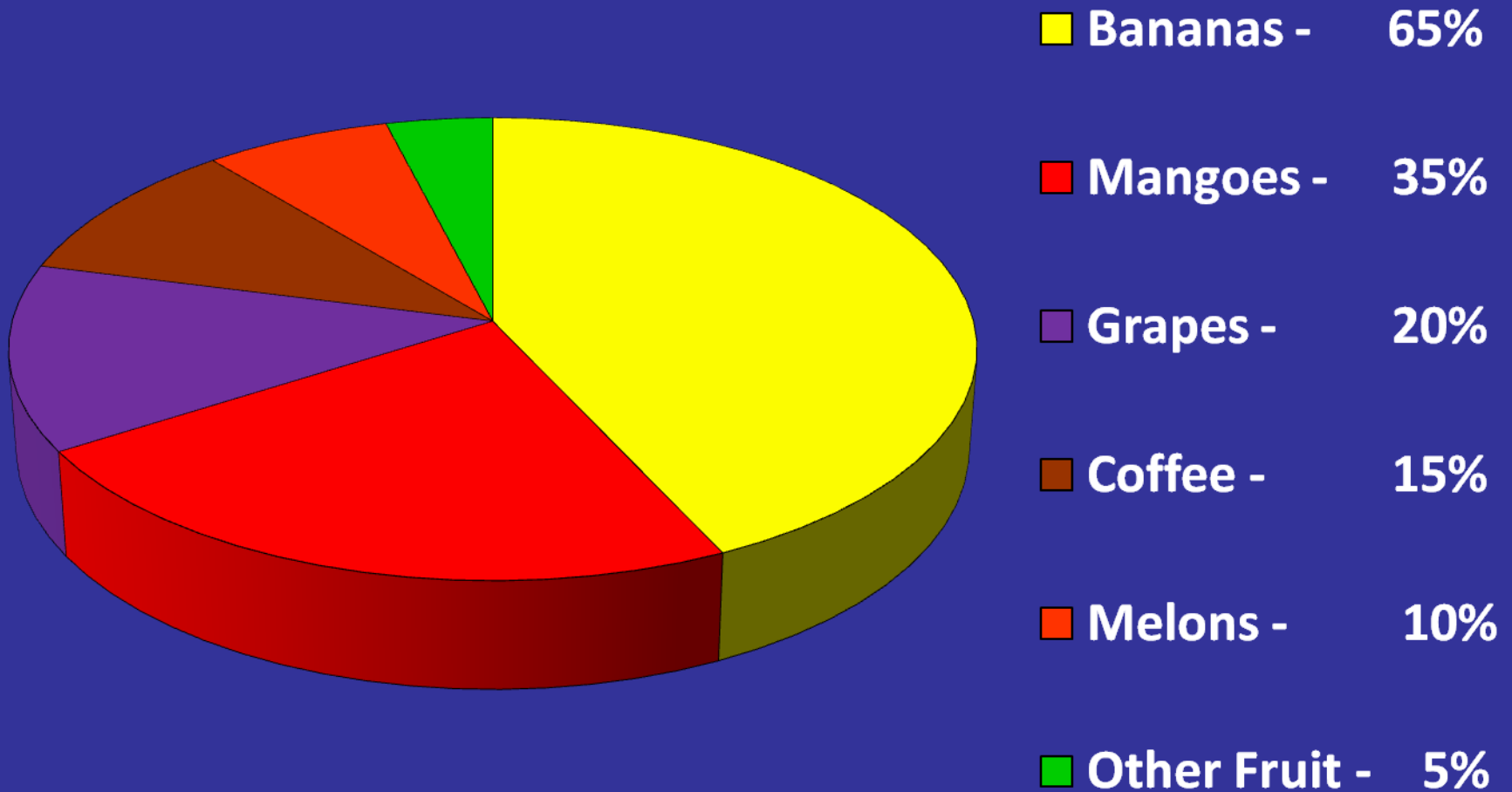






# Central America

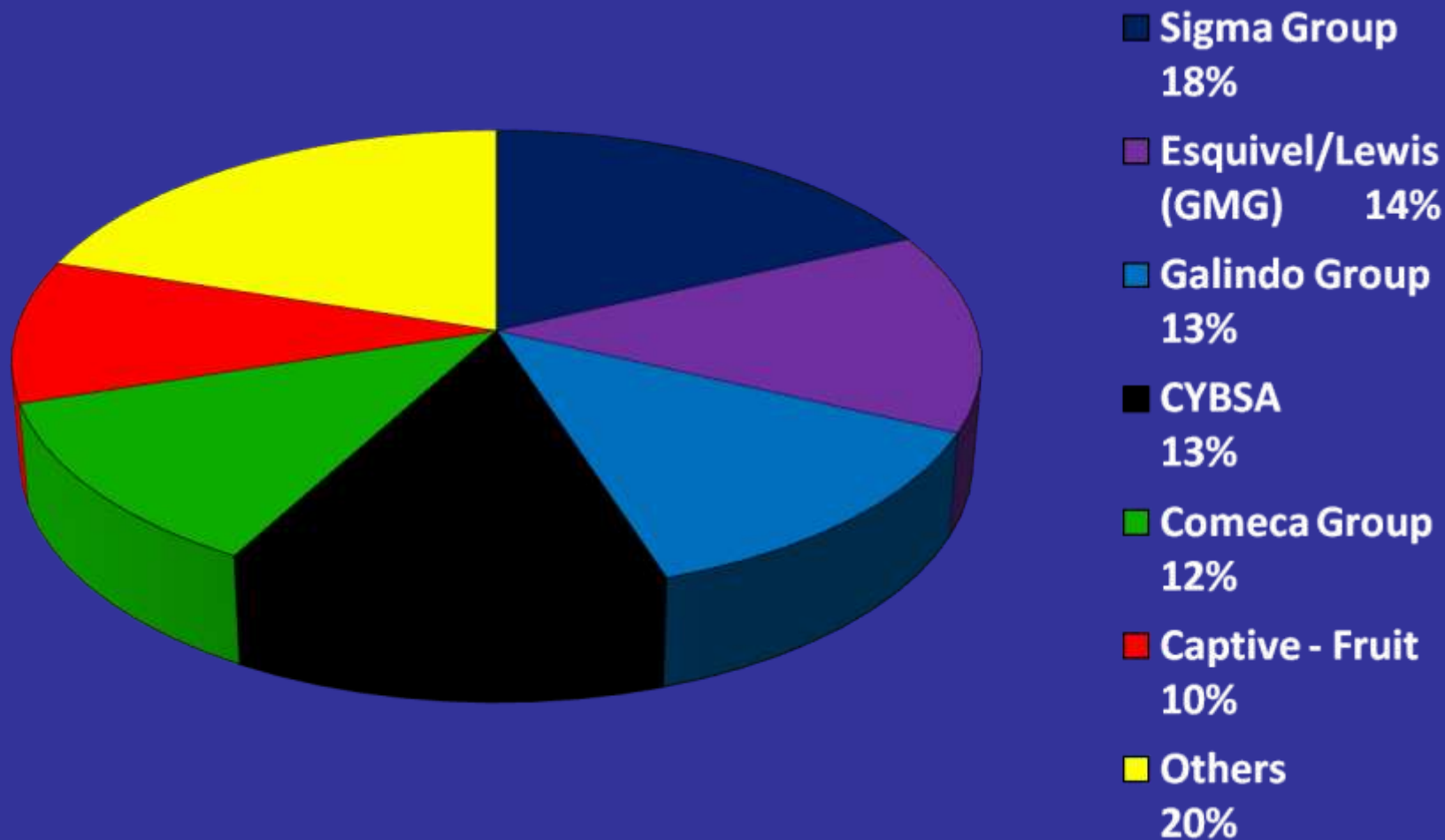
## Becoming Food Basket for USA







# Central America Market Share





# CENTRAL AMERICA

## Box & Containerboard Summary



Industrial economy is expanding rapidly



Agricultural markets for exports are fast growing



Linerboard imports are critical for export boxes



Box plants are growing; no mill expansions



More developed countries are promoting fibre collection/recycling



Financial institutions are facilitating expansion

# General Session I

## Monday - May 23, 2011

# AUSTRALIA/NEW ZEALAND & INDIA

Michael Harwood



**AUSTRALIA & NEW ZEALAND**

**Corrugated & Containerboard  
Outlook**

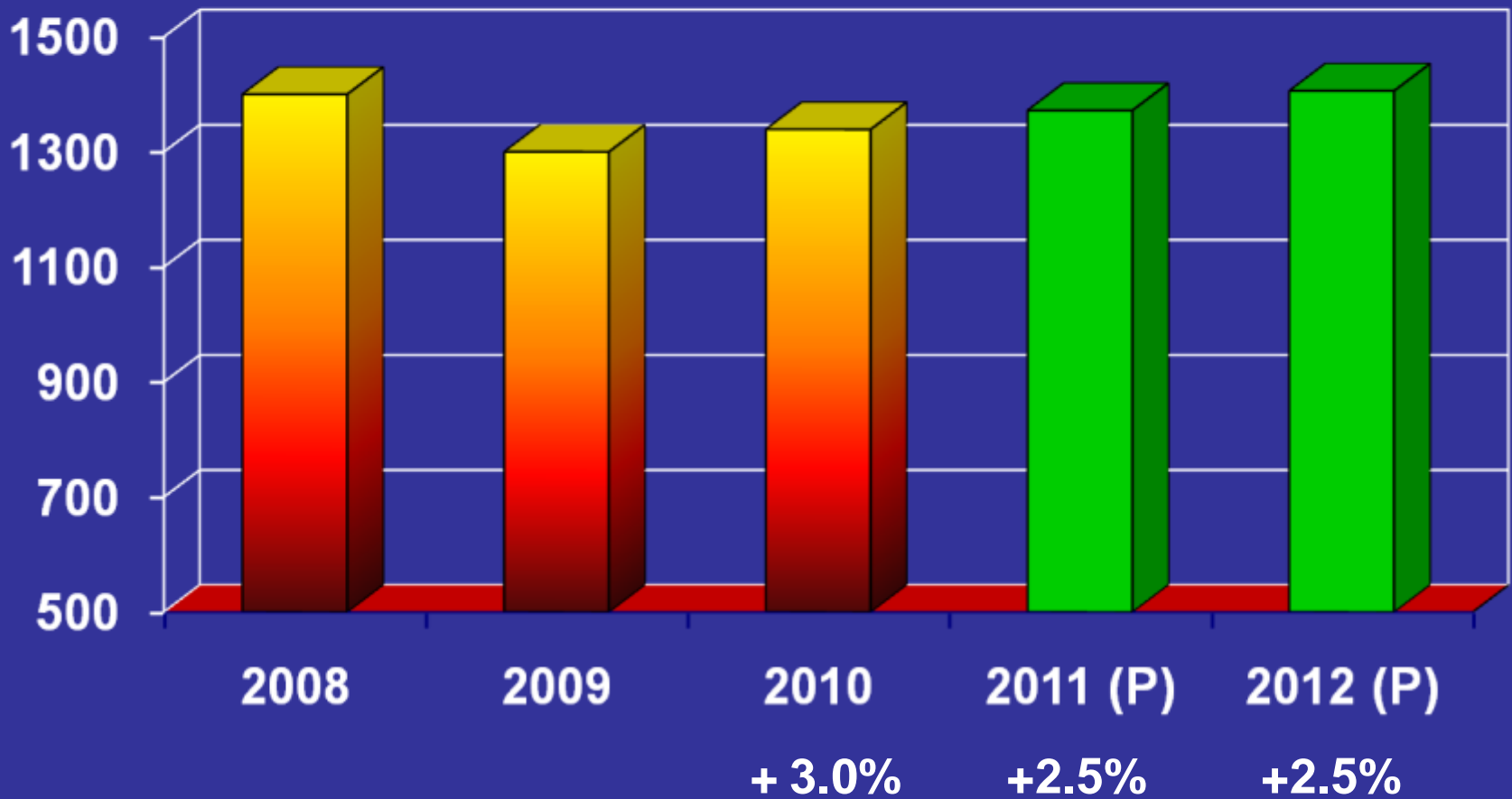




# Australia / New Zealand

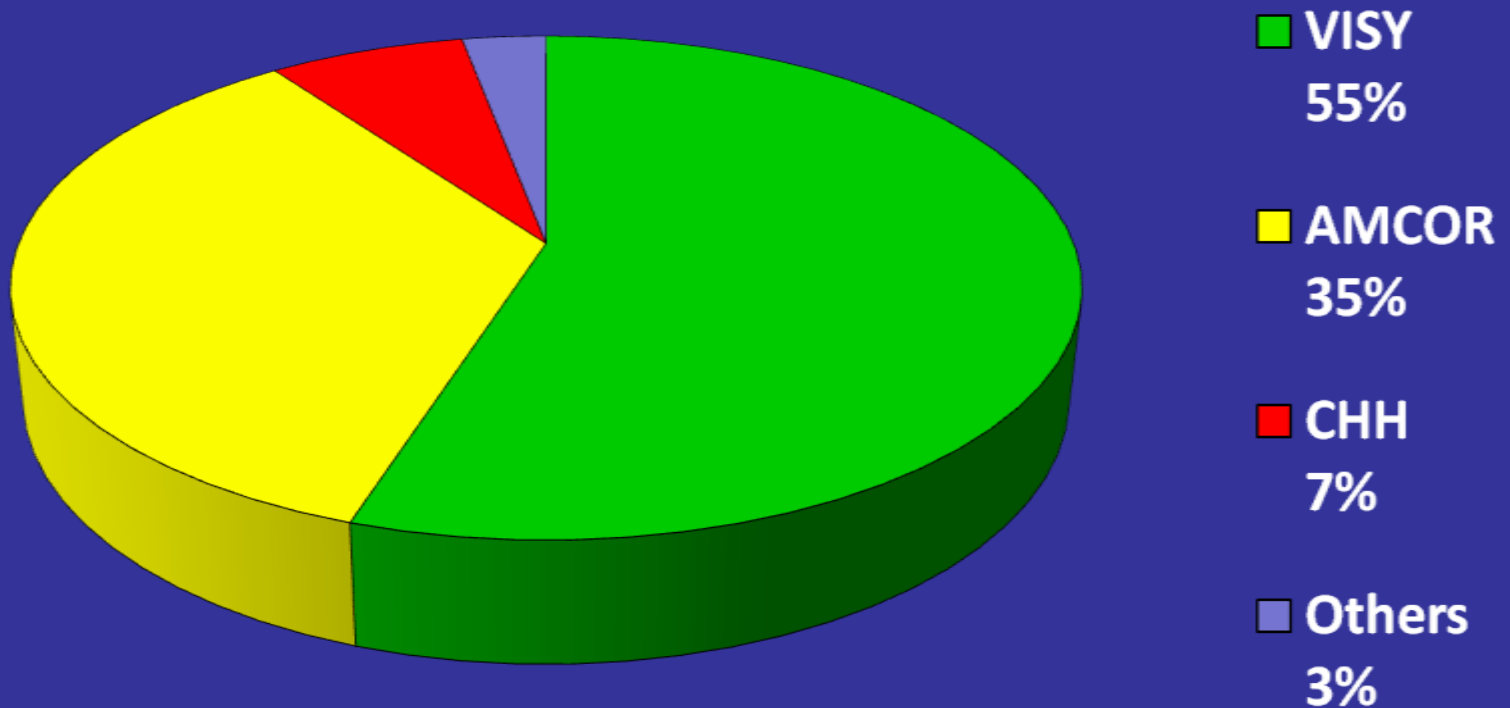
## Corrugated Shipments & Forecast

'000Tonnes





# AUSTRALIA & NEW ZEALAND Regional Market Share





# AUSTRALIA & NEW ZEALAND

## Box & Containerboard Summary



Internal markets are saturated; primary growth is food & beverage, and exported goods



Capital investment centered on paper mill modernization & high tech corrugator plants



Market for fruit & vegetable exports is expanding



Shelf-ready packaging & better graphics are important



Very little Independent box plant activity



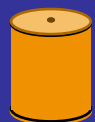


# AUSTRALIA & NEW ZEALAND

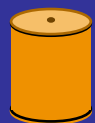
## Interesting Trends



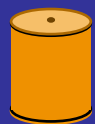
AMCOR & VISY investing in new paper machines - but closing older capacity



Asia is a key market for kraft linerboard exports



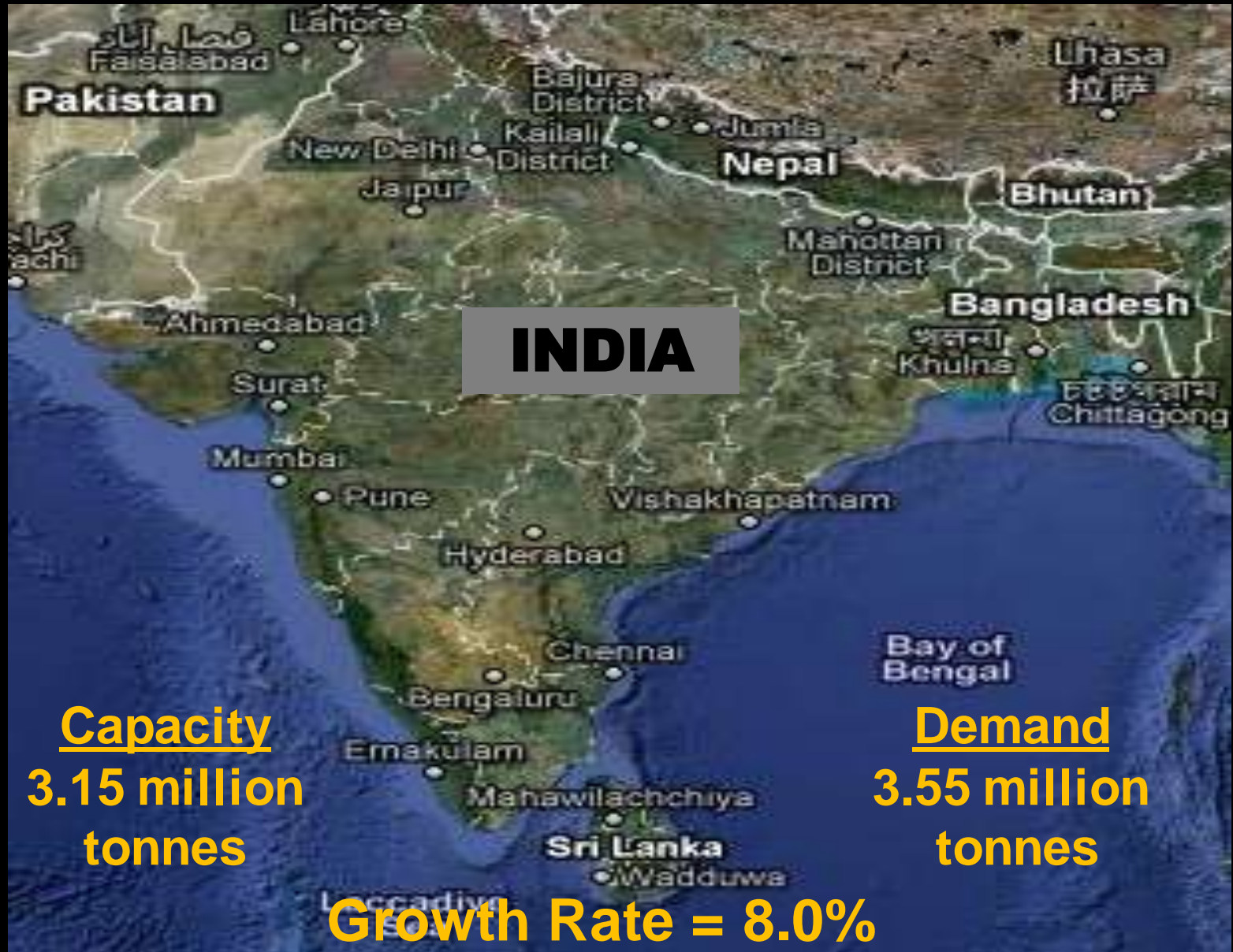
Other kraft linerboard markets include India & Southeast Asia



Wider corrugators are replacing older machines

**INDIA**

**Corrugated & Containerboard  
Outlook**





# INDIA

## Corrugated Shipments Forecast



India market is fragmented with over 1,000 small box plants



Shipments data not yet sophisticated



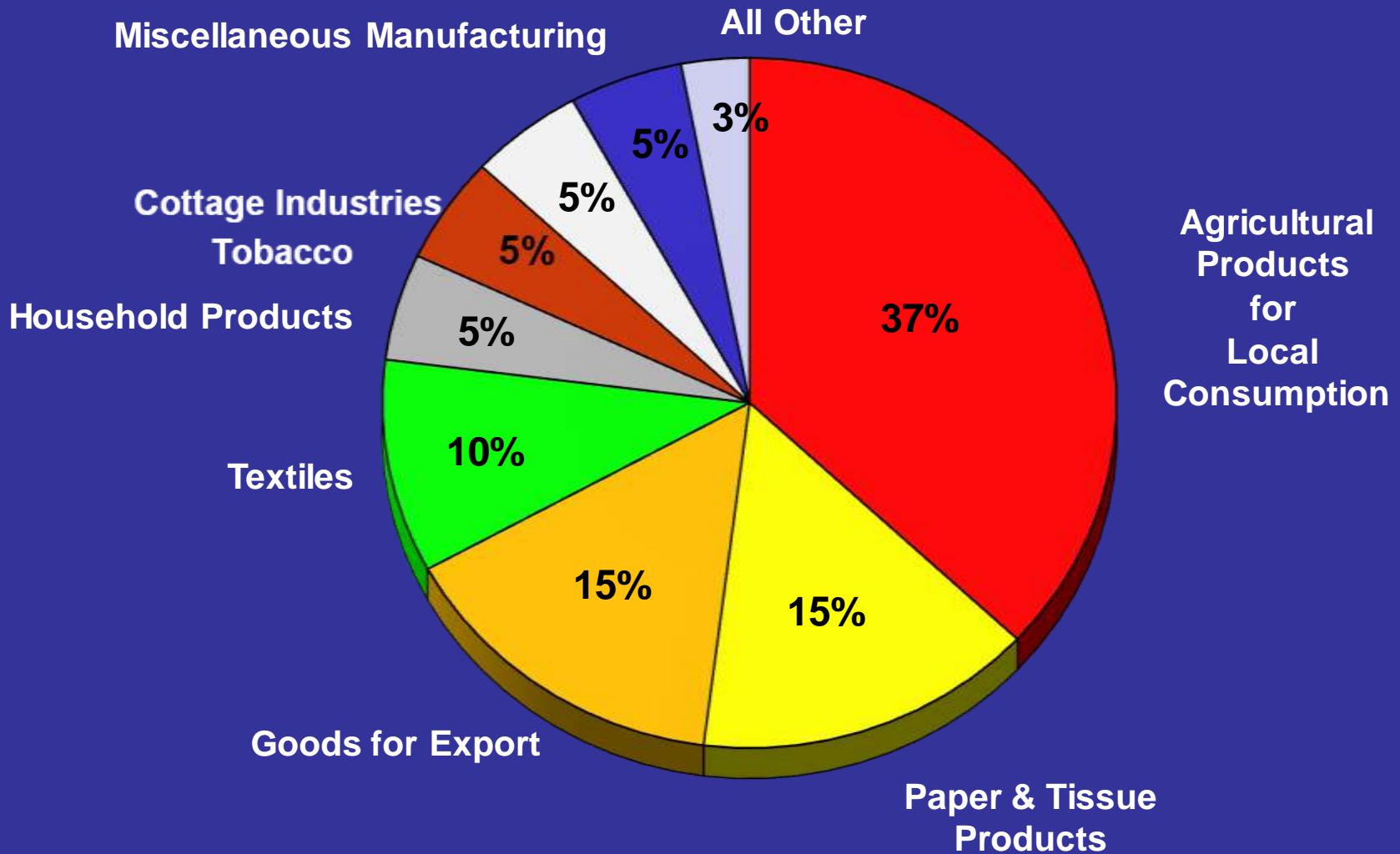
Containerboard demand is nearing 4 million tonnes



Growth rate is estimated at 8 - 9% per year



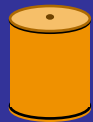
# India Corrugated Key End Uses



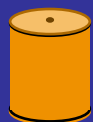


# INDIA

## Box & Containerboard Summary



India packaging growth will mirror China



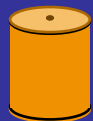
Corrugated plants will expand & modernize



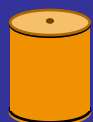
Kraft liner imports will continue to grow



Foreign investment in paper mills are likely



Recycled liner to expand by 1 million tonnes



Light & heavy manufacturing will expand rapidly in this decade

# THANK YOU

