For the first time last September, the Asian Corrugated Industry Summit was held in Xiamen. The event organized by ACCA (Asian Corrugated Case Association) and co-organized with CPTA, Xiamen Hexing Packaging Printing Co., Ltd and Reed Exhibitions. The event attended by 120 Packaging Corporations from 7 countries.

Mr Dennis Colley (ICCA Chairman) presented the Global Perspective of the Corrugated Industry. Corrugated Packaging has impact our Daily Lives. It PROTECTS (Cushions, Stabilizes, Absorbs vibration & shock, Provides a clean environment), TRANSPORTS, SELLS (Brands, Colors, Graphics & photos, Instructions and Intelligence) as well as can be recycleable. More than 95% of all products are packaged in a corrugated box.

Dennis also gave us a brief about E-commerce effect on the corrugated industry. E-commerce is Changing our Lives. Traditional Retail Supply Chain will change. The number of BRICKS & MORTAR storefronts is decreasing as a result of DIRECT TO CONSUMER ordering and DIRECT TO CONSUMER delivery. For the corrugated industry, it means: More boxes, Smaller boxes, Faster response time, New structural designs (electronics, food & beverages), New performance designs (cold foods, breakables, sanitization).

Global Statistics
The last 16 years (2006 – 2016) global box shipment has increased almost twice from 128,825 msm to 231,574 msm. Asia (mainly China) has great impact on this growth as North America almost flat and small growth in Europe. And it was forecast that the Global Box Shipments 269,000 msm by 2021.

CHINA(CPF)
China's GDP grew by 6.9% in the second quarter of 2017.

Paper price in China increased about >60-100% due to supply shortage (Due to the environment regulation some factories close down.)

International Paper (IP) sold 18 corrugated packaging business in China and Southeast Asia to Xiamen Bridge Hexing Equity Investment Partnership Enterprise.

Challenge Industry trend
- New normal price curve of corrugated carton in China
- Ability to Market Change (Automation, Digital platform)
- Optimization – focus on logistic integration
- Diversify (Collaboration among industry)
- Transformation for customers

Chinese Taipai (CTCCA)
- Total demand of Corrugated carton 2017 is about 2.1 M m2 equal to last year while GDP 2017 (forecast) is 1.92% (2016 = 1.5%)
- Paper price going upward and A0CC price increase from 175 USD/T to 275 USD/T in Q1/2017

Challenge and trend
- The risk of electricity shortage: Phase out nuclear power from government policy and rely on gas and oil. Electricity prices are forecast to rise 10% in nuclear-free by 2025, and followed by a gradual increase in production costs.
- Increasing in labor cost and manpower issue (Government encourage and enforce to reduce working day to 5 days/week)
- Paper price going upward
- Environmental Regulations getting tougher

Hongkong (HKCPMA)
- 2017 GDP increased by 4% year on year
- Paper Crisis start from Nov 2016, price went up 103% and sheet price went up 100%
- Many corrugated carton plant reject orders from customers.

Challenge/Industry trend
- Oversupply especially due to economic growth slow down
- The effect of high Labor Cost
- High Costing on peripheral accessories. (E.g. Tapioca Starch, Fuel, logistic etc.)
- Pressure from local government
- Companies Consolidation
- Government Policies: Environmental regulations
- Manufacturing moving inland China or new developing countries.
- Import Paper to lower procurement costs

Indonesia (PICCI)
2017 demand of corrugated carton is about 3.5 M ton, average 32.6 kg/capita (USA 324 kg/capita) very...
attractive market for all packaging manufacturer (with 4.5 new born baby in each year). Paper price increase (Test liner 17% and Medium 19%). New installation of 7 Corrugators and more than 12 Printing machines from one of the biggest paper mill, PT Fajar Surya Wisesa decide to do downstream by investing into corrugated plant to serve big food and consumer customer (Wings Group, Indo food etc..) in 2017. Very aggressive approach from one paper mill on lighter paper grammage i.e 90gsm, 100gsm, 110gsm. More automation machine (Robot).

**Malaysia (MACCMA)**
Total demand of corrugated carton is 1.15M ton less than supply 1.34 m ton about 13% effect to small box plants. Business in Malaysia facing inflation rate at over 8 year of 4.5% in February 2017 driven by faster rises in price of food, nonalcoholic beverages and utilities while cost of transportation surged. Paper price increase about 25-30% in 2017

**Challenge in corrugated industry**
- Advancement in Digital Printing Technology challenge Flexographic printing
- Pressure on rising Paper price
- Increasing labor cost and manpower issue
- Weak Ringgit against US Dollar
- New Opportunity for Corrugated industry from Alibaba investment in Malaysia. The Alibaba distribution hub is planned to be located within the KLIA Aeropolis, a 24,700-acre land being developed by Malaysia Airport Holding Bhd. This hub is expected to generate local and foreign investments that are worth more than 7 billion ringgit ($1.58 billion).
- Increasing demand from e-commerce driving the growth of packaging.
- New/upgraded machineries – increased capacity.

**Singapore (CBMA)**
Corrugated demand is about 86,000 ton in 2017 (decrease 2% from 2016) Corrugated demand by industry Food 36%, Beverage 26%, EE 18%, medical 11% and other 9% Government tightens the foreigner worker supply further with more increase in foreign worker levy in order to reduce the number. These impact to small box plant. Paper price increase about 10-13% in 2018 Medium 520 USD/T, Test liner 540 USD/T, Kraft top 650 USD/T and white top 660 USD/T Business continue slowing down and uncertainty due to slowing down of China Economy, EU and Trump factor.

**THAILAND**
H1/2017: GDP grew by 3.5% Thai economy in 2017 remained growth, contributed by a stronger growth of agricultural.

H2/2017: GDP 2017 is forecasted to grow by 3.3-3.5% -Supported mainly by the recovery of the export as the world economy has Paper price going up ward, Most Corrugated box plant try to increase the box price.

**Challenge and Trend**
- Raw material price increase
- Labor shortage
- Retail Ready Packaging is growing
- Changing corrugated specifications from RSC to Die-cut
• Changing board construction to microflute
• Substance weight reduction
• Safety Culture
• Automation Investment

Others Asian Countries
Vietnam (+6.6%) Healthy FDI inflows still support the economy. The higher wage growth helps supporting domestic consumption. However, high public debt and the slow performance of SOE equalization will be issue to be concerned.

Cambodia (+6.8%) Economic growth is pushed by construction activities, garment export and service sectors. The growth is capped by political uncertainty during general election period (July 2018).

Philippines (+6.5%) Growth economy from ongoing infrastructure investment and increased government spending. Also, tax reform cut tax for the low income group should boost spending power.

Apart from the latest and most authoritative industrial reports which were released by ICCA and ACCA leaders, the Chinese E-Commerce giant JD Logistics (also known as Jingdong) shared insights on future changes of the e-commerce logistics packaging from the end user’s perspective. Moreover representative from OIA, a world leading packaging purchaser and supplier, also shared its insights towards latest changes in major packaging end user groups under the context of the topic Industrial 4.0. Suppliers such as BHS Corrugated, EFI, BOBST, CONPRINTA, HP and Flint also presented reports on the latest global development of manufacturing equipment in converting, digital and pre-printing as well as linkage fields, bringing the technology and their knowledge close to the audience.

At present, Asia has overtaken Europe and the United States, ranking as Nr. 1 in the world in terms of the output of corrugated boxes. It steadily grows at an annual growth rate of 5% together with huge development potentials in the future. In the future, along with the development of the e-commerce economy, issues such as light-weight and customized boxes, the speed to the market, automation and recycling are key requirements from end users. At the same time these characteristics has also become key driver of the future development of the Asian corrugated packaging industry, while digital printing, pre-printing and automation equipment will further disrupt the industrial development.