



ACCA'S 19TH Annual General Meeting 1st Management Committee Meeting (2015-2017)

Mr. Kinardo Ang - Mr. Simon Lo



ACCA' president Mr Simon Lo open the meeting and thanks the participants for attending the meeting. Then after the introduction for all the participants the secretary, Mr KC Liew read the minutes of thr ACCA 18th annual general meeting held in Vietnam to get the confirmation. After all confirm then we start with the election for the new committee for the next term (2015-2017). PICCI has proposed Mr Kinardo Ang as the President of ACCA.

The new committee as follows :

- President Kinardo Ang
- 1st Vice President CPF
- 2nd Vice President MACCMA
- Honorary Secretary CBMA
- Honorary Treasurer TCG
- Directors Prestige Atlantic, Bobst, Tosi Jasindo, Reed

**Country Report
Hongkong**

The GDP growing, but slower than last year, while the unemployment still low at 3.3% though the stock market drop and Housing Prices sky high (Becomes World #2 most expensive city). Most investments in for packaging is in Southern China (Guangdong Pearl River Delta). Many box plants closing down/retiring in this tough business environment.

The challenge is oversupply, especially due to economic growth slow down as well as the effect of high

Labour Costs make it worst. Export also weak while there are very strong domestic competition while the paper prices unstable, too.

Trends all over the plae is the same for :

- Digital Printing
- Pre Printing
- Lower gsm
- Lower flutes
- Automation to save Labour Costs:
- Auto checking machines?

Indonesia

Indonesia GDP Growth is bout 5% this year and even it was predicted below 5%. The Inflation is hight up to 5.6% this year while last year about 5%. While our currency is getting weaker Jan – 1 US\$ = Rp 12.474 and in Sept become Rp 14.442. 15.78% within 9 months.

TRENDS

- Less paper grammage
- Most of end users still value the corrugated boxes selling price by weight instead of box strength (BCT)
- More demand of die cut boxes to replace RSC boxes due to more auto packing machines installed by end users

CURRENT CONDITION

- Demand of corrugated boxes has dropped about 20% -25% since late of

China Retail Growth



2014 till now

- Investments (both machinery and new plant expansion are on hold)
- Couple of box plants already closed down
- Small size plants are suffering now

Paper & OCC Price

- CM Liner = Rp. 4.800.000/ton = USD 331*
- Test Liner = Rp. 5.300.000/ton = USD 366*
- OCC = Rp. 2.200.000/ton = USD 152*

* Exchange rate USD = Rp. 14.500

PS : Paper mills are trying to increase price due to depreciation of IDR Currency

Malaysia

The GDP is forecast at 4.7% in 2015 and 5.0% in 2016 (by ADB). Private consumption is going down as well as government spending though the business spending and business expansion still growing.

Malaysia Industrial production Index for the period of Jan to July 2015 posted growth of 5,5% as compared to the previous year. The increase was due to the rise in all three indices: Manufacturing (4.7%): Mining(8.3%) and Electricity(1.7%)

Economic Outlook:

The Consumer Price Index (CPI) inflation rate accelerate above 3%. And the GST has been implemented in April 2015, upward wages pressure due to minimum wages policy Private consumption is expected to grow at slower pace of 5.5% in 2015 compared to 6.5% 2014. Weakening ringgit against most major currencies.

Demand & Supply of Containerboard ('000/ton)

New Capacity by Domestic Mill 2010/2011

- Muda Paper Mill (150,000 tons –CMP)
- Lekok Paper Mill (70,000 tons – CMP)
- Pascorp Paper Mill (60,000 tons – CMP)

Singapore

Singapore excellent infrastructure will continue to attract/retain high value manufacturing to ride on recovery in USA economy. MIT helps to promote Food Industry (ready meal) for export.

Government tightens the foreign worker supply further with more increase in foreign worker levy and reduce the number. These will have impact to local SME. Slow down in China economy

European financial austerity measures will suppress demand. Strong US\$ would cause inflationary pressure.

NODX declined by 0.8% year on year in July 15. The export to top trading partners dropped. On a y-o-y basis, Electronic NORX increased by 6.4% in July 15 compared to 0.9 % increased in the previous month15. On a y-o-y basis, non-electronic NORX rose by 3.5% in July 15 after a 3.1% up in June15.

Thailand

Y2014: GDP growth rate registered at 0.7% as political turmoil has brought the economy into a contraction during the first half of 2014 before it started to pick up in the following quarters. Y2015: GDP growth will pick up to the rate of 3.0-3.5% mainly from government spending on infrastructure. Overall, Thailand's economic situation is expected to remain stable throughout 2015.

Industry Outlook Q2/2015

Food & Related

(O) Food: increases lightly snack consumption in long vacation / retains instant noodle demand/ lack of palm; cooking oil material

(O) Beverage: Alcohol - slow down production after excise tax rise Non-Alcohol - big promotions, high demand in summer

(+) Frozen Food: Strong export for chicken to many countries / still less shrimp supply coupled with high competition in export markets

(O) Canned Fruit: increasing production in expectation of higher pineapple supply

(O) Canned Food: tuna price decreasing ; retailers postpone orders

Electrical / Computer

(O) Air Cond./ Fan: slightly decelerate production after peak sales period (Samsung)

(+) Refrigerator: continuously grow production for export orders

(O) Washing & Drying M/C: slightly slow down production and keep produce for export market (Fisher & Paygel)

(+) Copy M/C: raise up production for export orders and commercial run new production line (Ricoh)

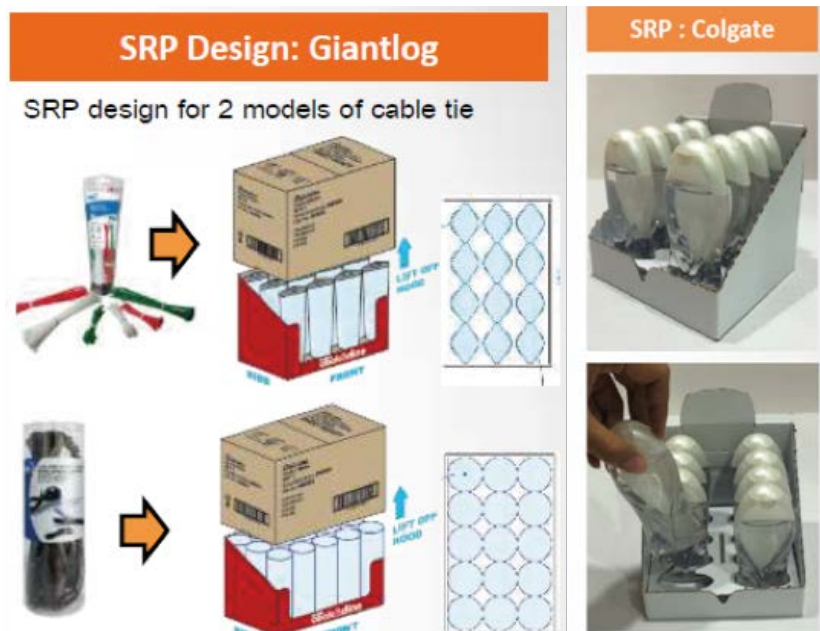
Consumer Products

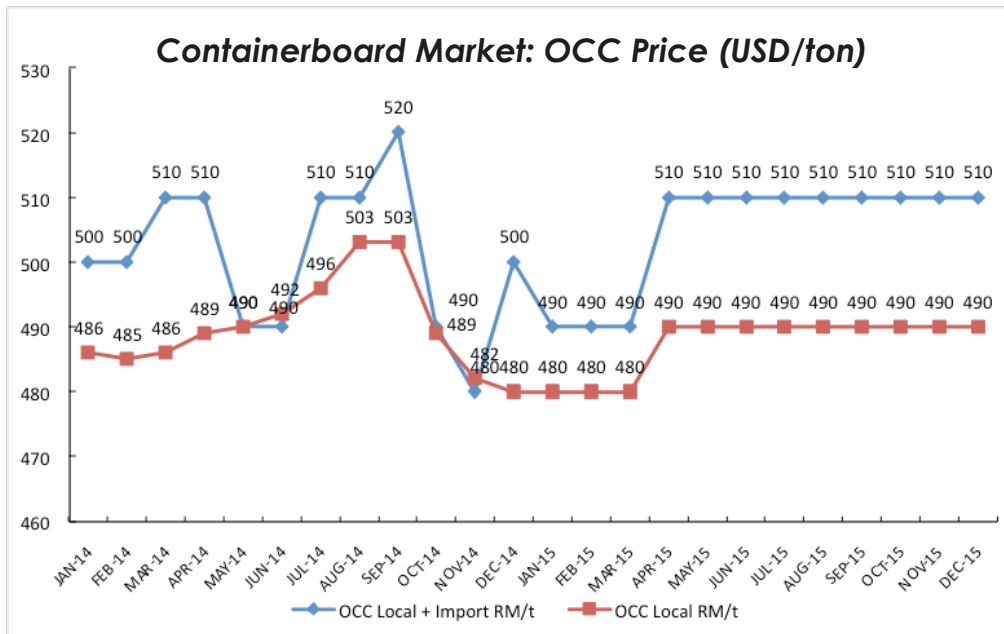
(+) Baby, Feminine & Family Care: key players increase diapers production capacity and keep launching promotion (Unicharm)

(+) Fabric & Home Care: high season in summer, new product launch, promotions(Colgate,Lion)

(+) Beauty, Hair & Skin Care: high consumption of cooling powder and hair care in summer (P&G)

(+) Health & Oral Care: grow in export orders; while maintain domestic demand (Colgate)





Industry Outlook H2/2015

Food & Related

(O) Food: Overall domestic demand is stable but export is growing mainly to ASEAN

(+) Beverage: Alc. Bev. : Higher production after Buddhist lent period end / Non-alc. : Continue promotions; green tea, carbonated drinks

(+) Frozen Food: : Export chicken strong growth / Higher shrimp supply but export orders drop

(O) Canned Fruit : Still low supply for pineapple ; expected to recover by early next year

(+) Canned Food: High season for export with expected higher tuna raw mat. prices

Electrical / Computer

(O) Air Cond./ Fan: Domestic demand slowdown due to low season but export good to EU and US

(+) Refrigerator: Export orders to Japan significantly drop / Many producers slowdown production and plan to launch new model in 2016

(O) Washing & Drying M/C: Overall demand remains stable

(+) Copy M/C: As lower export orders, key players reduce production to control their inventory

Consumer Products

Overall demand remained weak, producers stimulate by aggressive promotions

(+) Baby, Feminine & Family Care : Strong domestic demand for diapers products, also export to Taiwan, Indonesia / Some producers move production to Indonesia (Sanitary napkin)

(+) Beauty, Hair & Skin Care : Domestic market driven by aggressive promotions



afterward we have ceremony of RX ACCA Cooperation Agreement. Mr Simon Lo represent ACCA to sign official agreement.

(+) Health & Oral Care: Growth in export orders; while maintain domestic demand
Trend & New Products

Corrugated Trend

- Light weight Corrugated box
- Small lot size
- Digital Printing is coming up
- Free Standee Display Unit (FSDU)
- Speed to market : SRP