

FIPAGO ANNUAL NEWSLETTER

1. Introduction President

Dear member,

Fifty years ago, June 1957, FIPAGO was established by a group of European manufacturers who recognized the need to promote gummed paper tape as an economical and efficient sealing method. In the years that followed, the association became bigger, growing with companies of all the world around, becoming an association with members in more than thirty countries in the 80's of the last century. But during these years and due to the rising of other closing methods, mainly plastic tapes, the gummed tape market became reduced in values close to the 60 % This situation obviously also affected our association, as the number of members were reduced dramatically in accordance to the market situation.

But after years with a declining profile and since last years of the past century, we have all checked that the drop was stopped and we see with a rather optimistic smile that our product has a stable consumption even in a small but constant growth.

Last year I began my newsletter announcing a considerable progress in co-operation with our German colleague association FIBEPA. These contacts, reinforced during the year 2006 with the every day working method of both delegates, Mr. Achenbach and Mr. Schrijver, finally concluded in the congress we enjoyed at Trier during last 8th/9th September and where FIBEPA members decided to join our FIPAGO association.

These new members will give to all of us, I'm completely sure, new perspectives and ideas for the development of our business.

For this reason, our next congress in Strasbourg next 26th April must be a meeting where all of us will be present giving a warm welcome to our new members.

I 'm sure I will meet you in this very nice city where we will all chat about the different aspects of our business in, as usual, a friendship ambient.

Till then, my very best wishes for this 2007 year.

*Enrique Arconada López
President*

February 2007

Ref.nr. 200700030

Newsletter FIPAGO 2007

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2. REPORT FIPAGO CONGRESS TRIER GERMANY 2006

German association FIBEPA joins FIPAGO

The 50th. FIPAGO congress took place on September 8th., in Trier Germany. Delegates from 7 countries attended the meetings. Special attention was paid to the co-operation of the German association FIBEPA with FIPAGO. After consultations during the year, in a joint meeting the German representatives informed the colleagues about their decision, unanimously taken, to enter FIPAGO by the beginning of 2007. Board and members of FIPAGO expressed their appreciation for the confidence being put in the association and welcomed this major step which certainly will lead to strengthening the promotion of common interests of the gummed industry sector as a whole.

Market situation

Delegates reported of the general economic and gummed paper tape markets in their countries. The general impression is that the economic recovery is widely spread, though the gummed tape markets differ from country to country. However, the view of stabilizing of markets as being reported in the previous year was confirmed. On the other hand, pressure on margins was felt, mainly caused by imports and increased paper prices. Customers in the different countries, especially operating in niche markets, are increasingly getting convinced of the advantages of gummed paper tape as the appropriate closing solution. Positive signals come from the development of new ranges of dispensers and case sealers as well, which will bring additional accelerations to the market.

Booming India

Mr. Kamal Bhavnani informed the participants on the situation in the Far East, especially in India.

- **General situation**

The annual growth of the India GNP is approx. 8%. The country has a relative young population: 50% of the people are younger than 21. The population is growing: 18-20 million of inhabitants/year, which creates an absorption problem. Currently big infra-structure projects are being realised.

- **Gummed paper tape market**

Gummed paper tape is a niche product, except veneer tape for the construction industry. The total market is estimated 60-70 millions of square metres, of which 65% are used for packaging purposes. Only 1% is used for reinforced applications.

There are 12-15 producers, the greater part of them serve customers in the packaging area only. Driven by the general economic growth, despite possible loss of market share, the market is growing correspondingly. Exports take place to neighbour countries like Sri Lanka and Banglah Desh.

Beautiful Trier

On invitation by FIBEPA participants enjoyed both, an excellent dinner and the city of Trier by visiting the ancient Roman sites like the "Kaiserthermen" and the Porta Nigra. A boat trip on the river Moselle completed the very pleasant stay in Germany.

FIPAGO 50th. Anniversary: Next Congress in France

The date of the next congress was fixed on 26-27 April 2007 in Strasbourg France. Here FIPAGO will celebrate its 50 th. anniversary.

The congress will be held in the **Hôtel Régent Contades**
8, avenue de la Liberté
F - 67000 STRASBOURG
web site : www.regent-hotels.com

Invitations, including more detailed information will be sent out in due time.

The provisional programme looks as follows:

April 26

10.00 - 12.00 hrs	Arrival of the participants
12.00 hrs	Lunch
13.30 - 17.00 hrs	Meeting Board and General Assembly
13.30 - 17.00 hrs	Ladies Programme
20.00 hrs	Dinner

April 27

09.00 – 16.00hrs.	Sightseeing tour
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3. MEMBERS

Attached you will find the latest list of FIPAGO members.

4. ACTIVITIES

FIPAGO's activities are based on the following mission statement:

FIPAGO MISSION STATEMENT

“To develop a program to expand the gummed tape industry by educating and informing the commercial and industrial public of the superior performance of gummed, reinforced and plain paper tape as the modern natural carton-sealing system”.

Web Site: www.FIPAGO.org

FIPAGO still needs the support of members, especially on the issue of “frequently asked questions”. We have to do both, to put the relevant questions and to supply the right answers. Please send us your input, preferably by mail to info@FIPAGO.org. We also appreciate

receiving your comments on the site and news from both, your company and/or your country. We will publish your information on the web page.

5. FACTS ON THE CORRUGATED BOARD INDUSTRY

Total shipments in billions of m2

	2004	2005	05/04 growth- rate
North-America	42.4	42.5	+ 0.3 %
Asia	54.5	58.8	+ 7.8 %
Europe	42.1	42.8	+ 1.6 %
Central / S. America	8.2	8.5	+ 3.9 %
Africa	1.8	1.9	+ 0.3 %
Oceania	2.3	2.4	+ 2.3 %
Other	0.8	0.8	+ 0.8 %
<i>World</i>	<i>151.3</i>	<i>156.8</i>	<i>+ 3.6 %</i>

Source: ICCA

Industry structure Europe (incl. Eastern Europe)

	2004	2005	05/04 %
<i>Total of personnel</i>	<i>89.684</i>	<i>94.452</i>	<i>+ 5.3</i>
<i>Shipments in billion m2</i>	<i>38.7</i>	<i>40.0</i>	<i>+ 3.4</i>
<i>Shipments in 1.000 tons</i>	<i>20.9</i>	<i>21.6</i>	<i>+ 3.3</i>
<i>Number of companies</i>	<i>497</i>	<i>494</i>	<i>-/-0.6</i>
<i>Number of plants</i>	<i>749</i>	<i>746</i>	<i>-/-0.4</i>
<i>Consumption of paper in 1.000 tons</i>	<i>22.662</i>	<i>23.238</i>	<i>+ 2.5</i>
<i>Die-cut boxes in a % of total shipments</i>	<i>42.0</i>	<i>42.0</i>	<i>-</i>
<i>Average weight of corrugated board in g/m2</i>	<i>540</i>	<i>540</i>	<i>-</i>

C. Paper consumption by grade

	2004	2005
Virgin fiber grades	28 %	27 %
Recycled fiber grades	72 %	73 %
Total	<hr/> 100%	<hr/> 100%

D. Classification of shipments by end-use sector as a % of volume, in various European countries

2005

Country	Food	Non-food
Spain	57	43
Great Britain	43	57
Netherlands	55	45
France	55	45
Germany	36	64
Italy	34	66

E. Die-cut boxes as a % of total shipments in m²

	2004	2005
Germany	41	44
Spain	55	55
Great Britain	31	30
Italy	39	NA
The Netherlands	37	37
Europe average	42	42

Source: FEFCO annual reports

6. ENVIRONMENT, FOOD CONTACT AND TRANSPORT OF DANGEROUS GOODS

- Essential requirements. Gummed Paper Tape fulfills all the requirements to enable the paper and board chain improving recyclability of the used packaging. Both, the boxes and Gummed Paper Tape as the appropriate closing method, build a mono material packaging.

Individual packers/fillers will have to comply with “essential requirements”, including standards for packaging material concerning prevention, reuse, recycling and the content of heavy metals. These standards are most important for the individual paper and board converting manufacturers, as well as for packers/fillers. In Europe, the national standardization bodies can supply all the necessary information.

- European waste framework directive. The main topic of this directive is the hierarchy built of: prevention-reuse- recycling-incineration and deposit to landfill. The paper packaging industry tries to achieve, that reuse and recycling will be put on an equal level.

Food contact

European Corrugated and Solid board plants can get awarded a certificate, indicating that the packaging has been manufactured corresponding to high food safety levels. This Good Manufacturing Practices (GMP) standard is a guarantee to customers in the food industry. Additional information is still available at the secretariat.

Trace ability

As from 27 October, 2006, EU Regulation 1831/2003 on traceability came into operation. This regulation is dealing with materials and articles intended to come into contact with food. The main aspect is that in case of emergency the supplier must be able to trace back to the origin of his material. Additional information can be provided by you national health body or our secretariat.

Transport dangerous goods.

Regarding transports of dangerous goods, attention still has to be paid to a UN regulation. Special demands are reported on the closing methods of packaging. Click on the web part below for further information:

<http://www.unece.org/trans/danger/publi/adr/adr2005/05ContentsE.html>

Relevant information is presented under the heading:

Annex A: General provisions and provisions concerning dangerous substances and articles, chapters "part" 4 en "part" 6 (especially 6.1.4.12).

7. ORGANIZATIONAL MATTERS

FIPAGO Board:

President:	E. Arconada López	Ibergum S.A.	Spain
Treasurer:	vacancy		
Members:	P.A. Bennett	Tapkraft Ltd.	UK
	E. Elgart	Sopal S.A.	France
	A. Zucchelli	Cyklop s.r.l.	Italy
	B. Vanpoucke	Avebe	The Netherlands

Election of the new Board will take place during the next General Assembly in Strasbourg France.

Fees:

The board decided to postpone the decision on the 2007 fees until the next General Assembly during the Strasbourg Congress. The reason behind this decision is that, as from the beginning of this year, new members entered FIPAGO. They will have the opportunity to take part in the decisionmaking process of fixing the fees.

The current fees are:

Large members	€1430,00
Other members	€ 720,00
Associate members	€ 227,00

8. FIPAGO PUBLICATIONS 2006

* FIPAGO Newsletter January

* Documents Congress 2006 June

The web page www.FIPAGO.org is still visited well. FIPAGO Brochures, on the advantages of Gummed Paper Tape and equipment, are still available at the secretariat in the languages English, French, German, Italian and Spanish.

9. REVIEW FIPAGO CONGRESSES 1957-2006

See enclosure.