

FIPAGO ANNUAL NEWSLETTER

1. Introduction President FIPAGO

Dear Member,

Let me start these first lines that I've the pleasure to address to you, with expressing that this 2005 year must begin with a special memory of our fellow and good friend Mr. Roger Franklin who passed away this past 2004 year. We all will miss his professional comments and his British sense of humour.

Last 24th and 25th of June we spent a nice congress in Bordeaux. Besides we all could improve our general knowledge about French culture, especially in gastronomy, we got a rather optimistic picture of the evolution of our gummed paper tape market. Based on the different speeches of participants, we all could conclude that gummed paper tape, as the best product for closing and sealing carton boxes, has stopped its last century declining. Of course, looking at the figures of the evolution of the economy in general, we were all very prudent. While the European internal demand will keep at the same level as in 2004, the Euro/USD Dollar rate affects negative the position of the European exporters. The energy costs are expected to remain on actual high levels. Under these conditions, the general improvement of our product must be observed in a medium term evolution of three years, as the economy tends to recover.

This year we will spend our congress at Porto (Portugal) in the first days of June. As always, in a very good friendship atmosphere, we can all discuss the above mentioned items plus other subjects which could help our market to improve (new application machinery developments, Fipago product standards, etc).

Until then, when I hope to greet you personally, my best wishes for this 2005 year to all of you.

Enrique Arconada López
President

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Newsletter FIPAGO 2005

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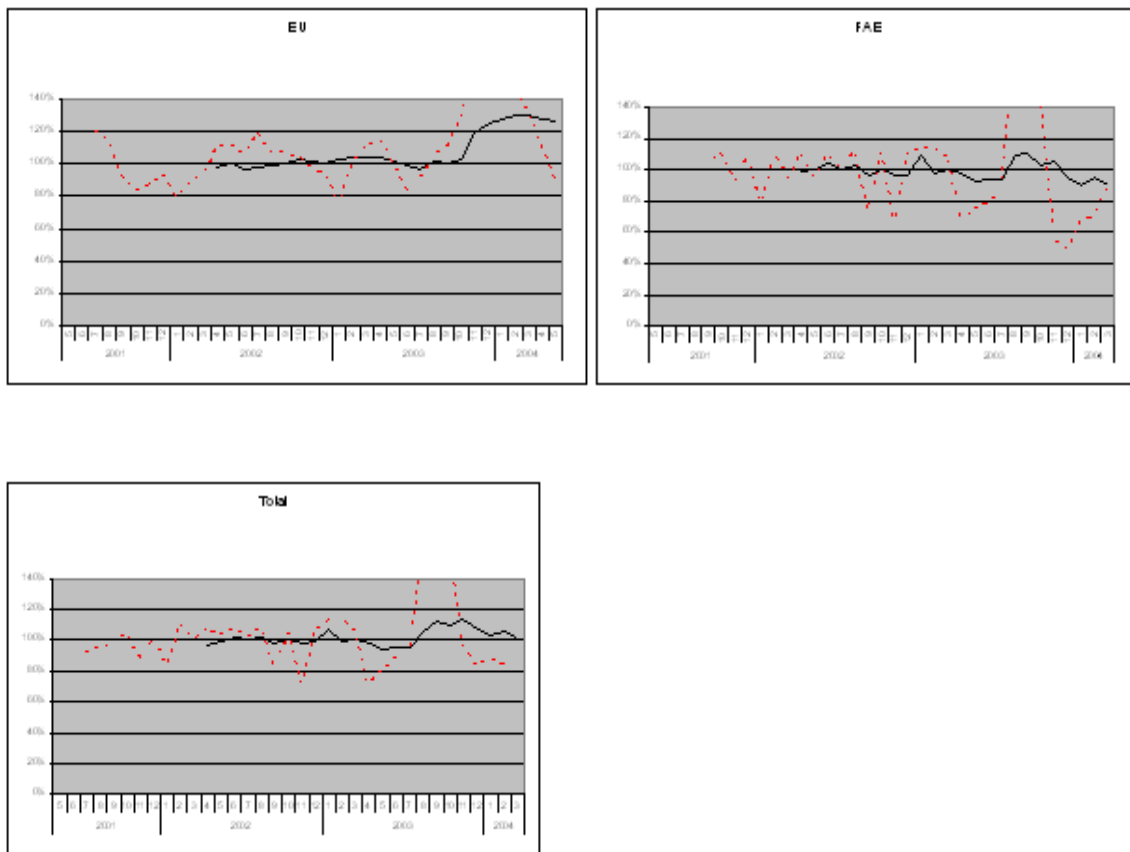
2. REPORT FIPAGO CONGRESS

- Bordeaux, 24-25 June 2004

Markets gummed paper tapes differ in the various countries.

The 48th annual FIPAGO congress took place on 24-25 June 2004 in Bordeaux, France. Participants from seven countries were attending the meetings.

Considered from a point of view of the consumption of starch, worldwide (total) the market of gummed paper tapes shows a stable picture. An increase of volumes is shown by the European countries (EU). However, the European participants of the Fipago Congress in Bordeaux representing Germany, Great-Britain, France, Italy, Spain and the Benelux were not that very optimistic. Probably the increase especially was caused by Eastern Europe. The volumes are decreasing in the Far East (FAE), where the business in Japan is rather steady with around 70 millions of square meters of the tapes per annum. Mr. M. Motomatsu of Pacwell, Saitama, offered the audience the services of his company in case exporters wish entering into the Japanese market.



Participants agreed that gummed paper tape, as a natural closing method, is becoming more and more a special product with high value for niche markets. Additional sales skills for merchants are needed in order to explain end-users of the possible applications. Like before, mono-packaging is an important issue for supermarkets. Still a unique selling point to gummed paper tape is the ability of securing the packaging or the product in the supply chain.

Participants agreed that a further co-operation with raw material suppliers and closing machinery producers will enable an upswing for the industry, helped by the recovery of the economy. In that respect, Cyklop announced the introduction of a new case sealer. The presentation will be held during the Pack Expo in Chicago next November and the Interpack 2005 exhibition in Düsseldorf.

During the congress special attention was paid to matters of standardization. It was decided to make an inventory of commonly used sizes (width, running meters, core diameters etc.). A special questionnaire will be sent to all relevant companies.

Of course, participants seized the opportunity of tasting the excellent wines during a bus trip the day after the congress in this famous Bordeaux area.

- Welcome to Porto

The 2005 Congress will take place on 2-3 June in Porto, Portugal. We hope to meet a lot of FIPAGO colleagues.

Provisional Program 2005 Congress Porto:

June 2

- 12.00 -13.00 hrs.	Lunch
- 14.00 -17.00 hrs.	Meetings and Congress
Ladies Program	Sightseeing Porto
- 20.00 hrs.	Dinner

June 3

09.00 hrs.	Excursion
12.00 hrs.	Lunch
± 15.00 hrs.	End of program

3. Members

Attached you will find the latest list of FIPAGO members.

Former associated member Mr Roger Franklin passed away on March 16th 2004. At the end of 2004, Artinova, Sweden left as an ordinary member.

Neubronner 100 years anniversary

Our member, the German Neubronner Company, celebrates its 100 anniversary this year. The exact date is 31st of January 2005. On behalf of FIPAGO we congratulate Neubronner on this unique event and wish Mr. Hans Kaiser and his staff a fruitful future.

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”.

FIPAGO needs additional members. Please give support!

In order to make the Gummed Paper Tape industry more successful worldwide, we need to strengthen our association by additional members. You, as a member, are kindly requested to stimulate colleagues in your country to join FIPAGO.

Co-operation with German association FIBEPA

Members of the gummed paper tape department of Fibepa, the German converters association of impregnated and coated papers, and Fipago are in contact in order to make an inventory of possible mutual benefits of co-operation. An exploratory talk took place at the beginning of 2005. We will keep you informed on progress in this respect during our next congress in the beginning of June (2-3) at Porto, Portugal.

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 your company or your country. We will publish your information on the web page.

5. Facts on the European Corrugated Board Industry

A. Total shipments in billions of m²

	2003 Billions m ²	2002 World market share	2003/2002 Growth rate %
North-America	41.3	29.6%	+ 0.0
Asia	46.8	33.5%	+ 8.0
Western Europe	40.9	29.3%	+ 0.7
Latin America	6.6	4.7 %	-/-5.8
Africa	1.7	1.2 %	+ 1.0
Oceania	2.3	1.6%	+ 2.1
<i>World</i>	<i>139.5</i>	<i>100 %</i>	<i>+ 2.5</i>

Source: ICCA

The industry's structure Europe
(incl Eastern Europe)

European corrugated Industry	2003	2002	03/02 %
Shipments in billion m ²	37.9	37.4	+ 1.3
Shipments in 1.000 tons	20.5	20.3	+ 0.1
Number of companies	491	491	-
Number of plants	741	736	+ 0.7
Number of corrugators	718	711	+ 1
Consumption of paper in 1.000 tons	22.808	22.421	+ 1.7
Die-cut boxes in a % of total shipments	37.2	33.4	+11.4
Average weight of corrugated board in g/m ²	541	542	-/-0.2

C. Paper consumption by grade

	2002	2003
Virgin fiber grades	27.0%	30.0%
Recycled fiber grades	73.0%	70.0%
Total	100%	100%

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

2003

Country	Food	Non-food
Spain	57	43
Great Britain	43	57
Netherlands	50	50
France	45	55
Sweden	32	68
Germany	34	66
Italy	31	69

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

	2002	2003
Austria	53.3	54.2
Germany	40.0	40.4
Spain	53.5	54.0
Great Britain	31.3	30.0
Italy	37.0	38.0
The Netherlands	34.4	37.0
Sweden	56.0	37.9
Turkey	26.1	18.4

Source: FEFCO annual reports

6. Environment: European Directive On packaging And Packaging Waste

The European Directive on Packaging and Packaging Waste of December 1994 has been revised and entered into force in February 2004. Member countries will have to apply the Directive to national legislation by autumn 2005.

Recovery target (overall): 60% (incineration with energy recovery may be counted)

Material targets:

Glass	60%
Paper and board	60%
Metals	50%
Plastics	22.5%
Wood	15%

Gummed Paper Tape fulfills all the requirements to enable the paper and board chain to improve recycling of the used packaging. Both together, the boxes and Gummed Paper Tape as the appropriate closing method, form a mono material packaging.

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

7. Organizational Matters

FIPAGO Board:

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

Fees:

The board decided to keep the fees at the same level as in the previous 4 years, so there will be no increases. Fees are:

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

8. FIPAGO Publications 2004

* FIPAGO Newsletter	January
* Documents Congress 2004	June

The web page www.fipago.org is still functioning. 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 1957-2004

See enclosure.