



Center for Paper Business and Industry Studies

Newsletter of the Center for Paper Business and Industry Studies
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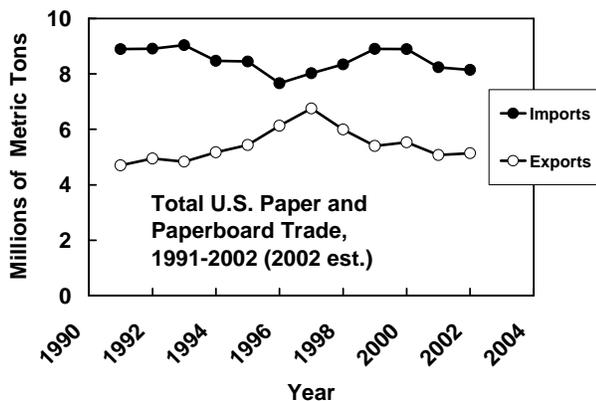
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Paper Trade – Could Be Better

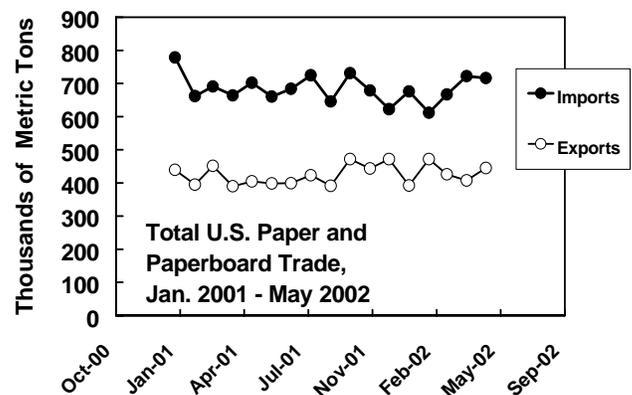
Dennis Taylor, a 2002 Summer Undergraduate Research Experience (SURE) intern, elected to work with CPBIS during his stay at IPST. Dennis, who is pursuing a double major in chemical engineering and business administration at Michigan Technological University, had just the right background for this assignment, which was to seek out and compile recent statistics on U.S. paper and paperboard trade.

Dennis' report documents U.S. trade in total paper and paperboard, linerboard, and uncoated free sheet, by country and by year, over the period 1991-2002.



Source: U.S. Foreign Agriculture Service

The figure above underlines the magnitude of the drop in exports, from a peak of 6.8 million metric tons in 1997 to only 5.1 million tons in 2001. Annualized January–May 2002 figures suggest that the trend is moderating. In the absence of significant changes in the relevant drivers, the current year's exports would total just over 5.1 million tons. The moderating trend is also apparent in the month-to-month statistics, shown in the following figure.



Source: U.S. Foreign Agriculture Service

A detailed analysis of factors related to the post-1997 decline remains to be done, but some of them can be readily identified. The strong dollar has been an obvious one, but recent weakening of the U.S. currency may spark an upswing in exports. However, this will only be a significant change if the exchange rate trend continues beyond the near term, an assumption which not all analysts consider justified. (See, for example, the article by Conrad De Aenlle on p. 8 of the July 28, 2002, issue of *The New York Times*.) Also, other factors will continue to have an influence and may dominate. Among these is the steady growth in offshore capacity. Container board, a major component of U.S. exports, will have to compete with new supply in such countries as China (1.9 million tons) and Germany (1.6 million tons). Trade is clearly a relevant area for further study by CPBIS.

Distinguished Speakers

An important element of the CPBIS mission is to create an academic community that understands the paper industry. There are many parallel avenues

toward this goal, one of which is to invite speakers with distinguished records whose experience and knowledge equip them to both enlighten and inspire us. Among the many who have earlier obliged us in this way are Tom Brown (Caraustar), Ben Thorp (GP), and Keith Romig (PACE), to name only a few. For the coming academic year, we are working hard to assemble a program of speakers that is second to none. These events will take place in IPST's Kress Auditorium at 11:00 a.m. on the fourth Friday of each month throughout the academic year. The first one, on September 27, will feature Bob Renner, President and CEO of Forest Express. Don't miss it!

Welcome, Australian Paper

We welcome Australian Paper as our newest corporate sponsor. Australian Paper is the marketing and manufacturing division of PaperlinX. It is the leading Australian manufacturer of communication papers and high-performance packaging papers. We look forward to interacting with AP in many mutually beneficial ways, as we do with all of our industry sponsors.

Executives' Conference & The IAB

CPBIS will be much in evidence on the program of IPST's Sixty-Sixth Annual Executives' Conference, Tuesday and Wednesday, September 24-25, 2002. The entire Wednesday afternoon session will be devoted to presenting our view of the state of the industry, the status and direction of CPBIS programs, and a sampling of the results of our research program. The session will also serve as the first part of our annual on-site Industry Advisory Board (IAB) meeting. The IAB will conclude its deliberations in a second meeting following the close of the Executives' Conference.

New Approaches To Old Problems

The second "*Rethink and Discovery*" program (including the Superintendents' Roundtable) was Webcast live from the Paper Industry Management Association's 83rd Annual International Management Conference in San Francisco on June 20, 2002.

The discussions focused on the theme, "Division and Mill-Level Operations Management Issues" and included two panel sessions. One panel consisted of the recent past, current, and incoming PIMA Presidents, and a second featured seven mill level management leaders. Del Raymond, Weyerhaeuser's Director of Strategic Energy Alternatives, provided the keynote address. He emphasized the importance of the Rethink and Discovery Sessions in providing input and support for the AF&PA Agenda 2020 initiatives.

Katherine Buckman-Davis, CEO of Buckman Laboratories, hosted the program.

The third program in the series is planned for the afternoon of October 10 during the 2002 annual meeting of the North Carolina State University Pulp and Paper Foundation in Raleigh, North Carolina. This third Rethink and Discovery program will focus on the key industry issues of innovation and employee development, training, and education. As with the first two programs, the third in the series will also engage and solicit the views of a global industry audience by means of a live Internet Webcast of the event.

Industry Centers Fellowships

The Sloan Foundation makes Industry Centers Fellowships available to enable academic scholars to study at a Sloan Industry Center, usually for one year, with a stipend of \$50,000 plus benefits. The Fellowship program will enable new Ph.D.'s and faculty at other career levels to have visiting appointments for up to one year at one of the Centers. Candidates interested in working with CPBIS as a Sloan Industry Center Fellow should contact Tom McDonough by sending an e-mail to (tom.mcdonough@cpbis.org) before Sept. 15.

New CPBIS Course

A new CPBIS-sponsored course, "Process Management in Paper and Processing Industries," (MGT 4803-J) will be offered on the Georgia Tech campus during the coming Fall Semester. It will use the paper industry as a platform for studying process industries generally and how contemporary process modeling can add significantly to management understanding and capability. Students will not be expected to have prior knowledge of paper manufacturing and technology. Dr. George Manners will teach the course. Dr. Manners has extensive experience, both as a teacher of management courses and as a director of corporate organization development in the paper industry.

Upcoming Events

Wednesday, Sept. 25 CPBIS Session at IPST Executives' Conference, 12:30 p.m., Kress Auditorium, IPST. To be followed by CPBIS Industry Advisory Board Meeting.

Friday, Sept. 27 Address by Bob Renner, CEO of ForestExpress, 11:00 a.m., Kress Auditorium, IPST.

Thursday, Oct. 10 Rethink and Discovery III, North Carolina State University, details TBA. ■