



Center for Paper Business and Industry Studies

Newsletter of the Center for Paper Business and Industry Studies
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CPBIS to Seek Renewed Sloan Foundation Funding

Director Pat McCarthy and many others at CPBIS have been working on a comprehensive proposal to the Alfred P. Sloan Foundation for a third three-year funding cycle. In addition to documenting the needs addressed by CPBIS and its achievements to date, the proposal will stress the importance of allocating resources for business-oriented research and other activities aimed at creating an academic community that understands and benefits the pulp and paper industry.

The Foundation supports 26 industry centers at 19 universities across the country. Each center consists of a multidisciplinary group of faculty and students who study many aspects of a single industry. Typically, the Foundation entertains proposals for funding a given center for up to nine years, in three-year increments, provided that the center demonstrates continued progress and the industry involved shows evidence of its commitment by providing appropriate levels of additional financial support. Sloan funding levels decrease with each successive three-year cycle, with the expectation that, by the end of the third cycle, the center will have demonstrated value sufficient for the industry to justify assuming full responsibility for the center's support.

CPBIS was established in October 2000 with the aid of a \$2 million Sloan grant together with an industry commitment of approximately \$1 million. The Foundation responded to our 2003 proposal for second-cycle funding with a grant of \$1.3 million. The new CPBIS proposal will be submitted at the beginning of October. It will also serve as our Annual Report to the Sloan Foundation.

Regional Paper Consumption Shifts

One of the CPBIS-sponsored papers that will be presented at the upcoming TAPPI Environmental, Pulping and Engineering Conference (Marriott Marquis, Atlanta, November 5-8) is the product of very recent CPBIS research on patterns of change in global pulp and paper consumption. The paper, authored by CPBIS director Patrick McCarthy and graduate student Lei Lei, is entitled *Shifts in Regional Consumption for the Pulp and Paper Industry*. The following is their abstract, taken directly from the paper:

“The pulp and paper industry has experienced dramatic changes during the past several decades with large variations in regional market shares of production capacity and consumption pattern. Based on the data collected from the United Nations Food and Agricultural Organization, this paper explores regional consumption and market share trend in Asia, Europe, North American Free Trade Agreement Area, and South America. The analysis demonstrates that world paper consumption continues to increase but that there have been significant regional differences in aggregate and per capita growth rates. Moreover, this study presents estimates of the sensitivity of regional per capita consumption to changes in gross domestic product. Among the findings, in virtually all product categories, the United States has lost market share to Asia. In addition, at comparable income levels, per capita consumption in the United States reflects a structural increase for all except printing/writing paper product categories. And across all product categories, per capita consumption in the NAFTA area is least sensitive to income changes.”

Quoting from the introduction, “This analysis focuses upon four major consumption (and production)

regions – Asia, Europe, North America Free Trade Agreement Area (NAFTA), and South America – which collectively represent more than 90% of world pulp and paper consumption. The analysis includes the consumption of pulp, paper and paperboard products, which comprises two broad categories, pulp and paper/paperboard. In addition, the paper/paperboard category includes newsprint, printing and writing paper, household and sanitary products, and wrapping/packaging paper/paperboard.

The purpose of this paper is to provide a descriptive analysis of pulp and paper regional consumptions, to explore shifts in these consumptions over the past forty-two years, and to provide some thoughts on the main economic drivers that have generated these shifts. The analysis will focus upon regional apparent consumption, in total and on per capita basis, as well as regional market shares. ... we discuss data sources and the method used to compute regional consumption and related variables. We then describe regional consumption patterns by product category over the past four decades and provide estimates of the sensitivity of pulp and paper consumption to gross domestic product.”

Other CPBIS presentations at the same conference will include *State of the Industry – Enterprise Transformation*, authored by CPBIS Executive Director Jim McNutt and Dan Cenatempo, and a preliminary project report entitled *The Role and Value of Innovation in the Pulp and Paper Industry*, authored by Vivek Goshal and Usha Nair-Reichert, both members of the faculty of the Georgia Tech School of Economics.

BoE Venue Changed

The next meeting of the CPBIS Board of Executives (BoE) will convene at a location different from the one previously announced. The group will meet at 9:00 a.m. on Thursday Sept. 28 in Appleton, Wisconsin, at a venue to be announced within the next few days. The agenda will stress industry issues, as opposed to Center infrastructure, which has been adequately dealt with at the group’s recent meetings.

New CPBIS Patent Database

On August 18, CPBIS released a new tool called PaperPat, an online searchable database of U.S. pulp and paper patents. To access it, click on the link, <http://www.cpbis.gatech.edu/patents>.

This database, a compilation of 63,497 U.S. patents related to pulp and paper, covers practically all the relevant patents issued between January 1, 1976 and December 31, 2003 by the U.S. Patent Office.

Search queries return patent numbers that serve as links to the U.S. Patent Office Web site, providing access to the abstract and full text.

Au Revoir, Emmanuel

With sadness, we wish Emmanuel Lafond farewell as his career path takes a new turn and he departs CPBIS for a position with Bright View Technologies, a display technology company in Research Triangle Park, NC. For the past five years, Emmanuel has done an outstanding job as CPBIS Internet Applications Manager. In addition to continuously maintaining and developing our Web site, he played a major role in the development of CPBIS databases, such as Mills Online, Price Charts, Bibliography and the new PaperPat database, described above. We wish him the best in his new position.

Reminder: PIMA-CPBIS Webcasts

As described in the August issue of this newsletter, PIMA and CPBIS will offer a biweekly series of webcasts on reliability centered maintenance (RCM), beginning October 4 at 11:00 a.m. They will explore the strategic framework for understanding what RCM is and how it can be applied in industrial facilities like pulp and paper mills.

For further information and how to register, visit www.cpbis.gatech.edu or www.pimaweb.org or contact Bob Patterson at 770-855-0232 or by e-mail (bob.patterson@cpbis.gatech.edu).

Reminder: Management Course

As also described in the August issue of this newsletter, another offering of the CPBIS-PIMA professional development program, *Management Development for Enhanced Performance*, is scheduled to begin on Monday, October 9 2006. The five-day course will be taught by faculty of the nationally-ranked Georgia Tech College of Management, in collaboration with noted paper industry practitioners. For details and how to register, see <http://www.cpbis.gatech.edu/mgtdev>

Upcoming Events

CPBIS Board of Executives (BoE) Meeting, Sept. 28, Appleton, WI. See above.

PIMA CPBIS Fall 2006 Webcast Series, Your site, 11:00 a.m. EST October 4, and continuing at biweekly intervals through November 15. See above.

CPBIS-PIMA Management Development Course, Oct. 9-13, IPST@Georgia Tech, Atlanta. See above. ■