

Dr. Gail Pesyna Receives Career Achievement Award at ISA 2015

The Industry Studies Association (ISA) recently held its annual conference at the Kauffman Foundation Center in Kansas City. The conference gathered together researchers and analysts from top U.S. and international institutions to present and discuss their research and exchange ideas on the latest developments in all industrial sectors of the economy. This year the conference welcomed nearly 160 participants (representing research institutions from Canada, China, Finland, France, Italy, Latvia, Malaysia, Spain, Turkey, UK and US) to present their individual and collaborative work. There were three plenary sessions and 29 parallel panel sessions over the course of three days. Among the industrial sectors represented in the panel sessions were: Apparel, Auto, Bookstores, Communications, Crowdfunding, e-Commerce, Energy, Financial Service, Food, Forest, Game Industry, Healthcare, Hotel, Housing, IT, Laser Industry, Paper and Pharmaceuticals.

A highlight of this year's conference was presentation of the Industry Studies Association Career Achievement Award to Dr. Gail Pesyna, recently retired as Vice President, Human Resources and Program Management, the Alfred P. Sloan Foundation, and currently Visiting Scholar, Department of Economics, University of Pittsburgh. Dr. Pesyna played a significant role in the Sloan Foundation Industry Studies Program and now in the Industry Studies Association.

Starting in 1990 and continuing through 2009, the Sloan Foundation Industry Studies Program established Industry Centers to foster closer



relationships between academics and industry and to broaden the impact of scholarly research. Through this program, the Sloan Foundation established 23 Industry Centers throughout the country, including the Center for Paper Business and Industry Studies (CPBIS) at the Institute of Paper Science and Technology and the Georgia Institute of Technology in 2000. The Industry Studies Program spawned a rich network of researchers from all academic backgrounds with deep knowledge of their particular industries. Subsequently, these researchers and stakeholders established the Industry Studies Association, continuing the research, interdisciplinarity, and pursuit of the objectives embodied in the Sloan Foundation Industry Studies Program. As Program Director during the Sloan Foundation Industry Studies Program and now a member of ISA's Board of Directors, Dr. Pesyna continues to be a staunch supporter of industry studies and was one of the guiding forces in founding the Industry Studies Association.

It is impossible to overestimate the extent to which Dr. Pesyna's support, guidance, and counsel contributed to the success of the Industry Studies Program and, in particular, to all aspects of CPBIS's activities and successes as an Industry Center. There is no other person who is more deserving of ISA's Career Achievement Award.

Among other activities at the Conference were an Early Career Development event for junior scholars, the annual junior scholar awards for best dissertation, the ISA-INFORMS Best Industry Studies Paper Award and the Giarratani Rising Star Award. Claire Senot (Tulane University) received the best 2015 Dissertation award for her thesis "*Pursuing Conformance Quality and Experiential Quality During the Delivery of Health Care: Evidence from a Multiple-Case Study in U.S. Hospitals.*" And Shardul Phadnis (Malaysia Institute for Supply Chain Innovation) received this year's Giarratani Rising Star

Award for his research paper, “*End-to-end Supply Chain Models for Apparel Industry.*”

Several parallel sessions focused on topics that were either directly or indirectly related to the forest products industry. These included:

Response and Recovery After Crises and Negative Shocks:

“Reframing Collective Identity in Response to a Technological Discontinuity: The Independent Bookstore Industry, 1995-2015” by Ryan Raffaelli (Harvard Business School),

“How Rhetoric Influences the Change in the U.S. Newspaper Industry in the 21st Century by Jun Ho Lee (University of Illinois at Urbana-Champaign),

Impact of the Digital Age on Traditional Industries:

“The American Comic Book Industry: Its Past, Present, and Futures” by David Palmer (University of Nebraska at Kearney),

“Still in Recession? A Longitudinal Examination of the US and Chinese Forest Industry” by Zhen Cai and Francisco Aguilar (University of Missouri), and

Location Characteristics, Clusters and Impact:

“Environmental Compliance and Investment Behavior of Capital-intensive Industries by Aselia Urmanbetova, Patrick McCarthy, Daniel Matisoff (Georgia Tech) and Douglas Noonan (Indiana University-Purdue University Indianapolis).

A pleasant surprise at this year’s conference was a diverse representation of Georgia Tech by several GT scholars. In particular:

“Project Selection in NIH: A Natural Experiment from ARRA” by Hyunwoo Park and Rahul Basole (GeorgiaTech), Jeongsik Lee (Drexel University), and Byung-Cheol Kim (GeorgiaTech),

“Product Innovation Contest on Service Network: Competitive Spillover from Exclusive Dealing” by Hyunwoo Park (GeorgiaTech) and Rahul Basole (GeorgiaTech),

“Firm Value of Product Innovation in the Service Ecosystem” by Hyunwoo Park (GeorgiaTech) and Rahul Basole (GeorgiaTech),

“Spilling Over or Pumping Out: Ideologies, Business Models, and the Divergent Firm-Stakeholder Outcomes of the Industrial Transformation in Nicaragua’s Cheese Industry” by Alberto Fuentes (GeorgiaTech),

“Competition and Patenting in the Automobile Industry” by Vivek Ghosal (GeorgiaTech) and Jiayao Ni (GeorgiaTech),

“Environmental Compliance and Investment Behavior of Capital-intensive Industries” by Aselia Urmanbetova, Pat McCarthy, Daniel Matisoff (Georgia Tech) and Douglas Noonan (Indiana University-Purdue University Indianapolis)

As in the past, this year’s Industry Studies Association Conference provided insights on an array of topics that have relevance for stakeholders in the forest products and pulp and paper industries. You can find more information on the Industry Studies Association at <http://www.industrystudies.org>.

Trend Indicators from Industry Intelligence Inc.

Industry Intelligence Inc. has provided market intelligence to more than 600 companies worldwide since it began as Forestweb in 1999. Industry Intelligence delivers a daily report featuring news of the paper and forest products industries. For your subscription visit: <http://www.industryintel.com>

Below is a sampling of recent Industry Intelligence headlines, chosen to mirror significant trends and other interesting developments in and around the paper and forest products industries.

Appvion's new receipt paper Alpha Free, which uses Vitamin C formulation in place of phenols like BPA or BPS, now being used by Whole Foods Market, first US national grocery retailer to do so, now at its Rocky Mountain and Southern California stores

Studies have concluded that toxic BPA found in receipts can be absorbed into the skin. The new paper avoids this problem.

IP releases 2014 Sustainability Report showing significant progress on 2020 goals, reducing its GHG emissions by 8.3% and improving energy efficiency by 6.1% since 2010; safety program has cut life-impacting injuries by 68% since its inception

The complete report is available at <http://www.ipsustainability.com>.

Some contracts signed for pulp and paper mill to be built in Svetlogorsk, Belarus, with focus now on building 400,000 tonnes/year pulp mill; China CAMC Engineering will deliver special equipment and fulfill construction and installation services

The mill will be able to make three kinds of cellulose: hardwood bleached kraft pulp, softwood bleached kraft pulp, and dissolving viscose pulp.

Global specialty paper market projected to grow at 6.59% CAGR during 2015-2020, reaching 34.9 million tonnes in 2020, driven primarily by improving economic condition in countries and increasing end-use applications: report

The report, by MarketsandMarkets, deals with decor paper, release liner paper, packaging paper, and printing paper.

Pratt opens two recycling facilities, a 110,000-sq.-ft plant in Gary, Indiana, and a 38,000-sq.-ft. plant in Wichita, Kansas; both facilities will provide feedstock for Pratt's containerboard mill coming onstream in Valparaiso, Indiana, this September

The Gary facility will process more than 70,000 tons of recyclables annually. Pratt chose the city because of its close proximity its containerboard mill and the greater Chicago area paper stream.

Rayonier Advanced Materials, Borregaard to partner in manufacturing, marketing and selling lignin-based products from Fernandina Beach, Florida, pulp mill: RAM CEO says project leverages assets and co-products, while enhancing mill's competitive position

The project increases Borregaard's lignin products sales capacity by 30 percent. The parties estimate an aggregate capital investment of \$110 million for a capacity of 150,000 metric tons per year.

Resolute to enter tissue market, focusing on at-home, premium private-label bath tissue and towel, will build 60,000 tonnes/year paper machine at its Calhoun, Tennessee, paper mill, with Q1 2017 startup; US\$270M investment is company's largest since 2010

Unlike many other paper products, tissue demand has grown steadily for the past 20 years, and it is expected to continue growing in the future.

US paper and paperboard output gains 1.3% year-over-year in April, on strength of 5.3% increase in paperboard production, offsetting 4.7% decline in paper production; overall operating rate is 93.9%: AF&PA

The total operating rate was 93.9%, up from 92.1% a year ago. Paperboard had a 97.2% operating rate, which was considerably ahead of the year-ago rate of 93.6%.

FPInnovations welcomes Canadian government's decision to support application of genomics in natural resource-based industries with C\$715,000 contribution to Genome British Columbia, says forest products fiber and wood research priorities will benefit

In addition, FPInnovations has committed \$250K over the period 2014-2018 to advance the application of forest sector genomics to fiber characteristics, fiber characterization, tracking of wood and forest products and marker-assisted selection.

Stora Enso defines strategic financial targets for each of its five divisions, as it transforms itself from traditional paper and board producer to renewable materials company; targets considered ambitious but reachable within five-year period

The company aims to replace non-renewable materials by innovating and developing new products and services based on wood and other renewable materials.

US recovery of old corrugated containers (OCC) at 89%-91% over 2011-2014, up from 54% in 1993 and 80% in 2009, based on recent AF&PA survey; grocery retailers play crucial role, as most have balers in their back rooms, helping them bring in extra revenue

Corrugated recovery has been rising steadily for decades -- from 54% in 1993, to 80% in 2009, to 89-91% in 2011-2014.

European graphic paper shipments in March fall 1.7% from a year ago, to 3.065 million tonnes, but uncoated woodfree and SC-magazine papers show increases: Euro-Graph

The year-over-year figures have been negative every month since January 2013's 1.0% increase over January 2012, except for December 2013's 0.3% increase over December 2012.

Paper sensor can be printed out to detect illnesses, spoiled food

A McMaster University innovation allows inkjet printers to print man-made DNA molecules that produce a signal when a specific disease biomarker is present. Applications include packaging that can send text warnings when food is contaminated with a deadly pathogen.

IP converting to natural gas from coal for electricity generation at its Eastover, South Carolina, pulp and uncoated freesheet paper mill; Dominion Resources' subsidiary applies for federal permit to extend natural gas pipeline to the IP mill by June 2016

IP spokesperson Tom Ryan said that the pipeline would provide IP with “a means of improving our environmental footprint, which also brings about financial benefits as well.”

US generation of electricity from wood biomass set to increase to 119,000 MWh per day in 2015, up from 118,000 MWh per day in 2014, and increase again to 122,000 MWh per day in 2016: EIA

Across all U.S. sectors, the consumption of wood biomass is expected to be 1.991 quadrillion Btu (quad) this year, increasing to 1.939 quad in 2016.

AF&PA Statistics

Since our last reporting of American Forest and Paper Association statistics releases, the Association has issued its April and May containerboard and kraft reports and its May paperboard and printing & writing reports.

Containerboard

May: Production was less than 1 percent higher compared to May of last year. The month-over-month average daily production compared to April 2015 was 2 percent lower. The containerboard operating rate for May decreased to 97.2 percent from April’s 98.6 percent.

April: Production was 7.2 percent higher compared to April of last year. The month-over-month average daily production compared to March 2015 was 3.3 percent higher. The containerboard operating rate for April increased to 98.6 percent from March’s 96.0 percent.

Kraft

May: Total kraft paper shipments were 140.7 thousand short tons, less than 1 percent lower compared to May 2014. Bleached kraft paper shipments decreased from 10.3 thousand tons in April 2015 to 8.4, while unbleached shipments remained essentially flat at 132.3 thousand short tons. Overall, shipments for the first five months of 2015 were 1.4 percent lower than the same period in 2014. Total month-end inventories increased to 81.5 thousand tons.

April: Total kraft paper shipments were 145.7 thousand short tons, flat compared to April 2014. Bleached kraft paper shipments increased from 8.9 thousand tons in March 2015 to 11.9, while unbleached shipments decreased from 138.5 thousand tons to 133.8. Overall, shipments for the first four months of 2015 were 1 percent lower than the same

period in 2014. Total month-end inventories decreased to 79.6 thousand tons.

Paperboard

Total boxboard production decreased 0.9 percent when compared to May 2014, but increased 4.7 percent from April. Unbleached kraft boxboard production increased over the same month last year and increased compared to April. Total solid bleached boxboard & liner production decreased when compared to May 2014, but increased compared to April. The production of recycled boxboard decreased compared to May 2014, but increased when compared to April.

Printing and Writing

Total shipments decreased 9 percent in May compared to May 2014, with inventory levels increasing 8 percent from April. Uncoated free sheet (UFS) paper shipments in May decreased 5 percent compared to May 2014. Imports of UFS decreased 12 percent year-over-year in April. May coated free sheet (CFS) paper shipments decreased 10 percent compared to May 2014. Imports of CFS papers increased 28 percent in April, the eleventh year-over-year increase in the last 12 months. Uncoated mechanical (UM) paper shipments decreased 19 percent when compared with May 2014. Imports of UM papers were down 25 percent in April, the tenth consecutive monthly decline. Coated mechanical (CM) shipments in May decreased 14 percent relative to May 2014. Imports of CM increased in April, up 17 percent compared to April 2014, while exports of CM were up 16 percent.

Purchase the full reports by contacting Caroline Nealon, Statistics_Publications@afandpa.org or 202-463-2448.

Paper Quotes

“I think the novelty of e-book has worn off; people have their Kindles; I have a Kindle and I use it when I’m traveling. It’s easier than putting books in a bag but people who like books tend to like books as a physical object, so I think the moment when e-books could have superseded books is gone.” – *John Boyne, author of the best-selling novel, “The Boy In The Striped Pyjamas.”*

“We have been studying this option to diversify into the tissue business for quite some time, and we will continue to look at opportunities to expand our presence in this growing market.” – *Richard Garneau, president and chief executive officer, Resolute Forest Products, announcing the company’s plan to build a*

60,000 tonne/year tissue machine at the Calhoun, TN mill.

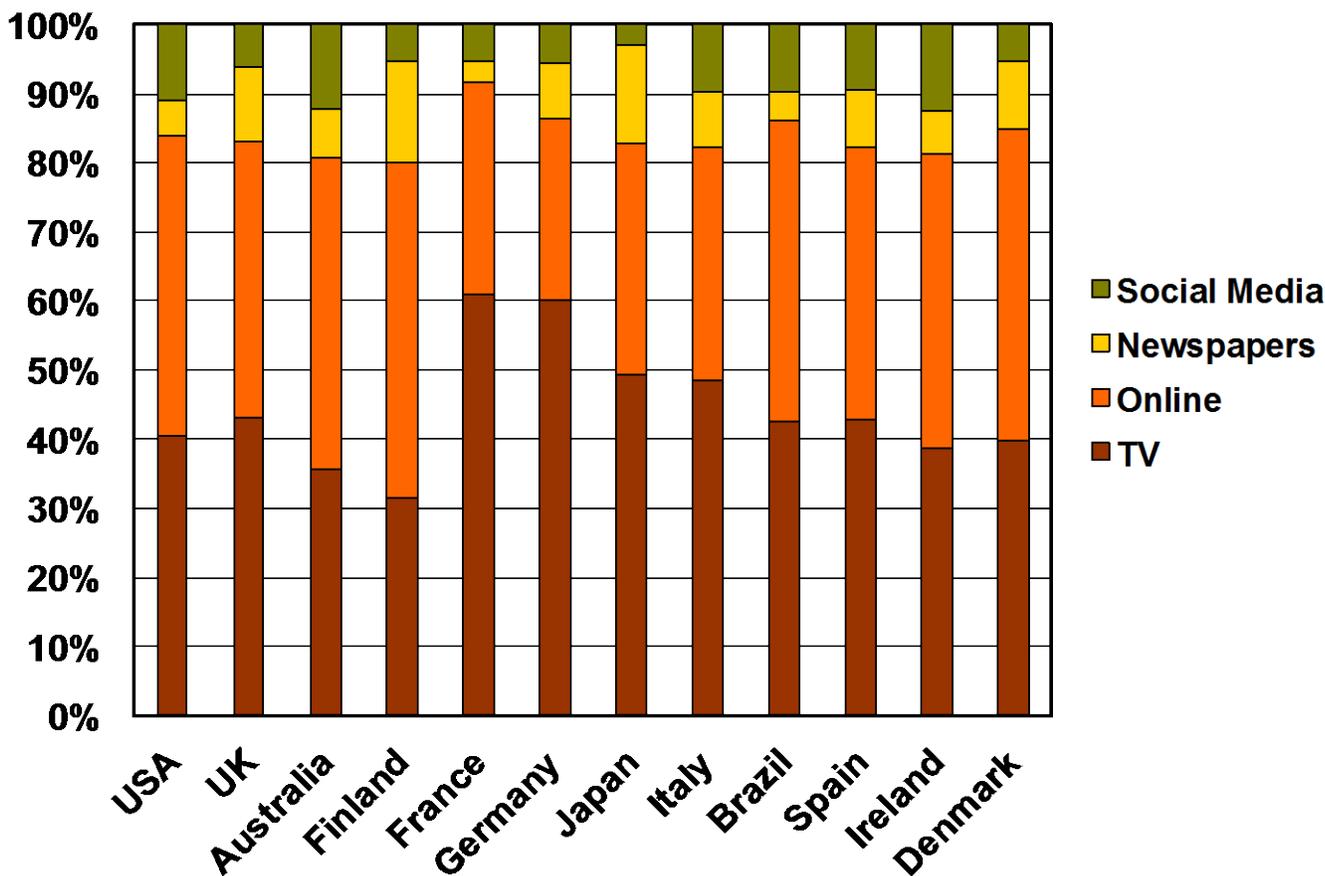
“It is not possible to examine the fine old bark papers of many of the islands of the Pacific Ocean without a sincere regret that these localities ever came under the influence of white men.” – Dard Hunter, in “Papermaking. The History and Technique of an Ancient Craft,” Alfred A. Knopf, New York, 1947.

Statistics Corner: Main Source of News

The figure below shows results obtained in a survey of people who had used some source of news within the preceding week. Survey participants were asked, “Which would you say is your MAIN source of news?” Of particular interest in the present context are

the results relating to reliance on printed newspapers as a news source. In all countries represented, newspapers took a back seat to both television and the Internet. Reliance on social media, especially Facebook, was in most countries greater than on newspapers. Reliance on newspapers was greater in Finland and Japan than in other countries, and less in France and Brazil. Television was the medium of choice in France and Germany. The data are from a detailed report by the Reuters Institute for the Study of Journalism entitled “Tracking the Future of News.” It is available at:

[https://reutersinstitute.politics.ox.ac.uk/sites/default/files/Reuters Institute Digital News Report 2015 Full Report.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/Reuters%20Institute%20Digital%20News%20Report%202015%20Full%20Report.pdf) ■



Main Source of News (Source: Reuters Institute for the Study of Journalism)