

# MINUTES OF THE ACCA'S

## 13<sup>th</sup> Annual General Meeting held on

6th August 2009, 1.45pm at the Dusit Thani Hotel, Bangkok, Thailand

**Mr Kinardo Ang** as Chairman of this ACCA's 13th Annual General Meeting, gave a warm welcome to all participants present. He expressed his appreciation to TCG for generously hosting the 3-day events that included technical seminars by industry suppliers, visit to the TCNN Plant, Golf Game and various lunches and dinners.

On this meeting, we also elected ACCA 7th Term (2009 – 2011) Management Committee. Prior to the election process, Mr Philip Wong, the Founder President, ACCA, reminded all present on the Association's traditional practice, and this includes the rotation based on country initial alphabet for presidency. It was explained that our Taiwan member had previously requested to defer their turn of presidency. Hence, based on the agreed nominations arrived at, the posts elected were as follows:

After a short break, the Newly Elected ACCA President cum Chairman, Mr Chartchai L. welcomed all delegates to the 1st Management

Post	7th Term (Elected On 6/08/09)	
	Year 2009-2011	
	ACCA Member	Representative
President	TCG, Thailand	Mr Chartchai L.
1st Vice President	TPCIA, Chinese Taipei	Mr Frank Cheng Jen Ming
2nd Vice President	CPF, China	Mr Zhang Yaoquan
Hon. Secretary	HKCPMA, Hong Kong	Mr Yeung Chiu Kwan
Hon. Treasurer	CBMA, Singapore	Mr Stanley Koo
Committee Member	MACCMA, Malaysia	Mr Soh Man Tong
Committee Member	PICCI, Indonesia	Mr Kinardo Ang
Committee Member	FCBMI, India	Mr Deepak Killawala

#### APPOINTMENTS:

Founder President (Appointed Life)	CBMA, Singapore	Mr Philip Wong
Director (Appointed)	Arab Paper Mfg, Saudi Arabia	Mr Atul Kaul
Director (Appointed)	Reed Huayin Exhibitions	Ms Josephine Lee
Director (Appointed)	Hubei JS Machine	Mr Hans Wang
Director (Appointed)	Bobst Group HK	Mr Gilbert Heyraud
External Auditor (Appointed)	Low Kok Kim & Company	-
Internal Auditor (Appointed)	PT Tosi Jasindo	Ms Tuti Buntaran



Committee Meeting (2009-2011) stating that it is an honour for TCG to hold ACCA Presidency for the next two-year term. He reminded that the global economic crisis is still continuing, and recovery particularly that of the Asian corrugated industry will not be easy. He expressed his appreciation to be elected and promised to keep ACCA moving forward by implementing good and effective activities.

#### Country/Association Update of Corrugated Industry Activities and Services

#### Hong Kong

As over 95% of Hong Kong factories are based in China, mainly in the Pearl River Delta area, the HK manufacturing industry is adversely affected by the significant 30% drop in China exports in the current economic downturn. In spite of this poor export market condition, the price of KLB Medium Paper had increased almost 20% recently and indication is this will continue to increase, while the selling price of corrugated boxes remained the same or lower due to a lack of demand.

To counter the economic downturn, the Chinese Central Government had switched to boosting the domestic market with measures such as subsidies given to local residents in their purchase of various electrical goods like TV sets, and tax reduction for motor vehicles purchase. Such measures are beneficial to the corrugated industry, but there is still severe competition between Hong Kong and foreign companies against domestic box plants, with many of them operating at half capacity. This resulted in more competitive box selling prices. Consequently many box plants are using lower paper grammage to reduce cost, and the cycle continues.

Nevertheless, China's targeted 8% GDP growth this year and its continued political and economic stability would hopefully ensure that Hong Kong and China is still a growing market.

#### India

Mr Deepak Killawala (FCBMI) reported that the Government had introduced export subsidies for some locally produced fruits and vegetables, and this had helped increase box demands. The growing Mall culture in India had increased popularity of cartons display which not only boosted box demand but also good box graphic and fine printing machines. With the removal of Government Protection for small sized industries, the local corrugated industry is now encouraged to use automatic machines for growth to larger industries.



## Indonesia

The current world economic crisis has only adversely affected the country's first quarter 2009 economy growth with the second quarter result bounced back, and the economy continues to grow till now. Inflation for the first six-month semester was 0.21% compared to 7.37% of the same semester last year. GDP grew 4.1% in 2009 first semester. The Indonesia currency had grown stronger against the US\$ since the first semester. The re-election of current president and the smooth running of the presidential election had given a very positive impact so much so that even the recent Jakarta bomb blast had only a minimal effect to the country's growing economy.

Demand for corrugated boxes had started to increase since the second quarter 2009 and is still continuing, with most plants operating at almost full capacities. The big Muslim festival in September will further boost the box demand. There is shortage of supply of paper roll with prices soaring by about 20 to 22% since beginning of 2Q09.

## Malaysia

Mr Soh Man Tong (MACCMA) reported that the country GDP dropped 6.2% with the manufacturing industries decreased by about 20%. The local corrugated industry dropped about 10% to 20% as it is very dependent on the export industries to US and Europe. It is now looking towards the domestic market growth such as the fruits industry. The current 30% increase in paper prices is set to continue to rise, and this is not helping the corrugated industry.

## Singapore

Mr Stanley Koo (CBMA) reported that the Singapore recorded the worst economy slump since 1985 with 1Q09 GDP dropped by 9.6%, and exports by 12%. Manufacturing output had reduced by 24.3% in the same quarter. While rebounds are expected in



2Q09, GDP and general outlook remain largely unchanged for the rest of the year. Revised GDP for 2009 is now -4% to -6% pa. In the 1H09, the local corrugated industry benefited from the lower material cost and the general industrial inventory restocking. Both the electronic and biomedical manufacturing industries experienced growth in 2Q09, and hopefully this will continue for the remaining quarters of the year. He expected the local corrugated industry outlook to remain weak while the total demand in Singapore will drop by another 3% to 4%.

## Saudi Arabia

Mr Atul Kaul (Arab Paper Mfg) reported that the economy in Saudi Arabia remains bright with growth of between 10 to 20% forecasted for 2009. The country exports to Europe and Africa stands at about 150,000 mtpa. However, the paper industry remains a challenge with increased prices in 2Q09. Overall, the local corrugated industry is predicted to close the year with positive result.

## Thailand

Ms Varna Sudasna (TCG) gave a slide presentation on the various Thailand key economic indicators for the month June 2009 and the 1H09. Basically, the Manufacturing Production Index showed manufacturing contracted 8% (yoy) in June '09, while capacity utilisation rate was about 60%. Export oriented industries such as frozen food and canned seafood resumed positive growth rate. Private Consumption shrank 2.7% (yoy) in June '09, while the Private Investment is estimated to contract about 15.5% (yoy) in the same month. In June '09, the Trade Balance registered a surplus of 939 million US\$ while Export Value contracted by 26.4% (yoy) to a figure of US\$12,160 million. The baht currency appreciated from 35.36 to 34.68 bahts for one US\$ between the 1Q09 and 2Q09. Overall, the Thai economy in June '09 improved from previous month, and the 2Q'09 also improved from 1Q'09 as demonstrated by these key economic indicators.

The corrugated cartons industry dropped 11% in 1H'09 (yoy) to 848,000 tons with the E&E (electronic and electrical) sector registering the biggest drop of 38%, while the Food and Consumer sectors decreased 4% and 2% respectively. The forecast for 2H'09 include E&E manufacturers to increase capacity since overseas orders will return, similarly for the food sector. Consumer good is also expected to increase 1% to 3% due to the continued sales promotion of "small package with low price".

## Dinner

During the welcome dinner and on the dinner we were entertained with Thai Culture (music and puppet show). As well as we have gift exchange between every country and the host country.

During this event Thai Container showing many corrugated products for our daily life, such as chair, bookcase, etc Mr. & Mrs. Soh enjoying this couple chair. Would it be a good idea if we can encourage furniture company to promote this green environmental furniture. During the visit to Thai Container we we welcome with all the traditional cookies form Thai, which are so beautiful that discourage me to eat it. Though at last i tried it and indeed they were as delicious they looks.

Thai Container Containers Group is the largest corrugated containers manufacturer in ASEAN. They have 12 corrugated plants in Thailand, Singapore and Malaysia. The company has included packaging design unit in its main business. As a special service to customers, it provides variety of services from graphic, structural design to carton arrangement in shipping containers. All of these help strengthen its innovative packaging solution that can be customized to fit every customers' products.

