



# the conifer

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## Dear Enthusiasts,

Shipping! Shipping! Shipping! The word causing alarm and distress globally is now hampering and causing further bottlenecks in the international supply chain. With freights touching as high as \$10,000 for Shanghai to Rotterdam, factories have started searching locally. Semi-conductors are still in shortage, and so is pulp and chemicals. Although commodity prices briefly came down, they are bound to go back up as the US Stimulus reaches millions of Americans and Chinese factories churn out production for them.

In our industry, whilst pulp has had a small blip, the forward freights seem high owing to container imbalance and high demand owing to various bottlenecks as mentioned above. Pulp will gain traction towards the end of Q3 and will close relatively high in Q4, as more capacities shift towards other grades of pulp, such as dissolving cellulose amongst others.

On a positive note when mankind is in survival mode, a lot of inventions arise. Such is the case in India, with various remedies for COVID-19 being developed. Apart from the cures, what is interesting, is how the supply chain for essentials in the country vastly jumped notches in efficiency! Stay Safe and hope you have a pleasant month! Thanks and Regards

Vedansh Gupta

## World News

**Saudi Aramco records profit:** After a rocky year in which the market was flooded with crude oil just as Covid-19 dried up demand, Saudi Aramco reported a 30% increase in first quarter profits year-on-year, earning \$21.7bn. The state oil company's good fortune, part of an industry-wide recovery, is the result of recovering demand and a decision by OPEC, a group of oil-producing countries, to limit supply.

**Amazon makes its second-largest acquisition:** Amazon agreed to buy Metro-Goldwyn-Mayer, a Hollywood studio, for \$8.45bn. The acquisition, Amazon's second-largest ever, gives it access to around 4,000 films, including the James Bond series, and 17,000 television programmes. MGM's back catalogue will bolster Amazon's streaming service, Prime Video, as its rivalry with the likes of Netflix and Disney+ gets ever more intense.

**Copper prices hit a record high:** The commodity, seen as a bellwether for the health of the global economy, rose by 1.4% to \$10,361 a tonne, surpassing the previous peak set in 2011, during a commodities boom. Demand comes from China and the green transition in rich countries: the metal is needed for electric vehicles, wind turbines and solar panels.

**Exports from China increase:** Chinese exports soared by 32% in April compared with the same month last year. The economic recovery in America, combined with factory closures in other parts of the world, spurred demands for goods made in China. Chinese imports also jumped, rising by 43% compared with April 2020, the fastest growth since January 2011.

**Consumer price up in America:** America's consumer price index rose by 0.8% in April compared with March. Annual inflation was up by 4.2%, the largest 12-month increase since the period ending September 2008. Although this fanned fears among investors, government officials including Janet Yellen, the treasury secretary, said they expect any price surges to be temporary, driven by supply bottlenecks among other factors.

**South Korea to boost its semiconductor industry:** The country will spend \$450bn to develop its semiconductor industry over the next decade. Samsung and Hynx, two technology companies, already make most of the world's basic memory chips. But the country wants to overtake Taiwan as the world leader in advanced semiconductors. The government will offer tax breaks, deregulation, low interest rates and investment in infrastructure to help boost the domestic industry.

**Financial help could put an end to the pandemic:** The covid-19 pandemic could be ended by mid-2022, if donor countries were willing to cough up a combined \$50bn, according to the International Monetary Fund. The sum is the estimated cost of vaccinating 60% of the world's population. It pales in comparison with the \$16trn that governments have already spent supporting people and businesses during the pandemic.

**Shell ordered to reduce carbon emissions:** A court in the Netherlands ordered Shell, an oil giant, to cut its carbon emissions by 45% by 2030 from levels in 2019. The landmark case, brought by environmental activists, is the first in which a company has been legally obliged to ramp up its emissions-reduction strategy. Though Shell is expected to appeal, the ruling sets an important milestone for climate litigation worldwide

## Important dates of June 2021

June 5	World Environment Day
June 8	World Oceans Day
June 20	Father's Day, International Yoga Day
June 21	June Solstice

## Industry News

**Packaging shipments see an increase:** The American Forest & Paper Association (AF&PA) has released its April 2021 Packaging Papers & Specialty Packaging Monthly report. According to the report, total packaging papers and specialty packaging shipments in April increased four per cent compared to April 2020. They were up one percent when compared to the same four months of 2020.

**Mitsubishi HiTec Paper celebrates its 325th anniversary:** The Mitsubishi HiTec Paper mill in Flensburg is marking its 325th anniversary this year. Founded by Hinrich Gultzau in 1696 at "Mühlenstrom" outside the city gates, it stands today for the production of high quality thermal, inkjet and barrier papers for flexible packaging. Coated speciality papers from Flensburg are in demand all over the world.

**Valmet to supply new tissue-making line:** Valmet will supply a Valmet IntelliTissue 1600 tissue making line to Chinese tissue producer C&S. The new line will be installed at the company's mill in Tangshan, China. The specific value of the order was not disclosed, however a project of this size and scope is typically valued at around EUR 5-10 million, Valmet said. Valmet IntelliTissue machines belong to the small and medium size tissue machines that were integrated to Valmet's offering when the company acquired PMP from Poland in 2020. This order will be Valmet's twelfth IntelliTissue tissue making line delivery to C&S.

**Sustainable business solutions to reduce environmental damage:** Burger King is launching a green packaging pilot program focused on finding scalable solutions for eight of its most-used, guest-facing items including forks, spoons, knives, straws, drink lids, Frypods, Whopper wrappers and napkins. This action alone would translate to the removal of 910 metric tons of greenhouse gasses per year, the equivalent of 196 vehicles driven for one year. They're also testing two new options for Whopper sandwich wraps, which represent a 13 percent and 34 percent reduction in paper compared to previous wraps, respectively. This could translate to an additional 500 to 1,500 metric tons of paper waste eliminated annually across the U.S.

**Segezha Group plans to build a million tonne paper mill:** One of the largest Russian vertically integrated timber holdings, plans to consolidate Novoeniseysky LHK, a major forest chemical asset in the Krasnoyarsk Territory, where it intends to build a 1 million tonne pulp and paper mill.

On May 21, Segezha group announced that it had signed an agreement to acquire a minority stake in Tegli Holdings Ltd, which owns 100% of the shares in the Novoeniseysky LHK. The transaction is expected to be closed by July 31, 2021 if the terms of the agreement are met. Thanks to the deal, Segezha Group will be able to fully consolidate NLHK and integrate the asset into the group.

At present, NLHK remains one of the largest closed-cycle woodworking enterprises, located in the city of Lesosibirsk, Krasnoyarsk Krai. Annual estimated felling - 2.2 million cubic meters of wood. The complex produces fuel pellets with the capacity of 60,000 tonnes, while MDF - 20 million square meters.

## Quote of the month

**"We are all here for some special reason. Stop being a prisoner of your past. Become the architect of your future."**

~ Robin Sharma

## Vaccines and The Packaging Industry, An Untold Tale!

The story of the first Covid-19 vaccines reaching frontline healthcare workers will always be remembered as a great triumph. But did you know that there's a hero in this story that deserves our special attention?

The box these vaccines are shipped in.

Each vaccine shipping box weighs about 80 pounds and holds up to 4,875 doses of vaccine. There are five doses per vial. The vials are packed in flat boxes about the size of a small pizza box, each of which holds 195 vials. As many as five of these are stacked together in a reusable, insulated cardboard box that is topped with 50 pounds of dry ice. Pfizer is also sending facilities special instructions for handling the custom packaging, designed and manufactured by Softbox, in order to preserve the precious cargo.

At the center of all these efforts is the corrugated cardboard box—lightweight, strong, moisture resistant, insulating—the perfect material for the most important packaging and shipping jobs in the field of pharmaceuticals. What makes these boxes even better is the fact that 100 percent of the packaging is recyclable—collected by the manufacturer's in-house recycling service and sent to partners from other industries to manufacture a range of different products.



These shipping boxes are such simple and ubiquitous commodities that they can easily be relegated into the background. However, these are the packages that helped us more than any other gadget—or at least as much as them—during the COVID-19 crisis. This brings us to saying that of all the boxes that must have been shipped the last holiday season—this one surely stands out. A box that will be remembered more than anything else, while continuing to help us navigate through these challenging times.

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