

Global corrugated demand grew 5.1% in 2006

World box shipments rose 5.1% to 164.983 billion m² in 2006 compared to an upwardly revised 3.7% growth in volume during 2005, the International Corrugated Case Assn. reported.

Two-thirds of 2006 global growth in corrugated production and shipments occurred in Asia, where boxed exports continue to drive unprecedented expansion, according to ICCA data.

More than 5.3 billion m² of the 8.1 billion m² in new worldwide business originated in Asia with primary support from the export engines of China and Hong Kong and, to a lesser extent, from the new rapid growth in India.

According to a recent forecast issued by the international group, 54% of new worldwide box demand will be generated by China and India over the next four years. Overall global corrugated production is forecast to accelerate at an average rate of 4.0% per annum during 2006-2010 vs. a 3.9% yearly average for 2001-2005.

The year-end ICCA data show that Asia currently has 39.1% of the world box market and is gaining more share, compared to 26.9% for Europe and 26.1% for North America – the world's largest market until this decade.

In 2006, Asia produced/shipped 64.539 billion m², a 9.0% gain from an upwardly revised 2005 total. Europe showed the second-fastest expansion with a 4.3% gain to 44.334 bsm from a downward revision for 2005.

North America box shippers added 1.1% in volume to 42.973 bsm, ICCA said. That was the lowest growth in percentage terms among the six global regions tracked.

Latin America's growth was 3.6% to 8.789 bsm, Africa's box shipments rose 3.3% to 1.913 and the Oceanic region added 2.4% to 2.435 billion m².

Continuing the torrid growth at the end of 2005, the first quarter of 2006 saw global shipments rise 6.4%. That pace slowed to 5.2% in the second quarter and 4.4% by the third quarter.

But by year-end, shipments rebounded somewhat to a 4.6% gain, the ICCA data showed. The gain in Asia was 8.0% in the fourth quarter, while it declined by 1.5% in North America. Q4 growth was 5.9% in Europe and 5.0% in Central/South America.

According to the ICCA report, *Global Corrugated Forecast 2006 – 2010*, a modest recovery is forecast for in the most developed markets of North America and Western Europe, which between them account for 46% of total global corrugated demand. In most emergent regions—in particular China and Hong Kong, and Central and Eastern Europe—growth rates will moderate.

“However, growth in the Southeast Asia and Indian region will accelerate as a result of the much-improved prospects in India,” the ICCA report said.

The top 15 countries, ranked by production, are: US, China, Japan, Germany, Italy, France, Spain, UK, Brazil, India, Canada, South Korea, Mexico, Thailand and Russia.