

FISHER INTERNATIONAL



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NOTES FROM BRAZIL

I watched the Olympics along with everyone else in Brazil and around the world. As announcers tallied the successes of each nation's athletes, I heard the same country names as we regularly associate with success in the paper industry. So, I found myself running to my FisherSolve™ database to answer questions that popped into my head about pulp and paper production in various regions of the world. In the spirit of the Olympics (and because I suspect I'm not the only one in the industry with an enquiring impulse about paper), here are some data and some statistics about the nexus of international accomplishments in Olympic medals and the paper industry.

The exercise is fun, but it also makes a point about the difference between facts and statistics (the analysis and interpretation of the facts). Spoiler alert: facts are good things to base your life and business on; statistics, while often quite useful, can be manipulated and should be used with care. Here's a light-hearted example.

As I was writing this article, the top 3 countries in the Olympics medal standings were the USA, China, and Japan. Data ranking the world's paper producers show the same three players (Figures 1 and 2). Only a coincidence? The data is correct, but what about the correlation? You be the judge.

Pushing it further, as of today (August 12, 2016), Argentina stands in 32nd place in the medal table and, guess what, it ranks 28th among paper producers worldwide. What about Russia? Isn't it always a sports winner? Well, Figure 3 shows its position on the medal table and in the production of specialty papers since 2008.

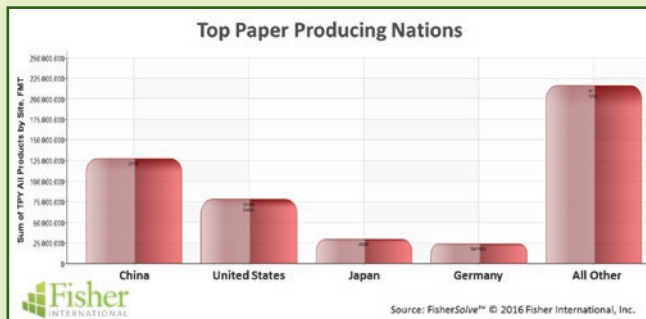


Figure 1

Paper Production Rank	Country	Total Paper Production, (MTPY)	Number of Operating PMs	Avg. PM Technical Age
1	China	127,229,196	2507	8.24
2	United States	77,943,244	628	29.68
3	Japan	29,463,007	458	24.87
4	Germany	23,751,256	260	19.07
5	Indonesia	17,866,924	213	18.55
6	Brazil	17,134,144	287	18.28
7	India	15,348,283	482	15.64
8	South Korea	12,697,138	134	17.54
9	Canada	12,582,037	107	30.63
10	Finland	11,675,026	67	21.34
11	Sweden	11,239,720	87	23.81
28	Argentina	1,905,429	53	23.07

Source: FisherSolve™ © 2016 Fisher International, Inc.

Figure 2

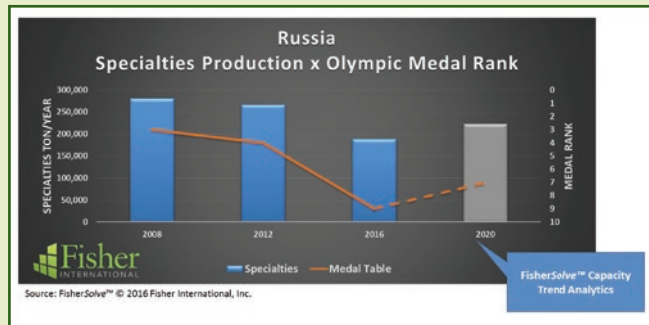


Figure 3

As you can see, the position on the Medal Rank follows the trend in the specialties paper production. If this correlation holds true, Russians can stay calm: the country will do better in the next Olympic Games!

A silly use of data? Yes, of course. Numbers can often be made to support any conclusion you want. As the saying goes, "If you torture the data enough, it will always confess."

It is funny and sad at the same time, that such expressions voice how difficult it is to find the truth in this complex world of ours. Having built the richest database of the global pulp and paper industry, we at Fisher obviously believe that hard facts and data transparency are the foundation of good decision-making. There is no doubt that our businesses prosper when we get deeper insights; we all feel satisfied from the control we get from knowing more about our surroundings.

What's more, with a little analytic discipline, we might even learn to use the facts responsibly. I'll let Mark Twain make the critical point, "Facts are stubborn, but statistics are pliable." Or, as the girl from Ipanema might put it, "Statistics are like bikinis. What they reveal is suggestive, but what they conceal is vital." ■