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TO PREPARE FOR RECOVERY, NOW IS THE TIME

Performance of the corrugated board packaging segment is an important indicator of economic activity level of a country, since packaging is used in all sorts of industries to transport and store products.

In spite of the crisis we are currently experiencing – both political and economic –, the scenario of instability and uncertainties that affects business-community and consumer confidence, the sector has reacted nonetheless. In the first six months of this year, shipments of corrugated board packaging registered a 3.2% increase in relation to the same period last year. If the comparison were to take business days into account, the semester registered even better growth: 3.9%.

The perspective for the following months is for this good performance to continue and, historically, the second semester is even stronger for the corrugated board packaging sector as industry and retail prepare for year-end sales. The forecast for the segment, as projected by Fundação Getúlio Vargas, is to grow 2.5% in 2017 compared to last year.

Today, approximately 75% of corrugated board packaging that's produced in Brazil services the nondurable goods sector and basic needs sector, to wit: 60% food industry, 10% cleaning products and 5% personal care and pharmaceutical products.

Last year, the unemployment level impacted the consumption of families and negatively influenced demand in the segment. Even so, focusing on the food sector has made the corrugated board packaging industry even more resilient and with superior performance in relation to other areas of the economy.

Among the many business fronts of the Brazilian Corrugated Board Association to strengthen the segment, it's important to highlight the importance of corrugated board packaging, which seeks to improve its understanding and explore the potential of this type of packaging. In 2017, we will deliver a new edition of this valorization program, which is being developed by the Association's marketing group. Totally recyclable, biodegradable and renewable, these sustainability

attributes of corrugated board stand out in relation to other market solutions. Our sector is very flexible, its products possess a growing preference of the consumer market, since it combines economic, productive and environmental advantages and works very closely on customization to satisfy customer demands and expectations.

Today, 67% of our packagings are produced using recycled fiber, and the recovery rate reaches 80%, an expressive and representative figure that demonstrates the product's value, in addition to being in alignment with the country's National Solid Waste Policy (PNRS).

In relation to the future, I believe that companies in the segment will reinvent themselves to keep up with new trends. One example, is e-commerce, which is posting double-digit growth and impacts the logistics chain, from industry to end consumer. This business model is an opportunity for the corrugated board packaging segment, as it promotes a demand increase in packaging for transport and its development through the high level of service.

Another trend that has surfaced in the United States and countries throughout Europe is the utilization of corrugated board packaging for transport and display (shelf ready packaging). In Brazil, when this movement is intensified, the industry will have to adapt and for such it will be necessary to reinforce its printing technology, considering, among others, digital printing.

The Brazilian Corrugated Board Association emphasizes that there's still a lot to be explored and continues with its commitment to expand the disclosure and valorization of corrugated board packaging, supporting the development of the sector, technical training of its human resources and incentive towards best practices.

Regardless of all the work that has been done to develop business in the corrugated board packaging area, the segment, which employs more than 25,000 professionals, shall continue focusing on improving costs and productivity. This is the best way to overcome the obstacles imposed by Brazil's economic crisis and prepare for when the market resumes growth. ■