

# Trouble for Fellowes in China

## Business machines

manufacturer Fellowes has confirmed that its Chinese joint venture partner, Jiangsu Shinri Machinery Co. Ltd, has blocked all shipments at the Fellowes' Manufacturing facility in Changzhou, China.

The shipment stoppage was unilaterally imposed in August by the Chinese partner to force Fellowes to radically change the key provisions of the contract between the two entities and board resolutions with the effect of shifting power, control and financial gain to the Chinese partner.

"We first and foremost apologize to all Fellowes' loyal customers who are affected by this shipment stoppage," said James Fellowes, chairman and chief executive officer.

"We are working to do everything within our power to resolve this issue."

Products affected by the stoppage include many of Fellowes commercial, professional, and SOHO shredders.

Problems began earlier in the year when a dispute broke out

between the two brothers of the Chinese partners company, Shinri.

Tensions mounted over the ensuing months, but the stoppage of shipments came as a surprise to Fellowes as the shut-down dramatically undermines the Chinese partner's economic opportunity.

According to Fellowes Australia national marketing manager Peter Campbell, the company is now in the process of liquidating the corporate joint venture and looking for suitable manufacturers to continue the production of Fellowes machines.

"We have a few solutions in place already with production of our commercial shredders already commencing in Germany, and other ranges that have been affected should be getting back into production very soon," Campbell said.

"In terms of customers getting their orders that they have already placed, we have been fortunate to have enough stock on hand that will not cause too much trouble to our customers.

"It is inevitable that there will be some delays of orders,

we are aware of that, but it is out of our control as to when things will be back to normal.

"We have been working very closely with all of our customers to keep them informed on what is going on and they have all been very supportive at this time.

"We have a few alternate products available, but in no way is Fellowes 'going bust' or unable to supply anything."

"We have been in negotiations with manufacturing plants in Europe, Asia and America in the hope that we can get some products out soon."

Campbell also said that there were 100 containers full of Fellowes products sitting inside the blockade waiting to be delivered, but will remain grounded until terms are agreed upon.

"It is a shame to know that there are plenty of our items just sitting there, not being passed on to customers because of an unreasonable request by a partner," Campbell stated.

"Hopefully this will all be over soon and we can get back

## Fellowes

to doing what we do best, and that is supplying quality shredders and other products to the market."

In spite of Fellowes efforts to negotiate a settlement with the assistance of the Chinese government, the demands from the JV partner have continued to grow with no willingness for compromise or common ground.

The Chinese government has sided with Fellowes in this dispute, but so far has been unable to lift the blockage.

At this stage there has been no timeframe on when things will be back to normal, however Fellowes is ensuring customers it will not be much longer.

Other Fellowes products that are not affected by the blockage include the personal shredder range, Fellowes' Bankers Box products, Office Productivity and nearly all the binding and laminating products.



## Pelikan supports charity

**Over the** past few years Pelikan Artiline has thrown its support behind the Juvenile Arthritis charity, and this year was no exception.

The 2010 Stationery News Supplier of the Year, was again a diamond sponsor of the group's fundraiser, held in Sydney, in mid-September.

Liz Kerr, promotions coordinator at Pelikan Artiline, said the company has been supporting this particular organisation for many years, and would continue to do so.

"We are very happy to support the Juvenile Arthritis fundraiser and we hope our contribution can help rid this disorder for children not just here in Australia but around the world," she said.

"This condition affects many young children, and we are very

much committed to assisting the organisation in finding a cure."

The Juvenile Arthritis Fundraiser was founded by Mary Kranitis, whose 11-year-old son George suffers from juvenile idiopathic arthritis (JIA), a painful autoimmune disorder that causes stiffness and inflammation of the joints.

The condition causes the body's immune system to attack joints as it would a foreign object.

Up until September's fundraiser, the charity had raised \$160,000 before adding a further \$127,000 on the night.

"It really was a great night, and with the money that has been raised I am sure a cure will not be too far off," Kerr concluded.

For further details on juvenile arthritis, visit [www.juvenilearthritisfundraiser.com](http://www.juvenilearthritisfundraiser.com)