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TISSUE WORLD

October / November 2012

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Pg 16

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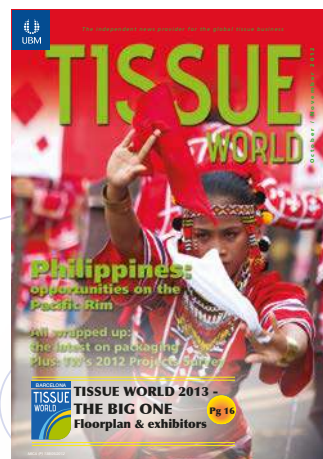
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In this issue

COUNTRY REPORT: PHILIPPINES

20... T&T business **GROWTH** paced to local market needs
By Fisher International

23... Economic **PROGRESS** underpins tissue growth
By Euromonitor International

28... Going **CORELESS** in the Philippines. A TW report
By Greg Grishchenko

CONSUMERSPEAK

26... Alexandra Lewis gives the lowdown on her collection of **QUIRKY** tissue and toilet roll products

PHILIPPINES OPERATIONS REPORT

31... **SCPA:** a taste of modern life
By Greg Grishchenko

TISSUE WORLD PROJECTS SURVEY 2012

34... Get the latest on new tissue **CAPACITY** being added, ordered or in final planning stages in TW's 2012 survey

TECHNICAL THEME: packaging and logistics

39... Edson Packaging Machinery discusses how **REHABILITATING** life for existing equipment stems from OEM's developing new technology

42... Technidrom, tests and **TURNKEY:** OPTIMA discusses several lines that are already standing the test of daily operation



7



28



32



42

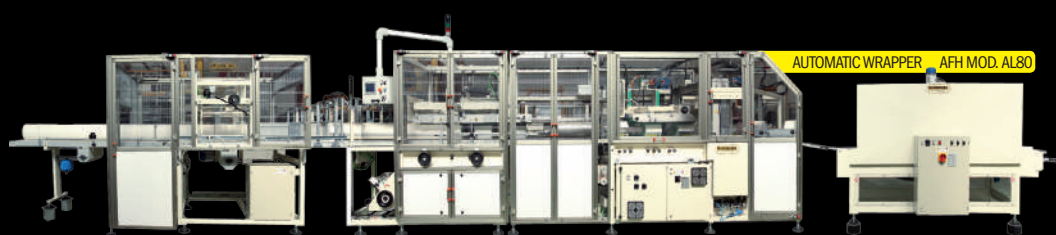
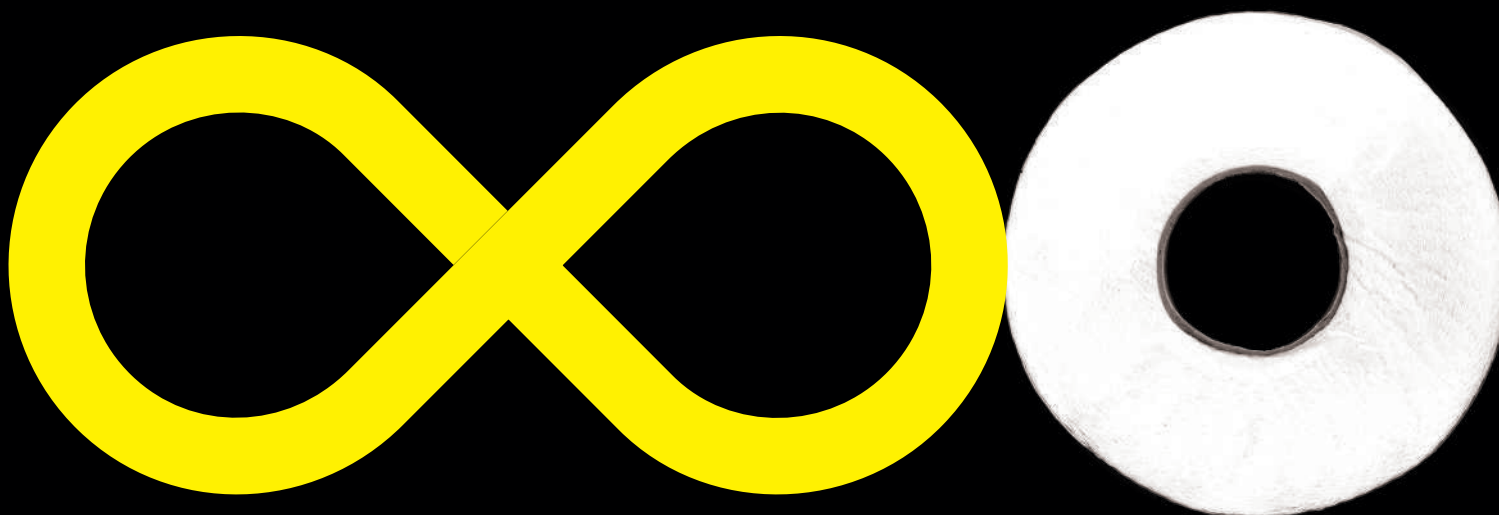
departments

- 3 ... Frontissues
- 4 ... Marketissues
- 7 ... World News
- 47.. Exitissues



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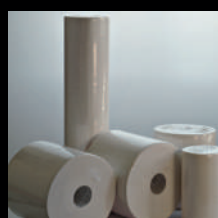
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frontissues



The Philippines: where the middle class is on the march

You are a country on the periphery of the world's most dynamic trading region. A near neighbour is the economic powerhouse of China – by some accounts responsible for as much as 50% of total worldwide growth in tissue capacity in 2010-2012. You have faced cultural and political challenges over recent years, and the events of August were a vivid reminder of the precarious environmental risks faced by a nation located on the Pacific Ring of Fire. What price national economic prosperity?

But in fact, the prospects for the manufacturers of the Philippines look pretty good, as TW's Country Report in this issue suggests, on a relative scale, of course. There can be no denying the potential represented by a growing 100+ million population, but it is in the way that the tissue market is beginning to develop which is creating the highest expectation. First, the global and Asia Pacific regional context: global tissue consumption was 30.5m tonnes in 2011 and is expected to increase to 31.7m tonnes this year; global growth rates in tissue consumption increased by 4.3% and 4.1% and are expected to increase by 4.5% in 2013 and 4.6% in 2014. Chinese tissue growth was up from 10% in 2010 to 12.5% in 2011, and this year it is expected at between 8.5-10%, and 10-10.5% in 2013.

In tissue terms the Philippines is a minnow - consumption a tiny 40,000 tonnes per year, the smallest T&T producing nation in the Southeast Asia Geographic Zone (SAZ); ranked fifth among the five T&T producers in the SAZ; also last in terms of the number of operating machines, and T&T machine production rates also tend to be modest. This does not look encouraging set against that population figure - the seventh most populated in Asia and twelfth in the world. Yet the signs are that the key middle class is on the march, pushing the boundaries of growth for the tissue market. A

Goldman Sachs' "Next 11" nation - those countries expected to deliver the most powerful growth outside the BRIC giants of Brazil, Russia, India and China - it is easy to see why having maintained a very strong economy. GDP grew by 7.6% in 2010, and while it hasn't been immune to the global economic slowdown - GDP slowed to 3.7% in 2011 - it has now settled into a steady pattern of 5-7% annual growth. Middle class shoppers are the core consumers, and it's those shoppers' expanding experience which offers the tantalising prize for manufacturers. More shopping malls are going up, mostly in the key Manila Metro districts where 12 million consumers work and live, and better quality services and facilities offered by these complexes are proving to be the key to instilling customer loyalty and expectation - high quality bathroom facilities, good quality toilet paper, vending machines, sanitary protection. The more customers see of this the more they want.

Likewise with more fast food outlets and restaurants, bars and cafes providing a customer friendly tissue experience. Locality is key, and the development of private label is particularly interesting in developing markets where consumers on the whole look for brands. Expenditure on a first rate shopping experience, backed by competitive quality and pricing, is creating retailer brand loyalty, and boosting private label.

With an ever expanding middle class market base and an increasing hunger for higher tissue products following the recent period of economic stability, there is plenty of potential for a consistent expansion and broadening of the Filipino tissue market.



Tissue World Asia 2012

For those of you attending Tissue World Asia, welcome to the show! The event held in Shanghai is Asia's largest international show specifically for the tissue sector. At the last show in 2010, some 3,260 visitors from a total of 59 countries participated. For those that can't attend, the next issue of TW will offer an overview of all the news.

Tissue World 2013

Over the next few issues, TW will be counting down the weeks to Tissue World 2013 - the tissue industry's Big One. The next issue will have the show preview, showcasing all the company's exhibiting at the tissue industry's leading event. There will also be a Country Report on Spain, where TW will visit some of the country's key tissue producers. We look forward to seeing you in Barcelona in 2013!





Sofidel: going for growth in the USA

Cellynne acquisition will take group over one million tonnes of capacity

By Hugh O'Brian, Tissue World chairman and contributing editor

Sofidel, the privately-owned Italian tissue company that has expanded very rapidly throughout Europe since the mid-1990s, surprised the industry somewhat in July when it revealed plans to enter the big American tissue market. Over the past few years the company had been quietly looking at various opportunities that could enable it to get into the US market. Now it has made a move with the announcement that it has agreed to buy Cellynne Corporation, a medium-sized integrated tissue company headquartered in Florida.

Sofidel, based in Lucca, Italy, has shown explosive growth over the past decade. While the company's roots date back to the 1960s, the large-scale expansion outside Italy is much more recent. Starting in 1997 it has successively opened operations in France, Poland, the UK, Germany, Spain and many other markets across Europe.

Today, after expanding initially through organic growth but more recently via acquisitions, it has operations in 12 European countries. It is now the second largest tissue company on the European market, after SCA, with a very modern asset base in both papermaking and converting. Globally, it ranks as the number six producer and with this acquisition Sofidel will have over one million tonnes of tissue capacity, which is more than three times its output of a decade ago.

Cellynne is also a fast-growing privately-owned company. Although it is nowhere near the same scale as Sofidel, it has developed very well over the past 10 years from a small converter to an integrated producer with two modern paper machines. The two paper machines, which were

installed in 2006 and 2008, give it a paper capacity of nearly 70,000 tonnes per year, while converting capacity is slightly under 100,000 tonnes. Cellynne has traditionally mainly served the away-from-home sector, but it has also recently been building its consumer tissue business as well.

THREE GOOD REASONS

With its purchase of Cellynne, Sofidel is making a calculated bet that it can be successful in the USA. Sofidel's chief executive Luigi Lazzareschi explains the attractiveness of the US market:

"For sure Cellynne will be a foothold for us on the American

market, and to be a true multinational company you have to be in the US. Some people ask me why we're not going to other areas such as China and Asia, where the market is growing much faster. In our opinion there are three good reasons for entering the US market now.

"The first is culture, which is very similar between Europe and the US. That makes us comfortable. Second, we believe that in general the quality of tissue making assets in the US is very poor compared to Europe and Asia. So we see there is work to be done. And third, there is an opportunity to grow quite a lot in private label."

The sheer size of the US tissue market must also be appealing. The US is the world's largest market and



Luigi Lazzareschi, Sofidel's chief executive

it also has the world's highest per capita consumption at about 22 kg per year. But it is an extremely mature market with high penetration rates that are most likely not going to increase markedly. Overall market growth will come from the moderate population growth, not from wider use of tissue products per capita.

PRIVATE LABEL TO TAKE MARKET SHARE

So if Sofidel wants fast growth in such a mature market, there is one pretty obvious way to do it: take market share. And it's clear that is what Lazzareschi plans to do: "We are going to push an expansion plan to take market share with private label. We think it is easier for a newcomer to start with private label in the US now, compared to earlier when the brands were so dominant."

The US is today still clearly a branded market, with brands taking close to 80% volume share of consumer tissue, depending on the category and region of course. As a comparison, in Europe brands on average have less than 40% of the tissue volume. However, statistics show that PL tissue is slowly, but surely, increasing in the US each year. And it may be accelerating as big American retailers are increasingly demanding ultra and premium quality for their private label tissue products to offer consumers the same quality level of the leading brands. Thus quality is moving up across the US and to meet these demands companies like First Quality and Clearwater have responded with big investments in TAD capacity destined for the PL sector.

Will Sofidel go the TAD route as well? "I don't believe we are going to invest in TAD at the moment," says Lazzareschi. "We see there is still a lot of room for growth by increasing US quality levels based on conventional tissue technology."

Another question is whether Sofidel will also eventually attempt to enter the US branded tissue sector. Private label has been its main growth engine in Europe, although it has also been successful with its Regina brand in the major European markets. Lazzareschi says brands are not in his US plans at the moment: "Private label, in theory at least, is easier to start with. Also it's very difficult to launch a brand based on a small to medium sized company like Cellynne. Perhaps we will venture into brands later on when the quantities are more significant, but we don't know now."

WHY CELLYNNE?

"We have to start somewhere," explains Lazzareschi, "and quite honestly, Cellynne is one of the few small to medium sized companies in the US that has assets that are up to Sofidel standards. This will be our first step and what our future steps are is very difficult to say. First we have to get integrated into the market and get acquainted."

"For the future, I imagine Sofidel's growth will be much more in the US than in Europe. How we will grow is uncertain but I expect it will be more through greenfield investments rather than acquisitions."

With a strong European track record behind it, and a clear idea of what it wants to achieve going forward in the US, it will be extremely interesting to see how Sofidel navigates, and impacts, the US market in the coming years.



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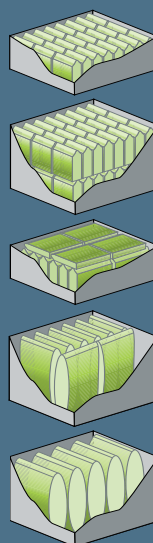


Flexible packaging technology for the Tissue industry: Highly Flexible Packer HFP and HFP Slim

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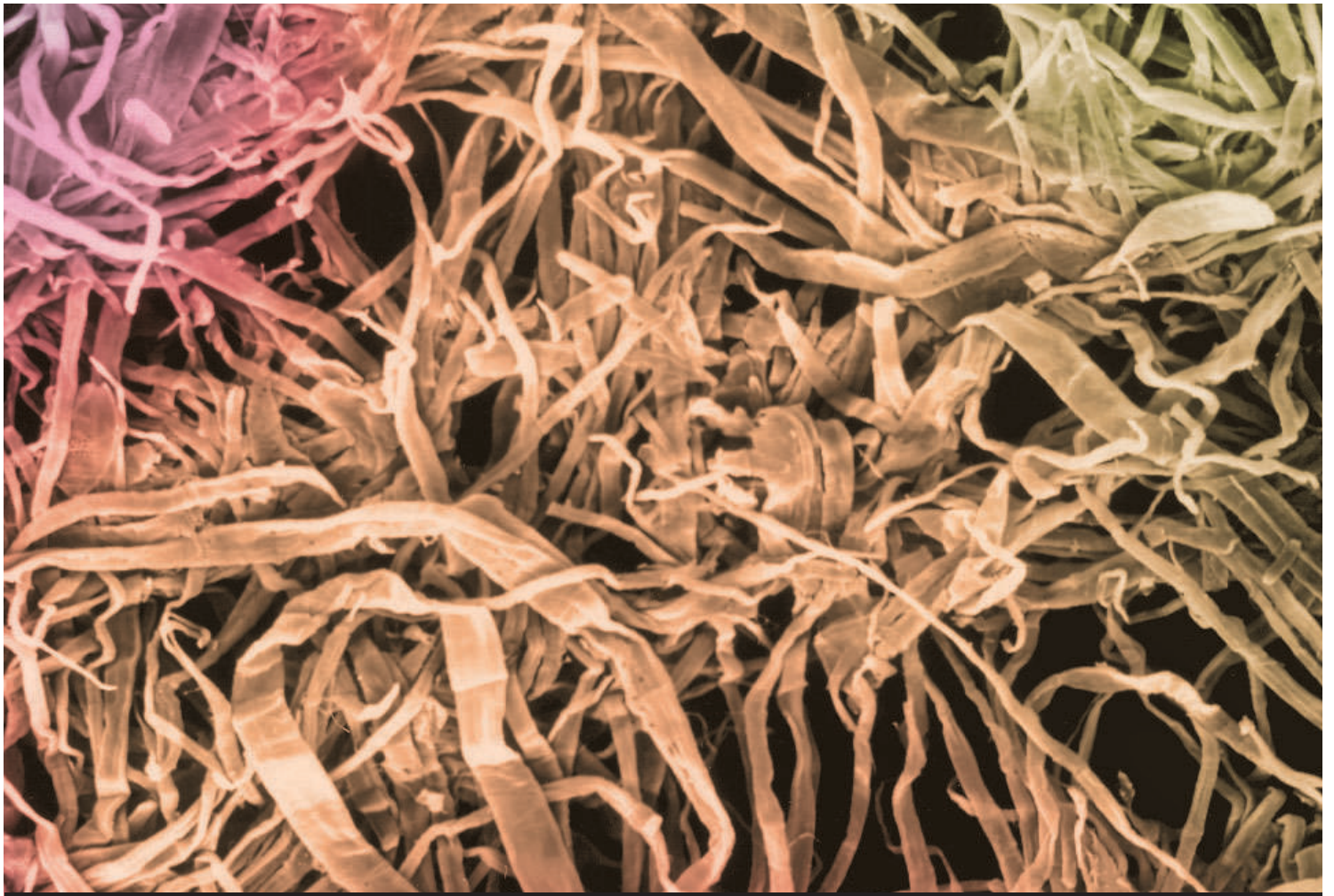


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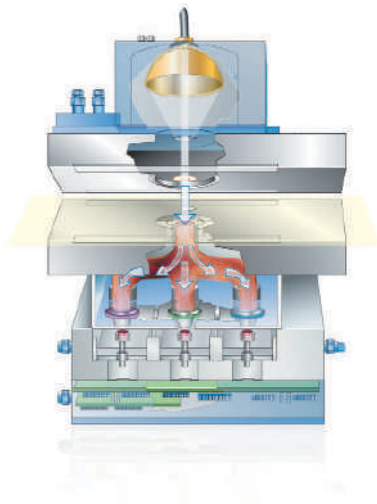
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FINLAND

Metsä Tissue to cut 40 jobs

Metsä Tissue has said it is to axe 40 jobs as part of restructuring plans to improve profitability at its Finnish units.

The Finnish statutory negotiations started on 1 October and will last a minimum of six weeks. They are part of a company-wide organisational restructuring targeted to improve profitability.

A spokeswoman for the company told TW that around 150 staff are involved in the process and the maximum headcount reduction is not expected to exceed 40.

Metsä Tissue's chief executive Mika Joukio said: "The company's profitability has not developed as planned. It has become clear that the current organisational structure and centralised decision-making are not optimally responding to our challenges.

"In order to grow, improve profitability and ensure agility, we must reduce complexity as well as clarify roles and responsibilities. Moreover, we must increase sales and push down costs."

He added that there has been an "increasing competition and continuous tightening of EU regulation" which posed additional challenges.

"Additionally, the Finnish government's stricter national adaptation of EU directives concerning areas such as waste taxation and landfill regulations is a major threat to our competitiveness.

"By restructuring and reorganising our operations, we aim to secure our future competitiveness on the growing tissue and cooking paper market."

Metsä Tissue will also restructure its management team with the new roles valid from 1 December 2012.

The management team will now consist of: Mika Joukio, chief executive, Mariusz Jedrzejewski, SVP, tissue, Central Eastern Europe, Jori Sahlsten, SVP, tissue, North Eastern Europe, Mark Watkins, SVP, tissue, Scandinavia, Christoph Zeiler, SVP, tissue, Western Europe, Juha Tilli, SVP, Baking and Cooking, Markus Holm, CFO, Ghita Jansson-Kiuru, SVP, Human Resources, Hubert Schönbein, SVP, Brand Marketing and International Sales, and Lars Warvne, SVP, Technology.



Metsä Tissue's chief executive Mika Joukio: "Profitability has not developed as planned"

TURKEY

Turkey's Hayat Kimya to build 60,000tpy tissue PM in Russia

The Turkish tissue producer Hayat Kimya is going to expand to Russia.

The company is planning to install a 5.6m wide tissue PM with a capacity of 60,000tpy in Yelabuga, some 250km from Kazan in Russia.

Hayat Kimya will soon collect quotations from machine suppliers and expects to start technical discussions with them in November, paper group director Lütfi Aydin told RISI.

The plan is to begin building the factory next year and to commission it in the second quarter of 2015. The plant will also house tissue converting equipment for making

toilet rolls and kitchen towels.

Aydin said that this kind of factory usually costs around \$100m to build and requires a workforce of some 650 people.

Iranian plant to start up this year:

Hayat Kimya is also on track to launch production at its new tissue factory in Zencan, Iran.

Aydin said the company has completed the construction of the factory building and is almost done installing the 65,000tpy machine. He hoped trial runs could start next month.

Hayat Kimya first announced its

intention to build a new tissue plant in Iran in July 2009, with the aim of commissioning it in the middle of 2011.

Since then, the project has run into some delays and the startup has been postponed a couple of times, which the company has said is due to bureaucracy, among other things.

Hayat Kimya operates one mill in Izmit, northwestern Turkey, where it houses two machines with a combined capacity of some 135,000tpy of tissue.

The site's newest unit, PM2, was started in December 2010.

News from RISI (www.risiinfo.com)

SWEDEN

SCA issues layoff notices for 42 employees as Jönköping tissue mill set to close

SCA has sent out layoff notices to all 42 workers at its Jönköping tissue mill in southern Sweden.

Of these, four are white-collar workers and 38 blue-collar workers.

The company has said it intends to close its 25,000tpy tissue mill in Jönköping, Sweden.

At the time of going to press, a spokesman told TW: "So far SCA has only initiated negotiations with the local union. The intention is to close the Jönköping mill, but at this point very little has been communicated externally."

The company has stated its intention to close the 25,000tpy Jönköping mill.

The spokesman said the potential closure is a result of overcapacity of mother reels, and added that as Jönköping has no conversion of its own, it is the most natural site to cut capacity.

SCA has not communicated a timeframe for the planned closure.

SCA reveals three tissue mills it will sell as part of G-P acquisition deal

SCA has announced that it will divest the 55,000tpy Llangynwyd Mill in Bridgend, UK, the 22,000tpy Drammen mill in Norway, and the tissue converting plant in Horwich, Lancashire, UK, as part of the EC clearance requirements for the takeover of G-P's EMEA tissue business.

The sites proposed for sale were made

public during SCA's conference call for its H1 results.

According to SCA's chief executive Jan Johansson, the firm intends to complete the divestments within a six-month timeframe following the G-P deal's closure, as required by the EC. The acquisition of G-P's tissue business was completed on 19 July.

"We have a lot of interested parties in this, and there will be a trustee appointed as well for this process," Johansson told the press conference, adding that the firm started the divestment process long before it got the information from the commission, since "it knew quite well where the problems will be".

News from RISI (www.risiinfo.com)

CHINA

C&S Paper signs for two tissue PMs

C&S Paper has signed up Toscotec to supply two tissue machines with a combined capacity of 58,000tpy.

The deal was struck after the Chinese tissue producer brought online another Toscotec-supplied tissue PM at its Tangshan city mill.

The machines will be installed in its Chengdu mill located in Sichuan and are expected to be online in the second half of 2013.

One of the machines, an AHEAD-1.5M,

will have a trim width of 3,550mm, speed of 1,650mpm, steam heated hood, Steel Yankee Dryer TT SYD-16FT and capacity of some 32,000 tpy.

The second, an AHEAD-1.5S, will have a trim width of 2,850mm, speed of 1,700mpm, gas fired hood, Steel Yankee Dryer TT SYD-12FT and capacity of some 27,000 tpy.

Toscotec's scope of supply for both machines includes crescent former TM, machine auxiliaries, a hood and dust removal

system provided by Toscotec associated company Milltech, electrification and control system.

C&S Paper owns six mills in China operating 80 machines, including the new Toscotec units at the Jiangmen and Tangshan sites with a total tissue capacity of around 350,000 tpy at the end of 2012.

Three more Toscotec units will come on stream in the next few months.

Hengan Group starts up ninth tissue machine

Chinese producer Hengan Group has completed a total of four tissue machine start-ups planned for this year and now operates nine Andritz tissue machines.

The supplier said two of the machines are fitted with the largest Steel Yankees in operation.

Two PrimeLine W8 tissue machines have started up at the Chongqing mill and two PrimeLine TM W6 tissue machines were started at the Jinjiang mill, all ahead of schedule.

These four machines also include complete stock preparation and machine control systems from Andritz.

A spokeswoman for Andritz said: "The Steel Yankees of PM15 and PM16 are the largest in the world for tissue applications."

"With a diameter of 4.9m and a shell length of 6.2m, they provide for safe and energy-efficient machine operation."

Hengan Group successfully starts up its ninth Andritz-supplied tissue machine



CHINA

China's Hebei Yihuocheng Commodity to up production capacity

China's Hebei Yihuocheng Commodity is to start up an Andritz-supplied PrimeLineCOMPACT II tissue machine with Steel Yankee.

The tissue machine has a design speed of 1,650m/min and a width of 2.85m, and start-up is scheduled for the end of 2013.

The Steel Yankee has a diameter of 3.65 m, and the scope of supply also includes the complete stock preparation plant, automation, and drives.



The PrimeLineCOMPACT II tissue machine

Xiamen Xinyang starts up 60,000tpy tissue PM in China

China's Xiamen Xinyang Paper has fired up a 60,000tpy tissue unit at a greenfield mill in Xiamen city, Fujian province.

The PM, supplied by Metso Paper, has a width of 5.6m and an operating speed of 1,900m/min.

The Finnish supplier's delivery scope included a headbox, a cylinder, a hood, a dust management system, a reel and an automation

system.

The machine was originally scheduled to start up in the fourth quarter of 2011, but its construction hit a delay. Civil engineering did not start until early 2011, and installation commenced last December.

The unit is the first PM for the firm, which was established in 2009.

Fujian Nanping Paper currently holds a

16.80% stake in it, with the rest held by three state-owned local Xiamen companies.

Fujian Nanping operates a mill that can produce 480,000tpy of paper and 50,000tpy of dissolving pulp in Nanping city, Fujian province.

News from RISI (www.risiinfo.com)

Nanning Phoenix delays 30,000tpy tissue unit in China

China's Nanning Phoenix Pulp & Paper is pushing back the startup of a new 30,000tpy tissue unit at its mill in Nanning city, Guangxi autonomous region to October.

A contact from the firm said that the installation is ongoing. The PM was previously stated to come on stream earlier this year.

The machine, being supplied by Andritz, has a trim width of 3.65m, and a design speed

of 2,000m/min.

The scope of the Austrian firm's supply also included a stock preparation plant, a headbox, a hood and a Steel Yankee drying cylinder.

In May, the mill restarted a 20,000tpy Kawanoe Zoki tissue machine after an explosion on its iron dryer last November. The accident injured a worker.

The machine has a trim width of 3.4m and a design speed of 1,000m/min.

In addition, the mill currently operates another 12 tissue units with a total capacity of 25,000tpy, including a 10,000tpy KawanoeZoki unit and 11 domestic machines with a combined capacity of around 15,000tpy.

News from RISI (www.risiinfo.com)

Yuen Foong Yu starts up Intelli-Tissue™ 1500

Yuen Foong Yu (YFY) has boosted its production after it started up the first of two PMP-supplied Intelli-Tissue™ 1500 machines. The two 2.8m-wide Crescent former machines have a maximum operating speed of 1,600mpm and a capacity of 75tpd for PM5 and PM6 at the Yangzhou-based site.

PMP said the machines are designed as "Eco-Tissue machines", which it said "maximises quality and minimises media consumption".

They produce virgin fibre-based tissue with a basis weight range of 13 – 31.3 gsm for conversion into facial tissue, bath tissue and kitchen towels.

Mill spokesman Ming-Fa Tang said: "It

was the fastest assembly and start-up in the history of the YFY Corporation."

The scope of supply covered stock preparation, the tissue machine (Intelli-Jet VTM Headbox, Intelli-Former™ Crescent Former, Intelli-Press™, 16' Yankee Dryer with a high efficiency steam hood and Intelli-Reel™) as well as auxiliary systems such as mechanical drives, lubrication system, steam and condensation system and dust removal.

PMP received an order for two Intelli-Tissue™ 1500 machines from Yuen Foong Yu located in Yangzhou, China, in July 2011.

YFY consists of three business units, and the Household Products Business Unit has three major brands of tissue paper: Mayflower,



Staff at Yuen Foong Yu

Tender and Delight. Its production lines cover toilet paper, tissue paper, facial tissues, paper towels and napkins.

NORTH AMERICA

Soundview Paper to build power plant at former Marcal tissue mill

North American tissue producer Soundview Paper has said it hopes to begin construction of a power plant at the former Marcal tissue mill by early summer 2013.

The business, which is the new owner of the former Marcal Paper plant in Elmwood Park, will soon request proposals for construction of its own power plant.

Alex Sommer, a spokesman for Soundview, told TW the decision was based on the back of the market price for energy in the state of New Jersey, which he said is "one of the highest in the country".

He said: "If we can produce our own power we can improve the economics of our business. The power plant will be used to generate electricity for the mill we use and to sell to the grid as well.

"We intend that the bids will be returned to us by the end of the year and our hope is to begin construction by early summer 2013."

In April 2012, Soundview Paper acquired Elmwood Park, New Jersey-based Marcal Paper Mills, a tissue and paper products manufacturer and distributor.



Soundview's Bella dinner napkin running on a napkin converting line at the Elmwood Park, NJ site

The company now manufactures and distributes finished paper products for the At-Home and Away-from-Home market,

including tissue, towel and napkin products. It produces some 140,000 tonnes of tissue paper per year.

U K

UK tissue converter Accrol Papers starts investment programme

Accrol Papers, one of the UK's leading independent soft tissue converters, has started a £30m investment project that will create up to 100 jobs over the next two years.

According to the firm, the initial phase of the project consists of an £11m investment in machinery and the construction of a new

"The work should be completed in the early part of next year and help the company cope with exceptional demand for its products." Accrol Papers

production facility on its Roman Road/Davyfield Road site in Blackburn, Lancashire. "The work should be completed in the early part of next year and help the company cope with exceptional demand for its products," it

said in a statement.

Moreover, Accrol Papers is investing in its own brands which include Triple Softy toilet paper and Thirsty Bubbles kitchen towel in addition to providing private label products.

According to Majid Hussain, managing director of Accrol Papers, this is part of a rapid, continuing and sustainable expansion plan.

At present, Accrol Papers has a manufacturing capacity of more than 75,000tpy. The firm produces over one million toilet rolls and 250,000 kitchen rolls each day.

Founded in 1993, the family-run firm has spent some £25m on new machinery and premises in recent years. The latest investment was a 120,000 square foot office space and warehouse facility in Blackburn that was officially opened in late March.

News from RISI (www.risiinfo.com)

FRANCE

Aquila Holding acquires French tissue paper company Global Hygiène

Aquila Hygiène Holding, owned by Luc Bami, has acquired the tissue paper company Global Hygiène, based in France.

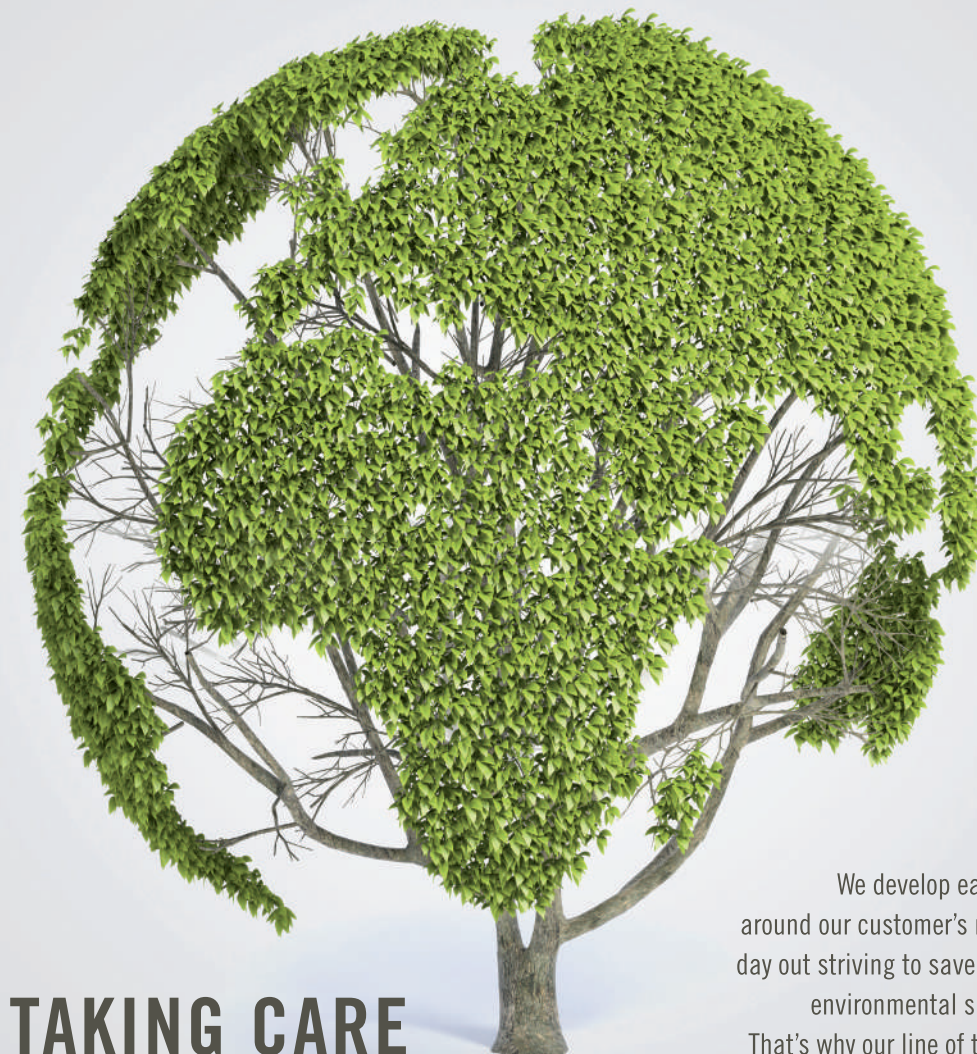
The purchase price of the transaction was not disclosed.

Aquila took over the company in a leveraged buyout with the assent of the managing director and the support of three investment funds - 123 Venture, A Plus Finance and Calliope.

The new managing director Luc Bami intends to develop the company's production capacity and its export strategy in western Europe.

Bami told PPI Europe he is not planning to restructure or reorganise the company at the moment.

Global Hygiène specialises in tissue paper and non-woven converting. The firm employs 130 people and had a turnover of €43m in 2011.



TAKING CARE

We develop each project around our customer's needs, while day-in, day out striving to save energy and promote environmental sustainability. That's why our line of tissue machines ES (Energy Saving line) is focused on energy saving process. Every project is a new opportunity to innovate, while keeping a watchful eye over our world.



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BRAZIL

Brazil surpasses Mexico as the largest tissue paper market in Latin America

Brazil surpassed Mexico as the biggest Latin American tissue paper consumer in 2011 with a 29% share, 1% more than the Mexican market. Latin America's market reached 3.4m of tissue paper in 2011, around 11% of the global consumption, and RISI forecasts an average growth rate of 5.2% until 2014 in the region.

In the next three years, Brazil will account for around 50% of the increasing capacity growth expected in Latin America, RISI's principal tissue economist Esko Utela said on the second day of RISI's Latin America Pulp and Paper Outlook Conference.

In 2013, a dozen tissue paper machines (PMs) are scheduled to come on stream which will mean an increased volume of 337,000 tonnes.

"But due to some delays on several projects for different reasons I believe Latin America will start up a lower volume of 200,000 tonnes next year," Utela said.

The first half of this year was quite challenging for Latin American countries.

"Brazil and Mexico didn't increase demand too much but still kept higher volumes compared to 2011. We forecast a stronger

second half with Brazilian market increasing 5-5.5% and Mexico's 4% this year," Utela added.

Other countries such as Argentina, Chile and Colombia are also in a very good shape.

The region's exception is Venezuela as it is dealing with problems importing raw material among other institutional issues.

The country's tissue paper market grew less than 1% in 2011 and represents 4% of the Latin American overall market.

News from RISI (www.risiinfo.com)

Damapel works on new tissue PM assembly in Brazil

Brazilian tissue paper producer Damapel is currently working on its new 25,000-30,000tpy paper machine (PM) assembly, but doesn't yet have a defined date for its startup.

According to the company, there are several issues still pending, such as energy supply and delays for some imported items.

The 2.7m trim PM is being supplied by

Italy's Comer and will mainly consume virgin fibre to produce mostly double sheet paper. It is being assembled in Damapel's sole mill located in Guarulhos, São Paulo state.

Damapel currently has two tissue PMs at the Guarulhos plant with a total capacity of 40,000tpy. The company also converts paper into toilet paper rolls, kitchen towel and

napkins, and also makes diapers.

According to the Brazilian Pulp and Paper Assn (Bracelpa), the country's first half 2012 tissue paper consumption increased by 4.6% to 500,000 tonnes over the same period of last year.

News from RISI (www.risiinfo.com)

Cia. Canoinhas de Papel starts up PM1 rebuild

Brazilian tissue producer Cia. Canoinhas de Papel has successfully started up its PM1 rebuild.

The machine was previously equipped with a conventional Fourdrinier and was replaced by a new Crescent Former supplied by Hergen Paper Machinery.

The machine was designed for a gross production of 13,000tpy at 19g/m², running at 1,100m/min with a paper deckle of 2,000mm.

The HCF-800 Smart Plus is Hergen's latest development and it targets companies that have a low budget and space limitations but "want to improve paper quality and reduce energy costs".

One of the main features is its compactness, which Hergen said resulted in low building requirements and low transportation costs.

Cia. Canoinhas de Papel said that following the rebuild "the paper quality was impressive", and it added that it has plans to install a HCF-800 on its PM2 in the near future.

The company is situated in the city of Canoinhas, Santa Catarina, South Brazil.



Cia. Canoinhas de Papel successfully starts up the Hergen HCF-800 Smart Plus

ITALY

OMET installs latest machines at ICT Group**ITC Tronchetti napkins products**

OMET has completed testing of the latest two TV 840 multi-line converting machines for the Industrie Cartarie Tronchetti (ICT Group).

The machines can be used in the production and printing of napkins, printing up to 5,000 napkins per minute.

They are installed in Coreglia, Italy, one of the four plants the group owns in Tuscany. So far, ICT has purchased a total of six machines from OMET.

An OMET spokesman said: "What makes

these two machines a novelty is the presence of an innovative micro-embossing cassette that reduces the changeover time of any printed job due to the presence of an easy and quick system for the replacement of the rotating cylinders.

"The efficiency of the machines is ensured not only by the speed of the job change but also by the presence of an in-line cleaning system."

Massimo Nofori, ICT technical director, said: "In OMET we have found a reliable partner who has supported our growth by offering products with a high degree of innovation and customised according to our needs.

"The technological level achieved by this machinery helps us stay competitive by speeding up the production process while maintaining a high level of reliability."

ICT is an ISO 14001-certified company and its products include the Foxy brand. Annually, it produces around 470,000 tonnes of high-quality paper for domestic use and personal hygiene.

In addition to its four sites in Italy it has a plant in Poland and Spain, and a paper mill in France.

CANADA

Cascades to permanently shut Toronto AfH napkin plant

Cascades has continued to consolidate its operations after it announced the permanent closure of the Cascades Tissue Group plant located in Scarborough (McNicoll Street) in Toronto.

The site produces paper napkins for the Away-from-Home (AfH) market, and they will now be redirected to the Laval, Quebec and Waterford, New York plants. The closure was effective as of 13 August 2012 and affected 30 staff.

Suzanne Blanchet, president and chief executive of Cascades Tissue Group, said: "In line with our restructuring actions to increase our operations' efficiency, this decision was taken to secure our position as leader in the AfH tissue paper sector.

"This initiative will enable us to maximise the production at Laval and Waterford plants, while continuing to offer a first-class product and service to our customers."

Activities at the company's Milliken Street plant, also located in Scarborough, are not affected.

Cascades Tissue Group, a division of Cascades Canada, is the fourth largest tissue and towel producer in North America.

USA

With eyes on Shelby and Lewiston mills, Clearwater shoots down proposal to split-up the company

Clearwater Paper has said it opposes separating the company's tissue and pulp/paperboard units - which was recommended by Wall Street hedge fund SAC Capital - and expects in its present form to drive revenue and margin growth from expanding in consumer tissue products.

At the RBC Capital Markets Global Industrials Conference, Clearwater in a presentation said that after a three-month review, the company's board of directors "concluded that execution of the current Clearwater Paper strategic plan will deliver significant shareholder value in excess of other potential alternatives."

The company's strategic plans focuses on the startup of a new tissue paper machine in Shelby, NC, as well as the addition of three converting lines at the complex, as well as

integration of the firm's efforts from the \$500m acquisition of Cellu Tissue at the end of 2010, along with continued efforts to cut costs. Further, the company said that a separation of the tissue from the pulp/paperboard unit wouldn't work well for the firm's Lewiston, ID, mill, which produces all three products.

"Clearwater Paper's board and management team remain focused on identifying, analysing, and exploring all paths to deliver value to our shareholders and will continue to do so," the company said at the investment conference.

From the review, the company noted four "important" factors for its decision against the SAC recommendation: the "benefits of key growth initiatives such as the Shelby ramp-up, Cellu Tissue integration, and cost-savings plan; disruption and real economic cost of launching a public M&A process in an

uncertain market; economic leakage such as taxes and debt breakage costs for separating business divisions; and feasibility of separating our integrated Lewiston facilities into two distinct entities."

Owned by Steven Cohen, SAC, which owns 7.1% of Clearwater, called for Clearwater to sell one or both businesses. Clearwater is a private label tissue paper producer, and also produces market pulp and bleached paperboard. The hedge fund also wanted Clearwater to add two members to its board of directors and to hire an investment bank to explore options.

The \$14bn hedge fund first warned Clearwater in May that it was "deeply undervalued."

News from RISI (www.risiinfo.com)

GLOBAL

Voith launches NipVision

Voith has launched NipVision, a real time system that makes nip measurements possible while the paper machine is running.

The online and real-time measurement tool uses the latest roll cover technology, where a glass fibre is embedded in the roll cover that constantly transmits information from the nip.

The company said it is the first system to measure nip pressure, profile and the cover temperature while the paper machine is

running.

The NipVision glass fibre sensors are very small, non-aging, flexible and chemically resistant. They lie inside the cover, so that the roll application and dimensions remain unchanged.

In a statement, Voith said: "It is the only system which can measure temperature within the cover while the paper machine is running.

"This is a real benefit to the customer,

given that a large number of damages result from temperature-related issues.

"Until now the source of poor profiles and sheet quality, increased sheet breaks and sudden roll cover damages have often been linked to a given press nip but, without any proof.

"With the help of NipVision such problems can be detected and hence prevented."

Kemira launches KemFlite

Kemira has launched KemFlite to reduce paper and board machine problems caused by deposits from the agglomeration of hydrophobic particles.

The particles originate from wood pitch, stickies or binders in coated broke.

Chris Lewis, regional applications manager, paper, said: "KemFlite is a concept that pools together a range of Kemira products

and our process know-how in a consolidated package, directly addressing the problems customers have with deposit control on paper machines."

He said that under certain conditions, the particles agglomerate to a larger size and eventually deposit on paper machine wet-end surfaces, wires, felts and dryer cans.

"KemFlite is designed to manage the

hydrophobic substances, particularly their size, before they form deposits.

"The result is a smoother operation, decreased downtime, better cost efficiency, reduced chemical consumption and improved finished paper and board quality."

WEPA to cut 150 jobs at its five tissue sites in Germany

WEPA to cut 150 jobs at its five tissue sites in Germany

German tissue giant WEPA has announced more cost-cutting measures.

In addition to the planned sale of two mills in Italy, the firm revealed plans to cut some 150 out of a total of 1,500 jobs at its five sites in Germany.

WEPA said it closed a framework agreement with the joint works council and the IG BCE trade union that provides for socially responsible job cuts. The firm mainly plans to resort to attrition, the non-renewal of fixed-term contracts, early retirements and mutually agreed terminations of work contracts. Moreover, WEPA's employees in Germany agreed to a reduction of their bonus pay check at the end of the year.

According to WEPA, the cost-cutting measures are due to the high costs and price pressure in the sanitary paper sector.

WEPA chief executive Martin Krengel said: "As a producer of commodity products we need to use any opportunity to streamline our business and reduce costs when rising

prices for raw materials, energy and logistics cannot be passed on to the customer.

"It is our only chance to maintain our competitiveness and safeguard our long-term future as a family-owned business."

"We need to use any opportunity to streamline our business and reduce costs." WEPA chief executive Martin Krengel

Mills for grabs in Italy: WEPA revealed plans to part with two of the five tissue mills of its subsidiary WEPA Lucca in August. The sites in question, WEPA's Piano della Rocca and Fabbriche di Vallico mills in the Lucca area, produce 17,000tpy and 31,000tpy respectively.

Moreover, the firm plans to move two converting lines from its Salanetti converting facility to other production units outside of Italy. WEPA hopes to finalise the cost-cutting

measures by the end of next year.

Pamplona sells WEPA share: As WEPA further revealed, it is no longer partly owned by the UK-based private equity firm Pamplona Capital Partners.

According to the tissue manufacturer, Pamplona sold its 32% share in WEPA to the firm Marsberger Kraftwerksgesellschaft (MKG) in August. The value of the deal was not revealed.

MKG is owned by Martin, Wolfgang and Joachim Krengel, who also own the majority stake in WEPA. Thus the firm is back under full family-ownership.

Pamplona acquired its stake in WEPA in 2010. At the time, the firm revealed plans to invest some Euro 150m over the following 18 months.

Among the planned investment projects were the installation of a new tissue paper machine in Germany and the expansion of WEPA's hygiene products sites in Spain, France, Italy and Poland.

News from RISI (www.risiinfo.com)

Tak Investments announces tissue deal for International Paper assets

Tak Investments has completed a deal to purchase a portion of International Paper's papermaking assets at its recently re-opened mill in Franklin, Virginia.

Over the past few months one of the mill's former paper machines has been converted to produce tissue.

A new subsidiary, ST Tissue, has been created and will operate at the Franklin mill site.

Full-scale tissue making operations will begin in late September 2012.

ST Tissue will use sorted office paper and

old corrugated containers recovered from the mid-Atlantic states as the primary source of fibre.

This post-consumer waste paper will be cleaned and de-inked so that only bright white paper fibre or clean brown (Kraft) fibre will remain for use in towel and napkin parent rolls.

Sharad Tak, president of Tak Investments and ST Paper, in Oconto, Falls, WI, said: "Our tissue converting customers will now be able to depend on a new and very competitive source of both white and brown towel and napkin grades in volumes sufficient to grow

their towel and napkin businesses."

Maury Keesler, general manager, added: "Upon completion, ST Tissue's Franklin tissue machine with its 310" web width will be among the widest tissue machines in North America and will be an extremely cost effective producer of many high-volume towel and napkin grades."

The total project cost of roughly \$70m is being funded by Tak Investments in association with Macquarie Bank.

Kimberly-Clark in bamboo fibre agreement

Tissue giant Kimberly-Clark (K-C) has teamed up with biotechnology company Booshoot to support the production of tissue products made with bamboo fibre.

K-C said the partnership "marks a significant breakthrough" for the tissue industry and the planet, and means it can now explore the manufacture of tissue products that contain fibre derived from Booshoot's proprietary bamboo propagation technology.

The companies will work together to develop high-yield fibre alternatives that can be grown domestically on a mass agricultural scale in environmentally and socially responsible ways.

Under the agreement, Booshoot will deliver tens of thousands of bamboo starts to be grown in K-C pilot projects. The trials are designed to prove the viability of several species of giant bamboos, including 'Moso' (*Phyllostachys edulis*), as sustainable tree fibre alternatives.

Moso grows close to 100 feet tall and is harvestable in less than a decade, producing several times the fibre of traditional timber, and capturing four times the carbon dioxide (a greenhouse gas) of most trees.

Booshoot chief executive Jackie Heinricher said: "Booshoot has the proven science and production capacity required to eventually

produce millions of bamboo plants annually, which will play a critical part in reducing the world's dependence on native forests."

Gordon Knapp, president of North American Consumer Tissue for K-C, said: "Introducing alternatives to natural forest fibre to our supply chain is important to our goals associated with responsible fibre sourcing as well as our goals to improve management of input cost risk and variability."

Booshoot is a biotechnology company that is focused on bamboo forestry, agriculture and nursery wholesale.

RCI Technology and Consos launch eco-friendly product

The American supplier of tissue softeners RCI Technology and speciality chemicals company Consos have announced the official launch of the Softener ST-A Liq product.

The 100% active Softener ST-A Liq is based on their company's eco-friendly renewable resource technology and is a natural hydrophilic water dispersible softener.

The product has a higher molecular weight than previous products to exhibit

"a higher degree of tissue lubricity, while maintaining optimum hydrophilicity and all environmentally acceptable properties".

As a wet-end application, Softner ST-A Liq also makes it easy to create a higher grade product using a company's present furnish, and can save money by allowing the use of lower cost fibre mixes.

In a case study, the performance of the Softner ST-A Liq at a tissue mill was analysed.

A typical equipment and furnish were used and it found that hand feel softness was increased by five points of TSA value, elasticity and compressibility value improved, while at three kg/tonne tissue tensile was not affected.

The mill realised 40 kwh/tonnes in energy savings due to reduced hood temperature.

SHORT ISSUE

Metsä Tissue has responded to customer demand and renewed its Serla brand product range with new product quality and packaging. The business has made improvements in household towel and toilet paper qualities. The household towel is now softer and more absorbent than before due to raw material and new embossing.

Cascades Tissue Group has expanded its Cascades Moka 100% recycled unbleached bathroom tissue line after an increase in customer demand. In addition to the single roll offering launched in January, Cascades Moka is now available in jumbo rolls (9-inch) and a high capacity format for Cascades Tandem dispensers.

Södra has said it will increase the price of its softwood pulp to US\$790 per tonne. The increase will be effective as of 1 October 2012 and the price will be unchanged in September. In a statement, it said the raise was "due to an improving market outlook, following a downward trend during early summer". The company was unable to comment further at this time.



19-21 March 2013: Exhibition
18-21 March 2013: Conference
 FIRA – Gran Via – Hall 1
 BARCELONA, Spain

Tissue World in Barcelona is moving at full speed

New ideas, new technology, new methods for tissue makers and converters

Excitement is now building for Tissue World 2013, the world's largest event targeted specifically at the soft hygienic tissue paper business. This is the first time that Tissue World will be held in Barcelona, after moving from Nice where it has been since it started in 1993.

The tissue industry has shown strong support for the move. Top-level speakers, tissue makers and converters from around the globe, and most of the world's suppliers to the tissue business, are all keen to be part of the event.

Sofidel CEO to speak

Luigi Lazzareschi, CEO of the Sofidel Group based in Lucca, Italy, will be among the speakers at the opening management/markets session of the Tissue World Conference on Monday 18 March. Sofidel, which recently surpassed the milestone of one million tonnes per year of annual capacity, is Europe's number two tissue producer and number six in the world. It has undergone very dynamic growth throughout Europe over the past two decades and is now also entering the US market.

Numerous other companies and organisations such as SCA, WWF, RISI and the European Tissue Symposium have also agreed to be on the Day One management and markets session. Other speakers will of course be joining this session.

Floor space is 90% filled

By late October, five months before the show opens, around 130 companies from all over the world have booked stand space at the event. Many exhibitors are joining the show for the first time.

In terms of net space this means about 3,700 square meters have been booked, very close to the total size of the most recent Tissue World 2011 in Nice. The space is now over 90% allocated with only about 300-400 square meters remaining on the floor plan.

Excellent learning opportunity

Tissue World isn't just a show. It's an experience for all tissue makers and converters looking for new ideas, new technology, new ways of doing things, and new approaches to improve their business.

By getting out of their day-to-day routine, visitors to Tissue World find new stimulation and inspiration to help them do their jobs better. This can include both meeting daily operational challenges, as well as assisting in developing longer-term corporate and product strategies.

The combination of the exhibition of suppliers, with the management/market sessions and the technical sessions, as well as the Yankee dryer workshop, give tissue makers and converters everything in one event.

Good for planet, and profits

The theme of the conference for 2013 is "Evolution or Revolution: The Next Steps in Sustainable Tissue Making." Many companies in the tissue industry are today taking giant steps to become even more sustainable.

What is good for the environment is often good for the bottom line as well. Clearly, the critical inputs for tissue making, such as fibres, energy and water, are becoming more scarce and expensive raw materials. At the same time, many environmental groups, retailers and consumers are focusing on the tissue industry and the responsible use of these raw materials.

Savings all through the supply chain from raw materials to converting, packaging, wrapping and transport can mean reduced environmental impact, as well as reduced costs.

Thus, despite some initial hesitation about the move to Barcelona, the event is developing very nicely and will once again be the focal point for the world's tissue business next March. The dates of the event are 18-21 March for the conference meeting sessions, and 19-21 March for the trade show of vendors. For more information, please visit tissueworld.com.





PRELIMINARY LIST OF 2013 EXHIBITORS

as at October 2012

COMPANY	COUNTRY	COMPANY	COUNTRY	COMPANY	COUNTRY
9. Septembar D.O.O.	Serbia	Faure	France	Optima Filling and Packaging	
ABK Italia S.p.A.	Italy	Firefly	Sweden	Machines GmbH	Germany
Ace Electrostatic	Italy	Flexlink	Spain	Oradoc Srl	Italy
Amaco Group S.A.L.	Lebanon	Focke & Co. GmbH & Co. KG	Germany	Paniker,SL	Spain
Andritz AG	Austria	Heino Illsemann GmbH	Germany	Petrofer Chemie H.R Fischer	
Aqua-Tech Specialities SA	Switzerland	Hergen S/A Paper Machinery	Brazil	GmbH & Co. KG	Germany
Arjowiggins	France	Hinnli Co., Ltd.	Taiwan	Plastylenia SpA	Italy
Ashland Industries GmbH	Switzerland	Ibercutting S.L	Spain	PMT Italia SpA	Italy
B&B MAF	Germany	ICM Makine ve Mühendislik Ltd. Sti.	Turkey	Policarta Gi. Co.	Italy
Baosuo Machinery & Alvarez T.M.E.	China	IKS KlingelInberg GmbH	Germany	Preferred Packaging Italy	Italy
Baotuo Paper Machinery Co., Ltd.	China	Indevco Paper Making (Unipak Paper Mill)		Prodec Equipos De Envasado S.A.U.	Spain
BHM-Ingenieure Engineering & Consulting GmbH	Austria	Lebanon		QTS Srl	Italy
Brunnschweiler, S.A.	Spain	Industria Cartaria Pieretti SpA	Italy	RDB Engraving	Italy
BTG Ecléps S.A.	Switzerland	Industrie Cartarie Tronchetti	Italy	RIF SpA	Italy
Buckman	USA	Infinity Machine Engineering Corp	USA	Saueressig GmbH & Co. KG	Germany
C.G. Bretting Manufacturing Company Inc.	USA	Isra Parsytec GmbH	Germany	SDF GmbH	Germany
Cartiera Di Trevi	Italy	Jacob White (Packaging) Ltd	UK	Senning, Christian	
Cartiera Torre Mondovi	Italy	Jedson Engineering Inc	USA	Verpackungsmaschinen GmbH	Germany
Cellwood Machinery AB	Sweden	Joh. Clouth GmbH & Co. KG	Germany	Servitroquel	Spain
Cermex/ Langenpack/ Tissuenet	France	Kadant Lamort	France	Serv-o-Tec GmbH	Germany
Chyau Ban Machinery Co., Ltd.	Taiwan	Kapp-Chemie GmbH & Co. KG	Germany	Shanghai Tominaga Packing	
Comer SpA	Italy	Kemira OYJ	Finland	Machinery Co., Ltd.	China
Consultoria De Tecnologias Papeleras S.E	Spain	Lantier, S.A.	Spain	SKF	Sweden
Convermat Corporation	USA	M. Torres Diseños Industriales S.A.U.	Spain	Sorgato Srl	Italy
COPASA (Construcciones Papeleras, S.L.)	Spain	Maflex S.r.L.	Italy	Spraying Systems Co.	USA
CPS Company S.r.L.	Italy	Mare UK Ltd	UK	SSI Schäfer Noell GmbH	Germany
DCM Usimeca	France	Megall Industries (Qingdao) Limited	China	The Double E Company	USA
Dechangyu Paper Machinery		Metso Paper Karlstad AB	Sweden	Tissue Service Converting Srl /	
Manufacture Co., Ltd.	China	Microline Srl	Italy	Global Link and Supplies	Italy
E.I.L. Srl	Italy	Multipack Srl	Italy	Trebor Inc	USA
EDT-Enzymatic Deinking Technologies	USA	Nalco Company	USA	Ungricht Roller + Engraving Technology	Germany
Elettric80 SpA	Italy	Nanning Elite	China	UniMaTec Prägesysteme GmbH	Germany
Embossing World	Italy	NCR Biochemical	Italy	Valco Melton	Spain
Emtec Electronic GmbH	Germany	Novimpianti Drying Technology Srl	Italy	Vante	USA
Enerquin Air Inc	Canada	Nuqul Group	Jordan	Voith Paper Holding GmbH & Co. KG	Germany
Eurofins ATS	France	O.M.C. Collareda Srl	Italy	Weko Weitmann & Konrad GmbH	
Euroincis Srl	Italy	OCME Srl	Italy	& Co. KG	Germany
		OMET Srl	Italy	WVT Industries NV	Belgium
				Zhejiang Linuo Valve Co. Ltd	China

FLOORSPEACE IN BARCELONA IS ALREADY 90% TAKEN

as at October 2012

CONFERENCE AREA

Legend



Company showcasing machinery.





19-21 March 2013: Exhibition
18-21 March 2013: Conference

FIRA-GRAN VIA-HALL 1
BARCELONA, SPAIN

EVOLUTION OR REVOLUTION

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By Bill Burns, senior consultant, Fisher International

THE PHILIPPINES – T&T business

The Philippines currently produces a modest 20-25 thousand MT/Yr of Towel and Tissue (T&T) paper. That makes the Philippines the smallest T&T producing nation in the Southeast Asia Geographic Zone*. Much of this capacity is coming from smaller mills with machines sized for the local market. One could expect that future expansion will follow the same pattern, namely, the installation of narrow basic machine technology or redeployment of retired machines from other, more rapidly expanding areas.

A nation of 100+ million and growing, the Philippines managed to maintain good GDP growth through the height of the global recession. Philippine GDP grew 7.6% in 2010, spurred by consumer demand, a rebound in exports and investments, and election-related spending, before cooling to 3.7% in 2011. The economy weathered the 2008-09 global recession better than its regional peers due to minimal exposure to troubled international securities, lower dependence on exports, and relatively resilient domestic consumption. Nevertheless, challenges remain real and significant for the Philippines. There has been a history of political unrest and ongoing disputes over boundary waters with China. The country is also geographically challenged being in a major typhoon belt and having a land mass dominated by mountains with numerous active volcanos.

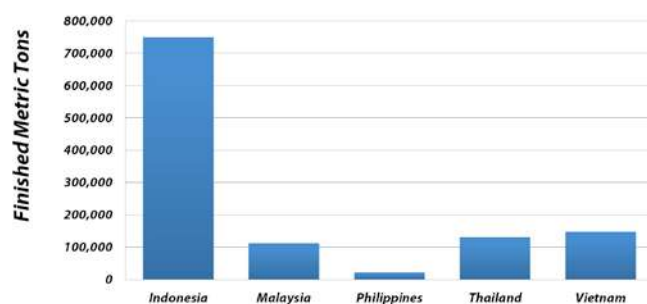
Geographically, Philippine T&T mills are located in the extensive coastal planes region within a 50-mile radius of the capital, Manila (Map 1). The country ranks fifth among the five T&T producers in the Southeast Asia Zone (Figure 1) and last in the number of operating machines (Figure 2). T&T machines in Southeast Asia vary from narrow two-metre machines to six-metres. The machines in the Philippines are on the low-end of the trim range for the region, with the average being in the 2.0 metre range (Figure 3). On average, mill production in the Philippines is lower than that of the remaining mills in Southeast Asia with averages at less than 10,000 MT/Yr while technical age of the machines is higher than average at 30 years (Figure 4). Fibre mix in the Philippine mills is heavily weighted to recycled pulp as is the case with other smaller producing countries in the Southeast Asia Zone (Figure 5). A strong base in recycled Fibre aids the Philippine cost position, with a slight cost advantage compared to the largest producing country (Figure 6).

T&T machine production rates in the Philippines tend to be modest with all of the machines producing less than 10,000 MT/Yr (Figure 7). Narrow trims and slower speeds account for the less robust production rates. Machines average less than three metres in trim width (Figure 8) and less than 1,000 mpm in speed (Figure 9). On the international scale, Philippine machines tend to have below average capacity and average ages (Figure 10).

The source for market data and analysis in this article is FisherSolve™. Data tables behind Figures 1 - 10 can be obtained from Fisher International. E-mail requests to info@fisheri.com.

Figure 1

Southeast Asia T&T Production



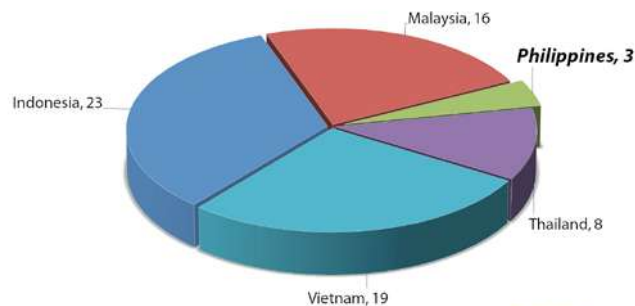
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Figure 1 Distribution of T&T production in the Asia Pacific Region.

Figure 2

Quantity of Southeast Asia T&T Machines



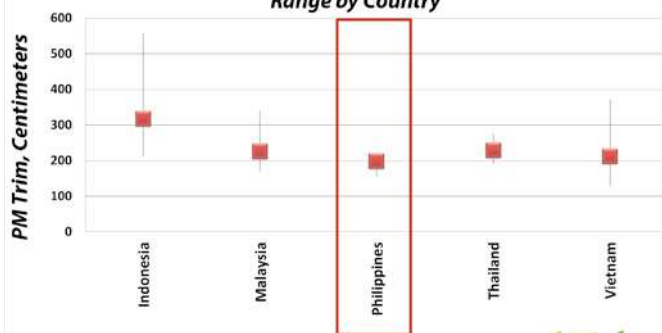
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Figure 2 Distribution of T&T paper machines in Southeast Asia.

Figure 3

Southeast Asia T&T Machine Trim Range by Country



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Figure 3 Distribution of T&T paper machine trims in Southeast Asia.

ss growth paced to local market needs

Figure 4 Southeast Asia T&T Machines by Country
MT/Yr versus Tech Age

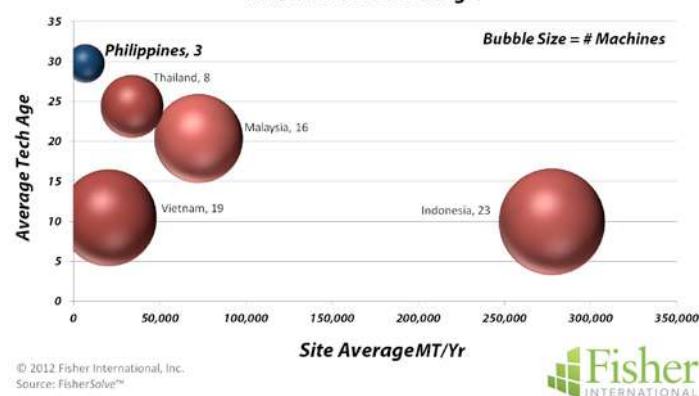


Figure 4 Technical Age and production volume comparisons for Southeast Asia T&T paper machines.

Figure 5 Southeast Asia T&T Fiber Mix by Country

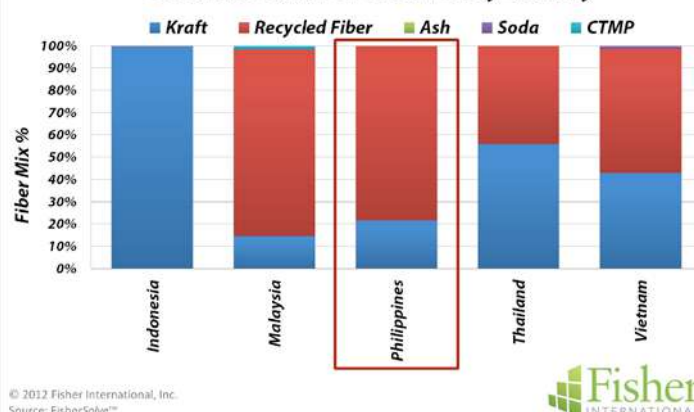


Figure 5 Fibre mix comparison for Southeast Asia's T&T producing countries.

Figure 6 Southeast Asia T&T Producers
Cost Curve, the Philippines Highlighted

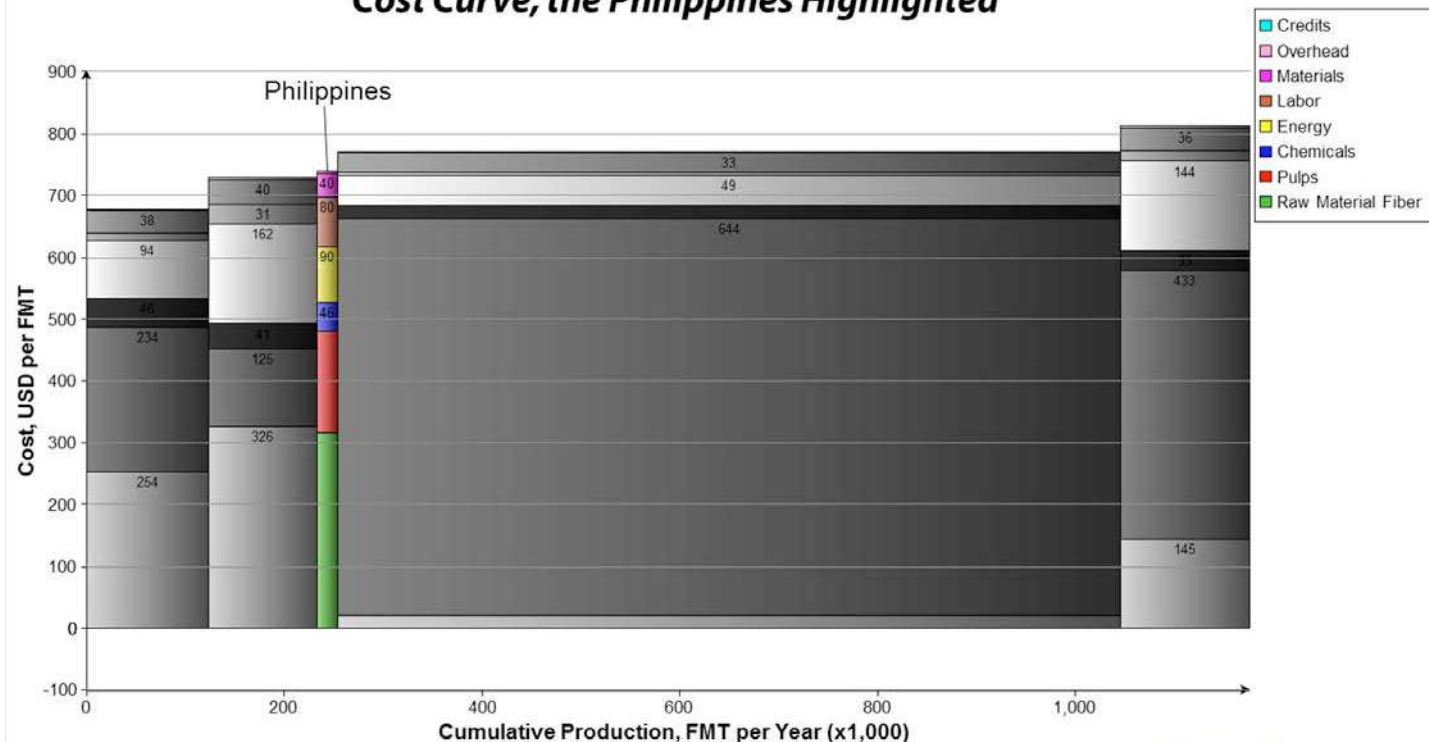
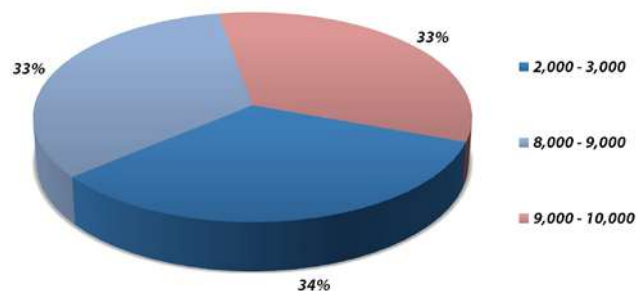


Figure 6 Southeast Asia country level cost curve for T&T production with the Philippines highlighted.

Figure 7

**Philippine T&T Machines
Distribution of Machines by MT/Yr**



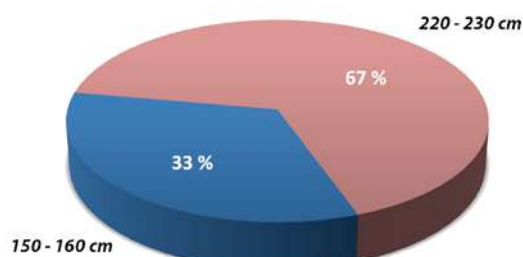
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Figure 7 Distribution of Philippine T&T paper machines by production rate.

Figure 8

**Philippine T&T Machines
Distribution of Machines by Trim (cm)**



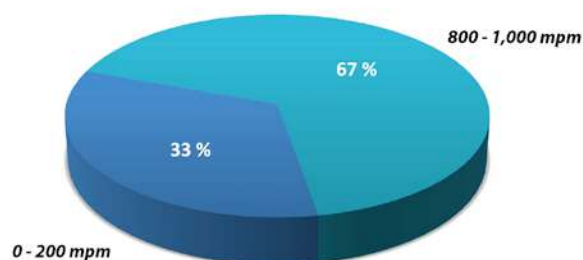
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Figure 8 Distribution of Philippine T&T paper machines by trim class.

Figure 9

**Philippine T&T Machines
Distribution of Machines by Speed (mpm)**



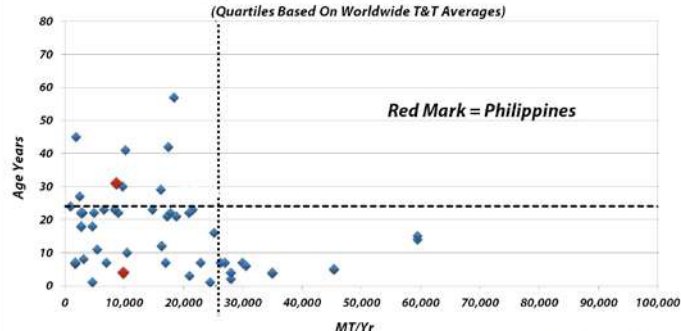
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Figure 9 Distribution of Philippine T&T paper machines by speed class.

Figure 10

**Southeast Asia T&T Producer Machines
Age versus Capacity Quartiled**
(Quartiles Based On Worldwide T&T Averages)



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Figure 10 Dispersion of Southeast Asia T&T paper machines against worldwide average production and age.

*The following countries comprise paper producers in the Southeast Asia Geographic Zone: Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand, Vietnam. T&T producers in the same region are Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.

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By Ian Bell,
Euromonitor International's global head of tissue and hygiene research

Economic progress underpins tissue growth

The Philippines, although lying on the fringes of the booming Asian economy, has not been immune to the dramatic economic improvement which has spread across the region. Since the onset of the global recession, however, the rate of economic progress has faltered, GDP posting growth of just 2% in 2009, followed by a boom in 2010 with 10% growth - an anomaly influenced by a government facing a tough election year stoking the national economy.

Since then, the Filipino economy has settled into a pattern of 6-7% growth in 2011, and with 2012 looking similar and rates of per capita disposable income growing in similar proportions, the economy

continues to show favourable signs.

Against this background, tissue sales have remained fairly robust, with volume up around 3% annually since 2010. Although given the pace of economic development as well as population growth 3% may appear unexceptional, 3% growth taken against increasing unit prices globally does indicate that tissue products have continued to win over consumers even in what can be considered more challenging economic times.

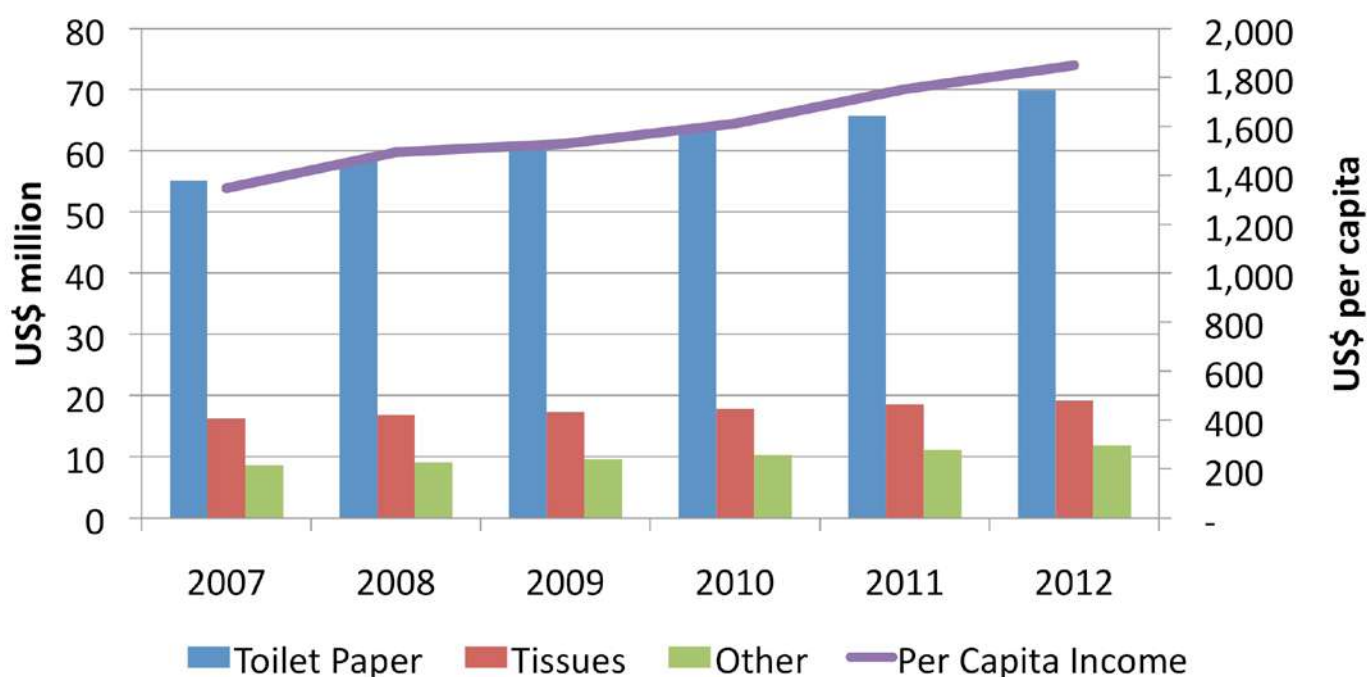
Whilst the fact that the tissue category remains less developed compared to some of its neighbours due to lower incomes commonly found in the Philippines is unsurprising, there remain some striking features which mark out this country

and consumers' relationship with tissue products out as fairly distinctive.

RETAILERS DRIVE CONSUMPTION TRENDS

The key to the Filipino market is the products relationship with middle class consumers. Middle class consumers form the key consumer group (as they do for much of the developing world) for tissue products and owing to this, purchasing trends are very much dominated by the penchant these more affluent Filipino consumers have for mall shopping. Unfazed by the less than upbeat economic performance

Philippine Tissue Market Evolution



of 2011, shopping malls have continued to proliferate especially in the key Manila Metro districts where 12 million of the country's 100 million population currently reside. Among these developments, Ayala Corp's Abreeza Mall in Davao City and SM Investment Corp's SM Masinag in Marikina City are all recently completed large scale developments. In addition to these larger outlets, retailers such as Robinsons Retail Group, and Puregold Price Club Inc have continued to expand into the local market by opening supermarkets whilst a plethora of convenience stores have also made an appearance with the Puregold Jr and 7-Eleven facia both expanding aggressively.

While the prevalence of modern grocery and shopping malls has served to increase the consumer's exposure to modern FMCG products in general, tissue products in particular benefited as a result of their somewhat umbilical link to modern retail formats. The rise of shopping malls and competition between them for patronage has meant that the services and facilities offered by these complexes have come into focus as a means by which to win the affections of consumers.

Retail outlets of all sizes are now expected to offer their clientele a higher end experience which often includes the provision of high quality bathroom facilities, replete with good quality toilet paper. There has also been investment in vending machines found in these facilities, typically, vending sanitary protection and also pocket handkerchiefs, all serving to expand consumer's exposure to all kinds of retail opportunities.

Also the development of more lucrative destination type retail has encouraged consumer foodservice channels like fast food, full service restaurants, and bars/cafes. Located in fast growing provincial cities, these new shopping malls could further expand the market base of AfH players especially on toilet paper and paper tableware.

BRANDS HAVE LESS OF A FOOTHOLD

A further influence related to the power of chained retailers in the Philippines has been the advancement of private label brands.

For manufacturers of branded goods the development of a modern retail structure is ultimately something of a double edged sword, allowing on the one hand for efficient distribution of products to consumers, but, on the other, the same retailers can develop their own following and with it the potential to develop private label. The development of private label is particularly interesting in developing markets where consumers on the whole look for brands, often the bigger and more internationally recognised the better.

In tissue which is still on the margins of what mainstream consumers are willing (or able) to purchase, private label has taken a 16% value share of the Filipino tissue market, a trend driven by difficult economic conditions, with private label performing a useful role in providing consumers (again those who find themselves at the margins in terms of affordability) with a refuge from the price inflation which has typified the broader tissue market.

Value growth of private label brands was accordingly reported at 9% in 2011, outpacing the tissue market in general and indicating that consumers even in developing markets are quickly buying into the idea that retailers are brands in themselves. Given that these retailer are spending large sums to give shoppers a first rate retail experience this cannot fail in promoting the retailer as brand in itself and ultimately the private label it offers.

LOCAL MANUFACTURERS HIT BACK AT MULTINATIONALS

Interestingly the tissue market continues to behave differently from the wider FMCG market in the Philippines due to lack of awareness and, as a result, large international brands are less common. While this has a link to affordability and Western manufacturers still not seeing huge value opportunities in the Philippines, it is also an indication that the category is under exposed.

While across the majority of the Asia Pacific, Kimberly Clark or APP generally lead the share, there are two examples in the Philippines and Malaysia where local manufacturers rule the roost. The Philippines

is more unusual as Kimberly Clark has had a market leading position wrestled from it by domestic player Sanitary Care Products, whilst another local manufacturer Papertech Inc has expanded rapidly in the era since SCA closed down one of its plants in 2008. Together Sanitary Care Products and Papertech account for roughly one third of the Philippine market for tissue whilst Kimberly Clark, SCA and APP together can only muster a 25% share, also in 2011.

Amid the leadership of these multinationals, domestic manufacturers tried to secure their market base through ensuring that they do not only compete on price with the big international brands but also in terms of quality. Both Papertech Inc and Sanitary Care Products Asia have invested in developing and sustaining brand quality as they look to further establish their brands as a credible challenger to their larger international rivals.

With local manufacturers committed to securing their market leadership through competitive pricing and improving product quality, it is expected that these players will continue to enlarge their market base especially among the middle and lower income consumers in the Philippines.

THE SHAPE OF THINGS TO COME

As things stand in 2012, a reasonably stable economy looking forward to 5% annual GDP growth over the medium term bodes well for further market growth. Add to this a growing population, a growing number of households, as well as rising levels of disposable income, all bode well for the tissue market in the Philippines.

The expansion of modern retail and its influence on consumer perception of brands as well as private label are all likely to converge to produce consistent growth and ultimately the broadening of tissue consumption beyond its current core of the urban middle classes. Where metro Manila leads others will follow meaning that there will likely be some concerted period of inward investment or M&A coming into the country from international players who really need to think about playing sooner rather than later.



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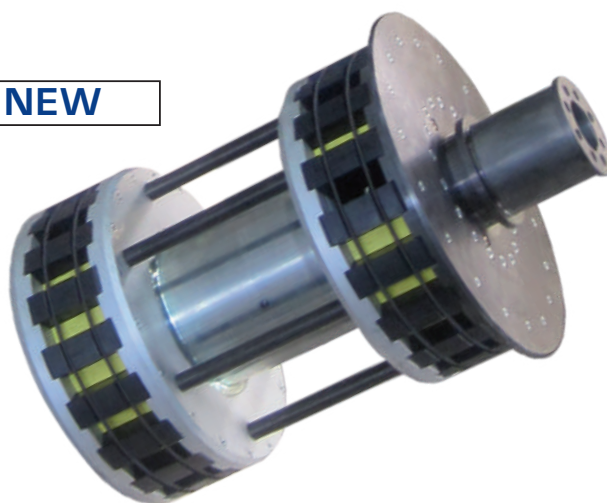
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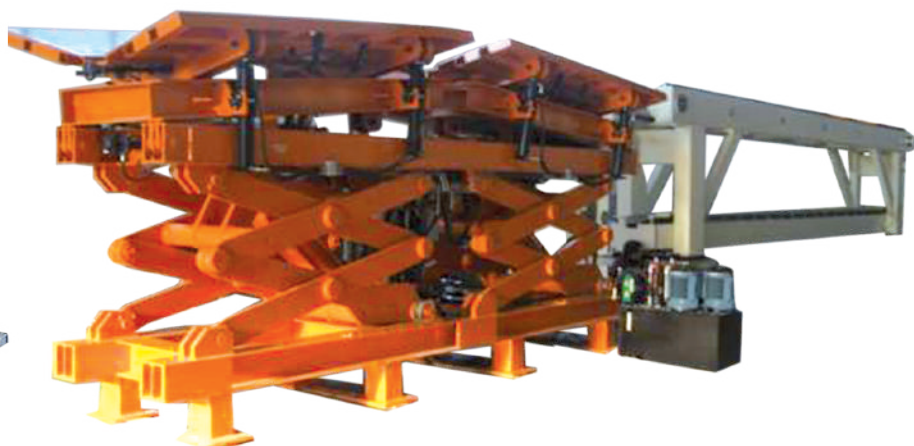
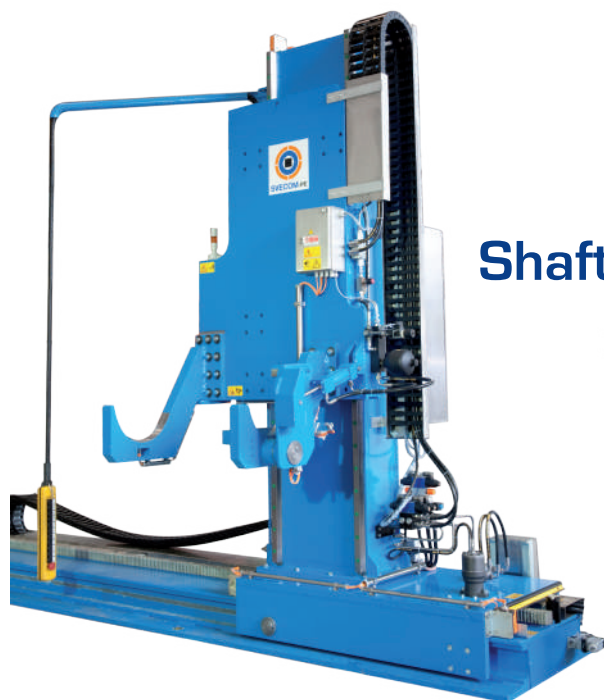


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Shoes, handbags and London buses on my tissue collection

Alexandra Lewis lives in South London and works in marketing and communications at Aon Benfield. A collector of quirkily decorated tissue and toilet roll products, she recently went on holiday to visit Cuba where she found that toilet tissues were often in short supply, and found that carrying her own pack of tissues came in handy.

I am particularly fond of napkins and have been collecting intriguingly designed ones from bars and restaurants for nearly twenty years! My latest was from Poppies, a 50s style fish and chip shop in Spitalfields. I asked the waitress for a napkin to which she looked down at my lap with disdain and said: "You already have one" – obviously not grasping the need for a fresh one for my collection! On a day to day basis, I don't leave the house without a handy pack of tissues and have recently become increasingly excited about the range of patterned kitchen roll. The cupcake design has meant I now have it on display rather than hidden in a cupboard.

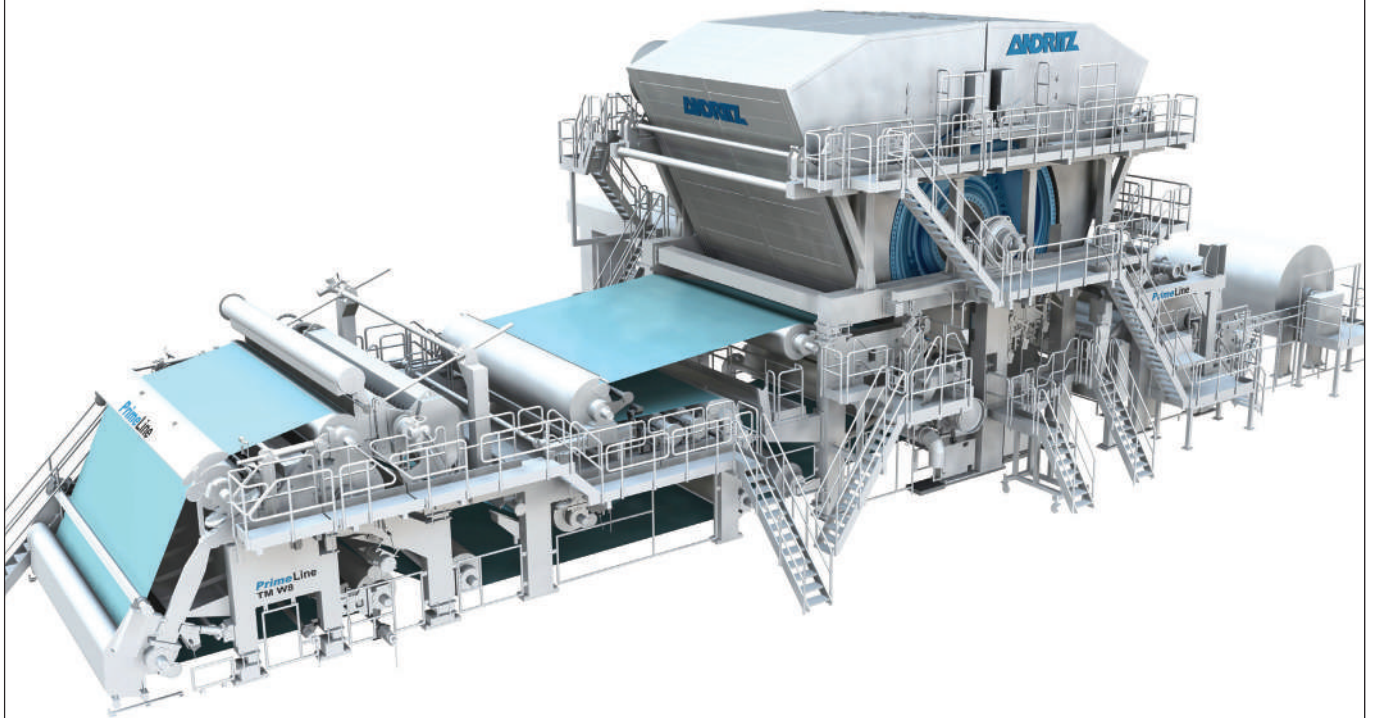
I am largely influenced by design and cost so will look out for special deals and jazzy patterns over particular brands when I'm shopping at the local supermarket. One of my best tissue purchases was a toilet roll covered in hearts for my brother and sister-in-law's wedding. Equally I was delighted to receive two packs of tissues for my birthday – one adorned with shoes and handbags, the other decorated with London buses!

However, whereas I am a passionate recycler of paper, purchasing products with green certifications has never been a major driver – but perhaps it will be so from now on!

A recent adventure to Cuba proved why my handy pack tissues are so important! I took an abundance with me as I heard – correctly – that toilet paper was in short supply. Also, while I was hoping to replenish my napkin collection, these were quite flimsy and not branded – not a priority in a communist nation!

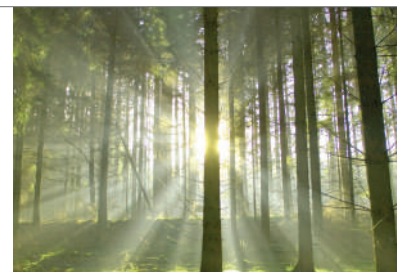


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Coreless tissue at Rustan supermarket; Freshies toilet roll brand - Papertech; Mercury Drug private label; Rustan supermarket economy private label; Vanita and Kleenex toilet roll brands - Quanta Paper and K-C

Going coreless

Around 40,000 tonnes is consumed per year in the Philippines tissue market – a small figure compared to the US and European, but also with developing Asian countries. However, the range and selection of consumer tissue goods represented on shelves of supermarkets and drugstores reflects all modern trends in the tissue industry from premium and economy brands to private label and even the local coreless and ecologically-friendly bathroom tissue rolls. Multinationals continued to dominate within the retail and hygiene sectors in 2010 through existing and extensive distribution channels. However, some time ago the global leader in tissue output, Kimberly-Clark, pulled out production capacity from the Philippines, replacing it with imports (under brand names Joy and Kleenex) from neighbouring countries such as Malaysia.

While major international companies might take a conservative approach in a country of 100 million potential consumers, the brave locals take the lead and succeeded in developing local tissue market segments that did not exist ten years ago.

In 2010, the country began to improve its economy after the effects of the 2008-2009 global financial crises. As a result, consumer spending grew and tissue consumption as a significant part of it grew as well. While a growing number of Filipinos enjoy improving employment prospects, they are more willing to evaluate new product launches and begin to buy hygiene products that are thought to be non-essential, such as kitchen towels and table napkins. Private label and economy brand consumption increased during 2010 since the quality of such brands was reaching a higher standard, while price

remains the most important aspect in the purchasing decisions of Filipino shoppers.

ENVIRONMENT AND TISSUE PRODUCTION

Ecological responsiveness in the Philippines marked its beginning in 2007 when the Department of Trade & Industry was considering a total ban on exporting waste paper, following Taiwan and Malaysian actions. Out of the 1.25m tonnes of waste paper processed in the Philippines on an annual basis, nearly 0.5m tonnes is imported to the Philippines and local paper makers felt a threat to the security of their “green” raw material supply. Despite the difficulties with secondary fibre supply, local companies are currently making an effort to “go green”, offering eco-friendly choices or stressing the fact that they offer such products in their product range. Quanta Paper Corporation, founded in 2006, declared its mission to save trees and protect the environment by promoting the use of tissue products made from recycled materials. Sanitary Care Products Asia (SCPA), which is profiled in this issue, launched its Sanicare Ecolayers bathroom tissue brand; a combination of one recycled-grade sheet and two 100% virgin pulp sheets.

While imports from the world’s multinationals Kimberly-Clark, SCA and APP lead the tissue product supply from household goods to incontinence aids, there are several local tissue producers in the Philippines like Bataan 2020 from Quezon City, Quanta Paper Corporation from Pampanga and Papertech Inc. from Makati City.

Bataan 2020, Inc. is a leading



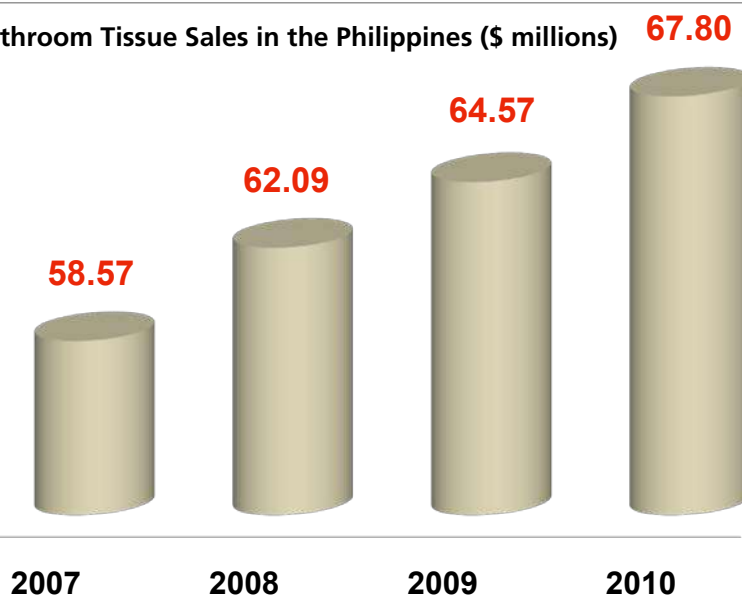
By industry expert Greg Grishchenko

s in the Philippines

manufacturer of fine quality paper, board and tissue in the Philippines. Currently, the company runs three paper machines located in two sites, one in Samal, Bataan and the other in Baesa, Quezon City. The only tissue machine located in Samal, PM2 with 87.5 in (2.22m) working width and about 20,000 tonnes per year capacity, dedicated to bathroom tissue, table napkins, kitchen towels and facial tissue. PM2 uses conventional wet press (CWP) technology and is oriented to 100% virgin and mixed fibre production with tissue grades up to 42 g/m². Bathroom tissue rolls are manufactured with a 1 or 2-ply plain and embossed pattern (16-20 g/m²), 41.5 g/m² grade kitchen towels are made always 1-ply.

Quanta Paper Corporation was founded in 2003 and started production with four paper making machines and four converting lines using secondary post-consumer fibre as raw material. Currently, Quanta Paper Corporation employs nearly 700 people making about 6,000 tonnes of tissue in parent rolls and converting 24 tonnes per day. In addition to conventional converting the company runs quarter and inter-folding lines and table napkin machines. Due to its environment friendly commitment, Quanta remains focused on recycled tissue products marking its place among the country's competitors. However, in recent years, following the market trend towards premium grade products, Quanta launched production of premium brands using virgin pulp. The company maintains brand names connecting price with different quality standards. Vanita 3-ply and 4-ply bathroom tissue and 2-ply kitchen towels, Smile 2-ply bathroom tissue with a core or coreless and pocket hankies as well are made of virgin fibre and marketed as premium quality brands. Eco-Pal and

Bathroom Tissue Sales in the Philippines (\$ millions)

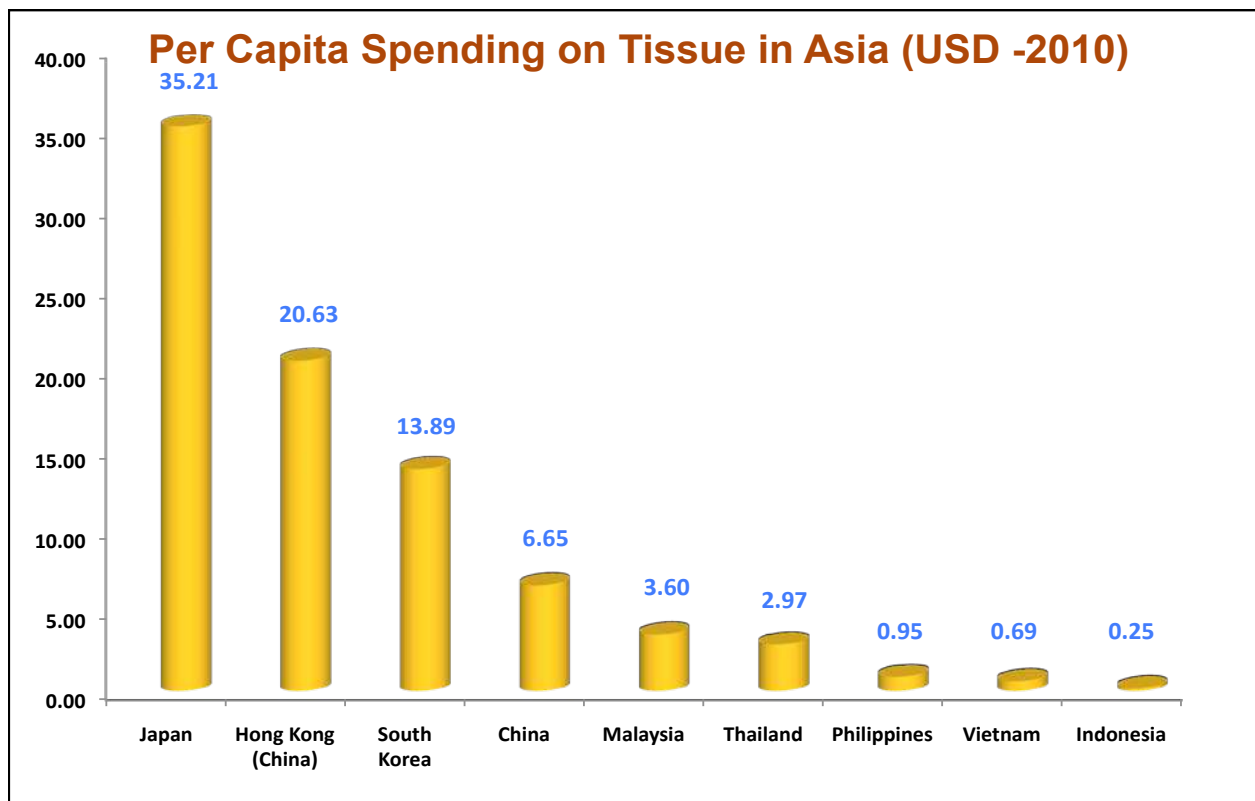


Kitchen Towel Sales in the Philippines (\$ millions)



Fresh bathroom tissue, Harmony, Wing and Kami table napkins are sold in economy niche and made of mixed grade tissue. Papertech is a privately-owned tissue converter with a manufacturing facility in Makati City, the modern business hub of Metropolitan Manila. The company's

primary business is retail and Away from Home tissue products with well indorsed economy brands Extra and Freshies. The production of private label tissue products for principal chain retailers, such as toilet paper, kitchen towels, napkins and boxed facial tissues, also represent a significant



share of Papertech's sales. The sales portion of private label brands has been increasing in the Philippines and following this trend Papertech's private label brands are positioned towards the growing budget end of the market. All of the retail and private label tissue products that the company produces are sold in the Philippines.

RETAIL TISSUE STATUS

In 2010, supermarkets and hypermarkets accounted for 56% of tissue and hygiene retail sales and continued the slight growth trend over 2009, which can be accredited to the determined expansion of retail chains into areas that were previously only served by alternative sources like public markets, sari-sari stores and independent small groceries. However, low-income consumers dominating the country's population still assure the growth of sari-sari (traditional mom and pop convenience stores) due to their value-added services such as credit



Mercury Drug store in Manila



SM supermarket in Manila

facilities that allow regular customers to buy products on tab and pay on a weekly basis.

Retail and drugstore chains such as SM Investments Corp. (SM Supermarket/Hypermarket), Mercury Drug Corp., Robinson's Retail Group and Rustan's Retail Group significantly increased the number

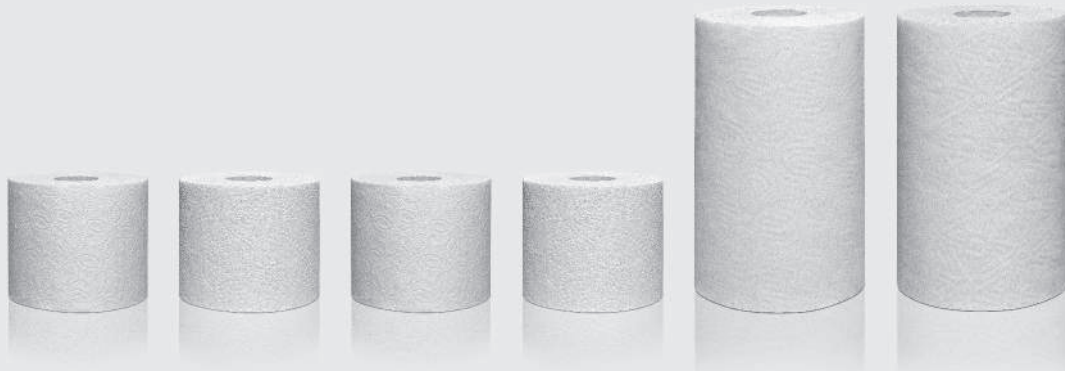
of outlets in 2010 especially in provincial areas of the country as a planned expansion into untapped markets. Purchasing tissue products in supermarkets, hypermarkets and chained drugstores is gaining popularity due to the fact that they offer a broad selection of brands (including own private labels), one stop shopping accessibility, and eventually lower price offers through discount coupons and promotions.

All major retailers promote their own private label brands with recognisable names and graphic design. SM Supermarket (SM Investments Corp.), the country's leader in retail sales for tissue products, promotes its private label brands SM Bonus and Value. Mercury Drug Corp, the second largest retailer company behind retailing giant SM Investments Corp sells the tissue brand Cleene (bathroom tissue, kitchen towels and napkins) supplied by Philusa Corp, its 100% owned affiliate. Rustan's Supermarkets with 20 branches in Metro Manila and 2 in Cebu distinguished itself within an upscale niche for tissue products by packaging its private label brand SureBuy in gold-black wrap.

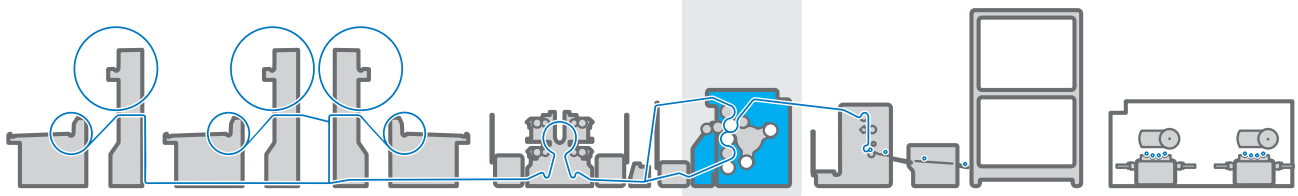


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By industry expert Greg Grishchenko

SCPA: a taste of modern life

TW meets the domestic Filipino player's president and founder Renato Sio to get the latest



Renato Sio - SCPA president

For 15 years, Sanitary Care Products Asia (SCPA) has provided its customers with a progressing line of tissue products that convey a taste of modern life. The company manufactures 12,000 tonnes per year of bathroom tissue, facial tissue, table napkins and paper towels under the brand names Sanicare, Tisyu, Femme and Cheers using 100% virgin pulp.

Today, SCPA is the leading Filipino-owned tissue converter in the country with about 25% share of the market and since being established in 1996 maintains the nationwide distribution and sells its innovative products in nearly 5,000 stores. The company currently employs 400 staff, has expanded from a small shop located in Taguig City, one of the industrial satellites of Great Metropolitan Manila, and now operates five plants throughout the Philippines. Still privately owned and managed by the Sio

family, SCPA combines the benefits of local tissue manufacturing and availability of virgin fibre sources in the region and minimum shipping costs. Diversity of tissue goods is one of the major concerns to succeed in the difficult Philippines' market, Renato Sio, SCPA founder and current president and chief executive says: "We started the company as a private label supplier and now we are represented in almost every segment of tissue market. We have modernised, for example our website now provides product information and hygienic and ecological guidelines for consumers. We are also active in our brand promotion, distributing free paperboard stand featuring calendar, vanity mirror and a line-up of all SCPA brands."

In 2010, SCPA launched the latest supplement to its Sanicare brand – the Sanicare Ecolayer tissue rolls. This innovative concept has been introduced



Converting line Grande by Alvarez Tissue Machinery at SCPA



Making coreless logs at SCPA



Packing coreless tissue at SCPA

for the first time in the country's tissue product manufacturing industry. The three-ply tissue has top and bottom layers made from 100% virgin pulp, which guarantees a stronger tissue structure with recycled-grade Ecolayer paper placed between them. All three sheets are combined in the process called laminated nested embossing. This lamination technology ensures adequate bonding between the virgin pulp sheets and the middle layer. SCPA is the first company in the Philippines to use this technology for bathroom tissue production.

According to SCPA marketing communications director Lea Sio, there



Sanicare Ecolayers toilet roll brand - SCPA



Sanicare kitchen towels - SCPA



Tisyu coreless toilet roll brand - SCPA

is still an unenthusiastic perception of the hygienic properties of recycled fibre use in bathroom tissue. The use of virgin pulp in tissue making is standard practice for hygiene and sanitation purposes in Philippines. "While there is demand for recycled materials, we acknowledge



OMET Line at SCPA

that human contact with recycled-grade paper may have harmful effects. Thus, we developed the Ecolayer line to address both paper consumption and comfort demands of customers, and we look forward to using and developing more innovations to address both needs." To further support its green manufacturing values, SCPA sources its pulp stock from suppliers that use managed forest plantations.

The most advanced and brand new tissue converting lines came from Asian manufacturers. For the last decade a number of companies from China have established themselves as suppliers of various tissue converting equipment with proven technology concepts and very competitive prices. The price is not only advantageous for the locally sourced converting lines – low cost service calls also help to reduce the overall product expense (taking into account that the price level of a jumbo roll would not give any leverage in competition). SCPA converting lines for tissue and kitchen rolls come from Dechangyu Paper Machinery Co. Ltd and Baosuo Paper Machinery Co. Ltd. Baosuo is affiliated with Alvarez Tissue Machinery Engineering and manufactures in China with design concept coming from the well-known European engineer. Its ULTRA series line is processing tight low grammage tissue at 160 toilet rolls per minute into four and six roll packages.

At present the company still operates a secondhand Fabio Perini rewinder purchased from Israel almost 15 years ago. Recently the company acquired an Omet napkin line from a Russian converter.

It seems that an emergence of new "green" trends in toilet paper has reached the Philippines. Coreless toilet paper is currently being sold in almost every supermarket in the country and SCPA has contributed a large share to this product line. This concept, however, is locally grown and was conceived somewhere in the early 2000s – long before Kimberly-Clark's Scott brand offered its new tube-free line of toilet paper throughout the northeastern USA in 2010, eliminating the cardboard core tube that the paper is wrapped on. The Filipino approach came from local habits when toilet roll was used as an all-purpose tissue, so a paperboard core has been removed, a roll was flattened and put in the handbag.

Coreless tissue brand Tisyu is produced at SCPA on a regular schedule using the company's own technological sequence. At first tissue stock is being rewinded on the long removable mandrel, then the resulting logs are flattened and finally saw cut before packaging. This product is obviously popular and is offered by the other local manufacturers.

Speaking about recent development at SCPA, Sio says the continuing regional natural turmoil from 2012's earthquakes and flooding cannot break the company's spirit of innovation. "We continue to introduce new environmentally friendly products made from recycled brown paper free of artificial whiteners and chlorine. This new brand Naturale offers attractive table napkins and kitchen towels featuring embossed and printed in green patterns," she says. **TW**

By Tissue World editor Helen Morris

Tissue World projects survey 2012

China leads the way claiming 69 of the 114 announced projects

COUNTRY	COMPANY	MILL	INVESTMENT	PM NO	NEW/ REBUILD	START-UP DATE	CAPACITY CHANGE (tons/yr)	PM TRIM (m)
Argentina	Celulosa Campana	Buenos Aires		3	New	2012+	3,500	2.8
Argentina	Celulosa Campana	Buenos Aires		1	Rebuild	July 2013	60 t/d	2.7
Australia	ABC Tissue	Brisbane, Qld		1	New	2013+	60,000	
Australia	Confidential	Confidential		NA	Rebuild	2012	13,500	2.7
Brazil	Carta Industrial	Barra do Riacho	120	1	New	2012	35,000	
Brazil	Carta Goias	Undisclosed		NA	New	2013	36,000	2.7
Brazil	Canoinha	Undisclosed		1	New	2012	13,000	2.0
Brazil	Indaial Papel Embalagens	Indaial, SC			New	2012	22,000	
Brazil	Mili	Tres Barras		3	Rebuild	2012	7,000	2.3
Brazil	Mili	Tres Barras		5	New	2012	5,200	2.3
Brazil	Mili	Tres Barras		7	New	2013	70,000	5.6
Brazil	Mili	Tres Barras		4	Rebuild	2013	35,000	2.8
Brazil	Mili	Tres Barras		6	Rebuild	2013	35,000	2.8
Brazil	Santher	Governador Valadares		6	Rebuild	2012	18,000	2.4
Brazil	Santher	Governador Valadares		7	Rebuild	2012	19,500	2.6
Brazil	Sepac	Mallet		5	New	2013	35,000	2.8
Bolivia	Copelme	Cochabamba		3	Rebuild	2013	29,000	2.8
Bosnia	Violeta				New	Delayed	25,000	2.8
Chile	CMPC Tissue	Talagante		NA	New	2013	60,000	5.5
China	APP China	Xinmin Liaoning			New	2012	60,000	5.6
China	APP China	Xinmin Liaoning			New	2012	60,000	5.6
China	APP China	Suzhou, Jiangsu			New	2012	70,000	5.6
China	Anxian Paper	Undisclosed		1	New	2012	12,000	2.8
China	Anxian Paper	Undisclosed		2	New	2012	12,000	2.8
China	Baodingshi Gangxing Paper	Undisclosed		2	New	2012	12,000	2.8
China	Bazhoumingxing Paper	Undisclosed		1	New	2013	12,000	2.8
China	Confidential	Undisclosed			New	NA	NA	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Undisclosed			New		250 t/d	5.6
China	Confidential	Confidential		2	New	2013	23,000	2.7
China	Confidential	Confidential		1	New	2013	23,000	2.7
China	Confidential	Confidential		6	New	2013	23,000	2.7
China	Confidential	Confidential		5	New	2013	23,000	2.7
China	C&S Paper Co.	Chengdu, Sichuan		6	New	2013	33,000	3.6
China	C&S Paper Co.	Chengdu, Sichuan		5	New	2013	28,000	2.8
China	C&S Paper Co.	Chengdu, Sichuan		4	New	2012	29,000	3.5
China	C&S Paper Co.	Jiangmen, Guangdong		8	New	2012	29,000	3.5
China	C&S Paper Co.	Jiangmen, Guangdong		7	New	2012	29,000	3.5
China	C&S Paper Co.	Luoding, Guangdong		7	New	2013	50,000	5.6
China	C&S Paper Co.	Tangshan City, Hebei		2	New	2013	25,000	2.7
China	C&S Paper Co.	Tangshan, Hebei		1	New	2012	25,000	3.4
China	Fookwoo	Huizhou		NA	New	2013	112 t/d	3.6
China	Fujian Green Golden Paper Group	Undisclosed			New			2.8
China	Ganzhou Hwagain	Ganzhou City, Jiangxi		1	New	2012	60,000	5.6
China	Ganzhou Hwagain	Ganzhou City, Jiangxi		2	New	2013	60,000	5.6
China	Hebei Yihoucheng	Baoding, Hebei		1	New	2013	25,000	2.8
China	Henan Yingde	Luohe City, Henan		12	New	2012	60,000	5.6
China	Henan Hulijia Paper	Luiyo County, Zhoukou city, Henan Province		3	New	2013	17,000	2.8

012

Projects

PM SPEED (m/min)	SUPPLIER	COMMENTS
1,700	Recard	
1,500	Recard	Rebuild of plain wire machine into crescent former
NA		Greenfield mill planned for export
1,700	PMP	Press section rebuild, new reel with sheet stabilising system, turn-up system and shaft puller
		Planning stage. 3 more PMs by 2018
2,000	Hergen	New complete crescent former machine
1,100	Hergen	New Crescent former
2,000	Hergen	
1,300	Hergen	
1,300	Hergen	
2,000	Voith	
1,600	Voith	NipcoFlex T shoe press rebuild
1,800	Voith	NipcoFlex T shoe press rebuild
950	Hergen	
950	Hergen	
2,000	Voith	Capacity upgrade
2,000	Hergen	
	Metso	
1,800	Metso	
2,200	A Celli	
2,200	A Celli	
2,400	Voith	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
2,200	A Celli	
2,200	A Celli	
2,000	A Celli	
2,200	A Celli	
2,000	A Celli	
220	A Celli	
2,000	A Celli	
1,500	Toscotec	Ahead 1.55Crescent Former
1,500	Toscotec	Ahead 1.55 Crescent Former
1,500	Toscotec	Ahead 1.55 Crescent Former
1,500	Toscotec	Ahead 1.55 Crescent Former
1,650	Toscotec	Ahead 1.5M Crescent Former
1,700	Toscotec	Ahead 1.55 Crescent Former
1,600	Toscotec	Ahead 1.5m – Crescent Former
1,600	Toscotec	Ahead 1.5m – Crescent Former
1,600	Toscotec	Ahead 1.5m – Crescent Former
1,900	Andritz	PrimeLineST W8 (Steel Yankee)
1,800	Toscotec	Greenfield mill. Planning stage
1,300	Toscotec	Ahead 1.5m Crescent Former
2,000	A Celli	
1,600	Metso	Advantage DCT100
2,000	Andritz	Integrated mill
2,000	Andritz	Integrated mill
1,600	Andritz	PrimeLine Compact II (Steel Yankee)
2,000		Planning stage
1,800	PMP	New Crescent Former Intelli-TissueTM 900 EcoEc machine

Despite recessionary climes that continue to impact much of the world, the last 12 months have still seen a substantial amount of announced tissue capacity expansions. This comes as no surprise when the global growth across the industry increased up from 4.1% in 2010 to 4.3% in 2011, and 4.1% in 2012. This isn't expected to slow down: growth is expected to continue to 4.5% in 2013 and 4.6% in 2014, showing that tissue products continue to be a vital part of everyday life in an ever increasing number of countries around the world.

Research for this survey included asking machinery suppliers about their present and future developments and the response charts new capacity being added, ordered or in final planning stages in 2012-2013. All the figures in the survey are based on the best information provided, and are subject to revision as, in many cases, information was not provided because it was deemed

'By most accounts the normal growth rate is back on track after a small break.'

commercially sensitive, or subject to financial uncertainty. It's also the case that a distinctive feature of this time in the cyclical development of tissue production is marked by the timely closure of old facilities to make way for the new. Additionally, many projects have also been delayed, as in some cases the prospect of overcapacity begins to shape the market. A considerable number of companies also issued projections for impressive tpd figures, which will add, in the terms of the survey, unknown capacity.

According to the confirmed details in last year's graph, it was expected that approximately 3.4m tonnes of new capacity would come on stream between 2011-2012. Some of those projects planned for start up in 2012 have seen delays, and some of the 'new' capacity announced this year in fact includes some of last year's estimate. Taking that into account the suppliers' re-adjusted figure reveals approximately 1.7m tonnes of new annual capacity up and producing in 2012. Next year, a further 1m is already earmarked to come on stream.

By most accounts the normal growth rate is back on track after a small break due to the recession in 2009, averaging 4.3% in 2011/12. More and more of this growth is increasingly focused

China	Hengan Paper	Anhai, Jinjiang City, Fujian	15	New	2012	60,000	5.6
China	Hengan Paper	Anhai, Jinjiang City, Fujian	16	New	2012	60,000	5.6
China	Hengan Paper	Chongqing	11	New	2012	60,000	5.6
China	Hengan Paper	Chongqing	12		2012	60,000	5.6
China	Hengan International	Wuhu, Anhui	14	New	2012	60,000	5.6
China	Hengan International	Wuhu, Anhui	14	New	2012	60,000	5.6
China	Hui Zhou Fook Woo Paper	Undisclosed	1	New	2012	12,000	2.8
China	Nanning Phoenix	Nanning	11	New	2012	40,000	3.6
China	Ningxia Bauhinia Paper	Ningxia	2	New	2012	25,000	3.6
China	Shaoxing Welfare Paper	Undisclosed	4	New	2012	12,000	2.8
China	Shandong Dongshun Paper	Undisclosed	6	New	2012	12,000	2.8
China	Shandong Dongshun Paper	Undisclosed	7	New	2012	12,000	2.8
China	Shandong Dongshun Paper	Undisclosed	8	New	2012	12,000	2.8
China	Shandong Dongshun Paper	Undisclosed	9	New	2012	12,000	2.8
China	Shanxi Xingbao Group	Undisclosed	1	New	2012	12,000	2.8
China	Shanxi Xingbao Group	Undisclosed	2	New	2012	12,000	2.8
China	Shandong Dongshun Paper	Undisclosed	10	New	2013	14,000	2.8
China	Shandong Dongshun Paper	Undisclosed	11	New	2013	14,000	2.8
China	Smile	Confidential	2	New	2013	17,000	2.8
China	Vinda Paper Jiangmen	Jiangmen, Guangdong	4	New	2013	19,500	2.7
China	Vinda Paper Jiangmen	Jiangmen, Guangdong	3	New	2013	19,500	2.7
China	Vinda Paper Jiangmen	Jiangmen, Guangdong	2	New	2012	19,500	2.7
China	Vinda Paper Jiangmen	Jiangmen, Guangdong	1	New	2012	19,500	2.7
China	Vinda Paper Liaoning	Undisclosed	3	New	2012	16,000	2.8
China	Vinda Paper Liaoning	Undisclosed	4	New	2012	16,000	2.8
China	Vinda Paper Wuhan	Wuhan, Hebei	4	New	2013	19,500	2.7
China	Vinda Paper Wuhan	Wuhan, Hebei	3	New	2013	19,500	2.7
China	Vinda Paper Wuhan	Wuhan, Hebei	2	New	2013	19,500	2.7
China	Vinda Paper Wuhan	Wuhan, Hebei	1	New	2013	19,500	2.7
China	Well Mind Paper	Chongquig	1	New	2013	120 t/d	2.8
China	Wuhan Chenming Hanyang Paper	Zhanjiang		New	2012	60,000	5.6
China	Xiamen Xinyang	Xiamen, Fujian	113	1	New	NA	30,000
China	Xiamen Xinyang	Xiamen, Fujian	2	New	NA	30,000	
China	Xiamen Xinyang Paper	Undisclosed		New	2012		5.6
China	YFY	Yangzhou	5	New	2012	27,000	2.8
China	YFY	Yangzhou	6	New	2012	27,000	2.8
Colombia	Productos Familia-SCA	Cajicà, Bogotá	7	New	2012	35,000	2.8
Ecuador	Inpaesca	Guayaquil	1	New	2012	15,000	2.7
France	Industrie Cartarie Tronchetti (ICT)	Montargis	2	New	NA	70,000	
France	Lucart France	Troyes	9	New	NA	35,000	2.7
France	MP Hygiene	Annonay	1	New	2012	33,000	2.8
Italy	Carrara Group	NA	4	New	2013	25,000	3.1
Italy	Cartiera Partenope	NA	1	Rebuild	Jan 2013	130 t/d	3.2
Italy	Celtex	NA	1		2012	70 t/d	2.7
MENA	Hayat Kimya	Confidential	100	1	New	2013	65,000
MENA	Confidential	NA	NA	New	NA	140 t/d	3.6
Mexico	Fabrica De Papel San Francisco	Mexicali	6	New	2013	30,000	2.6
Morocco	Jeesr Industries	Casablanca	1	New	2012	30,000	2.8
Morocco	Sipat	Meknes	2	Rebuild	2012	5,000	2.7
Nigeria	Bel Papyrus	Lagos	3	New	2012	22,000	2.8
Poland	Hanke Tissue	NA	4	Rebuild	2013	60 t/d	2.8
Romania	SC Petrocart	SC Petrocart	1	New	2013	25,000	2.8
Russia	SCA	Svetororsk	1	Rebuild	2011/2012	40 t/d	4.2
Russia	SCA	Soviets	2	New	2014	215 t/d	5.4
Russia	JSC Syassky Pulp & Paper	Syastrov	2	New	2012	20,000	4.2
Russia	LLC Pulp Invest	Kazan		New	2012	25,000	2.8
Taiwan	Confidential	Confidential	NA	Rebuild	2012	6,000	2.2
USA	Empire Tissue	Solvay, NY	1	New	NA	72,000	
USA	First Quality Tissue	Anderson, SC	4	New	2012	70,000	5.6
USA	Georgia-Pacific	NA	500	New	2012	60,000	
USA	Georgia-Pacific	NA		New	2012	60,000	
Tunisia	Azur	NA	1	New	2013	70 tpd	2.7

2,100	Andritz	PrimeLine™ W6 (Steel Yankee)
2,100	Andritz	PrimeLine™ W6 (Steel Yankee)
2,000	Andritz	PrimeLine™ W8
2,000	Andritz	PrimeLine™ W8
2,000	Voith	Greenfield mill, sold in 2010 VTM 4 with ModuleJet
2,000	Voith	Greenfield mill, sold in 2010 VTM 4 with ModuleJet
770	Kawano Zoki	
2,200	Andritz	PrimeLine™ M6 (Steel Yankee)
1,500	Toscotec	Ahead 1.5m Crescent Former
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
770	Kawano Zoki	
900	Kawano Zoki	
900	Kawano Zoki	
1,100	Supplier still pending	New Crescent Former Intelli-Tissue™ 900 machine - planning stage
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
1,000	Kawano Zoki	
1,000	Kawano Zoki	
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
1,250	Toscotec	Modulo Crescent Former
2,000	A Celli	
1,900	Metso	
		Fujian Nanpin Paper/Government JV. Planning stage
		Fujian Nanpin Paper/Government JV. Planning stage
2,000	Metso	Advantage DCT200HS
1,600	PMP	New Crescent Former Intelli-Tissue™ 1500 machine
1,600	PMP	New Crescent Former Intelli-Tissue™ 1500 machine
2,000	Voith	Delayed
1,300	Hergen	New complete crescent former
		Second PM planned
2,000		Planning stage
1,700	Toscotec	Ahead 1.5 S- Crescent Former
2,000	Recard	
1,500	Recard	Convert Recard-supplied machine into Crescent former
1,000		Crescent former
2,000	Metso	Delayed
1,800	A Celli	
2,200	Metso	
1,800	Metso	
900	Toscotec	Modulo Crescent Former
1,500	Toscotec	Ahead 1.5S - Crescent Former
1,500	Recard	Rebuild of plain wire machine into Crescent former
1,350	Toscotec	Modulo Crescent Former
1,800	A Celli	
1,800	A Celli	
1,500	Toscotec	Ahead 1.5m - Crescent Former (Replace old PM2)
1,600	Andritz	PrimeLine COMPACT II (Steel Yankee)
1,200	Supplier still pending	Press section rebuild
		Brownfield mill. Recycled paper. Planning stage
2,000		TAD machine
		Investment package announced early 2010
1,400	Recard	

on emerging markets with China and Latin America showing the best prospects, according to Esko Uutela, principal, tissue, RISI. And the scale of these machines is also significant - a large proportion of these new start-up machines have widths of 5.6m. Unsurprising, China leads the way.

Recard's Marco Ginesi, doctor in mechanical engineering, said he expects similar results in 2013, since the world of tissue "is still in good health". "We are following two to three hot projects which should be finalised on 2013," he added.

Davide Mainardi, Toscotec sales and customer care director, says he isn't surprised about the results of this year's graph, since

'The recession continues to impact many parts of the world, but despite this, the tissue sector remains largely in good health.'

in the last few years many projects have been on the pipeline. "The effect of post 2009, when the decrease of pulp and energy costs created new revenues for tissue producers, are clearly justifying the investments. The numbers show the boom in investments is still effecting some BRIC countries, mainly Brasil, China, Russia, and especially the Asian and South America continents." He added that Europe is still suffering the global economical crisis and the new assets of recent acquisitions. "North America has still to be viewed as a premium products market even if we see some opportunities for private label products and AfH. We believe that this product is also of high interest in Europe in the future. Raw materials and energy will be the main driver and key factors of the investments and the variation of the costs of these two elements will continue to dominate the decision of many projects."

On the trends in the tissue market on the past year, Katarina Åhsberg, marketing manager at Metso Paper, said: "Several tissue machinery investments planned for start-up late 2011 early 2012 has been deferred for some time, especially in China. However, we are now seeing projects moving ahead again and the market perspective seems to be generally optimistic."

It is clearly still an uncertain market with a mixed picture of start ups and closures across the world. The recession continues to impact many parts of the world, but despite this, the tissue sector remains largely in good health.

CAUTION

All aggregates taken from the survey should be treated with some caution. While all care has been taken to publish comprehensive data, it is inevitable that projects will be missing or details incomplete. We welcome your help to ensure as comprehensive a survey as possible in 2013.

WE BLOW OUR NOSES ON IT, BUT CAN IT BLOW OUR MINDS?

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Rehabilitating life for existing equipment stems from OEM's developing new technology and innovations

Tissue operations with mature machinery are looking for renewed life from their existing equipment, and determining whether to purchase capital equipment or retrofit existing equipment can be a difficult task. Edson Packaging Machinery tells TW about the latest developments



Edson Packaging Machinery's SR3600 casepacker

For those tissue producers that are unable to afford capital equipment, they must utilise what they have and be inclined to look for cost effective and sustainable solutions. These specific requirements create a need for innovative features that stem from original equipment manufacturers (OEM's). Edson Packaging Machinery, located in Hamilton, Ontario, Canada, is one OEM that has found success in continuous technology development. The company has been in business more than 50 years, with more than double the growth in the last two years, becoming a Pro Mach brand in February 2012.

Edson's balance between robust design and innovative implementation of servo driven equipment has created a staple for the

tissue industry operating large productions running at high speeds.

The company's automation solutions are customised for each application, starting with a robust design while providing control solutions tailored for each customer. This customisation can come in several forms, from technology upgrades to quick changeover process with Servo Adjust™ an option with the SR600sa casepacker.

This feature increases productivity, 'start-up scrap' reduction, as well as an increase in accuracy. Not only does the Servo Adjust™ move all axis of motion within 90 seconds with the touch of one button from an HMI, but it also reduces costly machine faults by creating operator simplicity. This technology was designed

specifically for Edson's automation, but as a result of the 'safe' mechatronic actuators this option is adaptable to any manual or powered machine requiring re-positioning of assemblies.

Several high-production facilities have used such technology and are looking to upgrade their current Edson equipment, with the possibilities to apply this technology to non-Edson equipment as well. Gary Evans, vice president and general manager, Edson, says: "The relationships we have with our customers is crucial, which is why we take action when our customers come to us with a dilemma. Continued development through innovation and preventative maintenance practices provides our customers with a sustainable product. As a result of the continued development of innovations and technology, Edson's sales have doubled."

After developing the quick changeover feature, Edson continued to modify its RFID change part option on its SR3600 casepacker. Released earlier this month, the Inteletul™ "intelligent" change part option allows users to input product data to their change parts through their HMI collecting to RFID tags. Not only does this option ensure the right parts are on the equipment before start-up but it also has the ability to track cyclical data. This system ensures consistent functionality between machine and interchangeable parts. Implementing "intelligent" RFID tags, combined with a preventative maintenance programme, provide added value to existing equipment which optimises the design and performance of current automation systems.

The company's sustainability efforts continue with the use of various energy consumption tools, reduced footprint, increased automation controls and end-of-line integration services. Along with the current sustainability efforts, its R&D department is developing a value based machine for those clients that required the robust design of an Edson casepacker with reduced speeds and powered with basic controls.

Evans added: "Combining Edson's Servo Adjust™ with Inteletul™ provides our customers with a comprehensive package for product changeover."



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OPTIMA discusses Technidrom, tests and turnkey

From A to Z – from packaging machine to palletiser - the entire process chain offered by Optima for nonwoven products is now routinely available. Starting immediately, customers have the opportunity to carry out product tests on the pilot plant at the Optima Technidrom. Several lines are already standing the test of daily operation, as Andreas Michelfelder, product manager of end of line automation, tells TW.

The OPTIMA RTP palletiser was introduced to the market early in the summer of 2011. Since then, the range of end-of-line automation is being used in a significant number of projects. Several components have been integrated into one line for these projects and inquiries for the entire process chain have started to become common.

PACKING WOES? THE BEST WEAPON - SYSTEM INTEGRATION

What drives customers to make use of the extended offer at this early point? Here is an example. A company wants to implement consistent automation for its packaging processes and decides to buy components from four different manufacturers. During the phase of detail planning, it turns out that co-ordination and harmonisation at the company is exhaustively time-consuming. In several instances, project requirements exceed competences and expertise of the company's technical department and so an engineering consultant is called in. The assembly phase starts and the supplier of the bundler (Y) reports delays. As a consequence, the company has to revise its time schedule for other suppliers. Operation of the new line starts with a few months' delay, but fails to bring the desired performance. The manufacturer of a case packer believes that the grouping system has been incorrectly programmed. The quality of the stacks produced by the palletiser starts dwindling. The company is left puzzled and perplexed.

Many reasons speak for a turnkey solution. When placing an order with Optima, the interfaces between the machines are designed and solved by a single integrated supplier. Flexible and perfectly harmonised solutions are worked out for software, mechanics and electronics. Some of the interface design is already performed during preparatory phases. This not only translates into faster process implementation, it also ensures maximum process safety, which is tested and verified in detail. Optima's commitment to quality ensures comprehensive reliability and safety in every detail.



Case Packing

The client has only one contact during and after project implementation. This allays co-ordination and integration efforts. Responsibility for the final result is clearly defined and not something negotiated between a number of different suppliers. Documentation, too, is compiled by one source and is consistent along the entire line. Last but not least, experienced service technicians maintain and look after the machines at any location around the globe.

ALL-INCLUSIVE LINE AFTER INCORPORATION OF A MODULAR STRETCH PALLETISER

Systematically acquired data on customer needs were translated into a number of unique features on the RTP stretch palletiser. For example, the particularly compact design, its user-friendly operation, and the possibility to quickly generate many different pallet patterns are attributed to the research data. The planning phase of the first palletiser confirmed the advantages of a modular approach: it enables the manufacturer to flexibly address specific customer requirements. The palletiser received optional add-ons like an inserter for tie sheets, cover sheets (slip sheets), an empty pallet magazine for automatic pallet infeed and, additionally, an interface to downstream warehouse logistics. At the same time, the central features of the RTP series were maintained: a robot with a specially designed gripper arm and the simultaneous stretching process to ensure stability of the pallet stack.

To allow customers a profitable insight, Optima has set up a process chain at its in-house "Technidrom". Not only does this pilot plant allow a close look on-site, but in particular, it is available for product testing. Using its own products, potential buyers can convince themselves of the efficiency of the line's components. The equipment processes diapers, femcare products, napkins etc. Specific format setup for the line is easy and fast.

Turnkey – an overview of all functions:
Primary packaging (product packing):
 Packaging into foil or folding boxes

Quality control:
 Metal detection, length and weight monitoring, reject function and product marking

Secondary packaging with grouping (pack packing):
 Products in primary packaging are packed into boxes or foil for transport. High-end consumer packages use printed foil. If required, and depending on the product line's complexity and flexibility, a separate

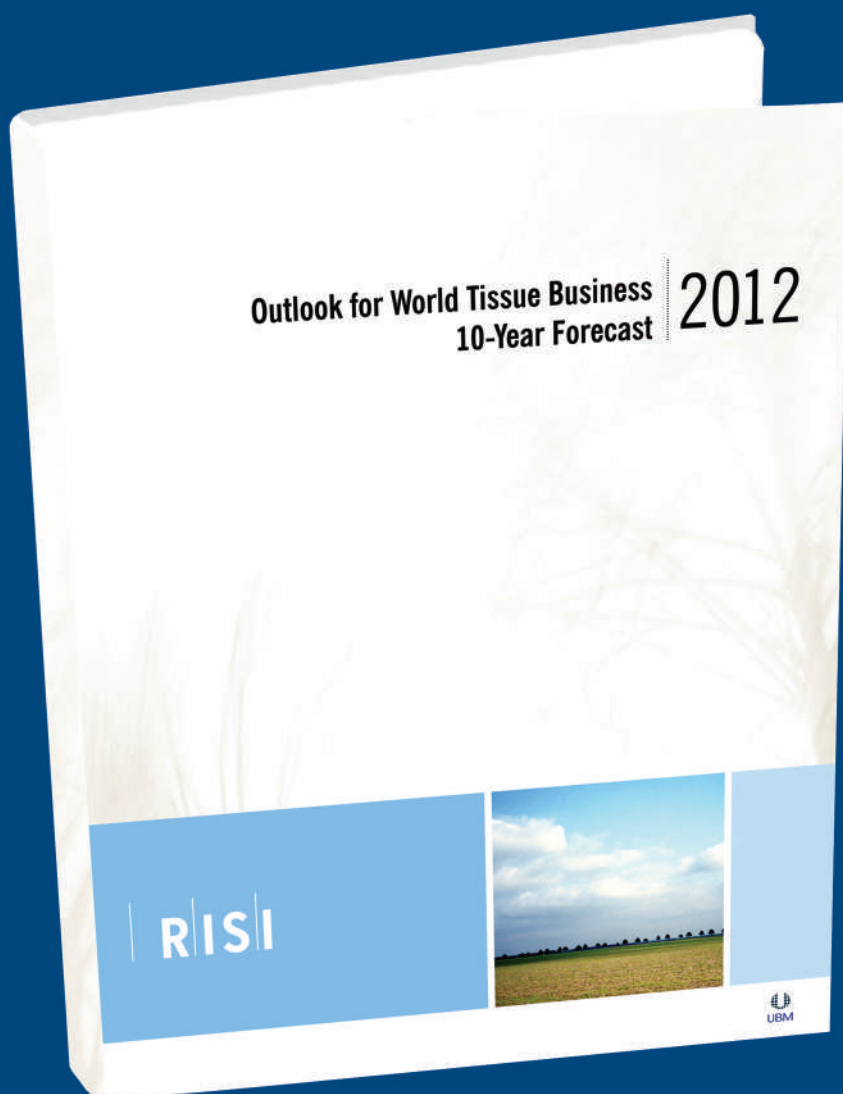


Conveyor and TQCC

grouping system is incorporated upstream of the secondary packaging unit. The grouping system groups together a set number of packages and supports a wide range of different formations.

Tertiary packaging (unit packing):
 The products in secondary packaging are arranged in layers on a pallet and then stabilised by stretch foil. A forklift transports the finished pallets onto the truck or to the warehouse.

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New softening technology for premium tissue

Softness has become the defining product characteristic for premium tissue products such as toilet, facial and handkerchief. It is leveraged more than any other attribute to define and differentiate brand identity. Here, Buckman's tissue experts tell TW about how its "wet end lotion" technology increases softness.

As the demand for premium product softness accelerates, many manufacturers have turned to chemical softeners to gain a competitive advantage. Unfortunately, many of these chemistries cause a significant loss of tensile strength and can negatively impact the Yankee coating. Due to this, there are practical limits for the use and softness obtainable from these traditional softening chemistries.

The softening technology examined in this paper allows significant increases in handfeel while minimising the negative side effects of previous softening chemistries. This new "wet end lotion" technology increases softness without impacting Yankee coating or significantly reducing sheet strength. The presented case studies and data analysis support the effectiveness of this chemistry for improved softness, with minimum runnability and strength issues.

This new softener is a synergistic combination of materials which are effective as a softening agent in tissue manufacturing. The product is water dispersible, concentrated, with low foaming potential. The particular combination of active ingredients provides a strong softening effect at reduced levels of cationic additive. This product should be added just prior to the fan pump after makedown and dilution to ensure good product mixing and application. The recommended addition rate is 2 – 5 kg/ton depending on the desired results.

Several trials have been run and converted to permanent applications in North America, South America and Europe. The graph entitled Buckman® 691 trials: Handfeel vs. GMT shows the handfeel improvement vs. GMT from a trial made with this new softener. Basis weight, tensile, furnish and Yankee coating add-on rates were held stable.

New Softener Trial – Mill Results: Final product handfeel of the paper was improved across the product portfolio. The transition to the new Buckman softener chemistry had no negative impact on the runnability of the machine or performance of the Yankee coating chemistries.

Standard debonders, as mentioned previously, contain a combination of cationic and nonionic surfactants which results in the following impact in the process and final product:

- Increased inter-fibre debonding
- Thinning of the Yankee coating chemistry
- Increased drying energy if refining used to offset tensile drop
- Improved surface feel
- Reduced tensile strength
- Higher break frequency due to poorer sheet handling from crepe blade to reel

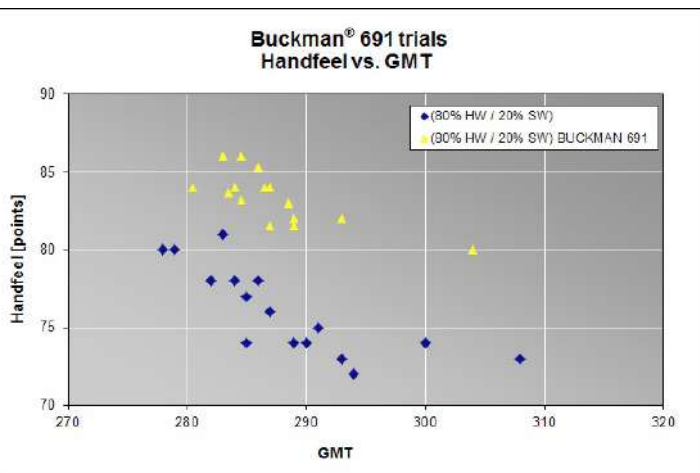
The cationic surfactants in traditional debonding and softening products are primarily quaternary ammonium compounds which are highly substantive to the fibres. They contain long chain fatty alkyl groups which increase the soft feel and surface lubricity and function as debonders to increase bulk and softness.

The hydrogen bonding of fibres is dependent on water bound in the fibre. Debonding chemistry can replace the water at these sites and block one fibre from bonding to another. Bond interference lowers stiffness and increases unattached fibre ends on the surface of the tissue

sheet. However, the bond interference also significantly affects the strength properties of the sheet. The quantity of debonder/softener added is often low and contact time with the fibre is critical to avoid undesirable issues on both the tissue machine and in converting.

Tissue manufacturers add debonders to the furnish in the wet end mainly to impart softness through disruption of inter-fibre hydrogen bonds and to develop surface softness through the presence of the fatty alkyl groups, but often softener/debonder chemistries are the main cause of lower machine runnability due to higher sheet break frequency and via their impact on the Yankee coating chemistry.

Another disadvantage of the usage of standard softener/debonder products is the increasing environmental restrictions requiring a tightly controlled balance of the addition rate. Solvents and specialty surfactants are often added to these formulations to ensure their liquidity and cold water dispersion, but they can contribute to Volatile Organic Compound (VOC) levels and can accumulate in the



Buckman 691 trials Handfeel vs. GMT



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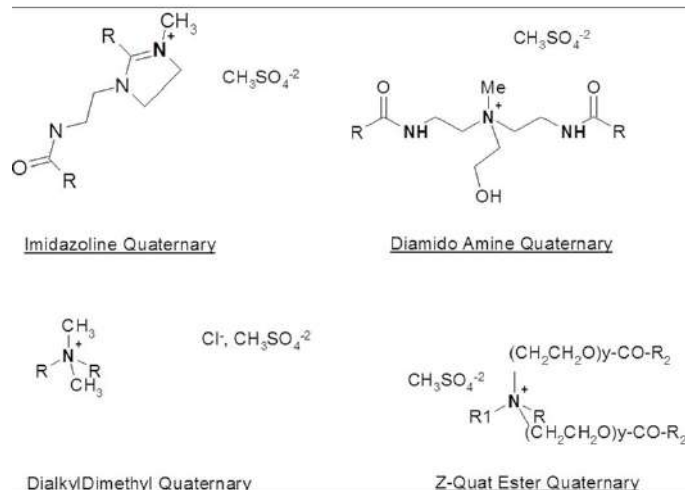


Figure 1. Typical debonding chemical structures from Poffenberger, C. & Jenny, N. (1996, March 3-6). "Evaluation of cationic debonding agents in recycled paper feedstocks." In Tappi Recycling Symposium, New Orleans.

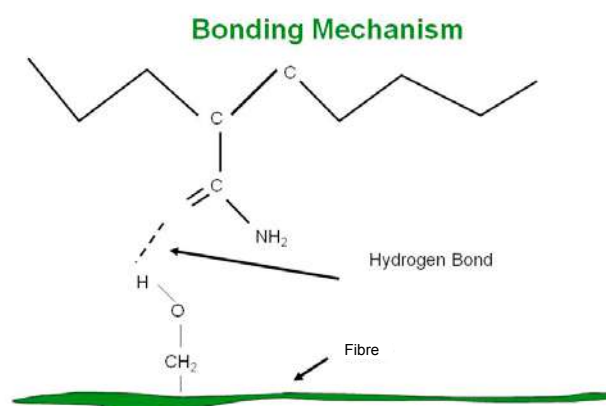


Figure 2. Hydrogen bonding of fibres.

white water circuit.

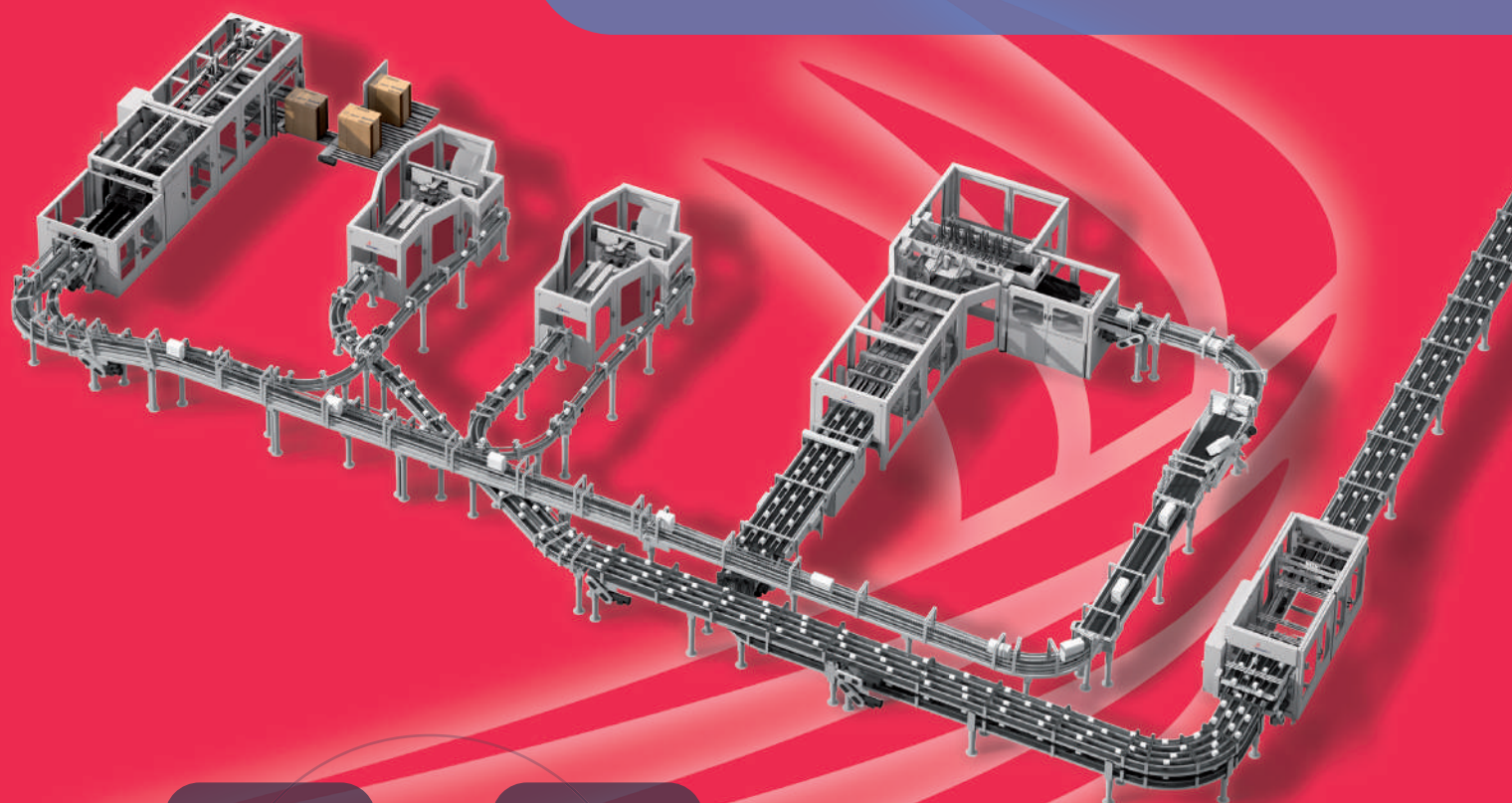
The new Buckman wet end lotion addresses those limitations mentioned above, offering a forgiving product to the tissue making process that allows softness improvement without negatively impacting the Yankee coating chemistry. This technical solution allows tissue makers to maintain an optimised Yankee coating package while using a wet end softener chemistry.

The difference in the mechanism of this innovative chemistry (inter-fibre bond versus fibre bond) compared with the standard softener/debinder allows the tissue maker to enhance softness without the negative impact on sheet tensile strength, often with the result of refining and drying energy savings. Additionally, the components of this new wet end lotion product are approved for food contact and meet the highest environmental compliance.

Fernando Dantas is Buckman's Europe, Middle East, N Africa tissue technology manager; **André Miranda Coelho**, market manager - tissue, Buckman Latin America

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