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TISSUE WORLD

JULY / AUGUST 2013

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Cover: The architectural contrast between the Palace of Culture and Science (1955) and a modern office building in Warsaw, Poland



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July / August 2013

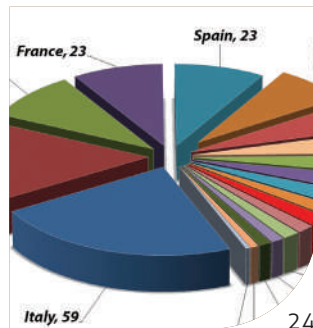
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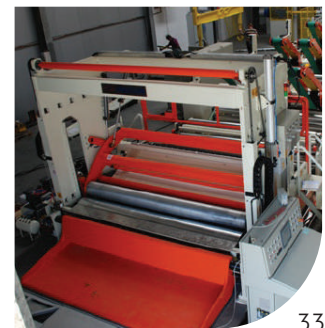
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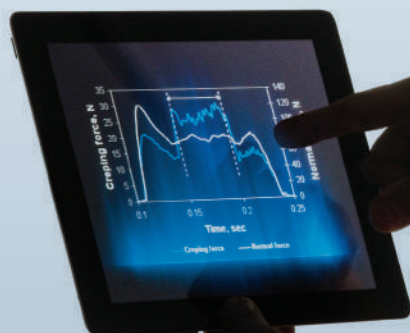
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By HELEN MORRIS
Tissue World, Editor

front issues

POLAND GETS IN SHAPE TO TAKE FULL ADVANTAGE OF THE EUROPEAN RECOVERY

Poland's 40 million population, or at least the ones who get round to doing the cooking and the cleaning, love their kitchen towels... the star performers in a relatively modest but developing tissue market.

As with most countries where it features, the humble kitchen towel has burst out of its category and become the general utility towel to be used in any number of cleaning, wiping and mopping up tasks anywhere about the house and garden... and even in the garage where it has taken on a masculine brand appeal.

The best indicators are two performance comparisons: average disposable income in Poland of US\$8,000 compares to US\$27,000 in Germany, but percentage per Polish household spend on kitchen towels is catching up rapidly and will match German household spend by 2017; 2007-2012 saw kitchen towel growth posting an 11% value CAGR to reach US\$343 million and with an additional US\$100 million projected by 2017, this will out-perform the high growth star of eastern Europe – Russia. That's fourth in global volume growth; Poles love their general utility towels that much.

It's founded on an increasingly competitive retail sector with demand for private label driving it. Value share increased from 11% to 43% by last year on the back of healthy competition between British and French supermarkets Tesco and Carrefour, with feisty domestic discounter chain Biedronka joining in the fun.

Overall, nineteen machines produce 425,000 mt/yr of T&T

paper, the sixth largest EU producer with 5% of EU capacity.

There remain fundamental tissue and national economic problems. Infrastructure and the general business environment need to be improved, and unemployment exceeds the EU average. Machines are on the narrow end of the trim range at 2.5 metres while mill production is low compared to major EU countries.

The technical age of machines is average and GDP is well below mean EU levels. The general Eurozone malaise has now begun to hit what had been steady growth in a country which had avoided the 2008-2009 downturns.

The major plusses are bargain hungry consumers and a healthy cost position, mainly due to energy and labour costs, putting Poland in good shape to take full advantage of the European recovery.

ENVIRONMENTAL TECHNICAL THEME

With customer demand for sustainable tissue products continuing to steadily increase, tissue producers around the world increasingly have to find ways to stand out from the crowd by implementing tough environmental standards. SCA, which sells heavily into the retail sector, talks to TW.

SPECIAL ISSUE

TW is adding a series of Special Issues to every magazine: in this edition read our "Barometer Issue", which taps global confidence in the tissue industry and re-contacts the mills visited for our Country Reports during 2012 to get the latest updates (Japan, Brazil, Western USA, Turkey, South Korea).

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TISSUE RETAIL IN AFRICA'S SOUTHERN REGION

The current state of the continent's strongest economy, South Africa, has had a noticeable impact with many consumers suffering a sharp dip in their disposable income. As a result, they are opting for a more limited range of tissue products making lower-priced items such as toilet paper show a stronger performance on the shelves of supermarkets.

Meanwhile, more expensive products, including those thought non-essential by many consumers, suffered, with kitchen towels and boxed facial tissues showing volume decline in 2012 over the previous year.

However, the supermarket retail business in the country remains the leader of the continent despite ongoing problems with rising prices for many fast moving consumer goods, rising unemployment (nearly 25% in May 2013), labour unrest, the lack of qualified workforce and political corruption.

In March 2012 new controversial industry regulations for toilet roll size were introduced in South Africa allowing two options for both 1-ply and 2-ply paper. Consumers may buy smaller toilet rolls with lower sheet count at a cheaper price. According to Nampak Tissue, 1-ply paper will be available in 300- and 500-sheet rolls and 2-ply in 200- and 350-sheet rolls (previously they could only be sold in a 500-sheet roll and a 350-sheet roll respectively).

For some years now, manufacturers of all sorts of goods have been reducing the size of their packs to pass on their higher input costs in a devious way, rather than clearly putting up the price of the existing pack size.

For toilet paper, as for some other goods, the economic advantage of this trend seems to be questionable. It is obvious that a consumer is going to use up a 200-sheet roll of toilet paper a lot faster than a 350-sheet one. So far this initiative is not popular with tissue manufacturers and retailers.

Last year Baby Soft brand manufacturer Kimberly-Clark of

South Africa launched a Mini pack of 2-ply 200-sheet rolls with the word "Value" printed on it. Some local consumer advocates called this product release misleading, so the farther progress of this industry trend remains to be seen.

Strong demographic trends might influence tissue product consumption in South Africa. While the country's birth rates remain high, the consumption rise follows the population growth almost proportionally, especially in basic goods like toilet paper. The other aspects like income levels, immigration and high death rate as a result of the HIV/AIDS epidemic might skew markets forecast. Indeed, for the last decade South Africa has become a magnet for huge masses of immigrants from neighbouring countries, especially Zimbabwe, offering attractive job opportunities and social programmes that are more generous than in their own countries.

TISSUE RETAIL PROGRESS IN SOUTH AFRICA

According to Euromonitor International the country's supermarkets dominated the sales of tissue products in 2012 and slightly increased retail tissue share to 74% over the previous year. Major chain outlets benefit from offering consumers a wide range of private label products that are associated with cheaper prices and price promotions. This strategy proved highly attractive during the economic downturn.

The growth of private label sales inhibited overall value sales growth in tissue forcing branded product manufacturers to evaluate their pricing structures and pack size offerings to stay competitive. Private labels hold significant share in production output of the country's principal suppliers including corporate giant Nampak and Universal Paper & Plastics, privately owned by Sher family.

In South Africa however, due to very significant income disparity among different population groups that was





inherited from apartheid, the nation's major supermarket chains, like Spar, Pick-n-Pay, Checkers, Shoprite and Woolworths employ store size variation, from spacious suburban outlets offering wide product range to small urban groceries with limited choice display.

While the retail market is now dominated by half a dozen major players, the Spar Group stands out as leader in retail concept innovation. The Spar's business model arrived in the country 50 years ago and was disregarded by competitors at the time as a "seven-day wonder". Over the years the Spar Group proved them wrong reporting annual sales today of more than \$7.5bn, operating 1,740 stores under the various brands Spar, SuperSpar, Kwikspar, Savemor, Tops at Spar and Build It and providing employment for 65,000.

'Private label sales inhibited value sales growth in tissue forcing branded product manufacturers to evaluate their pricing'

Spar chief executive Wayne Hook underlined the company's business approach in an interview with South African independent newspaper The Mercury: "Spar does not operate like the other major players. We are essentially a wholesaler or distributor, offering a full range of support services to the Spar stores in the country, which are independently owned. Of the almost 900 Spar stores in South Africa, we only run about 10 of them... so the original business model launched 50 years ago still remains key to our success today.

"Each store is run by independent operators with their own personality and style of doing business, catering for their markets. This has been the cornerstone of our success. We offer these stores the supply of products and comprehensive

marketing and operational support, which allows the independent retailer to trade against the big guys."

PRIVATE LABELS GO GREEN

During the economic downturn consumers are mainly focused on price rather than on environmental impact. Leading retailers such as Pick n Pay, the second largest supermarket chain store in South Africa, and Woolworths, launched environmentally-friendly options for their private labels (including tissue products) nearly five years ago but fell short to attract consumers. Pick n Pay and Checkers in order to take advantage of the trend use prevailing green, blue and grey colours for the packages of their private label toilet paper and napkins. Woolworths was a green trend pioneer in South African retailing with its launch of the Earth Friendly range consisting of over 60 environmentally-friendly household and personal care products including tissue. However, the sales were not remarkable as the price for "green" products tended to be higher than other similar ones. Leading tissue product manufacturers also affirmed to become friendlier to nature eliminating the need for harmful chemicals and minimising the use of water. Previously Kimberly-Clark won the Eco-Efficiency awards for achieving 10% reduction in its water usage and Nampak initiated its Blue to Green recycling campaign.

US DOLLAR UPSHOT FOR RETAIL BUSINESS IN ZIMBABWE

Since 12 April, 2009, the US dollar became the official currency of Zimbabwe. It ended the hyperinflation that made the Reserve Bank of Zimbabwe print the 100-trillion dollar bill. This banknote today can be purchased on the streets of Harare, the country's capital, for a few US dollars as a collectors' item. The swift stability which followed US dollarisation helped to bring back consumer goods onto empty supermarket shelves. In 2007, a pack of four 1-ply



Softex toilet rolls manufactured locally by a subsidiary of the Art Corporation (Art is the owner of Kadoma Paper Mills - the only paper mill in Zimbabwe), could be bought for \$400,000 Zimbabwean dollars. The price for similar imports from South Africa could go over \$900,000. When the currency crashed the price of the same package climbed to 300-billion dollars. Currently a pack of four toilet rolls sells for \$1.21 by local food retailer TM.

There are 50 TM supermarkets across Zimbabwe — in which South African retailer Pick n Pay has a 49% stake — going through continuing and planned refurbishing that will help the chain generate more revenue and profits and also retain its leading position in the country.

Retail business has become profitable again in Zimbabwe following the switch to the US currency system making it possible for local businessmen to make inroads into a sector previously influenced by international investors. However, Zimbabwe is still one of the poorest countries in the world with \$500 GDP per capita, and local supermarkets have been struggling with the lack of ability by customers to use their low income for something outside of basic staples.

Despite economic hardship, there is growing competition in Zimbabwe's food retail space, with the established franchise operators Spar and OK Zimbabwe facing newcomers Shoppa Stoppa, Food World and Afro Foods. Zimbabwe's fastest-growing supermarket chain Shoppa Stoppa runs 15 supermarkets recently investing \$3.5 million in outlets mostly on major highways.

Currently, the assortment of 2-ply bath and facial tissue by Kimberly-Clark and Nampak, have significant presence in the regional Zimbabwean supermarkets as well as similar 2 and 1-ply products from domestic producers Softex and Celeste. There is no trusted data about the share of private label sales in the country but the locally-made private labels are present in chain supermarkets and feature price promotions and poor graphic quality on packages. Kitchen towels can be spotted only in the capital city, Harare.

Zimbabwe's economic problems reduced purchasing power and brought to existence a number of small local tissue converters with minimum operating cost like Vanell Trading competing with private labels on supermarket shelves and prevailing in small independent groceries. These tissue products mostly converted locally are easy to pick out on the store shelf for inferior packaging and bizarre instructions.

CHINA'S CONTROVERSIAL PATH INTO THE AFRICAN ECONOMY

Chinese commitment to the African economy has grown even more ambitious. Previously satisfied with the niche limitations of low-level retail operations, the Chinese are now involved in major mineral mining and construction projects across the continent. In South Africa, they offer to automate gold mine operations around Johannesburg. The gold mines in this area were closed during the last decade because of unsafe labour conditions, so receiving assistance from Chinese mine experts whose own country has the highest mine accidents per capita rate in the world represents quite an enigma. In Zimbabwe, the Chinese are building hotels, shopping malls, hospitals and a military academy in addition to operating domestic diamond fields. Quite often this activity is associated with numerous protests by locals about poor pay, bad working conditions and assaults by managers.

The paper industry attracts less Chinese attention in manufacturing. However, the growing exports of various

'Despite economic hardship, there is growing competition in Zimbabwe's food retail space'

paper grades, including coated papers, paperboard and tissue, make major paper producers like Johannesburg-based Sappi complain about the inflow of cheap products from China hurting its cash flow and earnings. Last February Sappi submitted an anti-dumping application to the International Trade Administration Commission stating uncompetitive behavior by the Asian giant.

According to the Herald, Zimbabwe's largest newspaper, both local tissue product manufacturers Celeste and Softex suffer from "imitation products" - poorly printed and packaged toilet rolls, produced by small Chinese shops buying equipment and Jumbo rolls from the mainland.

Retail by no means is given up to the major industrial projects. As commuters cross metropolitan Johannesburg by the highway from Pretoria to the south, they can see a Chinese retail centre the size of a small city filled with enormous warehouses proudly displaying the Red Flag.

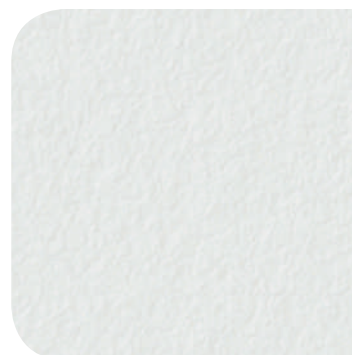


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UK

NORTHWOOD & WEPAC ACQUIRES FORMER GB&I G-P PRIVATE LABEL BUSINESS

Northwood & Wepac has acquired the former GB&I Georgia-Pacific private label tissue business from SCA.

Northwood & Wepac is a joint venture made up of the shareholders of Northwood Paper Sales, the Fecher family, and the Kregel family, the shareholders of the Wepac Group.

The move was made on 1 May and makes Northwood & Wepac the UK's third largest manufacturer of private label, toilet tissue and kitchen towel serving the major retailers consumer market.

Chairman and managing director of Northwood and Associated Companies Paul Fecher told TW: "The opportunity to acquire the Bridgend facility producing e-Tad Tissue with its modern converting operations gives the plant a solid platform for further growth.

"The business under independent management guided by us will bring significant opportunities for the UK and Ireland private label clients."

The structure will allow Northwood & Wepac to operate independently and will continue to focus on the needs of the private label sector.



Solid platform for growth: The Bridgend facility

Martin Kregel, chief executive of the Wepac Group, added: "Additional products will be added to satisfy the needs of our clients. Whilst the business will operate as an independent business unit it is welcome to share resources from both joint venture partner's other operations.

"Over the past few years both joint venture partners have investigated a number of acquisition opportunities some have been completed, we are pleased that this acquisition was successfully concluded and meets our criteria on grounds of quality dedicated employees and also enhances our market coverage."

For the shareholders of the Northwood companies the acquisition expands the overall business now including consumer products, and Northwood is now able to offer the full range of finished products in e-Tad and conventional tissue for every sector of the consumer and AfH markets.

For the Kregel family, already a major supplier in mainland Europe of private label products as well as in the AfH markets, the acquisition means an independent UK market presence by providing local manufacture across the market.

The UK was one area where local production was identified by the joint venture partners as being essential.

The acquisition was facilitated by a



Met criteria on quality dedicated employees: staff at the Bridgend plant

European Commission ruling.

The Northwood Paper Sales companies also consists of Connect Hygiene Products, Disley Tissue, Peter Grant Papers, Lancaster Tissue, Northwood Recycling and Northwood Logistics, all of which serve the hygienic sector with the full assortment of parent reels as well as AfH converted products.

The Northwood companies employ some 350 people throughout the UK with annual sales of €150 million.

The three Kregel brothers are shareholders of the WEPA businesses with recycled and virgin tissue as well as hand towel base paper making and converting factories in Germany, Italy, Poland, Spain and France.

The company works mainly in the continental private label sector as well as serving the AfH markets.

The businesses employ some 2,700 people across Europe with annual sales of €900 million.

SCA's divestments of former G-P units approved

Last month, SCA said that in conjunction with the acquisition of Georgia-Pacific's European tissue operations during 2012, the EU Commission imposed requirements concerning the divestment of certain units within consumer tissue.

The EU Commission has now approved the divestments.

The requirements imposed by the EU Commission included the sale of parts of Georgia-Pacific's former operations in the UK, Ireland and the Benelux countries, and certain operations in the Scandinavian region.

The branded business in the UK, Ireland and the Benelux countries is being sold to Sofidel. The production facility in Horwich, UK, is included in this transaction.

The retailer brand businesses in the UK and Ireland are being sold to Northwood & Wepa. The production facility in Bridgend, UK, is included in this transaction.

Parts of the Nordic retailer brand business have been sold to Vajda Papir. The production facility in Drammen, Norway, is included in the transaction, together with a conversion line from the facility in Nokia, Finland.

These operations together represent total sales of about EUR 200m and the combined purchase consideration is approximately EUR 100m.

SCA STARTS STAFF CONSULTATION AT OUGHTIBRIDGE SITE

SCA has started a period of consultation on the future of its site at Oughtibridge in the UK; a move that could impact 161 staff.

The site has been operating converting lines to convert rolls of paper made elsewhere into commercial toilet rolls, paper hand towels, wiper rolls and medical rolls since 2007.

SCA bought the plant in 2012 as part of a wider acquisition of Georgia-Pacific's European tissue operations and has since carried out an in-depth

review of the UK & ROI business.

In a statement, SCA said: "This review has been concluded with the proposal that the site should be closed and some of the converting lines relocated to another SCA facility at Skelmersdale in Lancashire, with the logistics operation moving to Ashton-in-Makerfield, near Wigan.

"If adopted, the proposals could impact on 161 positions at the site."

The period of consultation will be for a minimum of 45 days.

Tony Richards, product supply director, SCA, said: "To remain a long-term sustainable employer in the UK, our converting operations at Oughtibridge and Skelmersdale have to be consolidated into one site and expansion of the Oughtibridge site is not economically viable, due to its age, infrastructure and manufacturing limitations.

"We are consulting fully with our employees about our proposals for the closure of Oughtibridge phased over a period until early 2015."

NTG (PAPERMILL) PROSECUTED FOR HEALTH AND SAFETY BREACH

UK-based tissue manufacturer NTG (Papermill) has been fined £10,000 after pleading guilty to a breach of health and safety regulations.

The announcement was made on 3 May following an incident at the company's Lansil Industrial Estate factory on 24 August 2009.

According to the Health and Safety Executive (HSE), a worker could have been killed when metal grating gave

way under his feet at the tissue site.

The 39-year-old from Lancaster had been helping to hose down machinery during a two-week shutdown at the factory when he tried to cross the mezzanine floor, six metres above the ground.

As he stepped onto it, the metal grating gave way. His arms and jaw hit the floor as he fell and he managed to pull himself up.

The worker, who has asked not to be named, suffered bruising and friction burns to his chest and along his arms.

An HSE investigation found the company did not have a suitable inspection and maintenance regime for checking the floor at the factory, despite it being in a humid area and at risk of becoming unstable due to rust.

The company was also ordered to pay £5,866 in prosecution costs.

Global

WAUSAU PAPER LAUNCHES DUBLNATURE T&T LINE

Wausau Paper has launched its new Green Seal certified, DublNature line of premium, cloth-like towel and tissue products.

It uses 100% recycled fibre on the company's recently completed ATMOS technology-enabled paper machine at Harrodsburg, Kentucky. DublNature products are designed for comfort and functionality and provide "exceptional softness, strength, absorbency and brightness," according to the business.

DublNature is made from high-quality 100% recycled fibres. It is targeted at businesses and institutions that want the finest quality while supporting green purchasing initiatives.



Milestone: Henry C. Newell

Henry C. Newell, president and chief executive, said: "This launch represents a milestone in capitalising on a first-of-a-kind technology investment, the largest capital investment in the history of our company.

"Like our engineering and construction team who delivered our Harrodsburg paper machine under budget, our product design, papermaking, converting and marketing teams are to be congratulated for delivering the new DublNature product family on a much-accelerated timeline."

Wausau Paper offers a complete line of towel, tissue, wiper, soap and dispensing systems.

W+D LAUNCHES W+D FLOWTOS

W+D has targeted the tissue and hygiene industries with the launch of its W+D FLOWTOS.

The company said it is "the industry's most innovative 2-lane paper handkerchief production and packaging performance servo motor technology for higher dynamic response and shorter cycles".

It has an output of up to 4,600 sheets per minute and is the fastest 2-lane handkerchief production and packaging system worldwide, according to the business.

W+D FLOWTOS is designed to let the customer customise settings to accommodate a wide range of product requirements and size variations.

It is extremely accessible, easy to load and maintain – and slashes change-over times required for the adjustment needed to produce different sizes.

SCA REPORTS 28% INCREASE IN 1Q TISSUE NET SALES

SCA has said acquisitions, higher volumes and cost savings have contributed to its tissue division's earnings improvement.

Between 1 January and 31 March 2013 compared with the same time a year ago, net sales for the division rose 28% to SEK 11,630m.

Higher volumes increased sales by 3% and acquisitions increased sales by 30%. Sales in emerging markets rose 17% and sales of consumer tissue rose 35% mainly as a result of acquisitions in Europe and Latin America.

Sales of AfH tissue rose 28% mainly related to the acquisition in Europe.

Chief executive Jan Johansson said the hygiene operations are showing "favourable sales growth and improved earnings".

He said: "The efficiency programmes in the hygiene and forest products operations are continuing according to plan.

"Consolidated net sales for the first quarter of 2013 rose 20% compared with the same period a year ago.



Favourable growth: Jan Johansson

"Operating profit excluding exchange rate effects and items affecting comparability rose 25%. The corresponding profit for personal care and tissue rose 27% and 40%."

Following SCA's acquisition of Georgia-Pacific's European tissue operation in 2012, the European Commission set conditions for divestments of consumer tissue businesses.

The European Commission has now approved all of SCA's divestments.

For the group, net sales rose 15% to SEK 22,386m while pre-tax profit increased 29% to SEK 1,941m.

VOITH LAUNCHES MASTERJET PRO T HEADBOX

Voith has targeted the tissue market with the launch of its new MasterJet Pro T headbox.

With this headbox, the company said "an excellent quality level with minimum energy consumption" is reached, and that it works reliably under most demanding conditions.

The company said: "All required adjustments can be set precisely and are designed for long-term stability.

"The 2- or 3-layer headbox configuration ensures excellent purity between the layers without the risk of streakiness."

With MasterJet Pro T a higher consistency of the suspension in the headbox can be achieved, without any negative impact on the paper formation.

"This way energy is saved both in the approach flow system as well as in the former section. The headbox requires low maintenance and allows easy ac-

cess for cleaning."

Additionally, OnQ ModuleJet actuator technology can be installed for the best possible basis weight cross profiles.



"Excellent quality level": The MasterJet Pro T headbox

FLEXLINK LAUNCHES X65 CONVEYOR PLATFORM

Flexlink has launched the X65 conveyor platform, which the company said offers twice the strength compared to today's standards and "triples user value".

It offers "a high flexibility in line design as well as an easily reconfigurable and small footprint".

With the increased strength the amount of conveyors is also reduced.

Göran Abbestam, product manager at Flexlink said: "The doubled conveyor strength has a dramatic effect on the service life and maintenance intervals of systems installed.

"In addition, the layouts can be made simpler as fewer drives and transfers are required for a given layout due to the increased maximum conveyor length.

"To the user, this has a substantial, positive impact with less complexity and a lower cost of installation."

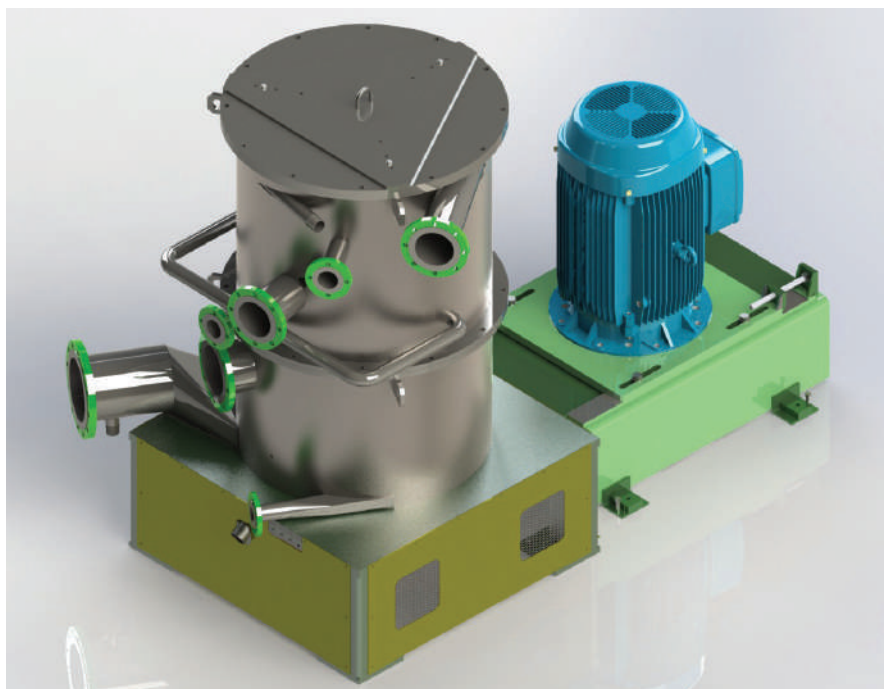
The new conveyor can help tissue companies reduce the total cost of ownership by setting new standards in strength, speed, cost of installation and maintenance and energy consumption.

He added: "The new conveyor system

reduces engineering time and ramp-up time also ensuring a trouble-free operation.

"The double strength, patented chain design allows high capacity, longer service life and a lower number of drive units."

It also has lower energy consumption with reduced system friction due to unique and exact design of all sliding surfaces and applying of latest drive technology with high efficiency drive units as standard.



Reduced engineering time: The X65 conveyor platform

Global

GLOBAL BSK PRODUCER STOCK DECLINE LEADS ONE-DAY DROP, AS BHK OVERHANG COULD HIT MAY BEK \$30/TONNE HIKE

A seasonal bounce in demand and a two days-of-supply reduction in bleached softwood kraft (BSK) stock led overall worldwide chemical market pulp producer inventory to decline by one day in March.

The inventory total closed at 35 days of supply, the Pulp and Paper Products Council (PPPC) has reported.

But different from softwood's supply position, producer inventories of bleached hardwood kraft (BHK) were above balanced at 41 days-of-supply at the end of March and buyers are expected to mount an aggressive pushback against \$30/tonne hikes that Latin American producers proposed for 1 May in key global markets, according to contacts.

Global BSK producer inventories closed March at 29 days-of-supply, down the two days from a revised 31 days of stock. The 29 days returned stocks into the range of 28-30 days that most producers and analysts consider balanced.

A contact at a major northern bleached softwood kraft (NBSK) producer who reported implementing the \$930/tonne list price this month in the USA said: "Our order volumes are very good this month and demand has been quite good."

Tissue demand impact. Year-to-date pulp sales to North America totaled 658,000 tonnes, up 8.3% vs year-ago results "in part due to new tissue capacity," the PPPC said. Since last September, four virgin- and deinked pulp-fibred tissue paper machines started up in the USA.

Kimberly-Clark recently reported about a \$15 million higher cost paid for market pulp in the first quarter 2013 (vs first quarter 2012). K-C president and chief executive Tom Falk told analysts on a conference call that the firm expected additional commodity costs of \$150 million to \$250 million

in 2013 – with two-thirds of that additional cost for buying pulp.

North American shipments posted bigger gains in March, up 10% from March 2012 and up 14.8% sequentially. The newly ramped up tissue machines buoyed demand for NBSK and bleached eucalyptus kraft (BEK), according to producer sources.

Worldwide shipments of BSK totaled 1.964 million tonnes in March, up 8.5% sequentially and up 2.3% from year-ago results of 1.920 million tonnes, according to PPPC data. Year-to-date, BSK deliveries of 5.571 million tonnes were down 0.3% from the same period in 2012.

While April's NBSK price increase went through relatively easily domestically, a proposed \$30/tonne global hike from BEK producers Fibria and Suzano is bound to face spirited resistance from US buyers who've bristled at lower prices offshore and the high reported BHK inventories. The firms separately announced 1 May list prices at \$900/tonne in North America, \$850/tonne in Europe, and \$750/tonne in Asia.

The PPPC revised February overall inventories to 36 days-of-supply, up from 35 days originally reported, with BSK revised up one day and BHK to 41 days-of-supply (up from 39). March BHK producer stocks closed at 41 days-of-supply, flat from the February's revised total. That's a level widely considered above balanced.

A small poll of analyst sources on 26 April said the one day-of-supply drop in overall producer stocks corresponded to an estimated 125,000-tonne decrease. Based on the PPPC's February raw inventory of 4.340 million tonnes, that would put March's closing level at an estimated 4.215 million tonnes.

'Hardwood inventory disappointing.' Deutsche Bank analyst Josh Milberg called the BHK stock results "disap-

pointing," adding, "we think they suggest a more challenging environment for implementing the May \$30 global BEK price hike even taking into account somewhat better than expected Chinese volumes."

March PPPC data also showed a 14.5% rise in global BHK shipments month-over-month, with 1.827 million tonnes flat from year-ago results of 1.824 million tonnes. A rebound in shipments to China, where overall deliveries of 954,000 tonnes was up 9.7% vs 870,000 tonnes in February, contributed to the BHK shipment rise.

Arauco sets flat BSK in China. At least three producers recently announced their May prices in China. Arauco and Ilim separately announced flat prices on bleached radiata pine and Russian BSK, respectively, while Tembec on Friday announced an increase on high-yield pulp.

Arauco announced flat May prices on its bleached radiata pine (BKP) and unbleached kraft (UKP) in China, at \$690/tonne net and \$620 net, respectively. Ilim's Russian BSK price was to remain at \$680 net CFR to major ports, while the China/Manzhouli border would be \$650 net.

While Arauco's flat BKP and UKP were slated flat, the firm told customers its BEK list price would rise \$30/tonne to \$750. That's the same list in China Fibria and Suzano announced previously for 1 May (P&PW, 5 April).

Tembec out on BTCMP. Tembec, meantime, said its "high-freeness" aspen 80 high-yield pulp, also called bleached chemi-thermomechanical (BCTMP), would be \$590/tonne in China effective 1 May.

Tembec did not state how much the increase would be, but BCTMP producer sources recently said demand was increasing for hardwood BCTMP in part because Asian buyers have sought tonnes as they resist BHK price increases.

News from RISI (www.risiinfo.com)



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Canada

KRUGER PRODUCTS REPORTS 1Q RESULTS FOLLOWING TAD CONSTRUCTION

Canadian manufacturer Kruger Products has posted an increase in its 1Q 2013 revenue after it completed the construction phase of its TAD project.

It reported revenue of \$221.8 million, up 2.6% year over year. The figure was positively impacted by volume and mix increases mainly from five additional days of sales.

The increase was also driven by increases in consumer and AfH segment revenues.

Earlier this year, Kruger Products finished the construction phase of its \$322 million new through-air-dried (TAD) tissue machine project at its Memphis, TN, mill.

When fully optimised, the new TAD tissue machine is expected to increase the company's production capacity by approximately 20%, or 60,000tpy.

Chief executive Mario Gosselin said: "We are carrying out our strategy to gradually ramp up TAD product sales in

2013 which should generate positive EBITDA for the year as a whole.

"We have benefited from additional days of sales in the quarter and solid growth in the US business."

He added that this was partly offset by the decision to cease production of parent rolls for sale last year.

"While our private label revenue was strong, sales in our Canadian branded business were somewhat soft in Q1 primarily due to the timing of our promotional activities. We expect

revenue to improve in Q2 and Q1."

EBITDA for the quarter was \$25.1 million, a decrease of 7.8% year over year, but an increase compared to the EBITDA the company recorded in the 4Q of 2012. Gosselin said: "Q1 EBITDA benefited year-over-year from the business realisation programme we implemented last year along with reduced management fees.

"These gains were impacted by start-up costs for the TAD project and higher fire and energy costs. In addition, our AfH segment EBITDA returned to a more normalised level in the first quarter.

"We look ahead to the rest of 2013 with confidence in our business model considering the positioning of our brands and the strong initial reaction of customers to our TAD products in the premium private label market."

Kruger Products is a Canadian manufacturer of quality tissue products for household, industrial and commercial use.

"We look ahead to the rest of 2013 with confidence in our business model considering the strong initial reaction of customers to our TAD products"

Kruger CEO, Mario Gosselin

Italy

LUCART GROUP STREAMLINES OPERATIONS

Italy's Lucart Group has announced a streamlining of its operations through a merger of its various units into a single company.

The group, which is the parent company of Cartiera Lucchese, has incorporated its Fato Professional SpA, Forest Srl and Airtissue Srl into Cartiera Lucchese SpA, which will in turn now operate under the name Lucart SpA.

Fato Professional specialises in tissue products for the AfH sector and is also a leading producer of paper table covers and placemats. The Forest unit is active in the timber sector.

Airtissue, which was formerly part of Georgia-Pacific, includes the 45,000tpy Castelnuovo mill in Lucca and the 16,000tpy Avigliano mill in Potenza.

News from RISI (www.risiinfo.com)

US

GREEN INNOVATIONS TO LAUNCH NORTH AMERICA'S FIRST TREE-FREE BAMBOO-BASED BATH TISSUE

Green Hygienics is set to launch an exclusively licensed line of tree-free bamboo-based bath tissue.

The Green Innovations subsidiary said it will be the first ever tree-free bamboo fibre-based toilet paper products available in the North American market. The new products will be sold under the GHI "Sensational" brand.

Philip Rundle, chief executive of Green Innovations, said: "The bath tissue market in North America is absolutely enormous, valued at an estimated \$21.6 billion annually, and we feel that tree-free bamboo is going to quickly establish itself as the fastest growing and highest margin component of the industry.

"Our supply partners are at the cutting edge of the manufacturing capabilities that make these eco-friendly products possible on a global volume scale. We feel it could rapidly become our highest demand product and provide significant revenues to the company.

"GHI is currently finalising samples and packaging for the North American market and expects to be offering product to wholesalers and retailers in less than two months time."

Green Innovations, through its wholly-owned subsidiary Green Hygienics, is the exclusive licensed North American distributor of American Hygienics Corporation's 100% tree-free bamboo-based product line, including personal care and paper-based goods.

Indonesia

PT. SUPARMA SIGNS FOR NEW TISSUE LINE

Indonesian tissue producer PT. Suparma has signed for a new Metso-supplied tissue line that targets cost-efficient high-quality tissue production.

It will be installed at the company's mill in Surabaya and start-up is scheduled for 2014. The value of the order will not be disclosed.

The new line will have a width of 2.75m and an operating speed of 1,600m/min. It will add another 25,000 tonnes per year of bathroom tissue, towel grades and diaper tissue to the company's existing production for the Indonesian market.

Raw material for the new production line will be virgin fibre and recycled fibre.

Lanny Bernadette, director at PT. Suparma, said: "Since 2007 we have used 96% of our existing tissue machine capacity and this has forced us to install a new machine in order to develop our market.

"We decided to place an order with Metso because quality is essential for us and we believe that Metso have an

advanced technology that will certainly produce a high-quality tissue product."

Delivery will comprise a complete high-speed tissue production line featuring an Advantage DCT 100 tissue machine equipped with an OptiFlo headbox, a Metso cast iron Yankee cylinder and an Advantage AirCap Yankee hood.

Metso will also supply a part of the stock preparation equipment. The delivery will include basic engineering for the new tissue machine and

services for installation and start-up of the machine.

PT. Suparma was founded as a paper and board producer in 1976. The company established its first tissue machine in 2007.

It supplies high-quality board, laminated wrapping kraft and tissue paper to the Indonesian market as well as the Asian, Australian and African market.

It employs 1,800 people and produces a total of 190,000 tonnes of paper per year.



Adding 25,000 t/py of bathroom, towel grades and diaper tissue: PT. Suparma and Metso signing ceremony at the Surabaya mill

shortissues

Apex North America has been granted its first US patent for its Genetic Transfer Technology (GTT). The GTT Anilox technologies have been recently introduced into the niche towel, tissue and napkin market. The company has also appointed newcomers David Root, David McBeth, Mark Sherk and Douglas Burich to spearhead its American business. Root concentrates on the towel, tissue and napkin sector. He told TW: "GTT was developed as a viable solution from the standard conventional cell anilox geometry."

Södra has raised the price of its softwood pulp to US\$ 890 in Europe. The increase took effect as of 1 May. In a statement, the company said: "The market balance has been improved during the first quarter 2013, which has resulted in lower global market pulp stock levels for softwood pulp." The company declined to comment further at this time.

Fibria has raised the price of its bleached eucalyptus kraft (BEK) pulp prices worldwide. The company has increased prices by \$30/tonne in all markets as of 1 May. This takes the prices in North America to \$900/tonne, in Europe to \$850/tonne and in Asia to \$750/tonne. The last price increase announced by Fibria was for March volumes.

Metso has received an order for a complete tissue production line for Syktyvkar Tissue Group in Russia. The new tissue machine will be installed at the company's new site in Semibratovo, located some 220 km from Moscow. The start-up of the machine is scheduled for mid 2014. The value of the order was undisclosed. The order follows the previous Metso installation of an Advantage DCT 100 tissue machine in 2007 and a major tissue machine rebuild during 2012.

US

SOUNDVIEW IN US FIRST WITH GAS FIRED BOILER

Soundview has started using natural gas instead of oil as boiler fuel for its recycled tissue, towel and napkin operation in Putney, Vermont.

The move is a first in the US according to the business, which manufactures tissue and towel products in the private label, AfH, office and At-Home markets.

The Putney plant operates 24/7 making tissue, towel and napkin products from recycled material for AfH use at commercial and institutional facilities.

There is no natural gas pipeline in Putney, but the facility has been using natural gas in its boilers continuously since the end of March with trucks from NG Advantage delivering compressed natural gas (CNG).

The company said: "This "virtual pipeline" is the first time that US companies located beyond the reach of physical pipelines have been able to take advantage of inexpensive, clean North American natural gas."

Soundview chief executive George Wurtz said: "Lower energy costs are crucial to being competitive and we are also focused on reducing the environmental impact of our products.

"Using CNG to run our Putney plant meets

both our economic and environmental goals and our CO2 emissions are now 28% lower than with oil and there are practically no other emissions."

Earlier this year, the company boosted its AfH product offering after it purchased Putney Paper, a subsidiary of towel and paper products manufacturer APC Paper Holdings.

With the acquisition, the former owner of the Marcal paper plant in Elmwood Park in North America broadened its range of commercial towel manufacturing capabilities, expanding its finished paper product ranges to include tissue, towel and napkin products.

Soundview Paper Company is part of Atlas Holdings which owns and operates more than 70 facilities with nearly 9,000 employees worldwide.

It manufactures tissue and towel products in the private label, AfH, office and At-Home markets.



Soundview's Putney, Vermont-based mill

WAUSAU PAPER REPORTS 1Q NET LOSS

Wausau Paper has made "significant progress on repositioning itself to focus on tissue" as it reports a net loss of \$1.7m in its first quarter results.

The results reflect the impact of the start-up of the \$220m tissue expansion project in Harrodsburg, Kentucky, and the conversion of its new machine from conventional to ATMOS production.

The conversion was completed in February and the qualification process for a new portfolio of 100% recycled products has started.

During the quarter, the company announced its repositioning of the business to focus on tissue, as well as qualified a family of new products on ATMOS substrates to support the second-quarter launch of the DubINature brand.

Chief executive and president Henry C. Newell said: "The recent investment in the tissue business positions us for growth with a long term return on capital goal of 18% and achievement of 15% return on capital by the end of 2014.

"We remain committed to delivering 6% case shipment growth in our tissue business by the fourth quarter of 2013."

First-quarter volume was "relatively flat" compared to the prior year, while volume in the support product categories was strong increasing 3%.

Austria

SCA ORTMANN'S CHATTER MARK PROBLEMS SOLVED BY INFINIKOTE

SCA has said the chatter mark problems on its PM4 Yankee dryer have been solved by Infinikote.

After several years of regrinding, SCA Ortmann had thermal spraying on the Yankee dryer using Infinikote from Metso. It used Metso's Farros MZA grinding machine and six spray guns to apply the Infinikote.

Josef Berger, operation manager, SCA

Hygiene Products, said: "Today we have nearly no Yankee wear.

"Both machines have been running trouble-free for more than 12 years without regrinding. We are very satisfied with the result and so is our machine operator who handles the Yankee dryer with care and makes sure the creping operation is well center-lined."

SCA Ortmann is located in Pernitz, a one-hour drive from Vienna. The mill has two tissue machines producing bathroom tissue, napkins and hankies. According to Metso, PM 4 is the widest tissue machine in Europe with a sheet width at the reel of 6.92 metres.

The machine is running 100% recycled pulp at 1,870m/min and it produces 91,000 tonnes per year.

US

1Q END-PRODUCT PRICES SHOW LITTLE CHANGE FOR NORTH AMERICAN PRODUCERS

Four tissue paper producers in North America reported mostly flat pricing for the first quarter vs their levels in first quarter 2012.

North America's second and third largest tissue paper producers, Kimberly-Clark (K-C) and Procter & Gamble (P&G), reported pricing gains in the quarter of 1% and 2%, respectively.

K-C's gain is for consumer tissue; P&G's for a mixture of its consumer diaper and tissue businesses, so it's unclear what the average was for tissue.

Clearwater Paper's average for first quarter was down 0.4% because of a 2.6% decline in non-retail pricing "caused by lower machine-glazed and contract manufacturing pricing," the company reported.

Clearwater is the second largest private label supplier in North America.

Small-capacity producer Orchids Paper Products reported a 1% price decline, quarter-over-quarter.

'MIXED BAG' FOR CLW.

Clearwater Paper (CLW) president and chief executive Linda Massman said first-quarter tissue performance was a "mixed bag," and cited the "complexity and rebalancing (of) the network as our new customers came online, coupled with the low inventories and [the introduction of through-air-dried TAD] bath tissue were more challenging than I think could have been anticipated."

Clearwater started up a new TAD machine in Shelby, NC, at the end of last year and also upgraded a TAD PM in Las Vegas to produce bathroom tissue.

Massman told analysts based on a Seeking Alpha transcript of the firm's earnings call this week that the company was working to fix the

operational issues by "getting our mix of inventory back to healthy operational levels, reducing purchases of external paper, minimising paper machine changeovers wherever we can, and prioritising customer service related decisions."

CFO John Hertz said "near-term customer demand for conventional bathroom tissue outstripped our ability to efficiently produce and transport it, which gave rise to the cost pressure that we experienced in the quarter."

"Our efforts in this area include a targeted 5% net productivity increase across our manufacturing operations, even as we add new manufacturing capacity."

P&G CFO, Jon Moeller

The Shelby TAD produced 13,000 tonnes in the quarter, in line with expectations for 55,000 tonnes this year and 70,000 by first quarter 2015, the company said.

The company shipped 94,000 cases in the quarter of TAD bathroom tissue, Hertz said. He said the company expected to ship about 18,000 to 20,000 tonnes and four million to five million cases in 2013.

Clearwater's consumer product sales were \$285 million, up 2% vs fourth quarter sales. Retail grew 8% primarily in bathroom tissue and non-retail declined 7%, Hertz said.

Retail price per tonne declined 2% vs the fourth quarter and non-retail fell 1%.

Massman said Clearwater also announced a 1 May increase for its

tissue and machine-glazed parent rolls.

COST CUT FOCUS FOR P&G

P&G's diaper and tissue family/baby care unit increased sales by 3% in its fiscal quarter through March. Overall, 20% of P&G's first quarter sales totaling \$4.27 billion was from baby/family care. The unit's share of company operating earnings was 28% (\$939 million).

P&G remained steadfast about cutting costs, executives told analysts this week.

"We are on track to deliver more than \$1.2 billion in savings (by the end of June)," CFO Jon Moeller told analysts, based on a Seeking Alpha transcript of the company's earnings call. "Our efforts in this area include a targeted 5% net productivity increase across our manufacturing operations, even as we add new manufacturing capacity."

Moeller said P&G is "shifting a greater portion of media spending to digital. This offers a higher return on investment. We're also making good progress on cost savings in non-media marketing spending."

K-C COTTONELLE GAIN

K-C reported gaining Cottonelle business in the quarter from a competitor, but president/CEO Thomas Falk didn't expect the increased volume to remain for the rest of this year.

Falk also said that K-C "is not stopping at (a consumer tissue margin of) 15%." He told analysts that the company expects to grow in flushable wipes that will be launched in North America after a "terrific launch in the UK" and "we are starting to look at other things that we can do with our great tissue brands that bring more margin and revenue into the category".

News from RISI (www.risiinfo.com)

China

APP TO LEAPFROG TO GLOBAL TISSUE TOP SPOT WITH CHINESE, INDONESIAN INVESTMENTS

Asia Pulp & Paper (APP) has rolled out an aggressive expansion plan that will see it leapfrog Kimberly-Clark, SCA Hygiene Products and Georgia-Pacific to become the world's top tissue producer by 2015.

Following last year's astonishing announcement it would build 42 tissue paper machines with a whopping combined capacity of nearly two million tonnes/yr in China, APP has unveiled plans to erect 15 large tissue machines with a combined capacity of 900,000 tonnes/yr at two of its mills in Indonesia.

An APP senior executive said that 14 out of the 15 units, all having a

'The first PM is slated to come on stream in November, followed by the start-up of the second in December. The rest of the four A Celli machines are planned to be commissioned next year.'

capacity of 60,000 tonnes/yr, will be installed at its Perawang mill on the island of Sumatra.

The remaining PM will go to its Jambi site, also in Sumatra.

He added that the company has so far ordered six of the 5.6 m-wide PMs from A Celli for the Perawang facility.

Construction work at the site has kicked off, paving the way for their installation.

The first PM is slated to come on stream in November, followed by the start-up of the second in December.

The rest of the four A Celli machines are planned to be commissioned in January, February, March and May next year, said the contact.

APP is still negotiating with suppliers for the other nine machines.

The one to be erected at the Jambi plant will be decided on next, as its startup is scheduled for June 2014.

The remaining eight PMs in the pipeline for the Perawang site are expected to come online between mid-2014 and 2015.

The start-up of the 15 PMs will boost APP's total tissue capacity in Indonesia from 584,000 tonnes/yr now to 1.484 million tonnes/yr by the end of 2015.

In China, the company is moving on with the previously announced expansion scheme. Out of the 42 planned new PMs, two 60,000 tonne/yr A Celli machines were commissioned at its Haikou complex in Hainan province in February and March, which takes the firm's total tissue capacity in the country to 892,000 tonnes/yr.

The remaining 40 PMs are planned to be installed at APP China's other sites, and are expected to come on stream in the next three years.

Their commissioning will bring the firm's total tissue capacity in China to 2.764 million tonnes/yr.

Presently, APP's total tissue capacity reaches 1.476 million tonnes/yr.

It is the fourth largest tissue producer in the world after Kimberly-Clark (3.777 million tonnes/yr), Georgia-Pacific (3.457 million tonnes/yr) and SCA Hygiene Products (2.525 million tonnes/yr), according to RISI World Tissue Capacity Report 2012.

If APP stays on course to build the remaining machines as planned, its total tissue capacity will amount to 4.248 million tonnes/yr in 2015, overtaking the existing top three and becoming the world's top tissue producer.

The capacity report forecasts that Kimberly-Clark's global tissue capacity will dip slightly to 3.735 million tonnes/yr by 2015.

That represents a shortfall of 513,000 tonnes/yr on APP's planned 4.248 million tonnes/yr.

This means that even if some of the planned APP machines do not start up as scheduled due to late deliveries of equipment, construction delays or labour shortages, which are not uncommon problems in China and Indonesia, APP is still likely to become the world's leading tissue manufacturer in three years time.

In-house virgin fibre edge: APP's in-house fibre supply is a key factor behind the ambitious tissue expansion.

The APP executive pointed out that the firm is now essentially self-sufficient

'Even if some of the planned machines do not start up as scheduled APP is still likely to become the world's leading tissue manufacturer in three years time.'

in pulp and has hardly any need of purchasing it from the market.

The Perawang and Jambi mills are both fully integrated, having a combined bleached hardwood kraft (BHK) pulp capacity of around 3.5 million tonnes/yr, including both wet and dry pulp.

The Haikou complex, also fully integrated, can churn out 1.8 million tonnes/yr of BHK pulp.

The contact said the firm will continue to carry out an ongoing debottlenecking programme to upgrade the pulp lines at the Perawang facility, with the target of boosting its BHK capacity from the current 7,500 tonnes per day to 8,000 tonnes per day in the near future.

APP's bleached softwood kraft (BSK) pulp furnish is mainly imported from North America and Europe. Much of the pulp is produced by Paper Excellence, which has acquired several pulp mills in the past few years.

Paper Excellence has bought five pulp mills in Canada: the 270,000 tonne/yr BSK Pictou facility in Nova Scotia; the 330,000 tonne/yr Prince Albert BSK facility and the 400,000 tonne/yr Meadow Lake chemi-thermomechanical pulp mill, both in Saskatchewan; and the Mackenzie and Howe Sound mills, British Columbian properties that can produce 235,000 tonnes/year and 400,000 tonnes/yr of bleached softwood kraft pulp respectively.

Paper Excellence's French affiliate, Fibre Excellence, runs two pulp mills it acquired from Tembec: the 305,000 tonne/yr Saint-Gaudens hardwood kraft pulp facility and a 260,000 tonne/yr softwood kraft pulp plant in Tarascon.

Last month Paper Excellence struck a deal with Tembec to acquire its 270,000 tonne/yr Skookumchuck BSK facility in British Columbia. Pending regulatory approval, the deal is expected to close in the second quarter.

All the tissue machines APP operates in China and Indonesia use virgin fibre as furnish to produce high quality tissue products.

It has occasionally bought bamboo pulp on the market and mixed it with wood fibre for certain products, such as kitchen rolls.

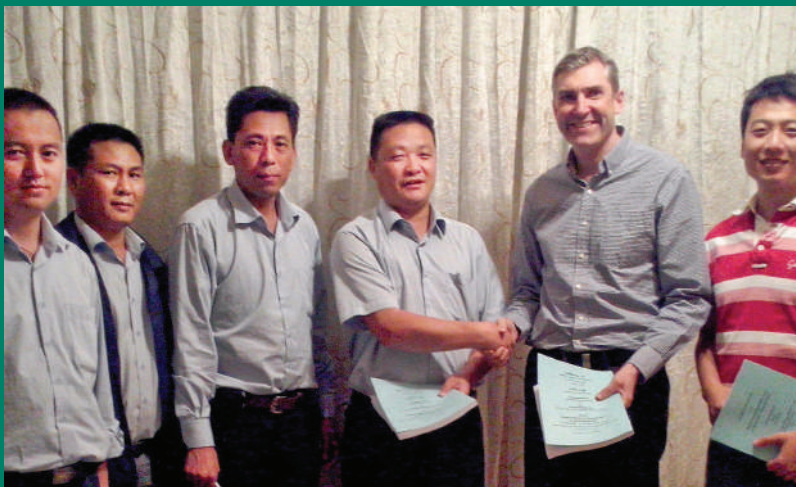
PMs modified: Back at the Perawang site, APP had previously run 17 tissue machines with a combined capacity of 372,000 tonnes/yr.

But the firm recently modified two 20,000 tonne/yr units, converting them to the manufacture of machine-glazed paper, used in packaging of gift, food and fruits.

Each of the machines can produce 12,000 tonnes/yr of the grade after the revamp.

News from RISI (www.risiinfo.com)

YUNNAN YUN-JING TO INSTALL HIGH-QUALITY TISSUE LINE



Boost to tissue production: Yunnan Yun-Jing and Metso executives shake on the deal

China's Yunnan Yun-Jing forestry and pulp mill company is to boost its product range after it announced it will install a complete tissue production line.

Metso will supply the line to the company's Jinggu County mill, where it will produce high-quality tissue products.

The new line will have a width of 2.85m and an operating speed of 1,870m/min, with a yearly production of 30,000 tonnes of bathroom tissue for the Chinese market.

Raw material for the new production line will be virgin fibre from the company's own pulp mill.

Start-up is scheduled for mid 2014 and the value of the order was not disclosed.

The producer's deputy manager, project management, Chen Xueping, said: "This will be the most advanced tissue machine with the highest capacity and product quality and the lowest energy consumption in the Yunnan Province.

"The new tissue line will integrate tissue making to Yunnan Yun-Jing's current business and will supply high-quality tissue to the Yunnan market.

"We are convinced that the new line will improve our competitiveness and support our market expansion."

Metso's delivery will comprise: a complete high-speed tissue production line featuring an Advantage DCT 100+ tissue machine equipped with an OptiFlo II TIS headbox, an Advantage ViscoNip press for improved press dryness, and a Metso special alloy cast iron Yankee cylinder with an Advantage AirCap Yankee hood.

Metso will also supply stock preparation equipment and Metso DNA automation and Metso IQ quality control systems.

Yunnan Yun-Jing Forestry and Pulp Mill Co. Ltd is an agricultural enterprise in Yunnan Province.

The company operates in the forestry and coal mine businesses and is the holder of one million acres of forestry land.

China

YUEN FOONG YU ORDERS FOUR INTELLI-TISSUE™ 1500

Yuen Foong Yu (YFY) has ordered four Intelli-Tissue™ 1500 machines from PMP Group as it continues along its substantial expansion path.

The company has invested over US\$260 million in Taiwan and China and is planning a dynamic increase of its household paper machines to double its current production capacity, reaching 420,000 tonnes.

PMP will deliver four new complete Intelli-Tissue® 1500 lines ensuring 108,000tpa total capacity increase. The business has previously delivered three TMs for YFY's Beijing and Yangzhou mills.

The new 2.8m width CF tissue machines will have an operating speed of 1,600m/min. They will produce virgin fibre-based tissue in the basis weight range at reel from 13-31.3gsm for conversion into facial tissue, toilet rolls and kitchen towels.



Expansion path: Contract ceremony for the four Intelli-Tissue™ 1500 machines

The scope of supply covers stock preparation, entire tissue machine (Intelli-Jet V® headbox, Intelli-Former® Crescent Former, Intelli-Press® with 16" YD and high efficiency steam hood and Intelli-Reel®) including auxiliary

systems. YFY paper brands include Mayflower, Tender and Delight.

Through production expansion and product line extensions, YFY's goal is to be ranked in the top five tissue producers in China.

Chile

FORESTAL Y PAPELERA CONCEPCIÓN INVESTS IN TISSUE LINE

Chilean company Forestal y Papelera Concepción has signed for a Metso-supplied Advantage NTT production line which will provide high product quality and flexibility.

The line will be supplied to the company's Concepción-based site. The packaging board producer is entering the tissue business and is preparing to start up its first tissue production line.

The new line will be the world's second tissue line based on Metso's Advantage NTT concept and the first with a 5.5-metre paper width.

The line is scheduled to start up at the end of 2014. The value of the order has not been disclosed.

Metso said the Advantage NTT technology enables premium bulk and softness properties as well as providing energy savings compared to conventional or structured tissue grades.

The Advantage NTT concept is a flexible production tool and quickly enables

change between production of conventional and premium tissue and towel products. It also features very high production capacity.

Guillermo Swett, chief executive of Forestal y Papelera Concepción, said: "We are entering the tissue business after operating in the newsprint and packaging paper segments and we are aiming for top level products.

"Therefore Metso's Advantage NTT tissue line was the best choice for us."

Metso's scope of supply will comprise a complete Advantage NTT 200 tissue

machine with a width of 5.5m equipped with an OptiFlo II TIS headbox, a Metso cast iron Yankee cylinder, an Advantage AirCap Yankee hood and an Advantage SoftReel reel.

The tissue line will also be equipped with an Advantage WetDust dust management system, sheet control, tail threading equipment and complete stock preparation systems.

The line will be fully automated and optimized to enhance final product quality.

The new tissue line will have a capacity of 70,000 tonnes per year of bathroom tissue, napkin and towel grades.

Forestal y Papelera Concepción was founded in 1995. Since 2009 it has mainly been producing recycled fibre-based packaging paper.

Its new tissue production line and converting facilities will deliver jumbo rolls and converted tissue products for the South American and US market.

'The new line will be the world's second tissue line based on Metso's Advantage NTT concept and the first with a 5.5-metre paper width.'

Japan

MARUTOMI INVESTS IN A TOSCOTEC STEEL YANKEE DRYER

Japanese tissue producer Marutomi has boosted its production speed after it invested in a Toscotec Steel Yankee Dryer to replace its existing 12ft Cast Iron Yankee.

The TT SYD-12FT (PM 1) features a crescent former configuration with a sheet width at pope reel of 3,140mm and will be installed at the company's Fujine mill in Fuji, Shizuoka Prefecture. It will be installed by the end of 2013.

Founded in 1955 with one 1.2m wide tissue machine and nine employees, Marutomi now has 13 TMs.

It manufactures bath tissue from recycled paper and has grown into one of Japan's largest producers of toilet rolls with a market share that it estimates to be around 14%.

It uses 100% recycled fibre; 95% of its production is toilet tissue and the remaining 5% is facial tissue.

Belarus

MUNIKS BOOSTS PRODUCTION CAPACITY WITH CRESCENT FORMER BUY

Muniks has invested in a secondhand slope wire machine that it plans to rebuild into a Crescent Former.

The Minsk, Belarus-based tissue producer has made the investment to improve the quality of its tissue products following an increase in demand from customers.

Hergen Paper Machinery has been contracted to supply the complete Crescent Former unit which included all necessary supplement engineering and start up services.

Once up and running, the 2.5m machine will work at 1,100 m/min to

produce light tissue from 13g/m² up to 30g/m² from virgin pulp.

The concept of rebuild is based on Hergen's HCF 800 - Smart Plus design including HCF 800 Innova Flow headbox and Crescent Former unit.

Reusing of existing machine components was the key to achieve the best investment costs with top tissue quality and required capacity.

The mill operates two fourdrinier machines producing waste paper and partially virgin pulp tissue products. The 60tpd machine will be started up at end of 2013 year.

Russia

SYKTYVKAR TISSUE GROUP PLANS FOR TURNKEY DIP LINE

Syktyvkar Tissue Group has invested in a turnkey deinked pulping (DIP) line, a move that will help the company on its way to becoming the largest tissue producer in Russia.

The recycled fibre deinking line will be installed at the company's greenfield site in Semibratovo, located in the Yaroslavsky region of Russia.

It will have a capacity of 110 bone-dry metric tonnes per day and will feature Kadant's technologically advanced compact concept deinking line.

It enables the mill to operate with low energy consumption and maintain a small installation footprint minimising the total investment in buildings and annual operating costs.

The compact DIP line will include the power-saving HelisoftT pulper rotor, the patented, all-in-one ScreenOneT pressure screen, the patented new MAK-CT deinking cell, and the industry standard DNTT stock washer.

In addition, the FibreWallT screen cylinder is included with the ScreenOne system to maximise screening efficiency and the water treatment plant will use Kadant's pioneering Poseidon technology.

shortissues

Realcarta has boosted its production capacity after it inaugurated an Amica Matrix converting line for industrial products at its production site in Perugia. The line is dedicated to the converting of tissue products for professional, industrial and sanitary use. The new line was installed alongside a start-stop line already in production, an IR 505 with industrial log saw LS 33 also supplied by PCMC.

Cascades has announced that its chief operating officer Mario Plourde has succeeded Alain Lemaire to become president of the company. The transfer took place on 9 May following

a two-year transition period. Since his arrival at Cascades in 1985, Plourde has occupied various positions including controller, plant manager and general manager.

APP China has started up two large tissue paper machines at its Haikou mill on China's southernmost island of Hainan, with a combined capacity of 120,000tpy. The two identical crescent formers, dubbed PM 21 and PM 22, came online on February 21 and March 20 respectively, said a company spokesman. The two PMs were supplied by A Celli, each having a width of 5.63m and a design speed of 2,400m/min, with a capacity of 60,000tpy.

Brazil

SEPAAC INCREASES OPERATING SPEED AFTER INVESTMENT

Sepac has said its operating speeds on two paper machines have increased by 20% after it invested in two Hergen-supplied Steel Yankee Dryers.

At the end of 2012 the Brazilian tissue producer replaced two existing cast iron Yankee dryers for its machine # 1 and # 2.

The two 10ft (3,048mm) nominal diameter dryers are manufactured in carbon steel and internally ribbed.

The machines changed from 1,000m/

min to 1,200 m/min in the smallest basis weight.

According to Hergen, this improved the superiority of the drying capacity of the ribbed dryers in relation to conventional cast iron cylinders when working at the same steam pressure.

Due to the drying capacity increase, Hergen added that Sepac decided to turn off the steam showers previously installed at the suction presses of both machines and also eliminated the post

dryers used in the production of high basis weight towel.

The new ribbed dryers resulted in a more stable and easy to control coating, which brought a much "more precise and uniform creping process that allowed producing higher quality papers with proven smoothness increase".

Sepac was founded in 1974 and now produces over 75,000tpy of high quality paper.

Tissue World Americas 2014 Conference

Call for Papers – Submit abstracts now. Deadline ASAP, or absolute latest 1 October 2013

Conference Theme

Tissue: Unique products based on advanced technology for improving global hygiene, health and sustainability

Tissue is big business! Worldwide sales are estimated at USD 80 billion/yr in categories like bath tissue, paper towels, facial tissue, and table napkins, as well as commercial and industrial wipers. As a sign of the size of tissue products, Costco, the world's number 6 retailer, recently said its Kirkland brand bathroom tissue is its single top-selling item, with yearly sales of USD 400 million.

Brand-new track focused on retailers/distributors

To examine and gain insight about the latest developments in tissue making and converting, as well as new tissue products, and retail/distribution market topics the Tissue World Americas 2014 in Miami will include numerous conference tracks. In addition to the traditional focus on tissue production, machines, raw materials and supplies, a brand-new Tissue Retailers

and Distributors Insight Forum (TRIF) will be held. More information on this very logical extension of Tissue World will be forthcoming in the coming weeks.

Authors wishing to speak at Tissue World Americas about new and innovative tissue technology, products and solutions are invited to submit an abstract for consideration. Abstracts should be 100-200 words outlining the paper to be given and why the subject is of interest to the tissue business. In addition to the 100-200 word abstract, please also include a suggested descriptive title or headline of 5-12 words.

General conference topics: Papermaking, Energy Savings, Quality, Softness, Strength, Converting, Printing, Wrapping, Packaging, Logistics, Stock Prep, Recycling, Fibres, Water, Process Control, Testing, Maintenance, Tissue Products, Retailing and Distribution.

These are the guidelines for presenters:

1. Presentations must cover new, innovative technology for the tissue business.
2. Focus on Benefits and Results, rather than Features.
3. Priority will be given to speeches made in cooperation with mill personnel and retail customers.

4. Presentations must NOT be an OBVIOUS SALES PITCH for your company or products. Emphasis should be on the technology and its application to the tissue business.

5. 15 minutes maximum will be allowed for technical presentations. THIS TIME LIMIT MUST BE RESPECTED.

6. Make the presentation fast, sharp and interesting. DO NOT try to give very detailed scientific content. Instead, highlight the most important points that will give benefits to tissue makers and converters, customers and consumers. You can go into further details at your booth at the show.

7. DEADLINE FOR SUBMISSION OF ABSTRACTS is as soon as possible. The earlier it is received, the better the chance that it will be included on the program. Final deadline for abstracts is 1 October 2013. Abstracts should be sent to: Agnes.gehot@ubm.com

8. VERY IMPORTANT! If your abstract is accepted, your final presentation must be provided to agnes.gehot@ubm.com no later than **1 February 2014**. If the final complete presentation is late, the speech may be removed from the program.

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Calling all: Tissue/Paper Retail Category Managers to Miami Beach

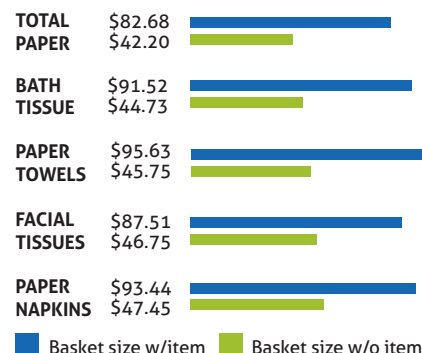
New Tissue Retailers' Insight Forum (TRIF) launched at Tissue World Americas 2014

Tissue is big business:

- Global sales are around **USD 80 billion/yr.**
- Costco's **top-selling single item** is bathroom tissue with yearly sales **USD 400 million.**
- Nielsen data says tissue/paper products are **3rd largest category** for retailers in USA, and by far **largest non-food category**, in dollar terms.
- Tissue is a **big driver of store traffic.**
- Average US shopper **spends twice as much** when paper items are purchased.

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Paper Category
Average Dollars Per Shopping Trip
Item In Basket vs. Item Not In Basket



To learn more and to register, go to www.tissueworld.com/TRIF

Map 1



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European Union T&T Production



Country	Number of People
Italy	59
Germany	40
United Kingdom	24
France	23
Spain	23
Poland	19
Sweden	13
Greece	10
Netherlands	8
Portugal	8
Romania	7
Bulgaria	5
Finland	5
Slovakia	4
Slovenia	4
Belgium	3
Lithuania	3
Austria	2
Hungary	1



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Fisher
A BAKER HUGHES COMPANY

Additional Locally Market

By BILL BURNS, senior consultant, Fisher International

Figure 3

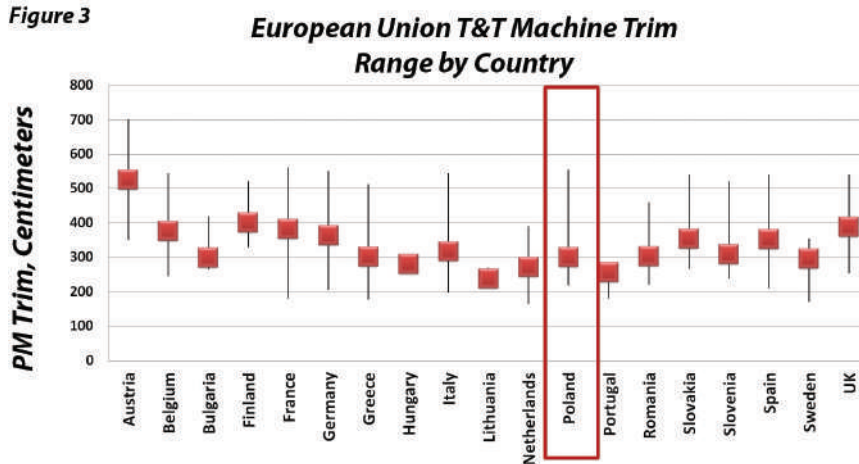


Figure 3 Distribution of T&T paper machine trims in the European Union.



Figure 4

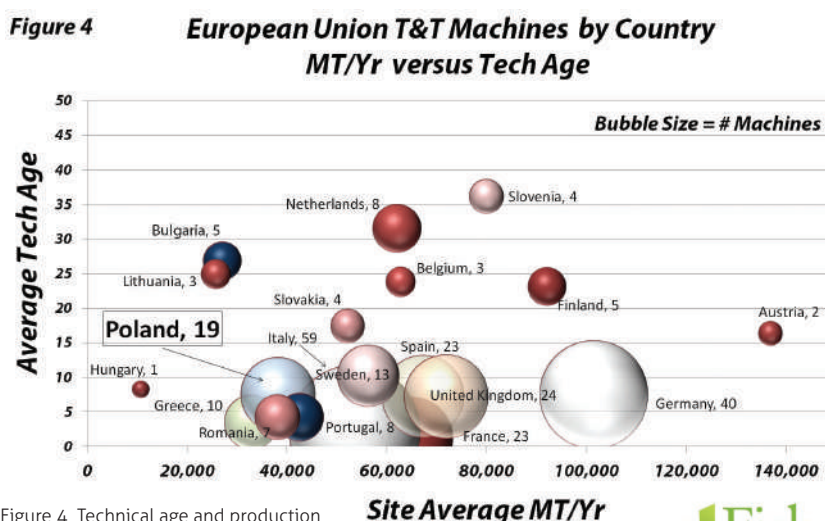


Figure 4 Technical age and production comparisons for European Union T&T paper machines.



Figure 5

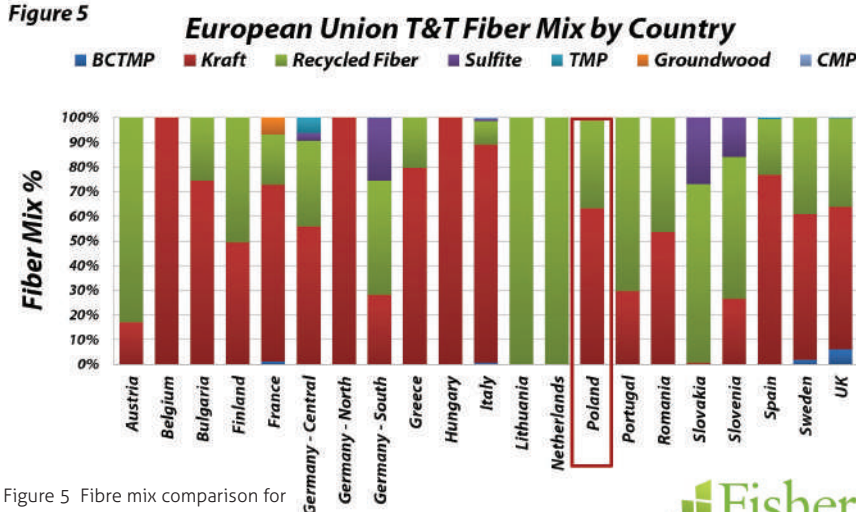


Figure 5 Fibre mix comparison for European Union T&T producing countries.



nineteen machines have been added since 2000 with the three newest machines added in the last five years. Poland's cost position is favourable to the large producing countries in the EU so growth could be expected to continue as the EU economies recover. Poland's population is approaching 40 million people and the economy is 21st in the world. The Polish economy is heavily driven toward the service sector with some manufacturing and very little agriculture. The economy had been growing coming out of the worldwide recession but in 2012 it fell back slowing significantly to 2%. Economic uncertainties, infrastructure shortcomings and a relatively poor business environment will present challenges as Poland moves forward with the recovering EU economies.

Poland's T&T mills are geographically dispersed throughout the country with newer installations tending to locate in the West near the German and Czech borders (Map 1). The country ranks sixth among the nineteen T&T producers in the EU (Figure 1) and sixth in the number of operating machines (Figure 2). T&T machines in the EU vary from narrow two-metre machines to six metres. The machines in Poland are on the narrow end of the trim range for the region, with

country report

the average being 2.5 metres (Figure 3). However, some recent additions have been wider resulting in higher capacity. Mill production in Poland is, on average, on the low side compared to other major producing countries in the EU at less than 50,000 MT/Yr while the technical age of Poland's machines is about average for these same major producing countries (Figure 4).

Fibre mix in Poland's mills is a 60/40 balance of recycled fibre to market virgin pulp, a deviation from the larger producing countries that rely more heavily on market pulp (Figure 5). While recycled fibre is present in most countries, it is not in heavy use by major producers. Integrated recycled fibre does provide some smaller

'Poland does hold an advantaged cost position primarily driven by energy and labour cost.'

producing countries an advantage over the purchased fibre consumed by larger producing countries. Poland's cost position in the EU is neither advantaged nor disadvantaged by the integration of recycled fibre in its furnish mix (Figure 6). Poland does hold an advantaged cost position compared to other major producing countries primarily driven by energy and labour cost.

Poland's T&T machine production rates are evenly split with machines ranging from the very smallest (producing less than 10,000 MT/Yr) to more moderate levels, producing in the 40,000 MT/Yr range (Figure 7). Some 15% of Poland's machines stand apart from these lower capacity machines producing in the 60,000 MT/Yr range. Machine trims are narrow with half of the machines being less than 3 metres

Figure 6 European Union T&T Producers Cost Curve
Poland Highlighted

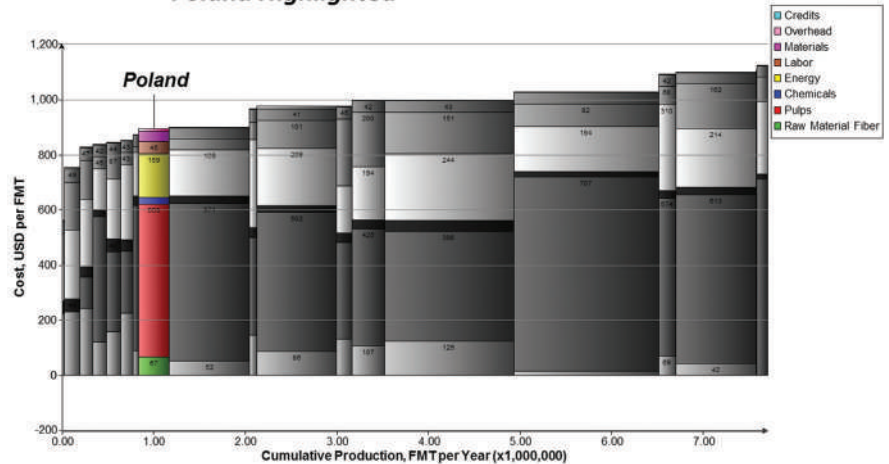


Figure 6 European Union country level cost curve for T&T production with Poland highlighted.

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Figure 7 Poland's T&T Machines
Distribution of Machines by MT/Yr

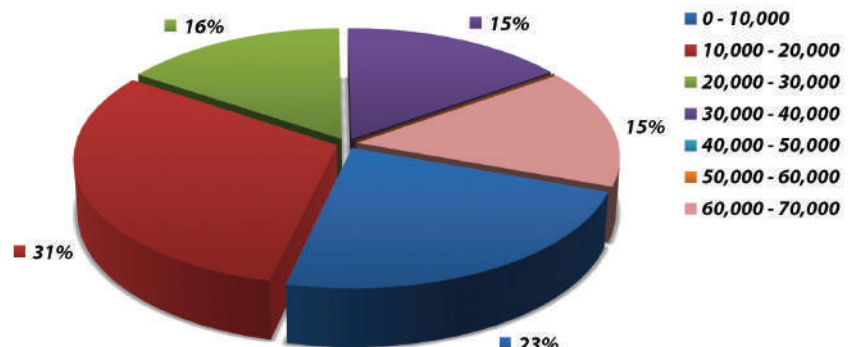


Figure 7 Distribution of Poland's T&T paper machines by production rate.

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Figure 8 Poland's T&T Machines
Distribution of Machines by Trim (cm)

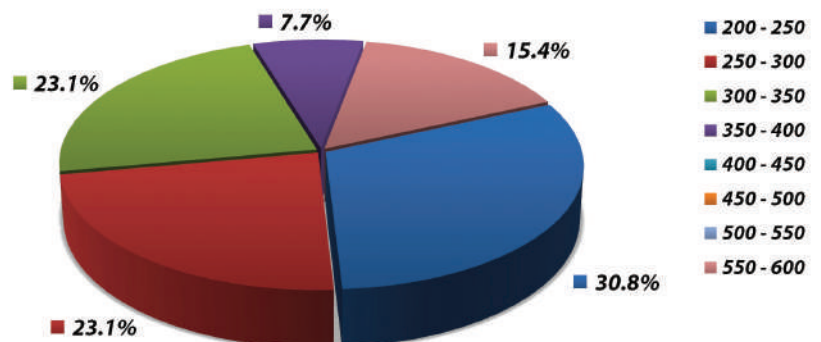


Figure 8 Distribution of Poland's T&T paper machines by trim class.

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Figure 9

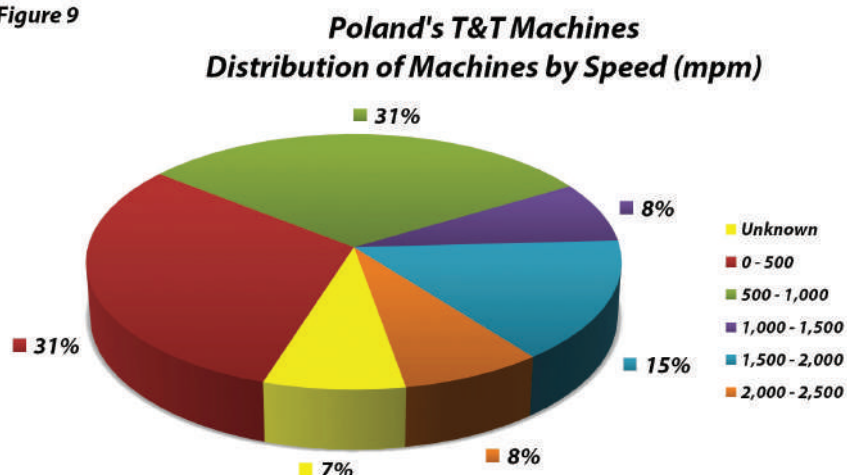


Figure 9 Distribution of Poland's T&T paper machines by speed class.



Figure 10

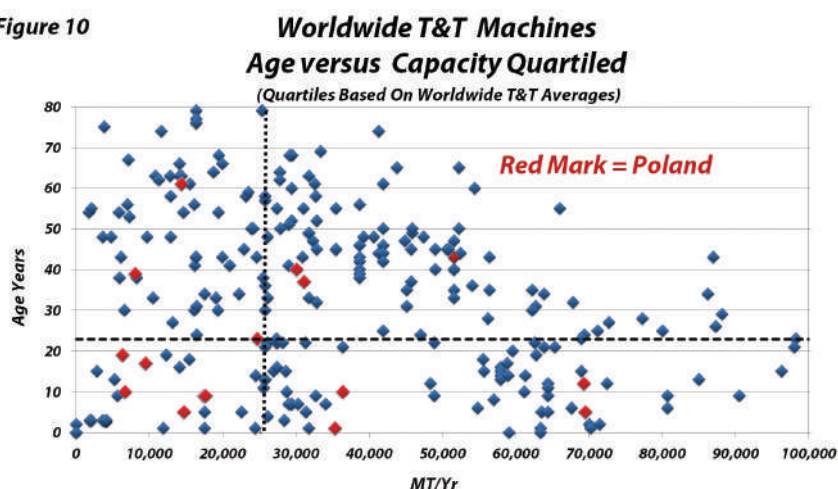


Figure 10 Dispersion of Poland's T&T paper machines against worldwide average production and age.



Figure 11

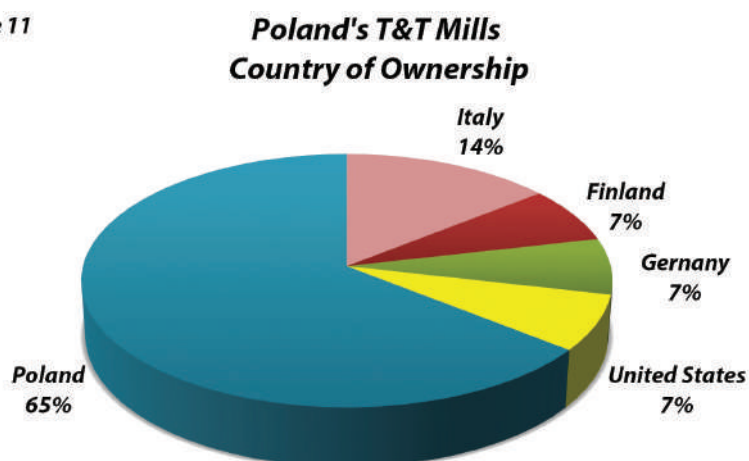


Figure 11 Distribution of Poland's mills by country of corporation ownership.



(Figure 8). About 15% of the machines are wider falling in the 5.5 metre class. Machine speeds are on the low end of the speed spectrum with around 70% of the machines on the low end of 0 -1,000 mpm (Figure 9). Some 8% of the remaining machines operate with very respectable speeds in the 2,500 mpm range. On the international scale, Poland's machines tend to mirror the average capacity and average age (Figure 10). A noteworthy observation is that Poland's T&T business is international in ownership with five of the mills being headquartered outside of Poland (Figure 11).

The source for market data and analysis in this article is FisherSolve™. Data tables behind Figures 1 - 11 can be obtained from Fisher International. E-mail requests to info@fisheri.com.

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Poland: kitchen towels leading the market surge

The Polish market for kitchen towels has had a significant boost over the last 20 years driven by affordable products and wider choice.

Over 2007-2012, kitchen towels saw the most dynamic growth among all categories in retail tissue in Poland, posting an 11% value CAGR to reach US\$343 million. With a double-digit growth rate, the country has not only outshone the usual suspect when it comes to high growth in Eastern Europe, Russia, but also in other emerging markets, ranking fourth globally in terms of absolute volume growth 2007-12, behind Italy, Brazil and Turkey, and also among the top 10 in terms of value growth.

Polish consumers have even started to appreciate the convenience of kitchen towels outside the kitchen environment, allowing them to perform all kinds of cleaning tasks, but a changing retail environment has also favoured category development and will continue to fuel growth at least over the short term.

WESTERN EUROPEAN INFLUENCE

Even though disposable income in Poland remains well behind that in neighbouring Western Europe,

standing at US\$ 8,000 compared to US\$27,000 in Germany for example, per household spend on kitchen towels is quickly catching up. Whilst in 2007, Polish households spent US\$4.00 on kitchen towels on average, the figure doubled to US\$8.00 by 2012 and is set to reach US\$14.00 by 2017, drawing level with the average household spend in Germany.

CHAINED RETAILERS PUSH PRIVATE LABEL FORWARD

The lion's share of category growth is the result of rising demand for private label kitchen towels, which saw an increase in value share from 11% in 2003 to 43% in 2012, outperforming the category's performance over 2007-2012 with an impressive 21% value CAGR.

It is not just the case that Polish consumers are price conscious and seek value-for-money kitchen towels, but the retail environment has also gone through a transition which has benefitted private label sales; within the last 20 years, the British

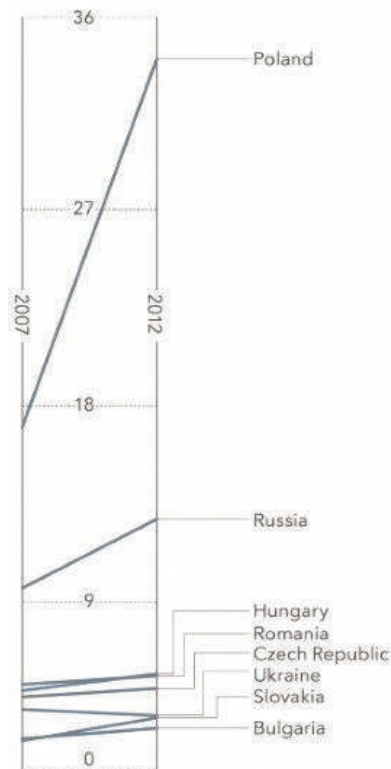
and French hypermarket chains Tesco and Carrefour have become important players in the Polish retail environment, both selling a variety of private label options next to branded tissue products. But, the expansion of the domestic discounter chain Biedronka, which holds a 22% share of modern grocery retailing in Poland, has driven category development in particular. All three of these stores' private label products are among the category's top six brands, and they were all able to strengthen their positions over 2007-12, stealing

'The lion's share of category growth is the result of rising demand for private label kitchen towels.'

Thriving Demand for Kitchen Towel in Poland

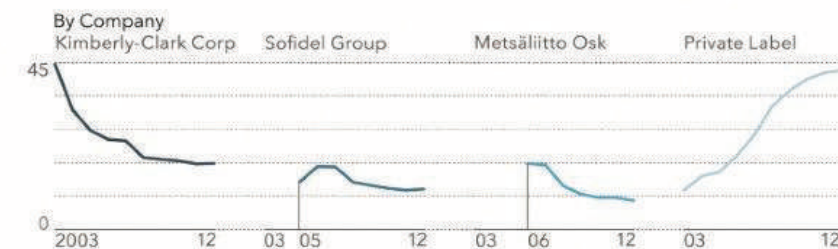
Volume Growth

Kitchen Towel
'000 tonnes, 2007-2012



Company Shares

Kitchen Towel
volume, 2003-2012



Modern Grocery Retailing

Share Among Retailers



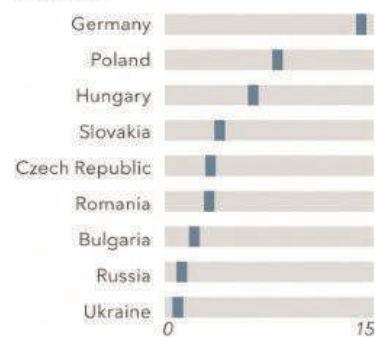
US\$ MILLION

100

incremental value growth
2012-17 in Poland

Household Spend

Kitchen Towel
US\$, 2012



share from Kimberly-Clark as well as Sofidel's well-established brands.

FOLLOWING IN GERMANY'S FOOTSTEPS?

Over the short term, it can be expected that demand for kitchen towels will continue to grow steadily, adding an additional value of US\$100 million to category sales by 2017. Kitchen towels have become essential products in Polish households and consumers are able to afford them due to rising disposable income and an increasing product choice in the budget segment.

Similar to German consumers, Polish consumers are showing appreciation

'Polish consumers are showing appreciation of discounters in grocery retailing in general, which will further strengthen the position of private label products.'

of discounters in grocery retailing in general, which will further strengthen the position of private label products. It is likely that, by the end of the decade, private label's share of kitchen towels in Poland will reach German levels, where private label currently accounts for more than 70% of value sales of kitchen towels.

However, brands could seize opportunities in the premium niche with printed or coloured kitchen towels. In toilet paper, trade sources have confirmed that coloured and even fragranced products have proven to be a success; hence, there may be potential for growth in other tissue categories, as well.



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From spotlight to campsite quality tissue is essential

Donna Sawyer is a finance journalist living and working in Sydney, Australia. With much of her work on camera, she looks for high quality tissue products that are beneficial for the skin and environmentally friendly.

Autumn has arrived in Sydney and with the cooler temperatures that go hand-in-hand with a seasonal shift comes one thing – hay fever.

I'm a finance journalist in the city which means I'm on camera up to six times per day and with my near-constant sneezing throughout Autumn, I try to avoid the red-nose look. That's why I always purchase Aloe-infused tissue products that are more beneficial for my skin. These tissue products are also great for make-up removal at the end of the day.

Loo roll is very important in my share house. There would be an uprising if someone dared to bring home anything less than two-ply. We buy the softest tissue at the cheapest rate available at our local supermarket.

I find there are always sale price offers on quality loo roll paper if you're

willing to spend a few minutes looking for the good stuff.

So important is my preference for luxury loo roll, I made sure I packed a couple of rolls of the quality tissue when I set off to backpack around South East Africa a few years ago. Camping and generally roughing it for three months was made so much easier with access to decent toilet paper. I distinctly remember nearing the end of my trip in Zambia and having run out of my loo roll, being very excited to see quality tissue in the bathroom at one of the five star hotels in Zambia. Needless to say, luxury tissue products are hard to come by in Africa!

As a regular music festival – goer whereby camping is part of the experience, I always pack good quality tissues, clean wipes and extra-ply loo roll for those less-than-pleasant trips

to the Porta-Loos. My friends have often expressed their gratitude for remembering to bring the two-ply.

I'm very conscious of buying environmentally friendly products and while high-end tissue is my preference, the ideal mix is luxury and recycled material. Recycled hand roll is a regular feature on my shopping list and I look for products that I know are absorbent for cleaning purposes and recycled.

On the odd occasion when I get a cold or flu, this is the time for eucalypt-infused tissues as the aroma clears my lungs and generally makes me feel a little better. The tissue is also soft and kind to my skin.

My tissue-buying habits have changed over the years. In my student days I was known to prioritise price over quality, but these days I'm all about luxury products.

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Looking for a chain reaction

Fabryka Papieru Kaczory is ready to start up its new tissue mill to supply customers as far away as Congo and Haiti. TW meets the independent producer diversifying in a changing market under German influence.

Fabryka Papieru Kaczory's modern new tissue manufacturing site complete with a Crescent Former has been ready to start production since 2012. "We're all set," Malgorzata Walczak, vice chairman of the independent and family-owned business says. "All the equipment is in, and the site has been fully constructed. We're just waiting for the electricity to start, despite the mill being surrounded by wind farms!"

Walczak collects TW from Kaczory's train station close to the German border. The short drive to the company's older site takes us through the quiet town and its surrounding dense forest area, and we drive over railway lines ferrying large amounts of coal and logs across the country. She enthusiastically tells me how her father, Stanisław Cierznia, saw an opportunity in the marketplace for the business in 1992, and it is now one of the few remaining family-owned tissue businesses in Poland.

Its market strategy and pace of investment reflects the growth seen in the Polish tissue market over the past decade. Poland now produces over 480,000 tonnes of tissue per year, up from 420,000 in 2008. To keep pace, Fabryka Papieru Kaczory needed to invest, and when its new machine comes on stream it will broaden its product offering as well as increase its current 20tpd production capacity by 60tpd.

The company specialises in recovered paper recycling and production of toilet paper. From 2002 to 2004, it invested in new converting machines (supplier: Can Go Company from Taiwan), increasing the range of its AfH products that

included the launch of Lux. Its existing PM1 machine uses recycled paper to produce 1-ply products, and has a width of 2.55m. Construction of the second mill in Margonin, 25km from the Kaczory site, started in 2010. New production and storage facilities of more than 8,000m² were constructed. PM2 is an old Voith cylinder yankee with a new Hergen-supplied headbox; it has a diameter of 4.5m, a width of 3.1, and it produces cellulose paper towels, toilet rolls and AfH products.

Of the 60,000 tonnes that will soon be produced annually, 40% are mother rolls and the rest AfH, toilet papers as well as private brands. "We can produce tissue and napkins, 1, 2



PM2 in Margonin

operations report

and 3ply, so we're very flexible in terms of responding to the customer," she says.

In the converting side, it has a Hinnli CO. from Taiwan, Basuo Paper Machinery CO. and a secondhand packaging machines from Italy (Casmatic and Cassoli). A new Hinnli and Basuo lines will be installed at the new site - a deal completed at Tissue World 2013 in Barcelona. All the stages of the project have been carried out according to schedule and the start-up of the plant was scheduled for 2012. However, problems with the electrical supply have meant that the site is still not up and running.

POLAND: STRONG ECONOMIC GROWTH AND CHANGING CONSUMER HABITS

The investment has significantly diversified the company's product range, something that was an absolute must according to Walczak as Polish consumers' buying tastes changed. "We just produced toilet paper initially, but we've expanded rapidly and brought in a towel line and started AfH production. This has been in response to the changes we've seen in the market here. When Poland converted to the European Union for example, it was a good moment for us to start AfH production."

The country is now globally one of the most fighting fit in terms of its tissue capacity. There is lots of investment; Fabryka Papieru Kaczory received money from the EU towards the investment. "It was hard to get it," she says. "You have to be a stable business in order for them to invest. There is a lot of new capacity coming on stream here, but generally across Poland we are seeing a lot of development, the roads, etc. A lot of the infrastructure was developed for the 2012 UEFA European Football Championship."

Poland's economy has performed well over the past few years and it has avoided the majority of the downturn seen across Europe. "We and much of Poland haven't been affected by the economic downturn," she says. "Everyone



A new paper mill in Margonin

talks about the crisis and we were worried about our expansion, but we're not seeing it. Our country is stable and generally seeing growth. Last year we had very good sales, and while there have been three months this year where it's just been stable, as of April tissue demand has increased again. Demand is also seasonal for us, in summer tourism drives AfH sales up in hotels across the country. Everyone goes on holiday and we work much more," she jokes.

Locally, Polish consumer habits are changing fairly significantly. "We've seen more and more supermarkets come on stream in the past few years because of the stable economic growth, and this has changed the way people are buying and using tissue products as they have become even more accessible," she says. "So this has created additional areas of revenue for us. We usually sell to the retailers rather than the chains, but with our new production we will be able to connect with the chains."

The Polish tissue market closely follows the German market, which is evolving at an even faster rate. "The trends we see



Slitting and rewinding machine



PM1 in Kaczory

in Germany, we see them here a few years later," Walczak says. "They're very ecological, we're seeing a lot of recycled products there so we're seeing more requests from Polish consumers for high quality products. They prefer cellulose products of higher quality, so the market here is definitely changing and our product range needs to become more diverse."

In the German market, one of the company's largest export markets, customers are increasingly demanding high quality tissue products that are from recycled paper. "They want 2-3ply, which we can't produce at the Kaczory site," she says. "They do buy 1ply from us for industrial use, but we're getting a lot of inquiries for 2 and 3ply cellulose products, so this is another reason why we've invested in the second mill."

The Polish zloty vs Euro has also been an advantage, as well as the country's geographical location. "We're well located to markets to the East and West and the transportation costs are very good. But we are getting more and more clients abroad, there's great potential there as well as locally."

Fabryka Papieru Kaczory currently exports 50% of its products, primarily to Germany, Russia, the Czech Republic, Hungary, and Romania. Increasingly however, it is also selling finished products as far away as the Republic of Congo, where Walczak says there's a high demand for cellulose products, and Haiti. "In Haiti, they need something cheap to cushion other products they're importing over. So we are finding new markets around the USA and Africa. We're looking to increase this fairly substantially, and we're also getting lots of inquiries from the Balkans," she adds.

Once the new investment is up and running, the company will be even better suited to match its competitors on produce quality and low gsm. "Cellulose products offer both a good price and also good quality, that's why we built the Crescent former. Sometimes it's hard to sell in our area, so we are equipping ourselves as best we can. But we are realistic. We know that once the new site is up and running, it will take a few years before it becomes a pleasure instead of just sheer hard work.

FACTFILE

Location - PM1, Kaczory, and PM2 in Margonin

Staff - 160

Owner - Stanisław Cierznia

Vice chairman - Małgorzata Walczak

Tissue machines - two

Converting machines - seven

Tpy - 30,000



Vice chairman
Małgorzata Walczak

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With 2,000 different designs and products being exported to 40 countries, flexibility is key for Hanke Tissue

The Polish economy slowed but never entered in deep recession and now it's poised again for another leap forward. TW visited one leading napkin producer determined to adapt to market demands for quality.

operations report

Robert Szczepkowski mentions the word 'quality' several times during our meeting at the company's plant in Kostrzyn, west Poland, and during the interview and tour of the facility it's evident why it is such a priority. Located just a stone's throw from the German border, Hanke Tissue is in the middle of a substantial investment programme that will shortly see it start up PM4, a Recard-supplied Crescent Former. Managing director Szczepkowski has overseen the whole process, a move that will significantly increase competitiveness at home and abroad and enable the company to respond to increased demand for quality tissue products.

The modernisation steps being taken are set against a solid history. Hanke Tissue dates back to the 1930s when a German company built a cellulose plant in Kostrzyn. During World War II, the plant was almost completely destroyed. It was rebuilt in the 1950's and then in 1990 it was transformed into a state-owned enterprise and



"It is an intricate production process but means that we are quick to adapt to market demands." Managing director Robert Szczepkowski

subsequently sold to Sweden's Trebruk, a manufacturer of photocopier paper.

A unit of the plant manufacturing tissue was then established to create Hanke Tissue. Shortly after it was acquired by Huchtermeier Paper and in 2006, 80% of Hanke Tissue's shares were owned by MBB Industries in Germany. Since 2011, MBB Industries has been the sole shareholder.

Today, Hanke Tissue is surrounded by a cluster of tissue and paper companies including ICT Poland, paper manufacturer Arctic Paper and tissue producer Lamix, where Szczepkowski previously worked. He's just recently back from Italy, where his contacts are "transforming our existing design of toilet and kitchen towel lines, it's looking a lot more modern," as well as Africa for a holiday. A striking African mask sits behind his chair - perhaps to help oversee the construction of the vast new tissue facilities.

The site has an existing Voith-supplied tissue machine, but in Autumn Hanke Tissue will start up a Crescent former

machine. Szczepkowski has been involved with every aspect of the rebuild, which he calls a "complete modernisation process", and during our tour of the plant his knowledge and enthusiasm for the smallest to the largest detail is very evident.

Once up and running, PM4 will have a maximum speed of 1,500m/min, a width of 2.8m and produce a maximum of 35,000tpy from primary fibres. Start up is scheduled for December 2013. The company produces coloured and decorated napkins and handkerchiefs, with multi-coloured imprints made with flexographic techniques that enhance quality. "We convert 60% of what we produce, but because the napkin business isn't very high capacity, we also sell mother rolls to other converters," Szczepkowski says. "We specialise in technical and demand tissue, and this has pushed us to invest in another tissue machine. We can see the profit in it in the long term. For now, we can produce



A selection of the company's Aha... range of products

very soft tissue products and a few years down the line we will expand our converting facilities very seriously. We want to become a more integrated player."

This investment also includes a new storing and logistics area, as well as a converting room and a new office block. The site will eventually house eight napkin converting lines. Currently the company prints products on site using a Servotec converting line, as well as lines from Omet and Perini. "We're very flexible," he says. "We have to change the collections every year, and at the moment we have around 2,000 different products on the go. It's not easy, that's why the big players aren't in this market. It is an intricate production process but means that we are quick to adapt to market demands."

The company's brands include Aha as well as Silver Square. "We have hundreds of designs in our brands, and also produce for private label. Of course we are seeing big growth in this market, mainly because of the growth in the economy."

In Poland, he says there was “quite a significant economic rise” a few years ago, but adds that it became a little stuck earlier this year. “It’s now on the rise again, and it’s changing consumers’ behaviour. We’re seeing an increase in demand for quality tissue products as well as environmentally sound products. It’s very important for us to have what’s necessary so that we can have a presence in this market.”

Hanke Tissue currently exports to 40 countries across Europe, Asia and North America, but Szczepkowski says Poland is still his most important market as it has the most potential, followed by Germany and the Ukraine. “Consumers in Poland expect good quality products at a lower price and this trend has dominated the marketplace for the past two years.”

He says there is still some gap in demand in terms of tissue consumption in Eastern Europe compared to Western Europe and America. “For the German consumers, we’re targeting quality, so maybe for us the margins are lower. We are constantly trying to improve on quality. But we’re also seeing an increase in demand for tissue products especially from Eastern Europe.”

The business has customers in Russia and is increasingly looking into Belarus. “There is a growing trend in sales in this area. With our investment, we are now better prepared for this a range of opportunities. We want to continue to strengthen our market position.”

Clockwise from top: The company produces coloured and decorated napkins and handkerchiefs, with multi-coloured imprints made with flexographic techniques that enhance quality; the new office space; the site’s existing tissue machine and the plant that will house PM4

FACTFILE

Location - Kostrzyn city

Managing director – Dr. Robert Szczepkowski

Markets - coloured tissue made of primary fibres, producing facial tissue, handkerchiefs, unicolor and printed napkins, kitchen and toilet rolls

Staff - 250

Machines - Recard-supplied Crescent Former, Metso

Converting – Omet, Perini, Servotec, PCS, Ilseemann, Casmatic, Senning

TIMELINE

1935 - Cellulose factory was built by German group Phrix 1938 - started production

WW2 - factory mostly destroyed

1945 - cellulose production was dismantled. 1958 - factory was reconstructed.

1968 - PM1 started 1970 - PM2 started

1993 - Kostrzyńskie Zakłady Papiernicze was bought by Sweden paper group Trebruk

1994 - Trebruk created Hanke Tissue, where Hanke Papier from Dortmund owned 50% shares

1998 - Hanke Papier Dortmund took over second 50% shares of Hanke Tissue

2006 - MBB Industries AG took over Huchtemeier Group - from June 2006 MBB is 100% shareholder



Young and dynamic – Lamix typifies Poland's emerging tissue sector

Successive investment has strengthened Lamix's hold on the hygiene market. Here the company discusses its market strategy with TW.



"The customer is getting richer and richer as Poland has become better off," says owner Miroslaw Laszko with the relish of a man with a well thought through business plan to take maximum advantage of that fact.

"We're a young company working in a fast changing environment and we are growing and changing with the times," he adds through his translator. "The final customers are requiring a product that has a better appearance, is more efficient to use and better quality, and we have to respond to that." And respond Lamix has.

We meet at the company's Witnica site where it manufactures 22,000 tonnes of tissue for the hygiene sector annually. Recent investments include a new headbox and press rebuild, a move that will help modernise the plant and enable Lamix to further strengthen its market strategy. "Since Poland joined the EU we've received a lot of support," Laszko says. "We've successfully raised a great project and that's one of the key elements to our growth. Our aim is to make some sort of investment every year to improve on quality, increase our capacity and be environmentally sustainable."

The company was established in 1991 as a distributor of hygienic paper, branching out into manufacturing in

1995. In October 2004 it built its own paper production department and bought in two lines to process hygienic paper in 2008, boosting its product range to include Z-folded paper and jumbo paper rolls. Three years ago it invested in an anaerobic wastewater treatment facility, the first in Poland.

'These investments respond to the market changing from 1- to multi-ply products. Our aim is to make some sort of investment every year to improve on quality.'

It now produces tissue paper as well as high quality crepe paper to produce hygienic paper for professional use. Lamix sells a lot of products to western Europe and has seen an increase in demand for high ecological standards. "More and more we are seeing customers asking for ecological production processes that have no impact on the environment," he says. "And it's very important that we're seen to be a convertor of recycled papers."



He says the objective is to reduce the impact of the plant's production process on the environment as well as to balance the use of natural resources. "Clearly defined production standards are of crucial importance in this context," he says. The company uses recycled paper to manufacture 100% recycled products and it continually optimises its production process. It also re-uses the technological water from the paper mill for more than 30 cycles and it segregates any waste that occurs in the production process.

"These investments have been in response to the market changing from 1- to multi-ply products," he says. "We have to respond to that."

Lamix's export market is growing "very fast." It now sells into 20 countries and this revenue makes up over 50% of its turnover. "We need to make sure the same quality is offered to our customers all around the world. It's crucial," he says. "We are a Polish owner and have Polish capital, so of course the market here will always be very important to us. We would like to continue to be a very strong company in this market, and the leaders in folded products. But that doesn't mean we focus just on Poland."

Any future presence at home and abroad will be "balanced

and steady." "We're not a multinational. We use our strength and don't compete on price. We compete on quality. And at the end of 2013, we will have a significant increase in capacity to take full advantage of the market potential."

FACTFILE

Location – Witnica, Poland

Markets – Production of paper products destined for professional use, tissue paper, high quality crepe paper to produce industrial hygienic paper

Machines - PMP Group delivered a new headbox and press rebuild

Brands – Cliver, Ellis

Tpy – 22,000

Established – April 1991

Staff – 180

Products – Folded handtowels, handtowels in rolls, industrial rolls, jumbo toilet paper, medical paper, facial tissues, toilet paper, kitchen towels, dispensers

Markets – Hygiene

The technical and economic essentials behind achieving Chain of Custody

With consumer demand for sustainable tissue products increasing, tissue producers need to demonstrate to existing and potential clients a firm commitment to sustainability. Here SCA – the EU's largest private forest owner - talks to TW about the process to CoC certification.

With consumers driving demand for sustainably sourced tissue products, more brand owners are responding by developing specific environmental policies of their own. As SCA sells heavily into the retail sector, it needs to demonstrate a firm commitment to sustainability and the ability to meet the rising demand for FSC-certified products, or lose out to other companies that could. By becoming CoC certified, it says it has been able to protect its presence in regional and global markets, retaining existing clients, while also expand its market by attracting new ones.

A survey of 3,500 global companies into certificate-holder perceptions of FSC (conducted by FSC in 2010) revealed that consumer demand for FSC-certified products was the most important driver behind certification,

with 78.6% of respondents confirming that they had chosen to become certified for economic reasons. A further 26.3% said that a commitment to forest management had been the driver and this was also an important consideration to SCA. As Europe's

largest private forest owner, managing some 2.6 million hectares of forest land, the company places considerable emphasis on sustainable forest management and maintaining a strong environmental profile. By becoming CoC-certified, it says it was meeting its own high CSR policy as well as customers' expectations.

Stewart Begg, director sustainable fibres and public affairs for SCA, says: "SCA has been a forest owner since the 1900s and as the EU's largest private forest owner, sustainable forestry is in our DNA. As both PEFC and FSC schemes are ways of supporting sustainable forestry, certification was a natural step to take. SCA worked with certification body BM TRADA Certification to achieve FSC and PEFC Chain of Custody certification. With these standards

'The scope of certification does not need to cover all of a company's activities or products — only those which will allow it to sell certified products.'



SCA Östrand pulp mill, Sweden

firmly in place across operational sites worldwide (including tissue mills based in Prudhoe, Chesterfield, Oakenholt and Skelmersdale, and in Europe, Mannheim, Germany, and La Riba (Valls), Spain, SCA says it can send out the right reputational and brand-boosting messages, while also increasing sales.

Begg added: "Once the auditor gets to know the systems it is a lot easier to undertake the audits and BM TRADA auditors work closely with us to understand our systems and have a very good knowledge of the certification schemes. This allows them to help us continually improve our control systems and management processes related to certified fibre purchase."

As SCA is a forest manager and handler of forest products it holds Forest Management certificates as well as Chain of Custody certificates for both

FSC and PEFC. The company has had FSC certification for its own forests since 1999, and at that time had CoC in a few tissue mills as there was not significant volumes of FSC pulp available on the market. BM TRADA became involved with the SCA Tissue business in April 2005. By then more

'Consumer demand for FSC-certified products was the most important driver behind certification'

FSC fibre was becoming available and major retailers were requesting FSC-certified tissue. By this point, SCA had already had a number of sites certified but it now required adding further sites across Europe.

One of the first tasks the tissue producer had to undertake in the certification process was to decide what activities, processes and products to include in its certification system. This was necessary to determine its Certification Scope, which is a statement that describes what a company does and, in particular, what products it wishes to sell as FSC-certified and promote with the trademark.

The scope of certification does not need to cover all of a company's activities or products — only those which will allow it to sell certified products. A company can continue to

Chain of Custody certification - the facts

Chain of Custody certification is for companies that process, manufacture or trade in timber-derived products including manufacturers, wholesalers, retailers, sawmills, printers and paper merchants. By implementing and maintaining a robust Chain of Custody system, companies can provide assurances to suppliers and clients that their products are sourced and produced with respect for the highest ecological, social and economic standards.

Certification works throughout the entire supply chain to provide proof of traceability back to well-managed forests, controlled or recycled sources. For a product to qualify for certification, all entities along the supply chain must possess a Chain of Custody certificate. Only then are companies eligible to use the FSC or PEFC label on their products and in product marketing to identify the responsible sourcing of the raw material. Companies taking legal ownership of FSC or PEFC certified products and processing, trading or repacking them need to be FSC certified in order to make a claim.



sell other products in the normal way. SCA's scope read: "The purchasing, processing, sales and distribution of FSC certified paper hygiene products" and "The purchasing, processing, sales and distribution of PEFC certified paper hygiene products".

Linked to the Certification Scope is the identification of certified raw material and finished products that form part of the scope. SCA had to identify all raw material inputs that would go into the finished products, preparing a 'Product Group Schedule' — a list of the products it wished to sell with a certification claim. There can be as many products in the schedule as the company wishes, and not all the products the company sells have to be in the schedule. However, if they are not in the schedule they cannot be sold as certified.

FSC CONTROL SYSTEM (FSC MIX CREDIT)

As with all tissue and paper companies operating a chain of custody system, SCA was required to define and put in place a Control System to demonstrate how certified products would be identified throughout all stages of production.

Both FSC and PEFC have defined three alternative control systems and use specific terminology for these

systems. The type of control system used largely depends on whether the company seeking certification can buy exclusively certified products or will have to mix certified and other material to produce its product.

SCA chose to operate under the FSC "credit" control system, which is ideal for tissue mills. The credit system involves the mixing of certified and non-certified raw material: blending FSC virgin material with FSC controlled virgin post-consumer and pre-consumer recovered fibre. (SCA must follow the FSC standard on controlled material to demonstrate to its certification body that the wood did not come from

'unacceptable' sources and meets the requirements of the standard).

Credit lasts for 12 months and is accumulated by the purchasing of certified material that is subsequently used in the production batch. As with a bank account, the more input that is certified, the more the credit balance increases. This balance only reduces when the company sells a finished product with a credit claim and deducts the volume or weight of that product from the credit balance.

Once the credit is used up, SCA can no longer sell products with a credit claim until further certified raw material is purchased. Therefore the incentive is to keep the account constantly in a positive balance. Inputs can be added when a company takes legal ownership or physical possession, but the company can only sell product from a positive balance.

THE CREDIT SYSTEM OFFERED THE FOLLOWING BENEFIT FOR SCA

The first advantage concerned supply of FSC-certified inputs. The credit system allows a company to operate with a credit balance so should an unexpected delay be encountered in the delivery of certified pulp (i.e. supplying pulp mill forced to close due to earthquake damage) a company can continue to supply FSC articles as long

'SCA found that the increase in availability of FSC fibre was being matched by ever increasing demand, particularly from the supermarket sector.'

as they have the credit in the system.

Begg says: "Especially in the early days, there were very few suppliers of certified wood so we had to understand where we could obtain it and had to undertake risk assessments which were required by the certification body for the "controlled material" fibre. Now a number of suppliers have FSC certified and Controlled Wood certification. We went for a credit system because that was a better fit at the time when supply was so limited.

SUPPLIER ASSESSMENT SYSTEM

However, SCA found that the increase in availability of FSC fibre was being matched by ever increasing demand, particularly from the supermarket sector. To cater for this SCA strengthened its purchasing policy by introducing a Supplier Assessment System governed by a Wood Sourcing Policy for the whole of SCA Europe. In the last four years there has been a steady increase in the availability of FSC fibre but we still need more!

During this time there have been substantial changes to the SCA control of FSC inputs and outputs, which has led to:



A selection of goods from the SCA consumer tissue products portfolio

- All inputs now being either FSC certified, controlled material or recycled (both pre and post-consumer).
- Even with this assurance the SCA 3-stage supplier appraisal continues.
- Without validation by Global Sourcing fibre team no pulps can be bought. At any one time there is full visibility of pulps in the mills, pulps in transit and pulps at the docks.
- There is real time information on FSC tissue production.

- Sales codes and descriptions have been standardised and managed centrally.

Begg adds: "By taking central control over all aspects of the CoC system, the likelihood of mistakes is minimal. The strength of the central system is it allows the production mills to run as normal, pulp recipes and packaging requirements for FSC or PEFC articles follow the same traceability process as non-certified articles."

What are FSC, PEFC and BM Trada?

FSC

Forest Stewardship Council® (FSC) is "an independent, international organisation that promotes the development of environmentally compatible, socially beneficial and financially sound practices for management of the world's forests". It says: "FSC has established 10 fundamental principles and 56 criteria for responsible forest management. These call for protection and preservation of biological diversity and other natural resources but also support economically sound forestry operations that contribute to the development of the local community. The FSC label guarantees the products

come from sustainable forestry and controlled recycling processes."

PEFC

PEFC was formed in 1999 and is "an international, non-governmental umbrella organisation dedicated to the assessment and mutual recognition of national forest certification systems for sustainable forest management through independent third-party certification. As such, PEFC leave enforcement of the standard to respective national bodies".

BM TRADA

BM TRADA Certification is "a major international multi-sector certification body that claims to have the widest

scope of UKAS-accredited schemes (including environmental management and quality management certification) and a leading reputation in responsible sourcing and sustainable Chain of Custody certification to the timber and construction industries". It added that: "Working with BM TRADA enables businesses to demonstrate their commitment to best environment practice through independent third-party verification." The body has nearly 40 years of experience in certification. BM TRADA has worked with 14,000 businesses in 70 countries.

For more information, visit www.bmtrada.com




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SCA Ortviken paper mill, Sweden

ASSESSMENT

CoC Certification was completed in two stages. As with all companies, SCA had to go through an initial evaluation in order to verify compliance with the standards and thereby achieve certification.

The main objectives of the assessment were to evaluate and document the implementation and effectiveness of its Chain of Custody management system, to cover:

- implementation of all applicable elements of the relevant standards
- information and evidence about compliance to all requirements of the applicable chain of custody standard
- operational control of the systems and processes
- internal auditing and management review, where applicable
- management roles and responsibilities
- training
- documentary controls and claims.

The auditor also spoke to all staff involved in the management, supervision or operation of the Chain of Custody system to ensure that:

- they have received appropriate training

- they have understood the training
- they are applying their training to their role in a competent and effective manner.

Companies such as SCA that operate more than one site, and have a head office centrally administering and monitoring control and reporting systems, can have Chain of Custody certification across as many of their sites as they wish through multi-site CoC Certification.

When applying for multi-site certification it was important for SCA to clearly identify the central office that would be responsible for controlling the Chain of Custody systems and ensuring a system was in

'Certification has allowed us to have a more formalised system through which to assess our supply chain of pulp suppliers'

place to carry out internal audits at all participating sites annually.

In addition to being recognised as a multi-site operation, and in order to be eligible to apply for Chain of Custody multi-site certification, SCA had to satisfy the following criteria:

- the central office shall be or act on behalf of an independent legal entity which represents the multi-site organisation
- all participating sites have a legal and/or contractual relationship with the central office requiring regular reporting and communication with the central office
- all participating sites are subject to a common, centrally administered and documented internal control and reporting system, which is subject to continual surveillance by the central office

On the basis of meeting these criteria the sites could be sampled on an annual basis so only the square root of the number of sites needed to be subject to site audits. Begg says: "In the early days CoC Certification of our tissue sites began with a few individual sites audited by different auditors working for different certification bodies. We had no concerns about rolling out certification to all sites and went for a multi-site system which has really benefited us. The system is maintained and controlled by the Central Office giving an overview of all purchases and sales by the individual sites. Although sites still have to record these transactions, a new IT system allows Central Office to see all these purchases and sales centrally so it gives an extra level of audit and improves levels of control across the group."

He adds: "Multi-site certification didn't really require a lot of work, time and resources to implement as the majority of the sites already had CoC. The learning curve in the certification process was going from single to multi-site certification. When each country was running its own system,



SCA Sovetsk tissue mill, Russia



SCA Sovetsk tissue mill, Russia

local interpretation of the standards in different sites and with different auditors was a problem when trying to operate a single approach across our international operations. Now we are more confident that certification is understood globally and are in the process of transferring our Personal Care division to the multi-site certificate."

At the end of stage one, the auditor summarised the outcome of the audit, including any areas of non-compliance, and also indicated what recommendation they would be making as to whether or not SCA should go forward for certification. They then prepared an assessment report. This report was reviewed by a certification officer to ensure that the auditor had covered all relevant elements of the standard and with this being the case, the certification officer made the final certification decision. For SCA it was a positive decision and the certification body BM TRADA then issued a Chain of Custody certificate, valid for five years with certification maintained through annual surveillance visits.

SCA opted for both FSC and PEFC certification, and though both come with their own specific requirements, generally speaking there are only a few differences between the standards. As a certified company, SCA has permission to use the schemes' internationally recognised trademarks on approved products.

'By gaining CoC certification you will understand the supply chain and know where your raw material comes from, giving you and your customers confidence'

THE BENEFITS OF CHAIN OF CUSTODY CERTIFICATION

According to the FSC global certificate holder survey, the key benefits of certification were identified as access to new clients (30.6%), reputational (17.4%), client retention (13.9%), increased revenue (7.2%) and increased sales to existing clients (6.9%). Begg says that CoC certification gave SCA a competitive edge and said: "Embrace certification as a tool for greater understanding and management of your fibre supply chain. Certification has allowed us to have a more formalised system through which to assess our supply chain of pulp suppliers, and driven us to better understand the issues of sustainable forestry and the global supply chain. The real benefit

of certification is it gives us the credibility and assurance that certified fibres purchased are from well-managed forests and that we are doing the right thing by our customers."

He adds: "By gaining CoC certification you will understand the supply chain and know where your raw material comes from, giving you and your customers confidence. You will also gain a greater appreciation of the social and environmental aspects of sustainable forestry which the FSC and PEFC standards endorse, with the reputational benefits that brings to a company."

FSC® A000503

SCA factfile

Sales in 100 countries

Brands include TENA, Tork, Lotus, Libresse, Tempo, Libero

Sales in 2012 equalled £8.4billion

The Group develops and produces sustainable personal care, tissue and forest products

Number two position in global consumer tissue market

TENA and Tork leading global billion-euro brands for Incontinence products and Away-From-Home tissue

SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm



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The Barometer Issue: a climate report on tissue growth

TW revisits its Country Report mills of 2012 in Japan, Brazil, Western USA, Turkey and South Korea to check progress against investment strategy.

JAPAN, TISSUE WORLD DECEMBER/JANUARY 2012

Doh-Ei Paper: boosting capacity in a downturn

When TW visited Doh-Ei Paper's Hokkaido-based site it was set against a stark economic backdrop. Tissue volumes in Japan were declining in the region of 6% for AfH sales, with napkins, hand towels and toilet roll seeing 5-8% volume declines.

At the time, Doh-Ei Paper says its strategy was twofold: product innovation with sales expansion locally, nationally and internationally, as well as investment in new equipment. The plant produces facial tissue and toilet tissues in a 50/50 mix of AfH and private label products made from 100% recycled paper, sourced locally. In April 2011 an Andritz-supplied PrimeDry Steel Yankee was ordered to upgrade a previous drying line, a 4,200 mm cast-iron Yankee dryer. It was successfully started up in May 2012. Chief executive Masashi Kobayashi told TW that since then, the machine has achieved the company's targets in terms of product quality and energy saving. He says: "Metalising and chemical coating have enabled uniform creping and we have also obtained favourable cross direction moisture profile. As for energy, because of good heat-transfer efficiency we have increased the usage of steam, which has reduced lots of heated-air drying. It has also improved our drying efficiency which allows us to increase the machine speed."

Kobayashi adds that the Japanese tissue market is "experi-



Japan: Doh-Ei Paper's Andritz-supplied PrimeDry Steel Yankee was successfully started up in May 2012

encing a downturn in demand due to declining population". He says: "The lower Yen has raised energy cost in Japan. However, it is also expected that the Yen depreciation will put the brake on imports of tissue products." He adds that another challenge is the price of private label products. "We produce far more private brand than national brand products as gigantic mass merchandisers, drug stores, or home centres have vast purchasing power. At the same time, those



Brazil: Mili's MP 7 project will add 240tpy to its Tres Barras-SC Unit

retailers have forced the tissue industry to be involved in low-price competition. The number of domestic tissue makers partially contributes to the excessive competition and means that the Japanese tissue industry is still in a tight economic environment."

BRAZIL, TISSUE WORLD FEBRUARY/MARCH 2012

Mili: investing to match demand

Mili had just signed for a new Voith Paper VTM 4 machine as part of a R\$ 200m investment programme when TW visited its site last year. With paper mills located in the states of Santa Catarina, Paraná and Alagoas, the company is now about to finish its MP 7 project which will add 240tpy to its Tres Barras-SC Unit and includes five Time 800 lines from Perini. The move will boost production to 640tpd.

Daniel Signori, project manager at Mili, told TW: "The Brazilian market is becoming increasingly demanding of quality tissue products. We are seeing an increase in sales of 2-ply toilet paper, which now represents 25% of the market in the south and southeast regions. This market is also growing significantly in other regions here."

He adds that the search for higher quality, softness and brightness has also been observed across the whole of the Brazilian market. "The main players are investing massively here and those investments in quality and productivity growth are synonymous of competitive growth among all

'The number of domestic tissue makers partially contributes to the excessive competition and means that the Japanese tissue industry is still in a tight economic environment.'

companies. The levels of the demands are growing, which means that all players must increasingly be prepared to do their homework. Excellence in human resources management and the non-stop search for new technologies will be crucial for remaining competitive in this market."

WESTERN USA, TISSUE WORLD APRIL/MAY 2012

Clearwater Paper: coast-to-coast manufacturing

In Clearwater Paper Corporation's Operation Report article published in last year's April/May issue, it described how its consumer products division was targeting "the best private label TAD bath and towel tissue in the US." Just over a year later and the company has significantly boosted its private label consumer tissue offering after it announced its Shelby-based TAD tissue machine had started production on 13 December.

Upgrades to a second Clearwater Paper TAD paper machine at the company's facility in North Las Vegas have also been



Turkey: Pars Hayat Kagit tissue mill started up on 26 April 2013 in Iran

completed. The site manufactures toweling, bath and facial tissue, napkins and now TAD bath tissue. Clearwater Paper's Gary Blosl, plant manager of the company's north Las Vegas site, told TW: "The Las Vegas mill continues to perform well and actively contributes to the overall growth of the company. The Las Vegas TAD machine upgrade came up on schedule in Q4 of last year and is producing national brand comparable TAD bath tissue in addition to TAD paper towels."

The enhancements enable the facility to produce TAD ultra bathroom tissue and household towels, both of which Blosl says the company is seeing an increasing demand for in the American tissue market.

The two TAD machines have also created new opportunities to expand the company's private label consumer tissue business around its existing national manufacturing presence.

The business also announced the planned permanent closure of its Thomaston, Georgia, tissue converting and distribution facility. The gradual shutdown of converting equipment will occur on a schedule throughout the year, with some operations running into the first quarter of 2014, affecting a total of 150 employees.

TURKEY, TISSUE WORLD JUNE/JULY 2012

Hayat Kimya: aggressively growing its tissue business

Even after starting up its third tissue machine in Iran, Hayat Kimya doesn't stop its aggressive growth path. Production at the company's Pars Hayat Kagit tissue mill started on 26 April 2013. Paper group director Lütfi Aydin told TW: "With

the cooperation of qualified technical people from Metso and Hayat Kimya, even the first production of paper on reel was of salable quality. On the third day, the PM's speed increased to 1,750mpm and on the fifth day, facial tissue of 15gsm was produced at 2,000 mpm. Pars Hayat Kagit will be the biggest converter in Iran with its new and highly sophisticated converting machinery and equipment."

The company's Tataristan and Mersin-Turkey projects have also been started. Orders have been placed with Metso for TM4 in Tataristan, Russia, and TM5 for Mersin, Turkey, while TM6 has also been ordered confidentially.

In 2012, the company broke the World Speed Record with 2,210mpm on its TM2 Metso machine in Yeniköy, Turkey, thanks to the technical insight and dedication of Hayat's tissue team. Aydin says: "It is indeed an honor that TM2 has world wide reputation with its quality and efficiency. Today Hayat Group sells the high quality products to all over the world."

The tissue machines officially ordered on 11 March 2013 will have a 5.6m trim width, 2,100mpm speed and annual capacity of 70,000 tonnes. Furthermore, a cogeneration system which is an essential part of the production process will also be included in TM4 and TM5. As an advantage of cogeneration, Hayat Kimya continues to emphasise the importance of energy saving and environmental sustainability.

Aydin adds: "Hayat Kimya gives utmost importance not only to rapid growth but also to the quality of products. We are aware of the necessity of R&D in order to be a leading company in the global tissue market. That's why at the beginning

the barometer issue

of 2012, Hayat Kimya's R&D center for tissue research was erected."

He adds that the company is now strategically dedicated to be one of the strongest competitors in the tissue industry, with paper machines that are equipped with the most sophisticated equipment and qualified technical force. With the start-up of TM4 and TM5, Hayat Kimya will have a total production of 335,000 tpa. Aydin says: "We will not only be the biggest tissue producer in Balkans and the Middle East, but also the seventh biggest producer in Europe. Hayat Kimya wishes that new investments will be fruitful for the group and Turkey."

Tül Kagit: one to watch

When TW visited the company last year, it said it was preparing for an extra 7% yearly increase in tissue demand in the next four to five years, an extra 30,000 tonnes per year.

Just one and a half years after the start-up a 65,000tpy Advantage DCT 200 Metso-supplied tissue line at its Pamukova mill, Tül Kagit's preparations are moving along even better than it expected. Its paper production capacity is being used at 100%; some 60% of jumbos produced are converted internally for both consumer and private label and sold at local market; some 37% of jumbo produced are sold locally and 3% are exported.

The company's converting investment plans are going ahead according to schedule and a 45% converting capacity increase compared to the start-up capacity is expected to be finished within a year.

New grades for the consumer market will be launched within a year, and it is expecting to branch out into the AfH market within the next 18 months. And if that wasn't enough, there are now further investment plans for paper making.

Lila Kağıt: on target

Lila Paper has increased its tissue production capacity to 150,000 tonnes through new investments that were completed in January 2012 under its 200,000sqm manufacturing facilities. Because of this, its chairman Orhan Ögücü says the company has become "the largest paper manufacturing capacity in a single campus, not only in Turkey, but in Eastern Europe, the Middle East, Caucasus and Africa".

He told TW: "We also invested to increase and optimise our distribution capabilities for our products. We have a new warehouse of 30,000 sqm for our converted products and three more local warehouses in the most populated cities of Turkey." He says that Turkey is expected to be one of the five largest tissue markets of Europe in the long term. "Therefore Lila Paper is making new investments each and every year in order to meet the increasing local demand for both converted products and jumbo rolls. In the meantime, the demand from neighbouring countries and even far away markets for value-added tissue products and jumbo rolls are in our scope."

He says that currently the business holds the leading position locally and in the nearby geographic region regarding sales of paper jumbo rolls, and is exporting to 28 countries worldwide. "Our target for 2013 is to achieve 100 million USD export and to become one of the top three exporters of Turkey in the field of paper and packaging. These numbers show us that there is a demand for quality tissue and service in the international market as well."

'Turkey is expected to be one of the five largest tissue markets in Europe in the long term.'

Turkey: Tül Kagit is expecting to branch out into the AfH market within the next 18 months



The business is also diversifying its product range so that its market can grow in a more value-added direction. "We have upgraded our premium brand Sofia in 2012 in order to over-achieve the expectations of the consumers. Our upper-premium bathroom tissue is decorated and has a scent of natural soap, innovated to last more than six months after purchasing. Furthermore our 4ply kitchen towel can absorb more than 1.5 times its closest competitor. Our innovative approach both in production and sales has brought us to a market share of 15% in five years in the Turkish tissue market." He adds that price competition is unavoidable in an environment where production is much more than consumption. "This situation affects the profitability of the companies in a negative way but on the other hand promotes the consumption since the consumers can reach more tissue for a lower price. While the consumption is growing up in local market, we are exporting a large part of our production to deal with overcapacity in the best way possible."

The tissue paper sector in Turkey is developing still, but Ögücü says it is open to improvement. "As the consumption per person in the leading markets of the world are over 15kg's, and close to 5kg in Turkey, we can say that there is a big difference and a long way to go. The good news is that there is constant growth, as the economy and population grows. In 2012, retail tissue market has achieved a growth of 6% in volume. The growth in 2013 is expected to be around 5%. While the growth may seem positive compared to developed countries, the intense competition due to consecutive investments and price decrease makes the local market unattractive. As the price sensitivity increase in the consumers, the brand loyalty decrease. Our aim is to provide more value added products to avoid this erosion."

He says that the AfH market in Turkey is developing faster than the retail market due to changing habits of the nation and increasing tourism. "We promote our local jumbo roll customers to go in this direction, as demand from this market is more promising for the near future."

SOUTH KOREA: TISSUE WORLD AUGUST/SEPTEMBER 2012

Samjung: meeting demand with modernisation

When TW met Samjung and its impressive site in Pyungtaek city, it had just signed for a Toscotec Steel Yankee. It's market strategy as one of South Korea's top three independent tissue producers was to continue to step up its game to meet demand through modernising its site and machinery. As living standards for South Koreans are constantly improving, richer families were wanting more tissue products such as kitchen towels and napkins. The company was in the process of setting a benchmark for the country's tissue industry.

Not even a year later and it is still making impressive progress to stay competitive. Samjung has invested in a new

tissue machine as well as a waste incinerator for a boiler. According to the business, the investment will be profitable as it will allow it to reduce its costs on LNG and Bunker C fuel.

The Samjung site produces kitchen towel, hand towels, toilet paper, napkins and paper towels. Some 50% of its products are sold through its own brand, while the remaining 50% is sold as private label.

Daewang: tried and tested

Daewang's 88-year old power house chairman Kim Chang Gyu was adamant that the company would continue to invest without loans from the banks, and continue to run a successful business debt free. His business strategy is tried and tested: short and long term with a keen eye to sustainability.

The Soryongdong site is now successfully running a Toscotec Steel Yankee. Additionally it has ordered another Steel Yankee Dryer from Toscotec.

While demand in parts of the South Korean tissue market remain flat, he says there are opportunities with the company's investment to produce new products that have good quality and low production costs.

NOTICE OF APPOINTMENT

MARIO PLOURDE

President and Chief Executive Officer
of Cascades



Cascades is pleased to announce the appointment of Mario Plourde to the position of President and Chief Executive Officer.

Mr. Plourde is Chief Operating Officer of Cascades and has been managing the company's operations since 2011. He works in close collaboration with the President and heads up the management team responsible for operations of the various business segments of the company's three major groups (Tissue Group, Containerboard Group and Specialty Products Group).

Since his arrival at Cascades in 1985, Mr. Plourde has occupied various positions including Controller, Plant Manager and General Manager. In 1997, he was appointed Vice-President and Chief Operating Officer of the Specialty Products Group, and was President of this group from 2000 to 2010.

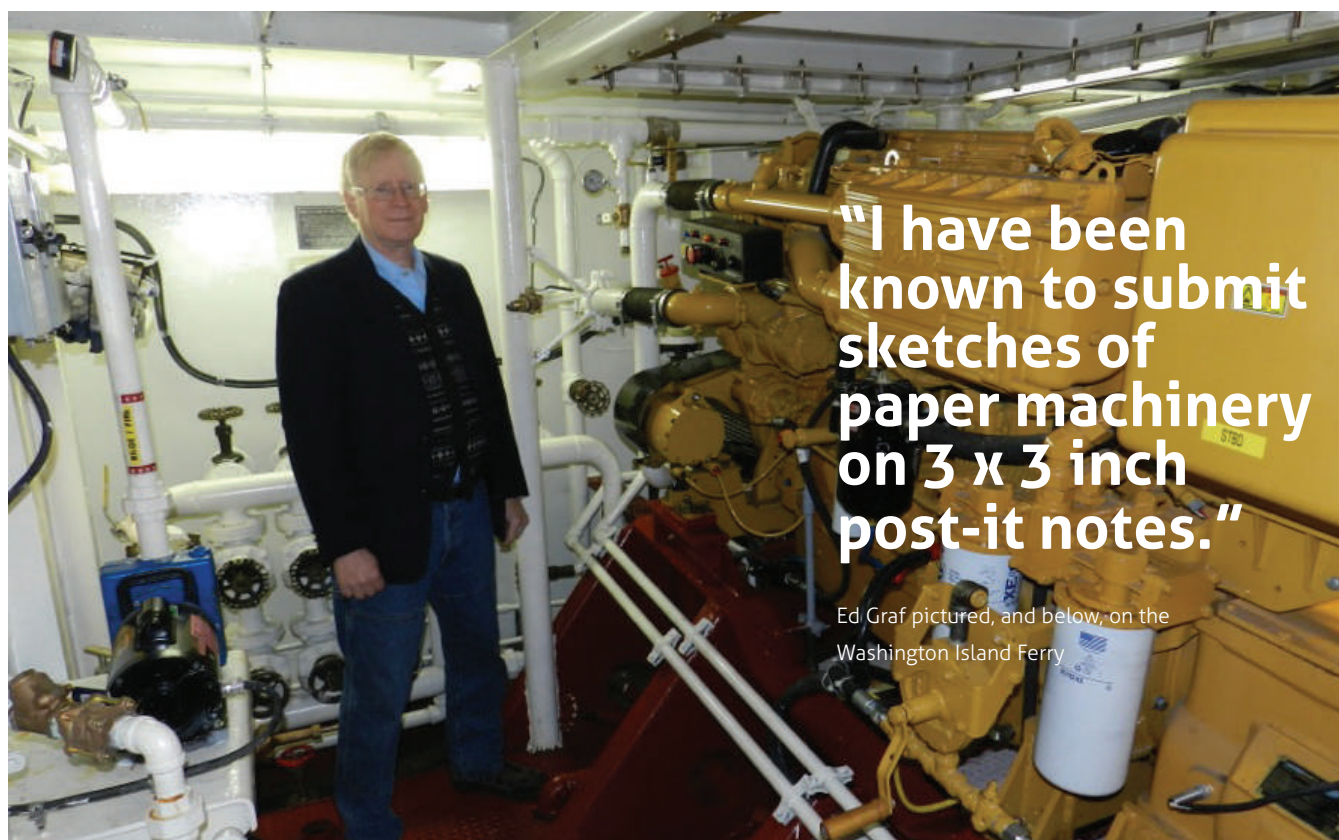
"He belongs to the new generation of competent and dedicated leaders at Cascades, and he is a true believer in our values. My brothers and I have complete trust in Mario Plourde, and we firmly believe that he will perpetuate the company's philosophy as he leads it into the future," said Mr. Alain Lemaire, Executive Chairman of the Board.

Founded in 1964, Cascades produces, converts and markets packaging and tissue products that are composed mainly of recycled fibres. The company employs more than 12,000 employees, who work in over 100 units located in North America and Europe. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol CAS.



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"I have been known to submit sketches of paper machinery on 3 x 3 inch post-it notes."

Ed Graf pictured, and below, on the Washington Island Ferry

Inventor Ed Graf explains the creative process behind his 55 industry patents

As a one-man consultancy new ideas and niche solutions are always stirring in his mind - a creative process his wife Ellen likens to "herding cats." TW asked him to describe his typical working day at his home of eight years on Washington Island, Wisconsin, USA, as he tries to get those felines to do as they are told.

"My daily commute involves leaving just enough time to walk down the stairs. I don't use a desk - it's really piled. Liked it better when I ran the operation out of a closet.

"I like to do things simply but unconventionally. The only person I consult regularly is myself, although I do talk through a lot with my wife - when she is in a mood to listen. She jokes that these days herding cats is my main priority, but it's just one on a list of many priorities!

"I'm not an inventor in the sense of developing things on paper or in a workshop, rather I describe myself as a one-man, paperless business. It's rare that I need to use paper or even a computer aided design to work out an initial solution, that's used more for the final copy. Instead, I visualise the problem in my mind and work around that to find a solution. I have been known to submit sketches of paper machinery on 3 x 3 inch post-it notes.

"I prefer to do most of my work and thinking from home. Throughout the day I take few breaks and always break for lunch. But usually I am not hungry when my wife makes it and when I am hungry there is nothing to eat - we haven't really gotten that worked out yet after 23 years.

"There is really no problem working from my home on Washington Island. With today's connectivity, it's the same as everywhere. My work pace is random, with flurries of activity interspaced with other obligations."

When a solution to a particular problem is near Graf will put in multiple 18-hour days to get things done. Then there are travel days, with much time spent on airplanes and in terminals. He travels 25-50% of the time these days.

"But being on the island always helps my concentration as

Graf's Air Dry Tissue (ADT) concept made its debut in 2011 in a US mill. It featured in the TW Feb/March 2013 issue. ADT is designed to produce dry or wet crepe on the same machine with short changeover times, lower purchase and installation costs and energy savings of 14% over conventional air-drying methods.

you can always break the day up by going for a walk in the woods or along the shoreline.

"When I travel to paper and tissue mills to meet with industry clients across North America or Europe, my first leg of travel is mostly the Washington Island Ferry. This will involve crossing Lake Michigan ice in winter. Sometimes, and only in good weather, I have flown directly to nearby facilities.

"For every patent I submit I also set an alternate solution so that if one doesn't work out or gain acceptance, I have a alternative. I currently hold 55 patents with several inventions that I'm working on for the future in energy and thermostatic packaging."

Regarding his latest ideas, a recent change in patent law explains why Graf is reluctant to expand.

"The law changed regarding patents on 15 March of this year. Now the first to file is the rule, not the first to invent. I prefer to work in technology where others aren't."



Graf, 63, is the owner of Wisconsin Pulp and Paper Machinery, a director for the privately-owned Washington Island Ferry board, and also pilots small planes. His professional CV includes high profile positions with Beloit Corporation, Rockton, IL, Voith of Appleton, Wisconsin, Sulzer Escher Wyss in Germany, Black Clawson, and again with Voith Sulzer.

Improving runnability on tissue machines

Catanchem's Gerhard Viljoen and aquaTECH's Julien Arnold and David Hunkeler consider how to make savings, and get the most from the mill

When tissue grades with high wet-strength resin (WSR) are being produced, the white water is generally quite clean, and frequency of sheet breaks is low, irrespective of the grammage. This good "runnability" is commonly observed when manufacturing towel grades.

However, for bathroom tissue with no WSR, or facial and napkin grades with low WSR addition levels, the white water often has to be purged, either continuously or periodically. Indeed, mills sometimes switch production to towel grades as a means of cleaning up the white-water.

The POLYMAC technology which will be discussed here was designed to provide the advantages of WSR, without actually adding wet strength, thus permitting production of bathroom, facial and napkin grades at higher speeds with lower energy. This is accomplished by rapidly cleaning the water while retaining fibre and fines, except the ash which would reduce brightness.

DEWATERING IMPROVES

This technology was initially introduced about five years ago and is now running in numerous mills in Europe, the Americas, Asia, Africa and the Middle East. Because it improves the dewatering considerably (Figure 1), the sheet goes onto the Yankee with less moisture. This typically has the effect to reduce steam consumption by 1-6%, while also decreasing the gas to the hood and even electricity use, principally due to slower recirculating fan speed.

On drying-limited machines, this saving in energy allows faster speeds with

some mills reporting increases up to 140 mpm. On tissue machines that are already running at their mechanical speed limit, the energy savings become pure profit. Clearly the same machine, making different grades, can operate both in a drying-limited or speed-limited mode, so from day to day a production increase or energy reduction, or a combination thereof, can be achieved.

On machines with 50tpd production, quite small by modern standards, pulp savings can be over 1tpd, corresponding to a yield improvement of 2%. This occurs because POLYMAC retains more fibre and fines, as best evidenced by an increase in the first pass retention of 5-15%. This has an effect of cleaning the water with typical white water solids levels lowered by approximately 200-400ppm (Figures 2a and 2b). This number is important as, with pulp costs at about USD 600-900/tonne, the fibre savings alone pay for the POLYMAC and the application of this "runnability aid" gives an immediate net positive payback, rather than being a cost.

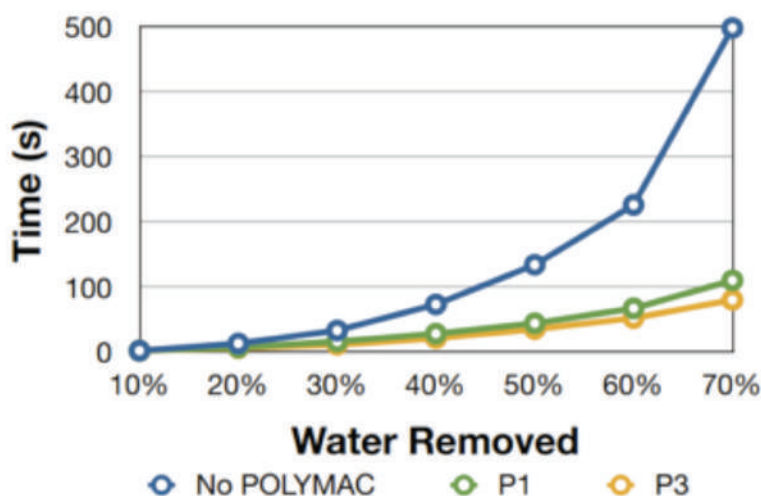


Figure 1

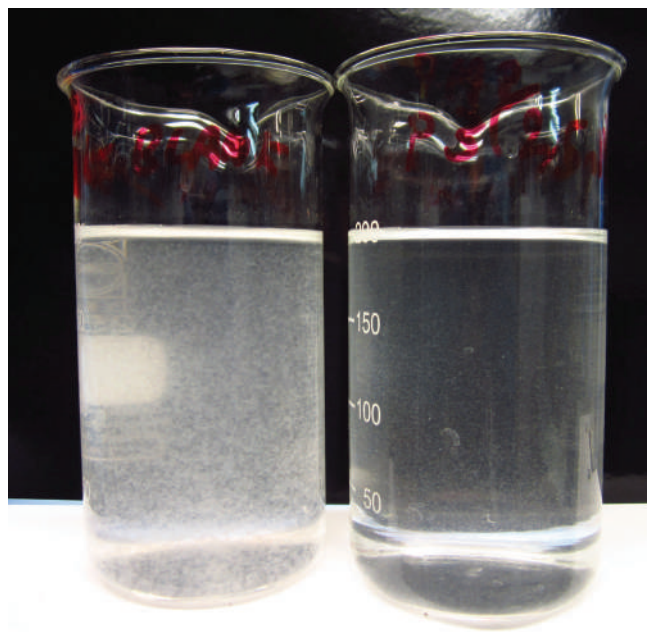
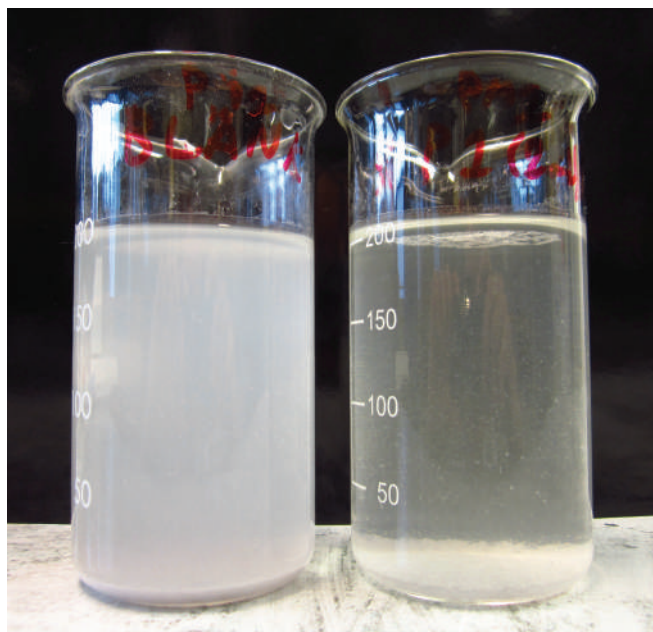
By GERHARD VILJOEN
CEO of Catanchem



By JULIEN ARNOLD
Director of Technology at aquaTECH



By DAVID HUNKELER
Director at aquaTECH



Figures 2a and 2b: POLYMAC cleans water with typical white water solids levels lowered by approximately 200-400ppm. On the left is an example of recycled furnish; on the right is an example of virgin furnish.

The fact that the water is cleaner permits more water reuse, lowering fresh water consumption. The polymer conditioning of the white water, and subsequent improvement of either dissolved air floatation (DAF) or poly disk operations, means cleaner water returning to the felt showers thus giving a positive effect on felt life.

DISCUSSION

When POLYMAC is applied, the benefit in retention is evident within the first few hours. However, the water loop is large and can typically require four days to clean fully. The increase in retention is concomitant with a reduction in break frequency. As there is less process waste (difference between hard and soft roll production), the standard deviation in daily productivity can be reduced from 7tpd to less than 2tpd.

Less chemicals recycling in the broke also provide advantages in the pulper. The post-press-roll consistency (PPRC) can increase by 1-2%, in cases where the machine does not speed up and there is often a reduction in dusting and an improvement in softness, though these are supplemental benefits.

The main role of POLYMAC is to clean the white water and improve drainage. In doing this, it increases production and yield, while requiring less energy. Life Cycle Assessments are under way with American universities to quantify the environmental impact of tissue made with POLYMAC. The key environmental impacts of tissue production are due to

production of pulp as well as energy use in manufacturing. These contribute more than two-thirds of the total global warming potential, ozone depletion potential, acidification and human toxicity. Virgin pulp receives an environmental credit from burning the byproducts from wood not used in pulp. Therefore, the environmental advantage of energy reduction will be larger for recycled furnishes, though still quite positive for virgin sources as well.

CASE STUDIES

One method to ascertain if a product is working is an "ABA" trial, which involves defining a set of key performance indicators (KPIs) and measuring them for several days before a trial begins, as well as monitoring their change during the application. Most important, from a tissue perspective where performance often improves with time as a felt wears in, is to record the regression in the KPIs after the chemical is reduced.

Figure 3 is such a plot from a virgin fibre mill running one of the newest tissue machines in the world. The increase in first pass retention is obvious with POLYMAC. Even more persuasive is the reduction FPR observed when the dosage is reduced. One will also see, within hours, an increase in the steam and gas use.

Figure 4 shows plots of production from an integrated mill where the white water loops are shared between machines. Data are for one month without and with POLYMAC, the maximum which could be obtained on the felts. On average

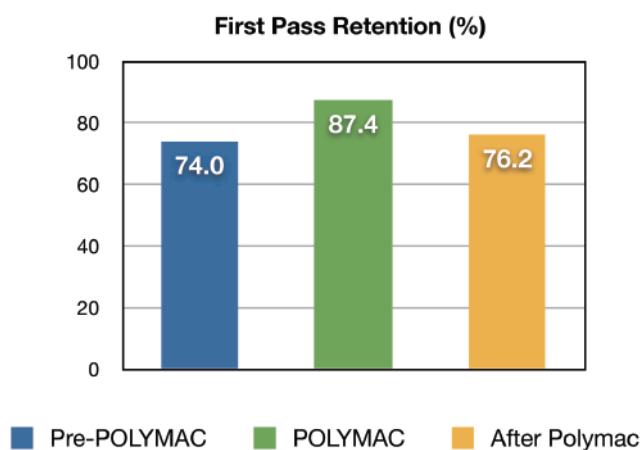


Figure 3

the production increase observed is 5tpd. In this mill POLYMAC also permitted the use of some levels of recycled furnish, lowering cost.

Table 1 is a case study of a mill using secondary furnish with a capacity of 75tpd. This machine cannot speed up. The gas, steam and energy savings are 2, 3 and 5%, respectively. This corresponds to a total savings of approximately USD 2/tonne of tissue or USD 225/day. The use of pulp is reduced 1.4tpd and this equates to a cost lower by 12 USD/tonne or USD 919/day. Even though the machine cannot speed up, the lower frequency of the breaks results in an average increase of production of 0.4tpd (USD 400/day).

Overall the cost reduction is USD 21.08/tonne at a POLYMAC cost of 6.50 USD/tonne, for a net savings of USD 14.58/tonne or USD 1,094/day. The benefits of POLYMAC are larger on faster machines and are typically dominated by pulp savings and higher production rates. The energy savings, though significant, are secondary and the cleaner white water has tertiary effects such as in a reduction in the flocculant use in the water treatment plant.

CONCLUSIONS

Tissue consumption has increased by 3.9% per annum over the past two decades. In 2012 its production surpassed, for the first time ever, that of writing paper. The industry has a mixture of old and new machines and is an excellent example of where the economic and environmental benefits of technical improvements align.

It has been a common practice for mills to use high levels of fresh water. Often 30-70% of the 60m³ of total water required to make one tonne of tissue is fresh water.

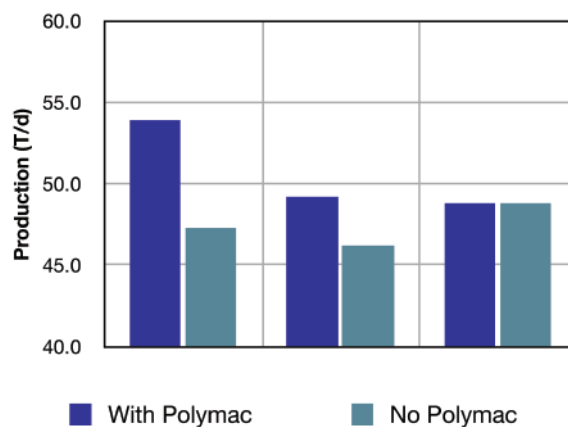


Figure 4

Machines, however, can run more energy efficiently with fresh water levels reduced to the 7-15 m³ per tonne levels, and the higher recycled water can improve the felt life. Each day of extended felt life provides a direct savings of approximately USD 500 and an indirect cost reduction of another USD 200, since new felts tend to require low speeds for the first week.

The lower energy consumption that comes with improved dewatering not only reduces cost quite considerably, but also can lower global warming potential (though it remains to be precisely estimated) on the order of 5 kg of carbon dioxide per person per year. Putting this into perspective, the global warming savings in producing tissue with less energy is about half of the CO₂ generated for personal water consumption. Making more energy-efficient tissue and reducing the water use is an important cost savings and, obviously, a key positive environmental impact.

Toilet paper consumption is growing rapidly. If it can be produced with thrifty use of water and energy, at high speeds, this can both extend the capital investment in existing equipment, while exploiting the high speed capacity of new equipment. POLYMAC is designed to help tissue machines run more economically and faster. It is an innovation and represents a molecular design specific to the needs of the fibre being used. Various grades exist for virgin and recycled fibres, with some oriented more at dewatering and others at retention, though all do both.

Gerhard Viljoen is the chief executive of Catanchem, Julien Arnold is director of technology at aquaTECH and David Hunkeler is a director at aquaTECH. Polymac has been developed by Catanchem and aquaTECH specifically for the tissue industry. It is produced in Geneva. The inventors of POLYMAC are the authors of this article.

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2-4 September 2013	China Paper / China Forest 2013	Beijing, China	www.chinapaperexpo.cn
8-10 October 2013	ABTCP 2013	Sao Paulo, Brazil	www.abtcp2013.org.br
16-18 October 2013	MIAC Tissue 2013	Lucca, Italy	www.miac.info
24-27 October 2013	PAPEREX 2013	Pragati Maidan, India	www.paperex-expo.com
28-30 November 2013	PAPER ME 2013	Cairo, Egypt	www.papermideast.com
18-21 March 2014	Tissue World Americas	Miami Beach, USA	www.tissueworld.com
26-27 March 2014	MIAC TISSUE	Business Point Lucca, Italy	www.miacissue.com
8-11 April 2014	Index 2014	Geneva, Switzerland	www.index14.ch
6-9 May 2014	ISS InterClean 2014	Amsterdam, The Netherlands	www.issinterclean.com
8-10 October 2014	ABTCP 2014	Sao Paulo, Brazil	www.abtcp.org.br
23-25 October 2013	SINCE 2013	Shanghai, China	www.since13.com
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