“MODERN KNOWLEDGE WITH LOCAL WISDOM”

By MARK RUSHTON, Editor

Thailand’s Phoenix Pulp & Paper is taking its corporate social responsibility (CSR) very seriously

SCG Paper is something of a force not only in Thailand where it is headquartered, but also on the globally recognized PPI Top 100 list where it hovers from year to year around the no. 50 spot. With a turnover of some $1.7 billion and production of around 3.2 million tons/yr, the company is perfectly positioned to supply the burgeoning ASEAN region.

PPI recently visited one of its mills, Phoenix Pulp & Paper (PPPC) near the thriving town of Khon Khen about an hour’s flight north east of Bangkok,

Thailand’s capital city. Khon Khen hit the world paleontology stage a few years ago when bones of a sauropod dinosaur were uncovered by geologists exploring for minerals, and full scale replica models of the animals now line the highways from the airport.

But far from resembling anything like a dinosaur, Phoenix Pulp and Paper is one of the most modern and dynamic set ups within the SCG Paper group, with a colourful history, and an environmental and social model now that surely even the greenest of mills around the world would be astonished by. But it wasn’t always that way, in fact the mill had a previous reputation locally of poor environmental practice.

Roongrote Rangsiyopash, president of SCG Paper says of the acquisition in 2003: “When SCG Paper first took over Phoenix Pulp and Paper, we faced many big challenges. Not only that we needed to find a way to keep the company operations afloat, but we also needed to build local people’s trust in relation to
the mill in Khon Kaen. We had to assure Khon Kaen residents that we are a socially-responsible firm with ethical business practice and the determination to stop pollution problems in their hometown.”

One of the biggest problems the mill had was the pollution of the local waterways with effluent from the mill. Roongrote continues: “Haunted by the pictures of fish floating dead in local waterways due to PPC waste discharge, the locals were harder to sway than usual. The circumstances were far different from when we started entirely new relationships with local communities. Therefore, we started to reach out to Khon Kaen people by increasing communications opportunities and repeatedly expressing our intention to work with the locals in not just solving the old problems but also in building a better future.”

This approach to the local environment by PPC is one of the really striking aspects when visiting the mill and surrounding areas. It has obviously engaged fully with the locals, but not in some kind of philanthropic way; it has provided real business opportunities by way of projects that use waste water from the mill, as well as the land area that surrounds it, including a local lake. Real commercial projects for local people include fish farming, and the planting of cash crops including rice, corn and sugarcane. Roongrote continues: “Our determination in this area has translated into patience, constant efforts and many tangible results. We have successfully connected with the locals via projects that efficiently combine modern knowledge with local wisdom. Among them are projects to grow crops which thrive in the area, fish farms and other supplementary occupation projects such as elderly locals passing on weaving techniques to the younger generation who can then add to their incomes beyond the farming season.”

But SCG Paper head is by no means complacent about the good work that has already been done, emphasizing that there is still work ahead, he says: “We are committed to delivering an increasingly better future to local communities in line with and beyond our corporate CSR philosophy. We wish to give the local people more than what they have expected and our ultimate goals are to provide a happy life with a
Communication is key

PPFC has had a long and historic relationship with ABB and over the years the company has supplied across the board DCS and QCS systems, and 90% of the drives within the mill complex, the latest being one of the company's Composite Plant Solutions. Nithy says: "We have been using ABB equipment and DCS systems for years, and still have bits and pieces of the old Masterpiece systems around the mills which we are gradually upgrading to latest systems. In 1994 we had a complete package delivered for the expansion project "Phoenix-2" for adding a second pulp line and upgrading Line-1 with state of the art technology which included all electrification and automation. In 2006, for the Paper Mill Project, ABB delivered a complete electrification sectional drive and automation, as well as a complete QCS system, which included basis weight, caliper measurement and fiber orientation systems."

Being such a comprehensive supplier, communication is of the essence which obviously involves regular meetings with the designated crews around the mill from across the board from fiber line to winder. Nithy says: "ABB has set up an office in the nearby town, and we have meetings at least once a month to go over what is happening at the mill. These have proved to be extremely useful for us and ABB as we are able to make sure that any concerns we have with any area of the mill can be addressed early on. Two or three people from ABB attend these meetings usually, which can last anything up to three hours depending on the issues. Both parties find these meetings very beneficial as our own engineers are also steeped in knowledge of production issues."

SCOPE OF ABB DELIVERY:

- Electrification with Smart MCCs
- Boiler Automation
- Paper machine sectional drives and process single drives
- Paper machine DCS
- QCS
- WIS + ABS
- Winder drive system
- Process and drive motors
higher income, better living conditions and greater healthcare to local people and also help them achieve sustainable development in their own communities."

**THE MILL: CONSTANTLY EVOLVING**

The mill sits in a beautiful, fertile area of the country, which is historically one of low income, so initially the mill was set up only as a pulp mill to make sure the local farmers had at least one viable market for crops. Nithyanandam, or “Nithy,” for short, is manager of the maintenance department at the mill and a veteran of more than 25 years at PPCG, he says: “The mill was founded in 1975, and at the time when I arrived in 1983 the pulp was made out of kenaf (a plant local to the region, and similar to jute in its properties) and had a capacity of around 70,000 tons/yr. We then came across the problem that the farmers simply could not plant enough kenaf to keep the mill supplied, so we moved to bamboo and eucalyptus as the raw material sources, and then two years ago we went fully into eucalyptus.”

The group now has a company within it, SCG Paper Forestry which completely looks after the procurement of fiber entirely with PPCG needing some 1.5 million tons/yr for operation which it procures from plantations in a 200-km radius. The fiber grows fast here, with species of eucalyptus maturing for harvest, “We are now in a perfect position to go forward,” says Nithy. “We have a relatively new paper machine, PM 1 from Voith, we have raw material, access to water, and no problems obtaining skilled people.”

The latest project at the mill has seen a new cooking plant and fiber line upgrade from Metso that included a two vessel digester for producing 180,000 tons/yr of eucalyptus pulp and also included a wash press for the fiber line upgrade. The new cooking system will enable PPCG to increase pulp capacity at the same time as reducing the environmental impact further. The mill makes around 200,000 tons/yr uncoated wood free paper from PM 1 and about 290,000 tons/yr bleached ECF pulp from two pulp lines. PPI