

COLORANTS

Brenntag Colours Paper division demerged and brought into Singhanian group

The Brenntag Colours Paper Division was demerged from Brenntag on 10 November 2016, and is now operating as a new company, Waterside Colours Ltd, under the ownership of the Singhanian group. The Singhanian group owns the leading Indian dyestuffs manufacturer, Ravi Dyeware & Siddharth Colorchem, which operates three manufacturing plants in India. The acquisition includes the colorants plant in Halifax, UK, which was designed and built in 1995 specifically to supply liquid cationic and anionic dyes for all paper applications, from packaging and tissue to graphic paper and newsprint.

Singhanian is also taking over the associated production and chemical sites and commercial, technical and administrative staff associated with the business, numbering around 35 in total. Andy Stamataris, who previously managed the entire Brenntag Colours business, has transferred to Waterside Colours as its managing director, working with the new ownership. The team of technical experts from former Brenntag Colours make up 40% of staff in laboratories or in the field. There has already been some expansion of the laboratory under the ownership of Brenntag, and a couple of additional people recruited. The company has a policy of employing and training graduates in house to ensure its succession. Waterside is setting up various administrative functions previously handled by Brenntag, including accounting and human resources. Brenntag acquired the business in 2006 from ICI Avecia. The co-operation with the Singhanian group pre-dates Brenntag's ownership, as ICI Avecia transferred some of the business to India, following its acquisition of Stahl.

Although Brenntag is active in blending, its core business is chemicals distribution and the paper dyes plant in Halifax was its only manufacturing site. Brenntag recognized that as part of a chemical distributor, there was no opportunity to take the paper dyes business to the next level and discussions with Singhanian focused on the best way to take it forward. Under the new specialized ownership with a commitment to manufacturing, the paper dyes business will be better able to better fulfill its growth potential.

Ravi Dyeware & Siddharth Colorchem has supplied dyes to Brenntag Colours for two decades and has been instrumental in developing its paper colors business, with co-operation in manufacturing, R&D and quality control. The Indian colorants group manufactures powder dyes for paper and textile, but is also strong in Triphenylmethane (TPM) dyes and other ranges and manufactures some intermediates in-house. With limited capacity in the Halifax plant, becoming a part of Singhanian increases the capacity of Waterside several times. It provides Singhanian with a good channel to the key European market, as Waterside exports some 75-80% of its output, predominantly to Europe. The remaining dyes manufacturing sites are located in southern Europe, and there is some speculation among competitors as to whether the UK is the most favorable market for the development of the dyes business should the UK fail to make a success of Brexit.

BARRIER PRODUCTS

Board manufacturers move forward with MFC for paperboard packaging

Stora Enso is investing a total of €9.1 million to accelerate the development and commercialization of micro fibrillated cellulose (MFC) at its Finnish consumer board mills in Imatra and Ingerois, and in Fors, Sweden. Stora Enso commenced production of MFC in 2012, after some five years of research, building a pre-commercial plant in Imatra, with investment of some €10 million. It is now adding equipment at a further two mills. It aims to increase the capacity of paperboard packaging containing MFC to 500,000 mt/year, thus improving sustainability as converters will be able to produce stronger, lighter packaging using renewable materials, while preserving the qualities of stiffness and internal strength. The plants are scheduled to come on stream by end-2017, reaching full production in three to five years.

Stora Enso's first commercial activity with MFC has focused on liquid packaging board, introducing the MFC-based New Natura Concept so that converter Elopak could produce more sustainable and competitive liquid board packaging for its dairy products. Other trials are on going and it is targeting