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EANS-News: Lenzing AG / Lenzing subsidiary PT. South Pacific Viscose (SPV) opens fourth production line

SPV secures its position as Asia's leading viscose fiber producer

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Company Information

Subtitle: SPV secures its position as Asia's leading viscose fiber producer

Lenzing (euro adhoc) - Lenzing's subsidiary PT. South Pacific Viscose (SPV) officially started up its fourth production line at the beginning of April. A total of about USD 150 mill. made the production line the Group's biggest individual investment project in recent years. Its annual nominal production capacity of 60,000 tons of viscose fibers for textile and nonwovens applications raises SPV's total annual capacity to 220,000 tons and makes it Asia's biggest viscose fiber production site and the world's second-biggest producer, after the parent plant at Lenzing with 255,000 tons per year.

Peter Untersperger, chairman of the Lenzing management board, at the inauguration in Purwakarta: "Indonesia and the whole of Asia are Lenzing's single most important sales market. The extension of PT. South Pacific Viscose is another milestone for the Lenzing Group. It again marks our commitment to our customers in this part of the world. And it is, moreover, an essential part of our corporate strategy. With the completion of all current investment projects in 2012, about half of the Group's fiber production capacity of then 378,000 tons will be located in Asia. It is our goal to reach the million-ton production mark by successive expansion steps and more than half of our total cellulose fiber production will then be generated in Asia."

Fritz Weninger, the member of the Lenzing management board responsible for fibers, at the ceremony emphasized: "For the next years we expect above-average demand for viscose fibers produced by SPV. We offer our customers innovative applications, top quality, delivery dependability and the best technical support possible: Processors who use Lenzing fibers realize corresponding added market value".

The new jumbo line took two years to complete and required the extension of existing industrial infrastructure, including a state-of-the-art 21 megawatt power station with multi-fuel fluidized boiler and attached steam turbine, a sulfuric acid plant with a daily capacity of 300 tons, a CS2 recovery plant, as well as process and waste water facilities. SPV consequently conforms to the latest environmental standards.

All in all, a total of about USD 500 mill. were invested in SPV. A debottlenecking program will be started along with the regular operation of line four in order to raise total production capacity by another 18,000 tons to 238,000 tons per year.

Lenzing has been involved in SPV since 1983 and has been holding the industrial management since the start of production. The company raised its initial minority interest in successive steps to currently 90.56 percent. The remainder is being held by Indonesian shareholders

Production capacity has been increased more than tenfold in successive stages from initially 20,000 tons per year. SPV is an important supplier to the Indonesian textile industry, the one of biggest industrial segment of Indonesia. The site's staff of 1,656 makes the company one of the biggest employers in the region and a major contributor to its rise over the past 30 years. SPV, moreover, finances numerous community projects such as schools and child and health care centers in Purwakarta.

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