

where investments mainly focus on improving insufficiencies and optimising the product portfolio, the expansive effects will only gradually take effect from 2023 onwards.

€250-300m in annual capex for 2022 and 2023

"Due to intensified investment activity in increasing competitiveness and growth," the group expects its investments to range between €250-300m for 2022 and 2023. In addition to the major investments in Frohnleiten, Neuss and Kolicovo, MM Board & Paper is also focusing on projects at its newly acquired MM Kotkamills and MM Kwidzyn sites.

MM Packaging plans to double its major site in Bydgoszcz and build a new packaging plant near Warsaw in Poland in order to participate in mar-

ket growth in Central-Eastern Europe and take advantage of more favourable costs. In addition, the group is expanding sites in the UK, Austria and Romania to "critical size."

MM group said it will continue its strategy of long-term moderate growth, which has proven successful. While the emphasis at MM Board & Paper is on integrating the newly acquired sites, MM Packaging also wants to strengthen its market presence through takeovers. The division plans to continue its focus on optimising cost structures, digitalisation and innovative sustainable packaging products to substitute plastic packaging.

Given the "ongoing cost inflation and further developments that are difficult to predict," MM remains focused on offsetting cost burdens by raising sales prices as quickly as possible and re-

ducing structural costs in order to restore margins.

Downtime at Russian packaging plants "has to be expected"

MM says it is closely monitoring the developments in Russia and Ukraine as well as the international developments and possible impacts on the group. MM cumulatively generates approximately 9 per cent of its group Ebitda in Russia and Ukraine. In Russia, MM Packaging produces packaging products to meet local demand at two sites in St. Petersburg and Pskov. The company says that downtime at these plants "has to be expected." MM has stopped all cartonboard deliveries to Russia. In Ukraine, MM Packaging runs one site in Cherkassy but "operations are currently very limited." □

Turkish tissue producer Lila Kagit increases capacity

Turkey tissue paper and products manufacturer Lila Kagit, a company founded in 2006 by Lila group, is racing ahead on its expansion track. The company commissioned the fourth tissue machine at its Corlu mill in mid-February 2022 to expand its capacity to 270,000 tpy of tissue and take Lila Kagit into the circle of Europe's biggest producers. All four tissue machines at the Corlu mill have been supplied by Valmet. The company's latest acquisition, TM 4 has a web width of 5.6 meter and is rated to produce as much as 70,000 tpy of fresh fibre-based tissue, running at a design speed of 2,200 m/min. Valmet posted the order in the third quarter of 2020. Commissioning of the TM 4 was originally

planned for the second half of 2021.

Lila Kagit is attracting attention not only because of the new TM 4 and its rapid expansion. Protests staged by former workers and members of Turkish trade union Selülöz İş Sendikası in front of the gates of the Corlu mill have entered into the third month. The workers are protesting against what they consider to be "illegal dismissals" on the pretext of low working performance. According to the global industrial union IndustriALL and its Turkish affiliate Selülöz İş, the main reason behind those dismissals was workers' union membership as unionised workers were protesting against high workload and bad management behaviour at the

paper mill, especially when workloads were extremely high due to the Covid-19 pandemic.

The struggle staged by the dismissed workers was even discussed in the Turkish parliament last week. The MP of Tekirdağ province and member of the oldest Republican Peoples Party CHP, Dr Candan Yuceer raised the issue of Lila Kagit's former employees at the plenary session in mid-March. She urged the company to accept its mistakes and retract the dismissals. Joining a trade union was a constitutional right in Turkey. Demanding compensation for hard work is not a crime, the MP wrote on Facebook.

Lila Kagit has so far not commented on the protests in Corlu. The company had not responded to a query as this issue went to press. □

SCA to increase tall oil production at Munksund mill

SCA will invest SEK150m in new processing equipment at the company's Munksund pulp and paper mill with the aim of increasing tall oil output for biofuels production and reducing its fossil fuel consumption. According to SCA, the investment in Munksund comprises new equipment for black liquor treatment which allows to extract a greater proportion of the soap contained in black liquor and makes the entire pulping process more efficient. The amount of soap extracted from black liquor would increase by 24 per cent, SCA said. The project is to be executed in two phases with phase one to start in the autumn of 2023, and phase two following in the autumn of 2024.

Pine or tall oil is a by-product of pulp production and is used by the chemicals industry to produce a wide variety of products including paint and detergents. It has become a sought-after material for producing biofuels, the demand of which is increasing, the company said.

According to SCA, another major advantage of

the investment is that it will reduce energy consumption at the paper mill. The entire process would be more energy efficient as less energy is needed in the evaporation and chemicals recovery process, the company explained.

SCA has been working for years on the exploration and production of biofuels from tall oil. Last year, SCA formed a joint venture with the Nordic energy and mineral oil company St1 to build a refinery for the production of liquid biofuels at the St1 site in Gothenburg. The refinery is expected to start operations in the middle of next year and will produce 200,000 l per year of biofuels. SCA will supply the biorefinery with tall oil from SCA's plants in Obbola, Östrand and Munksund.

Another biorefinery with an annual capacity of up to 300,000 litres of biofuel could be built at the SCA site in Östrand. However, the refinery is still considered a development project which obtained an environmental permit in 2021 but a final decision on which was pending. □

Start-up of Arauco's new BEK pulp line delayed

Commissioning of the new pulp line at Arauco's mill in Southern Chile has run into further delays and will not take place in March. Arauco expects that its entire MAPA project will be not be concluded before the end of April 2022. At the end of January construction and installation tasks were reportedly completed to nearly 93 per cent. Wood has been delivered since January and the mill has been connected to the national power grid. The new pulp plant with capacity for 1.56 million tpy of eucalyptus pulp was originally scheduled to start up in Q1 of 2021. The MAPA project is meanwhile behind schedule by over a year. Investment costs have also increased and are estimated to stand at \$2.8bn. Most of the amount has already been spent, Arauco informs. The company adds that the existing eucalyptus pulp line 1 was permanently stopped on 3 January 2022 after 50 years of operation. The line had a capacity for 290,000 tpy of hardwood kraft pulp. □