

MULTIBAX WINS NOD FOR BIOPLASTIC BAG EXPORTS

WATCHARAPONG THONGRUNG
THE NATION

Bag manufacturer Multibax is ready to begin exports of its bioplastic bags after securing approval from agencies in foreign markets.

Deputy managing director Pisuth Lertvilai said that since 2007, the company had conducted research and development on bioplastic with leading local universities to create the 100-per-cent-degradable plastic pellets made of cassava, in line with US and European standards.

Further, the company has invested Bt50 million on staff and technologies to develop bioplastic bags and has now received the required certifications from agencies in the countries it has targeted for export. In fact, noted offi-

cial, Multibax has already received a purchase order from Germany for bioplastic bags.

Multibax estimates its bioplastic bags will account for 20 per cent of its total revenue for 2012. Last year its revenue was Bt1.5 billion, a reduction of Bt31 million. Further, it reported a net profit of Bt4 million in the first quarter of this year and expects to show profits throughout 2011.

Pisuth anticipates a surging demand for bioplastic within the European Union, in line with regulations requiring the use of bioplastic bags. At present, the use of bioplastic in the EU is less than 10 per cent of total plastics, but it is a trend expected to increase past 10 per cent in the next three years and to 20 per cent in the next 10 years.

Multibax' plastic-bag plant is in Laem Chabang, within the export zone that is entitled to tax privileges granted by the Board of Investment. The plant has the capacity to produce 23,000 tonnes of normal plastic bags per year, all for export. Its major export markets are Europe, the United States, Australia and some Asian countries.

Company officials expect the revenue contribution from bioplastic bags to reach 40 per cent in the next three years.

Pisuth is confident that bioplastic bags could strongly compete with normal plastic bags if supported by regulations and if sold at competitive prices. The production cost of bioplastic bags is three times that of normal plastic bags, which is an obstacle for the company to overcome if it wishes to expand the market quickly.

He also believes that in the future the company could lower costs to be on par with those of manufacturing normal plastic bags to boost the demand of bioplastic bags, in line with increasing environmental awareness among the public.