

In Bài

**Tan Mai Group: Challenge to Stay at the Top**

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**For a period of five years after equitization, from 2006 to 2010, Tan Mai Group Joint Stock Company (or Tan Mai Group) made a significant turning point for its development in spite of facing with difficulties caused by the changes of the global economy and national inflation.**

**\* Growth with the chaos of trouble:**

Throughout five years of operation from 2006 to 2010 as a joint stock company, there were times in 2008 Tan Mai Group had to cut down its production capacity due to the global financial crisis that resulted in a big increase in fuel and material prices.

Simultaneously, inflation, loan interest rates, and USD fluctuations exerted a great impact on business efficiency and the progress of investment and production expansion.



Paper is being made in Tan Mai Paper Company in Bien Hoa city

Facing with the increase of fuel and material prices, Tan Mai Group has invested in efficiency technology used for paper making, thereby reducing material costs by 10 percent, power costs by 15 to 20 percent, and steam and water costs by 10 to 30 percent compared with those before it was equitized.

Tan Mai Group has increased its domestic pulp use, decreased imported pulp, and cut down input costs by changing to use industrial steam supplied by coal-based furnaces instead of FO-based furnaces.

Also, Tan Mai Group has invested tens of billion dong in building wastewater treatment systems for Binh An paper mill in Binh Duong province and Tan Mai paper mill in Bien Hoa city.

Thanks to this, Tan Mai Group has made a significant development breakthrough.

Tan Mai Group has a production capacity of more than 517,000 tons of paper of all types and 290,000 tons of pulp.

Tan Mai Group's net revenue is VND10,094 billion (or US\$488.22 million) with an annual average growth of 34 percent.

Tan Mai Group's Pre-tax profit is VND322 billion (or US\$15.57 million), with an annual average growth of 79 percent (dividend in 2011 is 11 percent).

Workers' average income rises by 19 percent per year (as much as over VND4.8 million or US\$232.16 per worker per month).

Forest planting area hits more than 10,150 hectares and 524,000 cubic meters of planted forests for material have been exploited.

In terms of size, Tan Mai Group is a leading paper maker in Vietnam, and its newsprint market share takes up approximately 30 percent.

Currently, the production of paper of all types for 5 years on average hits approximately 100,000 tons per year and 57,000 tons of pulp per year is produced.

Nevertheless, Tan Mai is still faced up with a lot of challenges like how to increase its competitiveness and adversely unpredictable market factors.

**\* Breakthrough in investment and development:**

It can be clearly seen that to make steady progress in Vietnam paper industry, Tan Mai Group has invested in a closed material development area of planted forests to maintain its own pulp reserves and in new technologies that help increase both its production and quality.

Tan Mai has owned more than 22,000 hectares of planted forests and planned for more than 100,000 hectares of planted forests in the provinces of the central region and highlands.

Tan Mai Group has put heavy investment in four major projects that use the production lines that use Canadian and New Zealand technologies.

Those projects are pulp and paper mills: Tan Mai - Kon Tum, Tan Mai - Quang Ngai, Tan Mai - Lam Dong and Tan Mai - East Region in Long Thanh district with a total capital of VND7,650 billion (or US\$370.01 million) including a loan capital of VND5,000 billion (or US\$241.83 million).

After these projects come into operation, they will contribute increasing Tan Mai Group's pulp making capacity to 450,000 tons per year, eight times more than its existing capacity and production of paper of all types to 550,000 tons per year 5.5 times more than its existing capacity.

By late 2012, part of production lines to make pulp and paper within the project is expected to be put into use.

This will help Tan Mai Group keep taking lead in Vietnam, and contribute to increasing its competitiveness and exporting high-quality paper.

Today, Tan Mai Group has more than 2,000 employees and many pulp and paper making subsidiaries that are being built up in the central region and highlands.

Also, Tan Mai Group has had its investment in real estate projects such as Tan Mai - My Dinh, Tan Mai - Bien Hoa, Tan Mai - Vinh Cuu and Cogido (in Bien Hoa Industrial Zone 1).

Tan Mai is determined to pursue its development objectives to deserve a huge consortium.

**Source: Dong Newspaper, Translated by Duy Minh**