

# Buildup from pallets

The potential to grow in export business is often the main catalyst for plastics processors in Vietnam to start scaling up on the latest technologies to keep in step with product requirement.

That happens to be the case as well for Long Thanh Plastic (www.lothacol.com), with the company based in Ho Chi Minh City first seeing their export business increase in 2006. Today, exported items form 30% of the company's total production.

"We can see that the potential for our export business is growing consistently," says Long Thanh assistant director Pham Tran Nhat Minh. "Our target is for our export business to form up to 40% of our turnover by 2010."

To achieve that target, Long Thanh has been making avid investments in the latest processing equipment over the last few years, from fast-cycling injection moulding machines (mostly Japanese and German models) and advanced blow moulding capabilities that range from electric-driven systems to multilayer bottle production.

Long Thanh's focus on acquiring high end technologies has filtered down to the installation of highly advanced equipment to better manage the materials handling process.

The company recently invested in a Conair central material blending and conveying system, as well as robots for automatic parts handling.

Conair designed the system to optimise Long Thanh's production operations to efficiently manage the material handling to a fleet of injection moulding machines. It brings more precision to the blending process and considerably reduces wastage in resin consumption.

This form of automated control over the daily production runs is what Long Thanh aims to introduce to a larger extent.

"With more foreign investments entering Vietnam, we foresee that the supply of skilled workforce can become a real issue in the future," says Pham. "At the same time, we want to install a higher level of automated controls to upgrade the working conditions and benefit our staff. We want to provide strong opportunities for our staff to upgrade their skill and knowledge."



The sophisticated conveying system installed can prove to be crucial for Long Thanh in coming to grips with the industry trend of rising material cost, Pham comments: "Of course, material cost is also a very important issue for us and we believe that we can now better monitor how our production can be optimised along lean manufacturing standards without compromising product quality."

A big part of Long Thanh's current business is focused on industrial applications, where its strong market position in the production of plastic crates and pallets has been well established for years.

These large technical parts are typically moulded on high-tonnage presses — Long Thanh today operates on up to a 4,000-tonne machine — and a high level of skill and expertise in the tooling process is required in order to succeed, which the company is able to offer in its own toolshop.

Pham elaborates: "The manufacture of pallets usually require greater knowledge in terms of the mould-making aspects, where we need to use technologies like hot runners to operate properly. Developing the tooling expertise to meet our customers' needs is a very important factor for our success as part of our service for them, and we believe this is an area

Brisk commercial success in pallet production has spurred Long Thanh's ambitions to become one of Vietnam's leading plastic manufacturers. Keith Boi reports

where we continue to have an added edge over the competition."

It is inevitable that Long Thanh is now eyeing attractive new export markets such as Japan for its plastic pallet production business. On top of that, there is the OEM moulding business for electronics parts that has also been thriving for the company of late — Long Thanh mainly manufactures plastic components and accessories for television, computers and a range of other white goods.

"Our new direction would be to increase the level of OEM part production to service our customers like Samsung," Pham says. "We have a strong advantage in this area because the moulding machines are able to consistently meet the high tech requirements of such production while maintaining a cost proposition that is competitive in the global market. This is the reason why we also expect strong export growth to come from OEM manufacturing."



Highly advanced blending and conveying equipment installed at the Long Thanh plant