



ON THE SPOT...

Somporn Bhumiwat

Somporn Bhumiwat is Chairman of Thai Glass Manufacturers Industry Club of the Federation of Thai Industries (GMFTI).

GW: What is your role with the GMFTI?

I was elected Chairman at the start of 2014 for two years, although I had already served half a term before that after the previous Chairman left the industry.

GMFTI is part of the Federation of Thai Industries (FTI), which consists of 42 industry clubs from different industries. At present, GMFTI has 18 members. We provide a voice for them at the government level through the FTI and come together for the good of the industry.

GW: Which sectors of the industry do your members cover?

We are part of the glass industry, which covers containers, flat glass, tableware (tumblers/drinking glasses), lighting glass, glass blocks and glass wool. Qualification for membership requires the operation of a glass melting furnace.

GW: In general, what are the prevailing market conditions for the Thai glass industry?

2012 was a good year for the glass industry, while we recovered from the 2011 floods. In 2013, the Thai economy slowed down, mostly because of weakening domestic demand and sluggish recovery in exports, notwithstanding improvements in the global outlook. Political disruptions hurt the economy in the second half of 2013 and clouded the outlook for this year. The Thai economy is forecast to grow at around 2.0% in 2014 and may expand by 3.5%-4.5% in 2015. The glass industry performs in line with the economy.



Somporn Bhumiwat (right) with Harris Hendraka of Kaema Glass and Sanjaya Susanto of PT Muliaglass at this year's ASEAN Glass Conference in Penang.

GW: How is the container sector performing in Thailand?

The total supply of glass containers in Thailand is over 8000 tonnes/day, which is the biggest in the ASEAN region. Thailand's glass industry is facing a surplus supply situation, resulting from recent capacity expansions, while domestic consumption has fallen this year compared to last, due to the economic slowdown and political disruptions during the first half of the year. Glass container sales – especially beverage containers – have been the hardest hit.

GW: And the flat glass sector?

Thailand's construction sector, in particular the residential housing market for Bangkok and surrounding areas contracted by 13% year-on-year in the first half of 2014. The most contraction was observed in the construction of condominiums, while housing was nearly the same as last year.

The automotive sector, which

consumes a high portion of flat glass, was greatly affected as domestic car sales have declined 40% year-on-year. This situation was due to a high base in the first half of 2013 when large volumes of cars were delivered under a first car buyer scheme, while total production fell by 29%. In 2014, total car production is targeted at approximately 2.2 million units versus 2.45 million units in 2013.

GW: What is your current role at BJC?

Since retiring almost two years ago from my role as Executive Vice President in charge of the Packaging Supply Chain (PSC) of Berli Jucker Public Co Ltd (BJC), I am currently an advisor to the Executive Vice President of PSC. BJC's Packaging Supply Chain comprises: (1) the glass business, ie Thai Glass Industries (TGI), Thai Malaya Glass (TMG), Packaging Products Division (PPD) and O-I BJC Glass Malaysia and O-I BJC Glass Vietnam (both are joint ventures between BJC and O-I); (2) an aluminium cans business, ie Thai Beverage Can; and (3) a rigid plastic container business, ie Berli Dynaplast.

GW: What position does BJC hold in the Thai glass industry?

BJC commenced its glass container operation in 1951 under the name Thai Glass Manufacturer Co Ltd (now TGI) at Rajburana District, Bangkok. It was >

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Somporn Bhumiwat at this year's ASEAN Glass Conference opening ceremony.

the first glass container factory in Thailand to use automatic forming machines. BJC currently has glass container operations in Thailand, Malaysia and Vietnam. With 63 years of experience in glassmaking and a combined manufacturing capacity of over 3500 tonnes/day, we are proud to be a leading and reliable glass

container supplier in Thailand, as well as in the ASEAN region.

GW: What are the biggest changes you have witnessed during your career with BJC?

BJC has gone through many changes during the past 132 years of its existence in Thailand. I joined in 1978 (36 years ago) and the

biggest change I witnessed was in 2001, when BJC was taken over by the TCC Group. Since then, the business has expanded dramatically. An example is the decision to joint venture with O-I in acquiring F&N's shares in Malaya Glass Products Bhd (MGP), a company that operates four glass factories in four different countries. In mid-2010, BJC took the factory in Thailand (TMG), O-I took the Chinese factory (Sichuan Malaya Glass) and the JV has jointly operated Malaya Vietnam Glass (MVG) and MGP (who later changed their names to O-I BJC Vietnam and O-I BJC Malaysia, respectively).

GW: What are the main challenges facing glassmakers in your region?

We face increased costs, mainly for energy and such major raw materials as sand, soda ash and cullet. We have to bear some of these costs, as only part can be passed on to customers due to competitive market conditions. So the challenge is to try to control costs and improve productivity. Another challenge comes from the increasing popularity of PET, especially in the beverage sector. This trend prompts us to go for a lighter weight glass.

GW: What role does the ASEAN Federation of Glass Manufacturers (AFGM) play in the region?

With the introduction of the ASEAN Economic Community (AEC) in 2015, there will be a market of over 600 million customers with no tariffs or import taxes for members within the ASEAN region. One of the continuing main benefits of the AFGM is the networking, co-operation and collaboration that exists among member countries. With this in mind, AFGM can provide a platform for members to collaborate at the regional level and on a win-win basis. This includes, for example, demand-supply balancing, production pools (especially for green runs), major raw materials sourcing and market/technical information sharing.

GW: Having recently attended the 38th ASEAN Glass Conference in Malaysia, what do you consider to be the main benefits of these annual events?

The AFGM Conference provides glassmakers from the ASEAN region with an opportunity to meet, exchange and share information about the industry with other members and suppliers. The conference also provides the opportunity to talk business and get to know people better from other countries. The technical session this year was also very interesting.

GW: Reflecting its high standing in Asia, your committee recently reaffirmed Glass Worldwide as exclusive official journal of the AFGM. How does this co-operation benefit the federation?

I am very happy with *Glass Worldwide* and support the decision for it to be the exclusive official journal of AFGM. The content is very good and the magazine is seen throughout Asia and all over the world. ■



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