



Complementary lighting and container glass expertise

Somchai Ovuthitham, Chief Executive Officer at Thailand's L Lighting Glass, spoke to official AFGM journal, *Glass Worldwide*, about the growing importance of glass container manufacture to his business, in parallel with its original lighting glass manufacturing expertise. Further expansion is planned for early 2017.

Founded in 1974, Chachoengsao-based L Lighting Glass Co Ltd is a second generation family business, currently managed by Somchai Ovuthitham, Chief Executive Officer. His father, Udom Ovuthitham was responsible for the company's creation and focus but at 90 years of age, he now enjoys a well-earned retirement. The company employs 700 people in total, including Mr Somchai's oldest and second daughters, who maintain the family's growing glass industry heritage. A third daughter is soon to complete her education and will be joining the family's sister chemicals business.

As its name implies, L Lighting Glass was originally set up to

produce glass for lighting applications and continues to produce for fluorescent, incandescent and automotive lamps. Approximately 80% of output is exported to 40 different countries as far afield as the USA, Europe, China and India, as well as South East Asia. Some 20 million automotive bulb shells alone are exported every month, to the likes of Philips in China and India, Osram in Korea, Europe and China and General Electric in the USA.

Employing the Danner continuous tube forming process, the company enjoyed a technical co-operation agreement with Nippon Electric Glass from 1981 to 1998, involving the sharing of technology for tubing

production and furnace operation. "We already manufactured tubes long before this co-operation but we wanted to develop and improve our quality and technology" Somchai Ovuthitham explains. Having successfully established its own expertise, however, the Thai glassmaker set out on its own again and now manufactures its own production equipment, including mandrel drivers, drawing machines and cutting equipment. "In the field of lighting, our technology is world class."

NEED FOR DIVERSIFICATION

The international lighting industry's evolution towards LED components and away from the use of glass has led to the closure of other dedicated glassworks in South East Asia but L Lighting Glass has continued to remain flexible to meet customer requirements, while maintaining profitability. Because the overall lighting business is shrinking, however, it was recognised that some form of diversification was necessary for the glassmaker to maintain long-term growth. In 2014, the company took the bold step to enter the glass container business and has been making bottles for the last three years.

"Our traditional business was going down but we had engineering and management teams in place, so in addition to lighting, we now make bottles for such sectors as beverage, energy drinks and sports drinks" Mr Ovuthitham confirms. After just three years, the container operation is already the larger business contributor and is growing at a fast pace.

Two furnaces are maintained for lighting glass, with another two converted to accommodate the needs of >



Customers recognise the quality of bottles produced by L Lighting Glass.



One of the 12-section triple gob IS machines installed in 2014 (image: Heye International GmbH).



Somchai Ovuthitham with AFGM dignitaries at the 40th ASEAN Glass Conference in Thailand last October.



Somchai Ovuthitham with IRIS Inspection machines CEO Jean-Luc Logel at the 40th ASEAN Glass Conference. IRIS is a key supplier to L Lighting Glass Co Ltd.



The traditional activity of L Lighting Glass is to produce glass for many different lighting applications.

container production technology. According to Somchai Ovuthitham, adapting the furnaces was no problem but significant investments were required for the production lines. "We knew we needed first class equipment, so we invested in technology and expertise from Heye International. It was my first time to start a business using these processes, so we installed top quality machinery."

The initial transition to container production was very challenging, with an inexperienced team facing very different technologies and production requirements. "It wasn't just me that was inexperienced in container manufacturing, it was our whole team."

With the help of key suppliers, 40 European production experts were recruited and more than 50 local employees were sent for training at glass plants in Germany and Italy. "We could not use manpower to pack, so we invested in technology from Zecchetti and for inspection equipment, we invested with IRIS inspection machines" Mr Ovuthitham explains. "This project represented a huge investment, especially because we were not known in the market."

The first year was extremely challenging because the market dynamics encountered were very different and potential customers needed to build trust in the fledgling operation's production quality. Producing was initiated just six months after deciding to proceed but was soon halted for 10 months because of a lack of orders. In July 2015, however, the furnaces were restarted and have been operating at full capacity ever since, with plenty of orders. All production is currently sold to local customers.

PRODUCTION EXPANSION

Business has been so good in fact that the company's glass container activities are to be expanded again in early 2017, when additional equipment will be introduced, including two Bottero IS machines.

Before the expansion, the company was producing 350 tonnes/day from dedicated white flint and amber furnaces but the addition of a Bottero IS machine to the amber tank and the introduction of an IS machine to one of the lighting glass furnaces will help to increase container production by a further 100 tonnes/day. "With lighting glass demand continuing to fall, this capacity increase gives us an opportunity to move more towards bottles."

The majority of customers have already committed to another year of orders and are keen for the glassmaker to expand capacity further. "Although we have the potential to do so, in the short-term we need to take stock of the huge investments we have made before committing to more!" Mr Ovuthitham suggests. After three years of training and experience, L Lighting Glass has developed a workforce of skilled container producers. Only one of the 40 original European specialists has been retained,



View of the cold end (image: Heye International GmbH).

although some specialists are still retained on a consultancy basis to assist with the maintenance of mechanical and electrical equipment.

"Our strength is that we are independent and can supply everyone" says Somchai Ovuthitham. "We are not tied to anybody and I can commit 100% to every customer."

FEDERATION INVOLVEMENT

Mr Somchai has been involved with the Glass Manufacturers Industry Club at the Federation of Thai Industries (GMFTI) for 12 years, serving as General Secretary for four years and then Chairman for another four. "Now I serve in an advisory capacity because I feel the committee should stay young, although I offer support and help in any way I can."

Despite having just 18 members, the GMFTI maintains separate environmental, energy and raw materials teams to cover every key aspect of glass manufacture and is also very active in the regional AFGM set-up. "Everybody needs to be active and join in."

GMFTI falls under the umbrella of the Federation of Thai Industries, where Somchai Ovuthitham is currently Vice Chairman of the energy committee. He has campaigned for over 10 years for the reduction of energy and gas prices and has been successful. "Our costs were previously higher than Malaysia and Indonesia but we are now cheaper than Indonesia and I am proud that we can influence the interests of industry and its members."

Mr Ovuthitham believes the Asian Economic Community (AEC) provides Thailand with opportunities for expansion "It's a very good opportunity for all GMFTI members to expand into other markets, reaching 600 million people in ASEAN countries compared to 70 million previously."

AFGM

According to Somchai Ovuthitham, the 40th ASEAN Glass Conference in Hua Hin was very successful last October, despite challenging circumstances. Following the tragic car bombings nearby only three months before the conference, the organising committee worked very hard to ensure the security of attendees and their efforts secured a very impressive attendance. "Then, just days before the conference, came the tragic news of the passing of King Bhumibol Adulyadej of Thailand and that changed everything. The committee worked tirelessly to change the programme accordingly to show respect."

A good series of technical presentations was arranged, with many offers of speakers. "The possibility for networking is also very useful to meet all key ASEAN customers and international suppliers. For example, this was my twelfth ASEAN Glass Conference and when we decided to diversify into bottles a few years ago, I already knew everybody because of these conferences, even though we had not previously been active in the industry."

During the plenary session at the 40th ASEAN Glass Conference, members from all participating associations voted unanimously for *Glass Worldwide* to continue as exclusive official journal of the AFGM. "Glass Worldwide has done a really good job for all AFGM members and there was only one magazine the committee wanted to continue with as a partner" Somchai Ovuthitham concludes. ■

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