

**ENERGY**

# Bio-economic joint venture in the offing

## Partners await revised Thailand Sugar Act

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Global Green Chemical Plc (GGC) and Kaset Thai International Sugar Corporation Plc (KTIS) have kicked off the country's first bio-economic industrial complex in Nakhon Sawan with a total investment of 40 billion baht.

The project, Nakornsawan Biocomplex (NBC), is located in Takhli district. Each



Executives from GGC and KTIS sign a memorandum of understanding to build a bio-economic industrial complex in Nakhon Sawan.

firm owns half of the yet-to-be-named joint venture that will develop the complex.

Yesterday, the two sides signed a memorandum of understanding in Bangkok to start development of NBC after conducting a feasibility study, which began in 2016.

GGC managing director Jirawat Nooritanon said the project will be on a 2,000-rai plot, adjacent to KTIS's sugar milling plant and sugar cane cultivation area.

Development of the first phase is expected to cost 10 billion baht, consisting of basic infrastructure for production facilities for higher-value products, including pharmaceuticals, food supplements, animal feed and biodegradable plastics.

The basic infrastructure includes a biomass power plant with 85-megawatt capacity, of which 50MW worth 2 billion baht will serve NBC.

A sugar-cane crushing plant with capacity of 2.4 million tonnes per year will cost 2 billion baht to set up, while an ethanol production plant with daily capacity of 600,000 litres will cost 1.5 billion.

"The project is designed to release less waste than other general production plants," said Mr Jirawat.

Nathapun Siriviriyakul, deputy chief executive of KTIS Group, said the groundbreaking construction ceremony is expected in the third quarter.

"If everything proceeds as scheduled, the facility will begin commercial operations in early 2020," he said.

Mr Nathapun said approval of the newly revised Thailand Sugar Act, which will allow ethanol producers to use sugar juice in ethanol feedstock, will be crucial for the project.

"The partners are waiting for implementation of this bill and think it will be passed by 2018," he said.

Mr Nathapun said development of the second phase is expected to cost 30 billion baht.

In late February, both parties will conduct a roadshow in Japan to attract overseas investors to the NBC project, after which they will visit Europe and the US.

"We are welcoming all types of businesses that want to come on board," he said.

GGC has an ongoing 300-million-baht development project for a glycerine refinery and has further set aside 800 million for an oleochemical production plant.

The two projects are intended to strengthen GGC's offerings in downstream products like feedstock for creams, lotions and skincare and cleansing products. The company currently produces 14,000 tonnes of oleo speciality products per year and 20,000 tonnes of refined glycerine.

Mr Jirawat said Green Global Chemical's second methyl ester or biodiesel production unit is scheduled to start operations in the third quarter.

The facility will have annual capacity of 200,000 tonnes of methyl ester, bringing total capacity to 500,000 tonnes.