



Pine Chemicals Association, Inc.

Newsletter

3350 Riverwood Pkwy SE, Suite 1900, Atlanta GA 30339

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Number 15

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PCA HOLDS INTERNATIONAL CONFERENCE IN PRAGUE, CZECH REPUBLIC

The Pine Chemicals Association held its 2008 International Conference at the InterContinental Hotel in Prague, Czech Republic, on September 28, 29, & 30. A total of 180 delegates and 50 spouses and guests were in attendance. The delegates represented 86 companies from 23 different countries.

The weather cooperated for the most part throughout the Conference, allowing delegates and spouses to enjoy all that Prague has to offer. Some arrived early or stayed on after the Conference to take advantage of the location.

Prior to the official opening of the Conference the PCA Board of Directors met on Sunday morning. The meeting was followed by separate meetings of the Meetings Committee chaired by Corey Schneider of DRT, and the Membership & Information Committee chaired by Alan Phillips of Arizona Chemical.

The Conference opened on Sunday evening with the traditional Welcome Reception held on the hotel terrace. The reception provided the perfect opportunity for delegates and guests alike to renew old acquaintances and welcome first time attendees. The Welcome Reception was followed by the Speakers Dinner where the speakers were thanked for their contributions to the Conference, and new members of PCA were recognized.

Monday morning started as usual with our first General Session. Jeroen Triesscheijn of Hexion Specialty Chemicals our Conference Chairman did an excellent job of assembling a number of very interesting papers on a variety of subjects. Jerry Cross, PCA President began the session with a brief presentation about the Pine Chemicals Assn, its history, and goals. Presentations made at Monday's session included.

Pine Oil Market – Roy Herbst – IFF

Rosin Size – Trends and Evolution – Jose Santolaya – Hercules

Competitiveness of Indonesian Gum Rosin – Achmad Fachrodji – Perhum Perhutani

Global Ink Market – Rosin Resins – Jack Baarends – Hexion Specialty Chemicals

Forecast – Global Energy - Michael Bush – Energy Vision

For further information access our website:

www.pinechemicals.org

INTERNATIONAL CONFERENCE



Jeroen Triesscheijn, Conference Chairman, recognizes Michel Pisters at Speaker's Dinner.



Achmad Fachrodji is presented with a gift at Speaker's Dinner.



Jack Baarends is presented with a gift at Speaker's Dinner.



Jerry Cross presents retirement gift to Jerry Marterer on behalf of PCA.

The meeting of the Gum Rosin Committee was held on Monday afternoon. John Smith of Arez International, our Committee Chairman had invested time and effort toward increasing attendance at the meeting and his efforts paid off. Regional presentations were made by Bill Zhao, Nikolay Khodov, Achmad Fachrodji, and Bernardo Mello. A technical presentation was made by Jim Russell on the subject of Gardner color measurement of rosin.

A second reception was held on Monday evening.

The second General Session began on Tuesday morning following a group continental breakfast. Papers presented at the session included.

REACH Update – Philippe Salemis – HARRPA

The Fatty Acid Market From a Fractionators Perspective – Robert Kaiser – Arizona Chemical

Gum Rosin Outlook from a European Trader's Perspective – Christian Westphal – Ter Hell & Co. GmbH.

Following the three papers on Tuesday morning a Panel Discussion was held on a wide range of topics. Panel participants included.

Chris Layton – Eastman Chemical

Eric Mussou – DRT

Bryan Demankowski - Henkel

Steve Wood – Sun Chemical

On Tuesday evening delegates and guests attended the final night's event which included a brief tour of the Prague Castle followed by a dinner at Vikarka, a restaurant located on the Castle grounds

INDUSTRY NEWS

ARIZONA TO CLOSE UK POLYAMIDE PLANT

Arizona Chemical has announced the closure of their polyamide resin production unit located at Bedlington, in the north of England. In addition Arizona will streamline operations at their Chester-le-Street facility which produces tall oil based dimer acid. The above actions will reduce Arizona's total UK headcount from 91 to 74.

Production from the Bedlington facility will be transferred to Arizona's Dover, Ohio production site.

ARIZONA CHEMICAL ANNOUNCES CHANGES IN LEADERSHIP

Gerald Marterer has announced his retirement as CEO of Arizona Chemical effective at the end of this year. Jerry has been active in PCA since joining the industry in 2002. He served as Association President from 2004 to 2006. Replacing Jerry as President & CEO will be Kees Verhaar. Kees has had a distinguished career with Hexion Specialty Chemicals and its predecessor companies.

INTERNATIONAL CONFERENCE



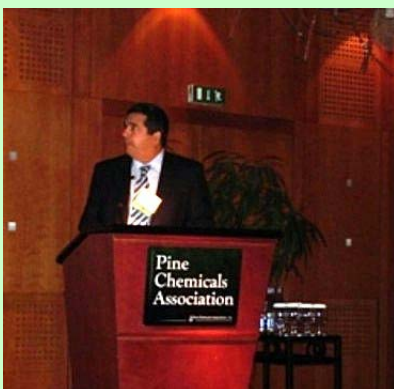
Conference delegates at Monday's General Session.



Jerry Cross, PCA President welcomes delegates and updates PCA activities.



Lee Godina as Moderator for Monday's General Session.



Jose Santolaya presents paper on rosin size.

We wish Jerry all the best in his retirement, and welcome Kees to the industry.

PAPER MILL TO PRODUCE BIO DIESEL

The Department of Energy has approved a US \$30 million grant proposal from Flambeau River Bio Fuels. The plant located in Park Falls, WI and slated for completion in 2010 will use gasification and a Fischer-Tropsch process to convert wood by products and forest residuals into 6 million gallons/yr of diesel and 1 trillion BTU's/yr of process heat to be used at Flambeau River Paper company.

SWEDISH FIRMS TO DEVELOP TALL OIL BASED BIODIESEL

Sweden's pulp producer Sodra and oil producer Preem have joined forces to produce second generation biodiesel by investing in Sunpine, also a Swedish company. Sunpine will produce an intermediate for second generation biodiesel from tall oil. Their facility is located in Pitea and will start up in 2010 with an initial capacity of 100,000 cubic meters per year.

After being cleaned of impurities, tall oil will be methylated using bio methanol recovered from the pulping process. The results will be a raw material for pine diesel which can be fed into the hydrogenation portion of the diesel process at Preem's refinery.

Lars Stigsson, founder of Sunpine said, "The product is a synthetic diesel that allows for blending into fossil fuel up to 30%."

SYMRISE TO OPEN SHANGHAI CENTER

German based Flavor & Fragrance manufacturer, Symrise, opened a new creative center in Shanghai on June 18th. The center will focus on fragrance development, application, and marketing as well as consumer research for China and other markets in Asia. It will also serve as a newly established hub for northeast Asia.

ASHLAND TO ACQUIRE HERCULES

In early July Ashland Inc. of Covington, KY, announced their intent to acquire Hercules, Inc. in a US \$2.6 billion cash and stock transaction. Under the terms of the transaction Ashland will acquire all outstanding shares of Hercules at a premium of 38%. The companies will value the deal at US \$3.3 billion including the assumption of US \$700 million in debt.

According to a statement by Ashland CEO James O'Brien, "We were attracted to Hercules' renewable chemistries in its Aqualon business as well as its growing paper chemicals business." Ashland will combine its water treatment business with Hercules' paper chemical business to form a global paper and water treatment business with sales of around US \$2 billion per year. The deal marks the first transformational acquisition for Ashland, as it previously focused on bolt on acquisitions.

INTERNATIONAL CONFERENCE



Mike & Sonya Roberts, Lee Godina, Carol & Tony Macleod at Monday's reception.



Dave Peterson, Joe & Donna Levine at Monday's Reception.



Brad Crocker as Moderator for Tuesday's General Session.



Philippe Salemis updates delegates on REACH Legislation.

PLASMINE

The Alabama Technology Network and The Business Council of Alabama presented Plasmine Technology Inc with the prestigious Alabama Small Manufacturer of the Year Award on April 23 in Montgomery at the 9th Annual Celebration banquet. The Alabama Manufacturer of the Year Awards are presented in three size categories to ensure the fair recognition of all applicants regardless of the size of their work force. Winning manufacturers are selected by an independent panel of judges

Plasmine Technology, incorporated in 1990, has corporate headquarters in Pensacola, FL, with plants in Bay Minette, AL and Portland, Me. The Company is wholly owned by Harima Chemical, Osaka Japan.

In 2006, the Alabama Technical Network trained the Plasmine employees in a program called "5S." This program focuses on workplace organization, cleanliness, identification, and employee accountability. It helped instill a new discipline in Plasmine which has carried into Safety and Quality.

According to Philip Ulichney, Director of Manufacturing, "The employees of Plasmine are ecstatic over the external recognition provided by this award. We are very thankful for the Manufacturing Support provided by the State of Alabama through the Alabama Technology Network and similar agencies. Small companies like Plasmine lack the resources and depth to do what these State agencies can provide".

2008 CHINA GUM ROSIN TRADE CONFERENCE



During the period June 23 – 25, 2008, the China Gum Rosin Trade Conference organized by the China Forest Chemicals Trade Association was held in Hohhot City, China. The Conference was preceded on June 22nd by the inaugural Conference of the newly formed China Gum Rosin Derivatives Association.

The China Gum Rosin Trade Conference was very well organized and efficiently executed. Attendees at the Conference included

INTERNATIONAL CONFERENCE



Steve Wood, Bryan Demankowski, Chris Layton, & Eric Moussu participate in panel discussion on Tuesday.



Traditional Czech musicians perform at final night's dinner.



Delegates enjoying dinner at Virkarka Restaurant.



Interior of a portion of the Prague Castle.

Right: Participants in post conference tour of Vienna and Budapest.

representatives of 105 Chinese companies and 41 non Chinese companies.

Papers presented at the conference included the following.
 PCA Introduction and Activities – Walter Jones - PCA
 REACH in Europe – Philippe Salemis - HARRPA
 News & Compliance of REACH – Bob White – CIQ REACH Solution
 Resin Production in Indonesia – Sri Danarto – Pt. Baik
 Launch Electronic Trading in Rosin Industry – Quian Haiyun – Nanning
 Bulk Commodities Exchange
 International Tall oil Market - Michel Baumassy - DRT

Monday afternoon's "social program" included a tour of several points of interest in Hohhot City followed by a traditional Mongolian dinner complete with singing and dancing traditional songs.

REGULATORY

ECHA BEGINS OPERATION

The Helsinki, Finland based European Chemicals Agency (ECHA) which manages implementation of the EU's REACH registration process officially began operation in June. "REACH will encourage innovation, foster competitiveness, and better enable enterprise to meet essential demands of consumers" according the EU industry commissioner Gunter Verheugen.

PCA WELCOMES NEW MEMBERS

Nopek Oy – Finland
Ciba - Canada

PCA UPCOMING EVENTS

Please mark your calendars with the dates off the following meetings;

2009 PCA ANNUAL MEETING – 22, 23, 24 April, 2009– Inn on Biltmore Estates – Asheville, NC , USA

2009 PCA INTERNATIONAL CONFERENCE – 20, 21, 22 September, 2009– The Fairmont Hotel, San Francisco, CA, USA

