

TAPPI technical program for Russian PapFor Exhibit provides bridge between two worlds

MATTHEW J. COLEMAN

Key Russian industry figures and westerners convene to explore Russian pulp and paper industry, gather opinion and input, and exhibit technology.

East may be East and West may be West, but in St. Petersburg, Russia, from Sept. 20–23, 1992, the two did meet with more understanding and mutual respect than anyone might have believed possible just a few years ago. If you wanted to see the new Russia, you should have been there. Nearly 400 Russian scientists, engineers, and industry leaders and 25 Western attendees and speakers converged on the Pribaltiskaya Hotel in St. Petersburg (formerly Leningrad) to explore the Russian industry and listen to (and evaluate) Western input and opinion on the same.

All of the key Russian industry figures were there, including V.I. Tatarchuk, technical director of the Department of Forestry, Pulp and Paper and Woodworking Industry, in the Ministry of Industry, and Eduard Akim, director VNIIB and professor, associate member of International Engineering Academy, both of whom addressed the conference. Other Russians speaking at the conference were Otto Terentjev, deputy director-VNIIB; V.F. Nevolin, deputy director-VNIIB; Y. Komarov, general director-AD Lesinvest; V. Yagodin, St. Petersburg Forest Technical Academy; and Yakov Nikitin, department head-VNIIB.

Speakers from the West were F. Keith Hall, TAPPI president and chief scientist, International Paper; Ronald Slinn, API; Isaiah Gellman, NCASI; Robert C. Kellison, North Carolina State University; Bo Fahlin, Mo Och Domsjö AB; David Clark, Confederation of European Paper Industries; Norman Liebergott, Pulp and Paper Research Institute of Canada; Nils Hartler, The Royal Institute of Technology, Sweden; Alfred Wong, Arbokem, Inc.; Thomas W. Joyce, North Carolina State University; Gerhard Dahlmann, Organocell Thyssen GmbH; and Martin C. Shroeter, Organocell Thyssen GmbH.

The technical program

This was the first TAPPI and Russian venture in a technical meeting, and the topic focus was pulping. Topic presentations were partly on the general state of the U.S. and Russian industries

(Slinn and Tatarchuk), but the majority were highly specific presentations designed to provide a clear exchange of information.

The simultaneous translation went extremely well for such technical material, and the question and answer sessions after each presentation were quite lively.

The papers presented at the conference were: "Ecological aspects of future forest industry development"; "Pulp and paper industry in Russia"; "Integrated approach to wood raw use and reproduction"; "World forestry in the 1990s"; "Trends and problems in logging development"; "Mill management procedures in Sweden"; "An overview of new developments in pulping and bleaching"; "Russian pulp and paper science in the period of transition to the market economics"; "The future of kraft pulping"; "Sulfite, the new wave"; "The problems of logging and deep chemical processing of whole tree biomass elements"; "Applications of biochemistry in the manufacture of paper"; "Water closed system at Selenginsky Pulp and Paperboard Combine—a base for environmentally sound pulp and paper industry"; and "Solvent pulping—the no-odor approach to chemical pulping."

The highlights of the papers (and all the presentations were good) were Valentin Tatarchuk's presentation on economic reform in Russia and how it will open the industry to private investment; Norman Liebergott's breathless 30-minute overview of all of bleaching and most of pulping; and Keith Hall's closing remarks on the worldwide issues affecting the paper industry.

Al Wong passionately called for saving the one-third of the Russian pulp capacity that is currently scheduled for closing because it uses the sulfite process. By using an improved, ecologically friendly sulfite process, Wong showed how it would be economically and environmentally beneficial to Russia to modernize and save their existing sulfite mills. Using a variety of visual aids to get his point across, Wong examined several options for existing mills to convert to several levels of process upgrading to meet specific environmental concerns.

Of interest to the Western attendees were Yakov Nikitin's

The PapFor attendees had the opportunity to visit a major exhibit of Russian and Western technology. Shown in the photos are the ribbon cutting, opening ceremonies, outdoor exhibits, Russian dignitaries talking with exhibitors, and some of the key speakers at the conference. The key speakers are (left to right) **François Gros**, group exhibition director-EJK; **Ned Krause**, president-EJK; **F. Keith Hall**, TAPPI president; **Eduard Akim**, managing director-VNIIB; **Ronald Slinn**, vice president-API; **David Clark**, managing director-CEPI; and **Bo Fahlin**, past president-EuCePa.



Thoughts on Russia and getting involved

WAYNE H. GROSS AND MATTHEW J. COLEMAN

Many people are curious about Russia, but few are interested in making the commitment to visit and study this fascinating country. In the same way, many Western companies, especially in the paper and forest products sectors, are curious about this vast warehouse of fiber and timber, but haven't taken the time to learn much about the country or the business opportunities there.

There are business opportunities there, but only if you go look for them. Russia is in the process of inventing a free economy for itself and that makes it a "nonstandard" opportunity right from the start. Second, concepts of ownership are only now being established, so that "purchases" in the Western sense must be negotiated individually.

To understand Russian business opportunities, you will need to understand a little of Russia. In spite of what you may have read in the popular press, Russia cannot be neatly defined by glib phrases such as "a third world country with rockets" or any other host of journalistic shorthand comments which tend to obscure the obvious. Russia is different, but it is workable.

While the Russian economy is not at Western levels, the people are. The average Russian is at least as well educated as his or her Western counterpart. They understand some basic principles of business but what they lack is training and education in the specifics of business activity.

For companies that have considered investing in Russia or Eastern Europe, but have hesitated because it seemed too complex or that the payoff seemed too far off (based on all that you read in the business and popular press), it may be time to rethink your strategy.

To start, the popular press is wrong when it comes to the forest products and paper segments of the economy. Russians understand the limitations of their forestry practices and know that environmental issues must be faced. They have excellent

scientists and engineering personnel who can address these problems, given the direction.

Second, the Russian openness to investment in the paper industry will be greatly dependent on their perceptions of their own abilities to solve the problems. Right now (and by that we mean as we write this), the Russians are interested in finding Western companies to not only invest in Russian mills, but to run them. This window of opportunity will not last forever and even as it is open, it is shifting. To be successful will require local contacts, the willingness to actually look at what is available, and cultural awareness.

Some companies are doing that. While on-site, we had a registrant from one Western company who was not even aware of the conference but happened to hear about it from a local contact. He is assigned by his company to work with his local contacts to find opportunities and is now close to signing a contract to purchase a mill. His comments were, "All you have to do is come here and talk to people, there are no mysteries."

In writing these paragraphs, our purpose was to tell it as succinctly as we could: that if Western, and specifically North American, companies want to build bridges to Russia, now is the time. It is inevitable that Russian companies will be competing in the world market in a few years. You can either become partners now or competitors later.

The final point is on information sources on Russia. If you are depending on information about Russia gathered from magazines, memos, or books, it is too out of date to be of any use. Literally, if it's not on a fax, it's too old. Russia is evolving quickly into a market economy, and your chance to be a leader in that change diminishes with each passing week.

*Gross is TAPPI's director of international operations.
Coleman is TAPPI's manager of publications.*



description of the closed water system at the Selenginsky Pulp and Paperboard Combine. This was one of the most in-depth reviews of a Russian mill ever presented in an open forum and provided a fascinating insight into the operations and structure of a Russian mill.

The proceedings of this conference are available from TAPPI PRESS with all papers translated into English and Russian.

PapFor 92

In addition to the technical program, the delegates were invited to the concurrent PapFor 92 exhibit, held at the Lenexpo Exhibition Facility. Sponsored by E.J. Krause, the exhibit had 159 exhibitors from 16 countries and occupied three halls at the Lenexpo Vasilyevski Island Exhibition Center and an outdoor exhibition center.

PapFor 92, in fact, created history. It was the first truly comprehensive forestry, pulp and paper exhibition and conference for the

new Russian Republic's industrial leaders and their suppliers and colleagues worldwide. Given the unprecedented success of PapFor 92, the organizers have scheduled PapFor 93 for Oct. 5-8, 1993, as part of an even larger Russia Paper Week.

Overall attendance was 15,700. Access was restricted to professionals only. A promotion campaign preceding the show drew a nationwide audience of policy makers, buyers, technical experts, and managing executives from pulp and paper mills and forestry complexes. Virtually all republics of the former Soviet Union sent visitors to the show. From a poll on-site, over 25% of the attendees came from outside the St. Petersburg area from cities such as Moscow, Kiev, Bratsk, Arkhangelsk, and others.

Organized by VNIIB, E.J. Krause, and TAPPI, the exhibit filled 7250 m² indoors and had 43 Russian and 116 international exhibitors. ■

Coleman is TAPPI's manager of publications.