

Brazil

Growing economy and an emerging force in the global pulp and paper industry

Area	8,511,965 km ²
Population	186,112,794
Most populated city	São Paulo, approx. 11 million inhabitants

Key economic data


GDP (purchasing power parity)	\$ 1.6 trillion
GDP (official exchange rate)	\$ 605.6 billion
GDP real growth rate	2.6%
GDP per capita (purchasing power parity)	\$ 8,500
Inflation (consumer prices)	6.8%
Unemployment rate	9.9%

Source: CIA World Factbook 2005

Avenida Atlantica and Copacabana, Rio de Janeiro

Renato Guéron
President of Veracel Celulose S.A., Brazil

“Andritz’s EPC approach makes our job of managing projects considerably easier and reduces our risk exposure.”



In May 2005, the Veracel, Brazil, pulp mill started up very successfully and ahead of schedule. Andritz provided the complete fiberline from the digester to the finished market pulp bales and the white liquor plant. Photo: The Andritz-Downflow Lo-Solids® system at the Veracel mill represents the latest continuous cooking technology from Andritz.

“WE DEPEND UPON ANDRITZ TECHNOLOGY.”

Interview with Renato Guéron

President of Veracel Celulose S.A., Brazil

Through a series of strategic acquisitions, Andritz has transformed itself from a vendor of specialized equipment to a full-line supplier of pulping and chemical recovery solutions. Andritz delivered the complete fiberline (including the drying plant) for Veracel Celulose’s greenfield mill in Brazil. We spoke with Renato Guéron, President of Veracel, about the role of technology and the relationship with Andritz.

Experience

I’ve been involved in the pulp and paper industry since graduating with a degree in Pulp & Paper Technology from the University of Maine, USA in 1968. I’ve worked in engineering, project management, operations, and I am now Chief Executive of Veracel.

Process improvements

Throughout my career, the technology has continued to evolve. Brazil has continuously followed the best available technologies. Perhaps that is why the industry in Brazil is so effective. The most notable improvements have been in the environmental performance of the mills. Yet, we have not had to sacrifice yield (more usable fiber out of a tree and into the pulp) or quality (higher brightness and strength).

Project management improvements

The advent of EPC (engineer-procure-construct) in this industry has been a tremendous boom. Before coming to Veracel, I worked at Aracruz, where we were among the

first to take the “risk” of doing an EPC project (an Andritz recovery boiler). Now, I think the risk would be in not doing it EPC. We are improving upon the EPC concept every time we do a project. Suppliers are much more interested in EPC and behaving as partners. Andritz guarantees schedule, cost, and performance for an entire process area. It makes our job of managing the project considerably easier and reduces our risk exposure.

Single line advantages and risks

There was a time when no mill would take the risk of having one large piece of equipment – there was built-in redundancy with at least two of everything. The thinking was, “If we have only one, we have nothing.” Times have changed. Suppliers like Andritz now have the technology and competence to make complete lines. Since we want to save money by making lower cost investments, we chose the single-line concept. If we now have only one, we have everything we want. This mill depends upon Andritz technology to make pulp. There is no backup position.

The Veracel start-up

Our start-up was excellent. Our production is ahead of plan – we’re producing more pulp than we thought we would at this point. More importantly, the quality of the pulp has been exceptional. One of the very important start-up tools was the Andritz dynamic simulator. I don’t see any possibility for a new, big mill to be installed in the future without the use of a simulator. I would think that the simulator paid for itself within the first few days

of operation. Veracel construction was completed in 17 months and six months later we are consistently achieving design capacity. It’s very important to start the return on investment quickly. Every day is important.

Perfect partner

We gave out awards after the start-up and selected two perfect partners for this project. One was the Andritz consortium for the drying machine. The team had outstanding performance in meeting our schedules and always maintained a proactive attitude if a potential problem developed. We’ve had very good cooperation.