



Where in the World is Paul Nugent?

PAUL NUGENT | MNOP

NOTES FROM THE ROAD

The weather in Finland is brisk this time of year. The same can't be said for the rotomolding world though, as it has slowed along with the rest of the economy. However, the molders there are not taking it lying down and are actively looking to the future with training programs and ideas for developing their in-house capabilities; preparation for increased business in a few months and holding on to trained staff were recurring themes. As a nation, they're a tough bunch with a proud heritage of having resisted the Russian invasion along a long and open border during the last world war, and it is through this prism that they look at the world and know that even when times are tough, the future can still be bright.

Most of the population resides in the south around Helsinki although this thins out rapidly as you travel further north into Lapland (right into the Arctic Circle). However, even with only 5 million people there are, relatively speaking, a lot of molders in Finland, many of whom are working in water treatment, OEM components for agricultural vehicles, marine related products and general industrial molding. Eco-friendly laws have encouraged the development of sewage and water recycling systems and the Finns have embraced this as part of their advanced way of living, and this has spawned a number



No, Not a Vodka Factory – Finlandia House a National Landmark in Helsinki

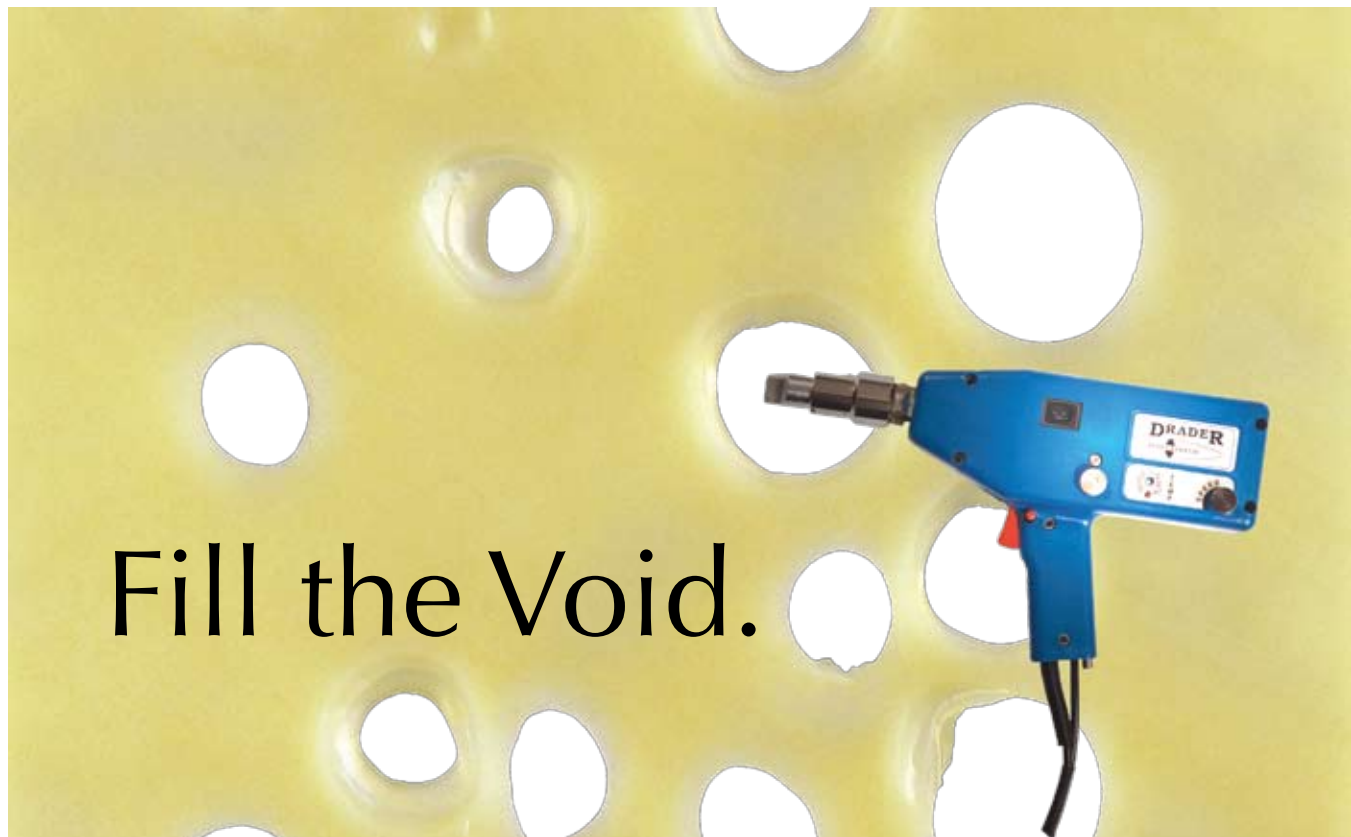
of new molding operations in recent years. This advanced outlook is also reflected in their search for equipment, molds and processes to satisfy demanding applications across Europe. They tell me they are different from other Scandinavian countries with a language and heritage more closely aligned with Hungary than anywhere else, however, I am sure that there must be some Celtic ancestry in their blood as they like to drink and sing with the best of them! Maybe someday I'll be able to visit in the summertime...



On the other hand, Brazil in May (their Autumn) feels like an Irish summer. South of the Equator in São Paulo, it never really gets cold here although the natives will tell you they freeze when it's touches 60°F. With almost 200 million people, it is a massive country (5th largest in the world) with an equally large economy (10th largest). As a place to visit, it is rich in color with carvinal and samba, with dining in the churrascaria style and the local explosive cocktail, caipirinha. The culture has a strong European influence, not just with the local Portuguese language but also from previous Italian and German waves of immigration (and there is also a strong Japanese community which recently celebrated its centennial). Very importantly, the government over the last three decades has steadily developed an energy policy based on sugar-based ethanol which has eliminated their dependence on foreign oil - an incredible position to be in at this point in world history. As you might expect, rotomolding widely serves the water tank market with a reported 300 molders in the São Paulo region alone. However, with large industrial centers, particularly around São Paulo with a population of over 16 million, the opportunities for molders to expand into OEM and custom molding products are excellent.

The agricultural sector has been strong (although soft in the current economic climate) and has created demand from large international machinery suppliers for fuel tanks and machine components which the best molders have been able to capitalize on. The quality of finish may not be as high as Europe or the US due to the lack of availability of high quality molds, but the engineering requirements and quality controls required remain high. Much of the equipment in use is reportedly home-made, but the market is reasonably well served with several mid-cost machine makers supplying international standard equipment. The recent event sponsored by Braskem, S.A at Brasilplast showed that the rotomolding community is hungry for more and wishes to expand their capabilities, and it will be interesting to see what the active support of a large material supplier can achieve there. As the dominant market in South America, Brazil will set the pace for a lot of development in rotomolding, and the suppliers there are actively supporting Argentina and other neighboring countries. It will be an interesting year in Latin America....

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