

Consol Glass invests R1.9 billion in greenfields development

Nigel, Gauteng, will receive a R1.9 billion investment from Consol Glass as it builds a greenfields glass factory; the group has also announced expansions in the Western Cape. The moves clearly demonstrate the group's commitment to the growth of the glass packaging industry.

According to Consol group MD, Mike Arnold, the additional capacity in Nigel will increase the company's annual output by a further 25% or 220 000 tons, taking its total glass production to over 1 million tons per annum or in excess of four-billion glass containers. While current production capacity exceeds demand, this expansion will ensure there is sufficient supply to meet the market growth expectations.

Two phase development

The new glass factory will be designed initially to be a two-furnace operation, each with an output of 400 tons per day and will be built in two phases. The first phase, costing R1.3-billion will consist of all the factory infrastructure development, production service equipment and the first of two furnaces, which will be commissioned by September 2011.

The installation of the second phase costing R600-million, will be dependent and driven by market growth and demand. As all the infrastructure and services will already be in place, the lead-time for installation and commissioning of the second furnace will be less than nine months.

Western Cape increase

In addition to the Nigel expansion, production capacity in the Western Cape will be increased by a further 10% or 30 000 tons per annum. This is to ensure that there is a regional balance in supply and demand. This expansion is scheduled to take place during the Consol Bellville No 4 furnace rebuild in late 2011 or early 2012, increasing the manufacturer's production capacity of glass containers to 1.1-million tons per annum.

Recycling to increase

"In addition to this already sizeable investment, our future capital expenditure plans also include the provision of a new cullet processing plant at our Wadeville and Bellville sites. This will ensure that we are in a position to maximise glass recycling in South Africa," concludes Arnold.