



FUTURE TYRE ROLLS ON SIT

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ETRMA FOR ENFORCEMENT

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NEW MATERIAL FOR SIDEWALL

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KORDSA GLOBAL

KORDSA GLOBAL
is REINFORCING

ASIA



GREEN:
GOING BANANAS
OVER ECO-PLASTICS

RUBBER:
TYRE MAKERS
BREATHE EASY

KORDSA GLOBAL

The recent major investment by Kordsa Global in Indonesia has turned the Turkey-based company one of the biggest players in the Asia-Pacific Region. The world's leading producer of industrial nylon, polyester and tyre cord and single end cord has adopted a strategic expansion policy that aims at easier access to thriving markets and to offer more efficient service to customers

■ PTA News Bureau

Kordsa Global, world's leading producer of industrial nylon, polyester and tyre cord and single end cord for the leading global tyre producers, has reinforced its presence in the Asia-Pacific region with the opening of its second tyre cord fabric and polyester yarn facility in Indonesia. Since 2007, operating under the title of IndoKordsa, this \$100 million investment makes Kordsa Global one of the biggest players in the Asia-Pacific region.

The Turkey-based global player is on a strategically timed expansion drive in the

region. With this investment Kordsa Global will have much better accessibility to the Asia-Pacific markets, which have emerged as the main hub of economic development in the world.

Kordsa Global is opening two new plants – an 18 kton tyre cord fabric plant and a 14 kton 3rd and 4th generation Polyester HMLS yarn plant. There will be over 200 people employed within the two new facilities.

KORDSA GLOBAL is REINFORCING ASIA



GRAND OPENING: The opening of IndoKordsa's second tyre cord fabric and polyester yarn facility in Indonesia (Left to right) Mehmet N. Pekarun, Industry Group President of Sabanci Holding and Kordsa Chairman of the Board of Directors; Nurhayanti, Bogor Regent; Saleh Husin, Minister of Industry; Güler Sabanci, Chairman of Sabanci Holding; Cenk Alper, CEO, Kordsa Global; Ilevan Dairar Sumampouw, Member of the Board of Commissioner; Nuri Düzgören, Operations Director IndoKordsa

Güler Sabanci Chairman of Sabanci Holding, Mehmet Pekarun, Industry Group President of Sabanci Holding and Kordsa Chairman of the Board of Directors, Cenk Alper, Kordsa Global CEO, Indonesia government officials and local administrators have all joined for the inauguration of the new facility in Bogor-Citeureup located on the west part of Java Island.

Cenk Alper, Kordsa Global CEO, said that the investment made by Kordsa Global demonstrated the trust that the company has in the tyre industry and with it not only Kordsa Global would entrench its

position in the Asia-Pacific region but the customers also would benefit from it.

Since the company started its investments in 2007 in the Asia-Pacific region, the local and global teams have continued to strive for creating more value for the stakeholders, by bringing Kordsa Global standards to the region, by improving the quality, cost and service levels.

Alper added: "With these brand new facilities, we are going to offer added value by designing special solutions to our regional and local customers. By increased capacity and perfection, high quality standards and workforce that have

embraced Kordsa Global's core values, we are going to provide continuously for our customers' needs."

Kordsa standards

Alper said that the total size of the investment is reaching \$100 m, "showing our strong commitment to tyre industry, specifically targeted to reinforce our Asia Pacific position. Since 2007, from the moment we invested in Asia Pacific, our local and global teams have continued to strive for creating more value to our stakeholders by bringing Kordsa Global standards to the region, by improving our quality, cost and service levels."

Talking about the growth strategy and investment details in Indonesia Alper added: "With all respect to their strategy and position, we strongly believe that as Kordsa Global we can successfully compete with them via our innovative total cost of ownership solutions. If you consider the total product and service package we are customising for our customers, we believe that we are the champion in value per unit of cost. The new polyester and tyre cord fabric plants in Indonesia are very good example of this principle.

"Our new polyester plant is an extension of generation 3rd and generation 4th HMLS polyesters, where the tyre cord market demand is still increasing despite the overcapacity in the HMLS world.

Our new TCF facility is the new design of our process and engineering teams targeting for environmental friendly and cost efficient products and processes. The energy requirement of our new dipping line is much lower than a traditional line and we can also produce our new product families like high adhesion retention technologies, and RF Free (resorcinol formaldehyde free) dipping technologies. The process quality and monitoring improvements in our new weaving and dipping lines guarantee defect free fabric quality."

'The Reinforcer'

In a separate interview with Polymers & Tyre Asia, Alper had said: "The rapid change in the industry presented us with an opportunity and we redefined our

business to expand our operations with 'The Reinforcer' positioning. Aside from core business initiatives, Kordsa Global invests in all stakeholders; creating value added technologies and innovative products.

"Operational efficiency has become the key driver for every step we take and being where our customers are is the ultimate objective to deliver our cutting edge technology and products to competitive markets. Automotive is a global force for economies around the world and being a part of this industry helps us to become more creative and result driven in our business."

Referring to the new strategic expansion drive, particularly in the Asia-Pacific, Alper pointed out: "Our decision on geographic

Cover Story

expansion is shaped by the tyre industry that we provide for; we evaluate the opportunities and dare to take bold steps. Our corporate philosophy, 'We will be where our customer is,' is a solid commitment to the customer, the market and we are determined to be the leading provider.

"Our R&D is a non-stop process ensuring our technological leadership. In addition to current production facilities in Indonesia and Thailand, we have recently extended our investment in Indonesia; our venture IndoKordsa is ready to change the game once again."

The company with 42 years of experience has become a world leader thanks to its strategic acquisitions and strong alliances. Apart from the Asian bases, the company continues its operations in Turkey, Egypt, Germany, USA, and Brazil with 9 facilities, one representative office at China and employs more than 4,000 people.

Kordsa Global has signed the UN Global Compact in 2014. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten

universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

Green commitments

Kordsa also has very strong commitment to eco friendly initiatives and Green

processes. The company operates according to its goal of zero waste production in the source. Alper said: "To minimise the requirement for processing or disposal and to protect resources, we reuse materials and design them to ensure recycling. Our priority is to combat with emission. Preservation of energy and natural resources are our principals and we are extremely careful for the efficient use of coal, oil, natural gas, minerals and other natural resources. We ensure

The success story of Kordsa started in 1973 with a tyre cord factory investment in zmit, Turkey. The company, in which HacıÖmer Sabancı Holding, one of the leading conglomerates in the Turkish economy, has a 91.1 per cent shareholding, exhibited continuous growth and with its global production capacities, continues to lead the sector, rapidly adapting its operations to changing market dynamics, while at the same time searching for new markets



The new Kordsa plant in Bogor-Citeureup in the west part of Java Island



Cenk Alper, CEO

the management of company assets to reinforce living environments for natural life."

The company has introduced a state-of-the-art RF free dipping technology, eliminating Resorcinol and Formaldehyde used to achieve initial adhesion. This highly special finishing prepared by Kordsa Global out of resin and latex solutions was nominated to the "Environmental Success of the Year" award of Tire Technology International Awards 2014. Kordsa has been honoured with quite a number of environmental awards. It received the Energy and Environment Award by Istanbul Chamber of Industry in the "Innovative Environment Friendly Product" category.

The success story of Kordsa started in 1973 with a tyre cord factory investment in Izmit, Turkey. The company, in which HacıÖmer Sabancı Holding, one of the leading conglomerates in the Turkish economy, has a 91.1 per cent shareholding, exhibited continuous growth and with its global production capacities, continues to lead the sector, rapidly adapting its operations to changing market dynamics, while at the same time searching for new markets.

Strengthening its R&D investments, the company has introduced innovative high-performance and green products to the sector and with the reinforcement solutions that it developed, it has begun to catch the interest of the composite and construction sectors.

Kordsa Global recently announced plans to invest 65 million lira (\$28.02 million) in a composite materials reinforcement project. This is a joint initiative with Sabanci University and is targeted to create new milestones for its business.

"The investment is to establish a Composite Technologies Excellence Centre; to provide post graduate education, fundamental research, applied research, product development, manufacturing, incubation services and commercial products based on composite material technologies. Doctorate and post-doctorate researchers will join academicians and engineers to develop and manufacture composite reinforcement technologies and products all these people will work together simultaneously," Alper said.

Kordsa Global is the world leader with 36 per cent of market share on heavy

decitex industrial Nylon 6.6 yarn and tyre cord fabric. It is the 3rd biggest industrial polyester yarn seller with 10 per cent of market share.

Kordsa Global stands in the first tier of Turkish Patent League. While the number of patent in 2003 was two, in 2014 the number of application sums to 176, with 68 patent applications for Turkey and 108 international.

Kordsa Global R&D Technology Centre has been awarded the first R&D Centre amongst the private sector in textile category by Ministry of Science, Industry and Technology in 2013 and 2014 and in 2013 the second R&D Centre and in 2014 the fourth R&D Centre among all industry categories. The Centre incorporates pilot dipping, spinning and twisting units, physical and chemical analysis, instrumental analysis, reology, optical analysis and tyre analysis.

The company has been nominated as the Most Reputable Textile Company by Capital Magazine in 2014 and selected as third in Textile and Textile Raw Material category by Turkish Exporters Assembly and Istanbul Textile and Raw Material Exporters' Association. ▲



GROWING AS 'THE REINFORCER'

Kordsa Global, world's largest producer of tyre reinforcement products, has been on the path of constant innovation. The Turkey-based global giant has redefined its business to expand operations with "The Reinforcer" positioning. In addition to the current production facilities in Indonesia and Thailand, the company has recently extended its investment in Indonesia. Cenk Alper, CEO, Kordsa Global, told **Polymers & Tyre Asia**. Alper joined Kordsa Global in 2007 as Global Technology Director, later promoted as Vice President - Technology & Market Development, and VP - Operations. He assumed the position of CEO in 2013. Excerpts from the exclusive interview

introduce innovative processes and strive for leanest operations. Furthermore, we believe leadership is not limited to products and services and it must be crowned with technological leadership as well. Every technological milestone we achieve is another leap forward for better operations globally.

One of the most important efforts by tyre makers is to produce light weight tyres. How is Kordsa supporting this through your reinforcement products like cords, fabric etc?

We are continuously striving for developing new products for high performing tyres. High performing tyres is different than high performance tyres. A high performing tyre is a lower weight and energy efficient tyre independent from the tyre size and application area.

Through our patented brands like Capmax, Monolyx and Twixtra you can produce lighter tyres or with RF Free or HarTech adhesion technologies you can develop greener tyres.

How do you face the challenge of keeping pace with changes in tyre manufacturers' priorities?

The key is to listen and understand your customer needs in detail and align your strategies to theirs. We thoroughly analyzed the global shift in production; the automotive industry has moved from the West to the East. That means every industry within the scope of this global driving force must be easy to reach and effectively responsive. We provide tailor-made solutions for global tyre manufacturers and we feel obliged to be present wherever our customers are. Our decision on geographic expansion is shaped by the tyre industry that we provide for; we evaluate the opportunities and dare to take bold steps. Our corporate philosophy, 'We will be where our customer is,' is a solid commitment to the customer, the market and we are determined to be the leading provider.

Our R&D is a non-stop process ensuring our technological leadership. In addition to current production facilities in Indonesia and Thailand, we have recently extended our investment in Indonesia; our venture IndoKordsa is ready to change the game once again.

How focused is Kordsa on technological development and R&D?

The significance of R&D is beyond the word 'focus'. It is a mindset for every Kordsa Global employee. That is why we have doubled our R&D investments in line with our facilities expansion. We believe it is not just an issue of square meters or kilotons, technology development and innovative solutions for every single need is the key to becoming the ultimate solution provider.

We have organized our R&D under five technology platforms to serve our customers and this organization is well distributed around our production facilities. These five platforms are:

- + Material Research and Development
- + Running fundamental research on core and new technologies, coordinating all technology cooperation programs with universities and technology partners
- + New Product and Process Development
- + Focusing on new product development based on customer requirements and executing new process design and optimization projects.
- + Rubber Reinforcement Technologies
- + Focusing all efforts on understanding customer and application requirements and translating them into innovative projects, while developing and deploying application knowledge within the organisation
- + Engineering and Equipment Development
- + Focusing on development of new equipment and machinery to support all new product and process development efforts and coordinating and managing all new investments
- + Intellectual Property
- + Monitoring patent activities to support R&D projects, protecting know-how through patents

PTA News Bureau

What is the main driving force behind Kordsa Global's success as the world's largest producer of tyre reinforcement solutions?

For starters, industry commitment and innovation. That may sound too simple, but there is an enormous background with decades of experience and commitment to achieve the best and only the best. The rapid change in the industry actually presented us with an opportunity and we redefined our business to expand our operations with "The Reinforcer" positioning. Aside from core business initiatives, Kordsa Global invests in all stakeholders; creating value added technologies and innovative products. Operational efficiency has become the

key driver for every step we take and being where our customers are is the ultimate objective to deliver our cutting edge technology and products to competitive markets. Automotive is a global force for economies around the world and being a part of this industry helps us to become more creative and result driven in our business.

What is Kordsa's strategy to ensure operational efficiency?

We defined the sine qua non: No compromise when it comes to product and service quality. Those at hand, we focused on lowering costs to become more competitive, while introducing more innovative products to create value for our customers, we





IndoKordsa Plant

and trade secrets and transferring technology to all Kordsa plants and affiliates

How is the company ensuring "green" operations? How big is this challenge?

Yes, it is a big challenge, but we prefer to call it a part of our mission. We operate according to our goal of zero waste production in the source. To minimize the requirement for processing or disposal and to protect resources, we reuse materials and design them to ensure recycling. Our priority is to combat with emission. Preservation of energy and natural resources are our principals and we are extremely careful for the efficient use of coal, oil, natural gas, minerals and other natural resources. We ensure the management of company assets to reinforce living environments for natural life.

One significant example: As part of this commitment, we have introduced a state-of-the-art RF free dipping technology, eliminating Resorcinol and Formaldehyde used to achieve initial adhesion. This highly special finishing prepared by Kordsa Global out of resin and latex solutions was nominated to the "Environmental Success of the Year" award of Tire Technology International Awards 2014.

We have been honoured with quite a number of environmental awards and these are more than just a proud milestone in our company history, they are living proof that we do our best to preserve the greatest gift given to us: The beautiful planet we live in.

What is your strategy in expanding your product range?

This is a multi-tiered strategy. We are present where our customers are, we provide to every single need they come up with. Being the leading supplier of heavy denier industrial nylon 6.6 and polyester (HMLS and Technical) yarns, cord fabric, industrial fabrics and single end cord products, and with heavy investment in R&D, our customers lead the way for new products whenever they ask for a solution.

Take one of our patented brands for example: Capmax™ is designed to provide significant cost reduction to tire makers by eliminating some stages in the tire production process such as calendaring, cutting and slitting operations.

Capmax™ is the ultimate choice for new generation eco-friendly green tyres. Tyres manufactured with Capmax™ consume less resources, energy and raw materials significantly reducing the carbon footprint of a tyre.

Kordsa Global recently announced plans to invest 65 million lira (\$28.02 million) in a composite materials reinforcement project. Please provide some details.

Our joint initiative with Sabanci University is targeted to create new milestones for our business. The investment is to establish a Composite Technologies Excellence Centre; to provide post graduate education, fundamental research, applied research, product development, manufacturing,

incubation services and commercial products based on composite material technologies. Doctorate and post-doctorate researchers will join academicians and engineers to develop and manufacture composite reinforcement technologies and products all these people will work together simultaneously.

A 10,000 square metres of closed area is reinforced with another 3,000 square metres laboratory infrastructure; where learning and manufacturing will create a breakthrough ecosystem. Kordsa Global will be able to manufacture high technology materials and composite parts which were subject to limited import procedures before. It is a very exciting project because students and academicians will team up with researchers, entrepreuneuring engineers and designers for a common objective.

How modern are your production facilities? How big is your workforce?

We are proud to say that our leadership vision is not just about market share; we are the leader in tyre reinforcement technologies. Our eight sites around the globe feature the latest technology with built-in R&D units to deliver the exact specifications that our customers need. Kordsa Global is one of the companies synonymous with innovation in



R&D Lab

What are your views on the future tyres and your role in it as the biggest tyre reinforcement supplier?

The global economics game is changing. We have been a forerunner, keeping up with the pace of this change. Our customers will need more innovative products; more tailor-made solutions and they will need seamless services. There is an excess of supply, but those with the right R&D and proximity to key markets will definitely enjoy success. We will carry



plant dipping

the world. Each and every Kordsa Global employee observes the customers' needs and requests very well and blend this information with technology, so they can present new products to their customers. More than 50 researchers at Kordsa Global are incorporating their efforts in order to develop innovative reinforcement solutions and they are backed up with other 4000 brilliant professionals for the best products in the market.

on with our leadership; Kordsa Global will introduce the latest technology, the ultimate cutting edge products and play a major role shaping the industry. The key to success is differentiating not only with product, quality or services; it requires commitment to innovation, collaboration and creating new opportunities. Our four decades of experience and know-how will drive us to sustain our leadership in technology and customer-oriented operational excellence. ▲