

New life for a firm that was felled

Timber company turned bag-maker taps power of recycling

By LI LIANXING

Ding Xian's business was doing rather well when one day he received an order from the government to shut it down. Ding was producing timber in Tanzania and in 2007 the government decreed that in the name of environmental protection, his business and others like it must cease operations regardless of whether what they were doing complied with the country's laws.

"I felt particularly hard done by because the law was on our side, and I tried to persuade a local environment official that rather than shutting down the industry, it could be better regulated. More importantly, there were many ways in which we could protect the environment. One of these was recycling plastic bags and bottles," Ding says.

But the official pooh-poohed the idea. "So I said I would prove it by setting up a factory to recycle plastic waste," Ding says, adding that he even made a bet with the official.

Ding was sure of his footing because his hometown, Changzhou, in Jiangsu province, is an industrial region well known for its plastics industry, which

possesses sophisticated technologies in recycling and producing plastic products.

Pondering which product to make, Ding realized that given Tanzania's huge volume of agricultural exports, its farmers could benefit from one of the most basic tools they needed - plastic woven bags.

"Most of the plastic woven bags were imported, which greatly increased the cost of production, so that gave us a great opening," he says.

So Tasipa Limited was set up in 2007, aimed at shaking up Tanzania's waste plastic recycling industry, benefiting the country's most important sector, agriculture and making money along the way.

"We realized that creating industries and building factories in Africa could

AFRICAN OPERATIONS

TASIPA LTD
Industry: Plastic woven bags
Established: 2008
Headquarters: Tanzania
Employees: 300
Address: Plot No 29363 Urafiki Area Ubungo, Dar-es-Salaam, Tanzania.

PARENT COMPANY IN CHINA

JIANGSU SHENLI PLASTIC CO LTD
Industry: Manufacture
Founded: 2006
Headquarters: Changzhou, Jiangsu province
Employees: 200
Revenue: 100 million yuan
Address: No.8 Jinwu Road, Jintan city, Jiangsu
Phone: 86 519 8212818

DING XIAN



Chairman of Tasipa Ltd
Born: 1970
Education
Changzhou Institute of Technology
Career:
• Chairman of Tanzania China-African Business Council
• Started to invest in Tanzania (2000)
• Registered his own company (1997)
• Worked in Changzhou Mingdu Garment Co
• Worked in Changzhou Hualida Garment Co Ltd

make business more sustainable," Ding says.

The company's total investment has exceeded \$5 million, some of that the result of machinery having to be replaced unusually quickly because of problems caused by the unreliable power supply.

Talking of how he started the recycled-bag-making business, Ding says: "I went all over Dar es Salaam looking at rubbish heaps and talking to people who make money collecting garbage. I told them to bring me any plastic waste they had, for which I would pay them.

"They had never heard of this business before, and many didn't believe me at first ... but now we even have agencies collecting from individuals for us, and the price has risen greatly because of the stiff competition."

Ding reckons that his operations have created 2,000 jobs, although it is difficult to calculate exactly how many collectors there are in the field.

After the waste is collected and sorted, it is put into production lines for cleaning, melting and other processes to be made into raw materials to make the bags. The factory employs about 300 people, led by eight Chinese technicians.

Baraka Menard Mloge, a 29-year-old Tanzanian, has worked in the factory since it opened seven years ago and is now a manager. Over the years he has had several jobs, including producing the bag-making materials.

"From zero I have learned a lot about machinery and production," he says. "I couldn't do any repair work when I got here, but now I can take responsibility for a specific stage in plant maintenance. I am familiar with the whole process, so I look after some of the human resources work, too."

The recycled-bag-making industry has been good not only for his family of seven but for many others as well, he says, and it and other similar industries are good for the country.

Initially the factory turned out 200,000 bags a month and this has shot up to one million bags in peak seasons, and Ding expects output to increase as machinery is upgraded.

Because the bags are made locally, the cost to consumers has fallen by more than half, with a bag that was once imported and cost \$0.46 now being sold by Tasipa for \$0.20.

"We still have a large market because no one in neighboring countries is making these," Ding says. "Our customers are from Burundi, Kenya, Malawi and Uganda, where



agriculture is important, so demand for this kind of bag is huge."

However, quality control is critical, he says.

"In 2012 we got complaints that our standards had fallen. This was because our workers were trying to keep up with all the orders coming in, and we lost our focus, but we realized that if we carried on like that it would destroy the business," he says.

For Ding, the Dar es Salaam operations have nearly reached their full capacity because there is no more space for an additional production line, and the search is now on for another site.

"I am considering moving the factory to Mwanza region, next to Lake Victoria," Ding says. "The area is a major agricultural food producer and has a surrounding population of 10 million because it is close to other East African countries as well."

This could further reduce transport costs, which would eventually benefit farmers.

"When you add it all up, it would save a lot for them," Ding says.

"What we are determined to do is to promote this environment-friendly industry with more advanced pollution prevention technologies. Combining waste recycling, industry production and affordable products, we believe this business is not only sustainable but one that greatly benefits local people."