



# 2018 global winner in expansion mode

A year ago, Interhides Limited was on top of the world, having won the global award in the sixth Tannery of the Year programme. Far from resting on its laurels, the Thai leather manufacturer has invested in a new building, new machinery and a new idea for succeeding as a supplier of wet blue and wet white of consistently high quality. It's an idea that's been tried before, but not like this.

Thai tanning group Interhides (IHL) is preparing to branch out and start producing high-quality wet blue or wet white hides if it can find the right finished leather manufacturers to partner with. The company has told *World Leather* that it had a series of meetings at the 2019 APLF exhibition in Hong Kong in March, which it hopes will allow it to push its plan forward.

General manager, Chris Thumrongsakunvong, explains that the idea centres on being able to sell A and B grade hides, at wet blue or wet white stage, to tanners who will then process the material to finished leather. He says IHL envisions working especially with finished leather manufacturers who are producing high-quality material for customers who want consistency as well as quality.

*World Leather* visited IHL's tannery in Bangpoomai at the start of 2017 for the sixth Tannery of the Year Programme, in which the Thai tannery emerged as the global winner. At that time, it had the capacity to process 2,000 bovine hides per day. Since then, it has doubled this figure, having completed a 10,000 square-metre building next to its raw-to-blue plant.

## Drums and automation

Eighteen new liming and tanning drums are already in place, along with an extensive hide-transportation system from Feltre in Italy, which means no one need touch the hides again until it is time for splitting. Other innovations include an automated chemical-injection system, this time designed locally. Expanded operations began at the end of March, following extensive trials that started in the autumn of 2018. There is space in the new building to duplicate this 18-drum set-up if market demand is strong enough to justify the investment in further new technology. Half of the new drums IHL has bought so far for this project are from Europe, the other half from China.



Because not all wet blue or wet white hides are equal, IHL is now offering separate out A and B grades for sale to discerning partner tanners. It will use the lower grades in its own finished leather production. CREDIT: IHL

Mr Thumrongsakunvong says he is aware of previous attempts in the industry to sell pre-graded semi-finished hides. In his view, those initiatives fell short of hoped-for levels of success because the wet-end tanners retained the problem of also having to find buyers for hides of lower quality than A or B at prices that helped the whole exercise work economically. "We will not have that problem," he explained, "because we will use those lower grades ourselves in our production of corrected-grain, embossed automotive leather. We will not be a pure-play wet blue supplier because we can take the C grades further in house. For this reason, I think this idea, slowly but surely, will work."

## Open door

Expanding production in this way means that IHL's capacity has gone up. At the time of its Tannery of the Year triumph, the company was processing around 40,000 hides a month for its automotive leather operation (it also makes pigskin leather for footwear lining and uppers). This expansion takes hide-processing capacity closer to 100,000 per month, and that is without kitting out the second half of the new hall.

"It's a lot," Chris Thumrongsakunvong says, "and the market is already saturated with suppliers, not with buyers. However, we can offer something different. We are a family-run company and we can make decisions quickly. We have an open-door policy and customers can come and check that we deliver what we say we will deliver. They can come and see any stage of the process at any time. We can identify the A and B grades from all the hides we buy and we can sell them as wet white or wet blue to partner tanners that want these grades." He expects around 50% of the hides IHL buys to come out as A or B grades at the wet blue or wet white stage "if we take care".



Half of the new drums IHL has bought for its expansion project are from Europe, including these ones from Olcina. CREDIT: IHL