

# UPFRONT



## ADJUSTING TO THE CHANGING CLIMATE-CHANGE CLIMATE

### - a.k.a swallowing the bitter pill of natural goodness and putting environmental gain before financial gain

A colleague of mine recently brought to my attention an article in the Guardian Newspaper\*, on the collapse of the carbon markets. I could not resist including the tongue-in-cheek introduction in my Upfront:

“Roll up for the great pollution fire sale, the ultimate chance to wreck the climate on the cheap. You sir, over there, from the power company - look at this lovely tonne of freshly made, sulphur-rich carbon dioxide. Last summer it cost an eyewatering €31 to throw up your smokestack, but in our give-away global recession sale, that’s been slashed to a crazy €8.20. Dump plans for the wind turbine! Compare our offer with costly solar energy! At this low, low price you can’t afford not to burn coal!”

Before reading the article, I admittedly had little knowledge of the extent to which the European carbon markets were collapsing. Here I was naively thinking that any collapse that was occurring was more of a slow-speed ‘fender bender’, when in reality it’s a 30 car pile-up on Gillooly’s Interchange right in the middle of 5 o’clock traffic.

#### SO WHAT’S THE PROBLEM?

As the article explains, carbon trading has failed to “price fossil fuels out of the market” and has instead turned them into a more feasible economic alternative than green energy.

With the decrease in production demand around the world, major manufacturers who were initially given a large quantity of carbon emission permits now have a ‘surplus’ of such permits. This has meant that the permits have become cheaper (from approximately R465/tonne to R112) and thus polluting has become more affordable. As a result, investing in green energy has become that much more expensive and unattractive to mega-polluters - the article points out that carbon emissions need to be traded between R420 and R600 for green

energy to be a feasible alternative.

How will Europe rectify this epic blunder? The article suggests that Europe “must stop importing permits from countries such as Russia – a bonus for paper transaction. No one really believes that 15m tonnes of imported permits will not still be emitted by a steelworks somewhere east of Novosibirsk.”

#### WHAT CAN WE LEARN FROM THIS?

The problems of Europe’s carbon trading may seem minor compared to South Africa’s own economic recession - although the two are infinitely linked. It is in the modern man’s nature, after all, to choose technological growth over environmental preservation. But this is the lesson to learn – that the environment is worth putting first, whatever the cost.

With this in mind, our March issue of the TAPPSA Journal looks at Mondi Felixton’s recent expansion project, Project Khulisa – an expensive initial investment that has environmentally paid off in a big way. Fresh from his successful talk at the TAPPSA Berg Conference, we spoke to Neil Hunt, Technical Manager of the mill, to get a more in-depth look at the environmental success of Project Khulisa and at the changes needed in the packaging industry as a whole in order to minimise the industry’s environmental footprint (**page 40**).

In this issue, we also interview Ursula Henneberry, Operations Director of the Paper Recycling Association of South Africa (PRASA), on the contributions the paper industry can and must make in order to save our fibre-strapped resources (**page 4**). With packaging levies and the chance of stricter EPR (Extended Producer Responsibility) regulation in the pipeline, many paper companies will find themselves with increased costs as an incentive by the government to reduce fibre going to waste. Once again, the current economic recession might

\* by Julian Glover, © Guardian Newspapers Limited, 2009

cast any further expenditure in a negative light – but the protection of the environment is priceless. After all, if the environment goes – so do we.

### CHANGES AHEAD

On a lighter note, they say that change is as good as a holiday. It should therefore come as good news to all of you desperately counting down the days until April's feast of public holidays that the TAPPSA Journal and website will be undergoing a few changes over the next 2 months.

While the content of the website and Journal will remain the same, both will be receiving a long-overdue makeover, in keeping up with the up-to-date industry information and technology that both convey. I hope that the fresh feel of the Journal in particular, tempts many of you to appear on our new pages and send in your news, articles and photos.

See you in the newer, better looking April/May issue.

*Jodie Davies-Coleman*



### APOLOGY FROM THE PRINTERS

The printers of the TAPPSA Journal, Fishwicks, would like to make a formal apology to our readers. Unknowingly, the company has been using paper manufactured in Korea in the production of the Journal. Fishwicks believed it to be a local brand of paper due to its African-sounding name, Mongani. The printing of the Journal on imported paper is obviously a strong contradiction to the ideals of TAPPSA and the business of its members. For this reason, Fishwicks have made arrangements to have this issue printed on Sappi Triple Green.

**A 2 day CLEANER PRODUCTION COURSE (with a focus on energy) is being held during April in Gauteng, Cape Town & KZN.**

**See TAPPSA website or phone 031 764 2494 for more details.**

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