

Kenya's Pan Paper Mill now reopens in September

Written by Administrator

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Kenya's paper maker Pan Paper Mill factory will now reopen in mid September, General Manager Y. V Choudray has confirmed. The paper factory located in the western part of Kenya has been facing challenges in acquiring new machinery and upgrading thus pushing back the re-opening date.

Mr Choudray added that the revamped paper mill was undergoing a few tests before being commissioned in September this year.

"Pan Paper initially had many challenges and we are almost on time to commission it but there were a few setbacks, however, we should be in a position to bring back one paper machine by mid September this year," Mr Choudray said.

Pan Paper had previously shut down operations in 2009 because of a huge debt experienced and the inability to operate efficiently mainly because of the availability of several old machinery at the factory.

Tarlochan Limited which is a subsidiary of the Rai Group acquired the Pan Paper Mill for US\$ 9m earlier in April with objectives of injecting an additional US\$ 60m over the next five years to have the plant back to optimal operation.

Some of the outstanding debts by the company included US\$ 1.5m that was owed to Kenya Power hence forcing the utility firm to disconnect the mill's power supply.

Mr Choudray further explained that new owners had already cleared the past debts and have

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been reconnected to the grid; they are now working towards having its water supply reconnected at least by the end of August so as to allow for the production of paper.

“Electricity and water are essential inputs for the start up of the paper mill and we are confident that we can have the water back to start production,” he said.