



Shiver me timbers! A galleon is made of 100% recycled plastic
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BUSINESS

“I have run and owned various waste paper businesses, but the truth is that paper is not what it was,” explains Graeme Coombs, chairman of TGM Recycling Group and Polymer Industries, who has been involved in the sector for some 40 years.

TGM Recycling, based in Charlton, south-east London, is a holding company that owns TGM Environmental, The Waste Paper Company and Surrey Waste Recycling. It has had a significant presence in the paper recycling industry, with its two waste paper depots, but last year made its first foray into plastics recycling with the addition of brokerage firm Europlastix Recycling.

TGM had been “massively involved” in newsprint recycling, with contracts for the production waste of News International and Associated News Group. But, over time, as Coombs explains, these contracts had reduced around 70% in terms of volume: “To such an extent that we actually walked away from them at the last renewal.”

The business had also done a lot of work with book publishers and printers. “Paperback books are almost a thing of the past and as for hardback books – who is going to pay £15 for a hardback when you can get it on the Kindle for £2? So we have seen that side of the waste paper business drop off dramatically.

“Where we have held our own is in post-consumer cardboard. We are big collectors of cardboard and, while it is a volatile market, there is always a home for it,” Coombs adds.

The shift in consumer behaviour to purchasing items online for home delivery in cardboard boxes – the so-called Amazon effect – has been helpful to those in the waste paper sector. But the closure of mills such as Aylesford and the shut down of a machine at UPM Shotton drastically reduced the UK’s newsprint capacity.

It was one of Coombs’ accountants who told him he needed to diversify the business, and quickly: “He said ‘paper is falling away at such a rate of knots it is badly affecting your turnover and profitability, so what else have you got up your sleeve?’”

TGM was already involved in some film plastics but had seen the high-profile collapses of plastics recyclers in recent times.

Coombs says: “We had a long hard look at the market, and what we really wanted to do was close our own loop, not to sell product to somebody else to close their loop. We want to collect waste, pelletise it, melt it and extrude or mould it, and then make our own manufactured products using our own waste.”

Devon-based Plastics Plus Recycling Group

Rising from the ashes of a declining paper market

Earlier this month, TGM Recycling completed its acquisition of PPRG, including its operating company Polymer Industries. **ANDREA LOCKERBIE** finds out why the business with a history in paper decided to diversify into plastics



Focus on quality: clean, uncontaminated feedstock is used to ensure quality outputs

and Polymer Industries, the business TGM acquired, is currently manufacturing on a “very small scale”. But part of its five-year plan is to expand and start extruding, moulding and manufacturing a variety of products, for sectors such as the construction industry.

Polymer Industries’ feedstock is mainly post-industrial plastic waste from injection moulders, extruders and vacuum formers, so it will be of consistent quality and uncontaminated. This is processed back into feedstock for direct manufacture or further processing and compounding. Its founders Jason Goozée and John Gibbins remain with the business as managing director and business development director, respectively.

Goozée explains: “I understand the requirements but also the limitations of using a recy-

cled material, and so every material we process is done with the end user in mind.”

His aim, he adds, is for a moulder to use his material with confidence and for it to replace prime materials at lower cost. The acquisition means money is available to buy extra machines and increase warehouse space.

Coombs explains that TGM’s plan is to be a specialist recycler that produces quality waste paper, cardboard and now plastics. Most of its business will still be paper and card but, in time, plastics will increase its business share.

He says the business is paying “too much” for paper on the input side, while at the other end mills are trying to pay less, so that its margins are being squeezed, and he foresees a “natural drop off” in paper and card continuing. But for plastics, he recognises that there are requirements at national and EU level to recycle more.

Goozée adds that persuading manufacturers and product designers that recycled and reprocessed polymers are usable and can offer significant cost savings is still a major obstacle in the sector. But for Coombs and TGM, moving into plastics helps to protect it from the declines in paper and adds diversity to the business.

“We have chosen a path that we think is sustainable,” he says. “We are all about quality – we always had a fantastic name for the quality of our paper products and we want to do that in plastics as well.”