

NEWS

From GEORGIA TECH'S ENGINEERING EXPERIMENT STATION

Atlanta, Georgia 30332

Contact: J. B. Shaw/Ray Moore
(404) 894-3405

NEW WOOD PRODUCT

July 31, 1979

CHALLENGES PLYWOOD

For immediate release

ATLANTA....A new wood product could provide an excellent new manufacturing opportunity in the Appalachian region of Georgia, according to a just-released study by the Economic Development Laboratory of Georgia Tech's Engineering Experiment Station.

The new product is a combination of particleboard and veneer. It can be used instead of plywood or lumber in many applications.

The biggest thing the new product, called COM-PLY, has going for it is that it uses almost 90 percent of a log, while plywood uses only 45 percent, and lumber only 40 percent. In addition to this economical use of timber resources, COM-PLY meets or exceeds all the standards set for plywood and lumber, the study says.

The study was prepared for the Georgia Forestry Commission under the sponsorship of the Appalachian Regional Commission. It is titled, "A COM-PLY Panels Processing Complex in Appalachian Georgia: an Economic Feasibility Study."

Dr. T. I. Chiang, the Tech scientist who conducted the study, said that although the product is new, it is based on well-established technology. "COM-PLY is a combination of particleboard and veneer, and both of these products have been around for years."

Chiang said COM-PLY can be made into panels, studs, and joists for use in construction. COM-PLY panels are particularly useful for sheathing

- more -

Research in Electronics • Solar Energy • Resources and Waste • Economic Development • International Programs
• Applied Sciences • Systems Analysis

and flooring in housing construction, he said.

Chiang said a COM-PLY plant would be especially appropriate for the Appalachian region of Georgia because of the abundance of forest there, and because there is not a single plant in the area engaged in the production of wood particleboard, pine plywood, or lumber produced by chip-n-saw operations.

He pointed out that only one plant, in Idaho, is currently producing COM-PLY products, although Georgia Pacific is building a COM-PLY panel plant in North Carolina and several other COM-PLY plants are reportedly in the planning stage.

Chiang's study proposes a COM-PLY panel plant in Appalachian Georgia. A COM-PLY panel is a composite sandwich construction with a particleboard core between double layers of veneer.

Capital investment for the proposed plant would be approximately \$30-million, of which \$22.2-million would be for fixed investments and about \$6.3-million for working capital. Projected production costs would be about \$19.9-million in a normal year based on a production of 127 million square feet of COM-PLY panels at a cost of \$157 per thousand square feet. Projected annual returns would be \$29.4-million based on a selling price of \$232 per thousand square feet. Net profit before taxes would be \$8.1-million. Net profit after taxes would be \$3.7-million.

"The payback period would be 4.75 years," Chiang said. "These figures strongly suggest that the proposed plant is an excellent investment opportunity."

He noted that COM-PLY production has the flexibility of changing over to particleboard production for industrial uses should the demand for panels in the housing market slow down. The peak demands of the two markets don't overlap, he said.