

KNM confident of getting more jobs in China

The Star - 18 June 2004 KNM Group Bhd is confident of securing contracts to supply process equipment to China's fast expanding petrochemical, and oil and gas industries. Managing director Lee Swee Eng said the company had already built a reputation as a producer of quality process equipment in China. He said its customers included several international petroleum and petrochemical companies. "China is expected to build several new petrochemical plants in the coming years. "This will lead to demand for process equipment," Lee told reporters after the company's AGM and EGM in Petaling Jaya yesterday.

KNM has a process equipment manufacturing plant in Changsu, China, with an installed capacity to fabricate 11,500 tonnes of process equipment a year. Lee said KNM had to turn down several contracts for process equipment because the plant was running at 30% capacity. "Once the China plant is running at maximum capacity by the end of next year, we will be able to handle more contracts," he said.

Lee said KNM's outstanding process equipment manufacturing contracts worth RM200mil for oil and gas companies in China, Canada, Australia and the Middle East were expected to last until the middle of next year. "Our target is to secure process equipment manufacturing contracts worth RM200mil every year. "We believe this target can be achieved as demand for process equipment is recurring," he pointed out.

Besides China, KNM also has four plants - one each in Malacca, Gebeng, Bintulu and Dubai in the United Arab Emirates. Lee also said that the surging price of steel, the main component in process equipment, was not expected to affect the company's profitability. "Any increases in steel prices will be absorbed by our customers," he said.

Among KNM's customers are Petroliam Nasional Bhd, Shell, Toyo Engineering of Japan, Japan Gas Corp, ExxonMobil and Fluor Daniel Inc.