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Ajiya plans to set up second plant in Thailand

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AJIYA Bhd plans to expand its operations in Thailand by setting up a second plant there to manufacture safety glass and other glass-related products this year.

Group managing director Chan Wah Kiang says this is part of the company's long-term strategy to strengthen its position in the Thai construction industry.

He says the country, with a population of 65 million, offers a huge domestic market with good business prospects, unlike Malaysia which has only 27 million people.

"We have been looking for a suitable location in Bangkok and will allocate between RM10mil and RM20mil for the new plant," Chan tells *StarBizWeek*.

He says the plant will probably be located near its existing facility in Bangkok which currently manufactures, designs and installs metal sheet roofing and insulator materials.

Chan says apart from focusing on the Thai domestic building material sector, both plants will also cater to the Cambodian, Laotian and Vietnamese markets.

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CHAN WAH KIANG

He says the company has two options when expanding in Thailand – it can lease the building or buy the land and build the plant by itself.

"We prefer the second option as we know how much money is needed for the facility, including the design and layout of the plant," Chan says.

He adds that although Thailand is currently facing political instability, the company does not see any need to review its expansion plan there as its business is not affected.

With the second plant coming up in Thailand, the company's main focus in Malaysia will be to increase the production capacity of its existing plants by adding new production lines, he says.

The Malaysian facilities will produce higher value-added products, including green and environment-friendly building materials, for local and export markets.

He says its new plant costing RM10mil in Bukit Minyak, Seberang Prai, will be ready in the third quarter. This will be the company's second plant in the northern region and its fourth for safety-glass processing.

Ajiya now has three plants in Johor (one in Senai and two in Segamat), two in Selangor (Puchong and Shah Alam) and one each in Sungai Petani, Kedah, and Kota Baru, Kelantan.

"The Bukit Minyak plant caters to the rising demand for safety glass products in the northern states and also southern Thailand," says Chan.