

PLASTIC WARE

Srithai eyes new plant to supply Ikea

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Srithai Superware Plc, the country's leading melamine manufacturer, has spent 100 million baht to set up its new factory in Nakhon Ratchasima to serve Swedish furniture giant Ikea and other European customers.

Wholly owned subsidiary Korat Thaitech was recently set up to operate the new factory, which is due to start operating in August with a capacity of 250 tonnes per month.

The Nakhon Ratchasima factory will comply with Ikea conditions that prohibit employees from working more than 60 hours a week. Due to the country's growing labour shortage, Korat Thaitech will hire about 800 workers from Burma and Cambodia.

Srithai president Sanan Angubolkul said Korat Thaitech, which is the group's fifth factory, would solely serve export

markets. More than 50% of capacity will be for Ikea, while the rest will serve customers in European markets. The company expects to generate 450 million baht in annual sales from the factory.

Mr Sanan said Srithai would focus on producing food packaging and scale down on original equipment manufacturer (OEM) products for automotive spare parts and electrical appliances. The company expects its sales this year to grow by 17% to 6.7 billion baht, rising to 7.8 billion baht next year.

Mr Sanan, who is also chairman of the Thai Chamber of Commerce's energy committee, said the committee has urged the government to support its energy efficiency index for manufacturers to increase their competitiveness in the world market. It requires only 10 million baht to do this index and it wants the government to officially support the scheme.

The chamber has selected at least 40 factories to join its scheme and found that each factory could save about 10% of energy consumption.

Mr Sanan said the energy committee has joined UBM Asia (Thailand), PTT and other operators to organise Renewable Energy Asia 2011 from June 1-4 at Bitec in Bangkok.

Srithai shares (SITHAI) closed yesterday on the SET at 10.2 baht, up 10 satang, in trade worth 2.27 million baht.