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Paper mill plans to set up plants abroad

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AFTER securing a comfortable share of the local tissue market as well as in Singapore and Hong Kong, Nibong Tebal Paper Mill Sdn Bhd has set its sights on building manufacturing plants in several countries including China, Thailand and the Philipines.

Its managing director, Lee Eng Sia, said the company, which markets a wide range of tissue products under the "Premier" label, would first set up a plant under a joint venture basis in Thailand.

He said the family-run paper mill would have a 40 per cent stake in the venture with a Thai tissue-maker.

"We will close the deal soon and will set up the plant which is located about 100km northeast of Bangkok.

"The plant would be operational before the end of the year," he said, adding that it would be built and run based on Nibong Tebal Paper Mill's very own 'scalable model', which he claimed was suitable for manufacturing activities in developing countries.

"We start small and expand later.

"We have proven it here and we strongly believe that our model can also be applied successfully in Thailand," he said, adding that Nibong Tebal Paper Mill had also received inquiries on possible joint ventures from the Phillipines, China, India and South Africa.

Lee, who quit his job as a senior manager with an American multi-national corporation in Bayan Lepas, Penang, to take over the helm of his family business from an older brother about nine years ago, said the Thai venture's success would "be a milestone in our proposed overseas expansion programme".

He said Nibong Tebal Paper Mill's biggest challenge was to introduce its "scalable model", on a joint venture basis, in all the provinces in China.

"We will not only be manufacturing our goods in the country, but more importantly, introduce Malaysia's technical know-how on tissue-making.

"We have the technological strength and capabilities to achieve this and develop Premier into a regional brand.

"Our expansion programme is also in line with our Prime Minister Datuk Seri Dr Mahathir Mohamad's call for more Malaysian goods to acquire international appeal," he said.

At present, Nibong Tebal Paper Mill's tissue products, which include kitchen towels, napkins, serviettes, industrial rolls and towels are also exported to Vietnam, several Middle-East countries, Myanmar and Cambodia.

Lee, who claimed his knowledge on tissue-making was zilch when switching careers, has introduced numerous measures to improve the quality of all the company's tissue products.

A unique feature found on Premier box tissues, which have strong absorbent qualities, is the two-piece plastic flaps.

The flaps help to keep dust and dirt away and the tissue pieces tucked neatly in place.

Although a simple feature, the flaps, according to Lee, is a technological breakthrough and it gives the added value to an otherwise common box tissue.

On the company's performance, Lee said Nibong Tebal Paper Mill's annual turnover had grown more than 30 times from a modest annual sales of RM4 million nine years ago.

Since then, the company has been enjoying an annual compounded growth of

about 50 per cent.

Last year, it recorded a turnover of about RM100 million and this year, sales are expected to reach more than RM130 million.

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