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ACM mulls orders from Boeing rival

Eirmalasang Bani

ASIAN Composites Manufacturing Sdn Bhd (ACM) is prepared to consider making parts for aircraft makers other than shareholder The Boeing Co, to turn a profit in the next two years.

The country's second composites maker is considering such third party orders to bring production up to 85 per cent of its capacity, said ACM chairman Datuk Syed Tamin Syed Mohamed.

"Our capacity is currently running at about 40 per cent but we have started talking to a few parties (for orders)," he told Business Times in an interview.

Seeking third party orders may lead to ACM offering composites parts to other airplane manufacturers, including Boeing's oldest rival, Airbus Industrie. But Boeing Commercial Airplanes' Douglas M. Groseclose, who was also present, had no problem with that.

"If it makes economic sense, why not?" asked the senior vice president for Boeing's international sales.

The RM120 million plant is scheduled to be officially launched by Prime Minister Datuk Seri Dr Mahathir Mohamad later today.

ACM is a Malaysian-US joint venture to make and supply advanced composite materials, or carbon fibre-reinforced plastics. Light but extremely strong, composites are used to make aircraft wings, parts of car bodies and canoes, among others.

Malaysia's Sime Darby Bhd and Naluri Bhd, and the US' Boeing and Hexcel Corp each own 25 per cent of ACM's US\$95 million paid-up capital (US\$1 = RM3.80).

Syed Tamin said orders for composites fell significantly after September 11 last year, when terrorist attacks on the US caused air travel to slump.

The current global economic weakness is also hurting demand for new aircraft.

ACM began making wing parts for Boeing commercial aircraft at its Kedah plant in June last year.