

Aapico sure of strong growth

Enters joint venture with Portuguese firm

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Aapico Hitech Plc (AH), the SET-listed auto-parts manufacturer expects positive growth for the rest of this year based on the back of solid car sales in the first quarter.

President Yeap Swee Chuan said the Thai car industry will likely continue to rise, with 2.5 million vehicles expected to be produced and sold this year.

Aapico reported a first-quarter net profit of 279 million baht, up by 192% year-on-year. Revenue reached 4.68 billion baht, up by 48%.

Its Ayutthaya factories, which were submerged by the 2011 floods, are now back at full production capacity equipped with new machinery, Mr Yeap said.

Car production from January-April increased to 891,947 units from 644,540 in the same period last year, said the Federation of Thai Industries.

Domestic car sales from January-March, meanwhile, reached 522,914 vehicles, up by 42.4% year-on-year.

Aapico recently formed a 50-50 joint

venture with Portugal's Sodecia to manufacture chassis cradles for passenger cars.

Aapico invested 500 million baht in the partnership.

The manufacturing base of the joint venture will be on the Eastern Seaboard.

Product engineering and factory building will take at least two years.

Production will gradually increase through the development phases from an initial rate of 50% of capacity.

The joint venture will also serve Aapico's plan to reduce production costs through innovations and coincides with Sodecia's plan to expand in Asia, Mr Yeap said.

Regarding the baht's appreciation, Mr Yeap said the company has experienced minimal impact, as 90% of sales are in baht.

It constantly supplies auto companies regardless of strong currency speculation.

Mr Yeap said Thailand has strong advantages in the auto industry for the upcoming Asean Economic Community because it has production expertise and reasonable sales prices.

Shares of AH closed yesterday on the Stock Exchange of Thailand at 25.25 baht, up 35 satang, in trade worth 8.33 million baht.



Our plants are back to full capacity with new machinery, says Mr Yeap. THITI WANNAMONTHA