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Dexion to Triple Annual Production Capacity

Dexion Asia Sdn Bhd's new factory at West Port will triple its annual production capacity to 24,000 tonnes of steel.

According to Managing Director, Frank Johnstone, the new factory is an upgrade of the group's old factory at Teluk Gong, Klang.

"Our old factory had a production capacity of 8,000 tonnes of steel a year. With the new factory, we hope to ramp up our tonnage to 24,000 a year," he said after the opening ceremony yesterday.

Johnstone said the factory was part of a RM10mil investment plan for the subsidiary of Australia-based Dexion Ltd. About RM6.5mil was spent on moving into the already available factory lot, purchasing equipment and investing in a state-of-the-art painting line.

The new factory has a floor space of 12,000 sq m, more than double the original factory. It currently employs 35 permanent staff and 20-25 temporary workers.

It would specialise in the manufacturing of racks and shelving systems, of

which 80% was for export, Johnstone said.

"About 80% of our production gets exported, so we didn't want our facility to be too far away from the ships. By moving to West Port, we are 15 minutes



From left to right: Trefor Clayton, Peter Farmakis, Graham Spurling, Ken Boundy, Robert Wright, Frank Johnstone



closer to the ships, making us more efficient,” he said.

According to Johnstone, Dexion Asia currently accounts for roughly 10% of the group’s turnover.

Dexion Ltd Managing Director, Peter Farmakis said the new factory would help provide the group with sustainable, profitable growth and expand geographically.

“We already have a very matured market in Australia. One of the aspects of our growth is to diversify our position geographically,” he said.

According to Farmakis, Dexion currently has three manufacturing facilities each in Australia and New Zealand, and is making inroads into China.

“The Malaysian factory will support our growth in the South-East Asia region, while our (future) investment in China will help us grow in North-East Asia,

through China and into Taiwan and South Korea,” said Farmakis, adding that Dexion hoped also to penetrate the Indian market.

According to Farmakis, having a multicultural Malaysian workforce would also help the group overcome any language barriers it may face when expanding into the Asia Pacific region.

The group manufactures a range of industrial and commercial products specialising in racks, drawers, shelving systems, cabinets and lockers, among others.



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Frank Johnstone, Dexion Asia Managing Director



Dexion Ltd Chairman Robert Wright (left) and Frank Johnstone at the new facility in West Port