

Vitrox Corp allocates RM120mil to expand Penang operations

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GEORGE TOWN: Vitrox Corp Bhd is allocating RM120mil to expand its operations in Penang this year and in 2017 to meet the rising global demand for its machine vision and vision inspection equipment.

Group chief executive officer Chu Jenn Weng told StarBiz that the amount would be spent to complete the new facility in Batu Kawan, scheduled for operation in mid-2017, and to purchase production equipment for the existing plant in Bayan Lepas, which was 80% utilised.

Chu said the expansion exercise was necessary, as the machine vision market is projected to grow at a compound annual growth rate (CAGR) of 9.1% for the 2015 to 2020 period, according to a recent Markets and Markets report.

The report said the machine vision market is projected to grow to US\$12.5bil in 2020 from US\$8.08bil in 2015.

"The market is growing because of the need for quality inspection and automation, demand for vision guided robotics system in the manufacturing plants, and application-specific machine vision systems among the consumers.

"Asia-Pacific is considered the global manufacturing hub which will provide fresh opportunities for machine vision systems," Chu said.

He said the demand for surface vision and inspection equipment was also rising rapidly.

The new Transparency Market Research report revealed that the sector would grow at a CAGR of 8.9% to reach US\$2.3bil in 2019 from US\$1.2bil in 2012.

The report said North America was the largest regional market for surface and inspection, with a revenue contribution of US\$368mil to the global market.

Chu said the group would release new equipment in the second quarter to penetrate untapped markets. "The equipment are solder paste inspection and mini advanced X-ray inspection (AXI) machines, which should contribute positively to the 2016 fiscal year ending December. The mini AXI machine caters to the automotive and telecommunications industries. These products are priced between US\$100,000 and US\$350,000 per unit. We compete in terms of quality and user-friendly features and not pricing."

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