



Vitrox to invest up to RM100mil in expansion



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GEORGE TOWN: Vision-inspection equipment maker Vitrox Corp Bhd plans to invest between RM80mil and RM100mil in a new expansion project in Batu Kawan this year.

Group chief executive officer Chu Jenn Weng said the expansion would add 447,000 sq ft of floor space for production, business development, design and development, and shared services activities at the plant.

"The expansion is necessary given the sustainable growth prospects of 2022 and beyond.

"Our advanced robotic vision solution system has received good responses from tier- one customers.

"We expect this product to grow significantly in the next three to five years due to the rapid adoption of smart automation system in factories globally to increase productivity and reduce the dependency on labor," he told StarBiz.

Chu said the group expected a strong double-digit percentage growth in 2021.

"Digital technologies popularly used in offices, factories, home, electric vehicles, data center, artificial intelligence, and the Internet- of-things will fuel our orders.

"Our backlog is still healthy and encouraging.

"We are optimistic about the outlook for the first quarter 2022.

"The orders from the outsourced semiconductor assembly and test (manufacturing) and electronic manufacturing services (EMS) sectors are very encouraging," Chu added.

On the global chip shortage situation, he said the group still faced long lead times required for some materials used for building vision inspection systems and equipment.

"These materials include chips used in our embedded electronic system. We monitor closely our inventory level while doing our very best to fulfill customer's demands. We increase buffer stocks on materials that have long lead times when necessary.

"Meantime, we work closely with strategic suppliers to better manage our inventory while regularly reviewing with them the

demand and delivery schedules.

"We also implemented a just-in-time delivery schedule for locally manufactured parts to shorten the lead time.

"The shortage situation is under control now," he said.

Chu said the chip shortage situation would ease by the second half of 2022.

On passing the higher cost of raw materials to customers, Chu said the group didn't pass on the cost to customers.

"Instead, we offer better products and services to our customers during this challenging time," he added.

According to the India-based research firm, The Insight Partners, the inspection machine market size would reach US\$1.17bil (RM4.9bil) by 2028 from US\$821.66mil (RM3.5bil) in 2021, growing at a 5.3% compounded annual growth rate from 2021 to 2028.

"The vision inspection systems would register highest compounded annual growth rate of 5.9% during the 2021-2028 period," the report said.

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