

Vitrox and Pentamaster's Penang Automation Cluster to open in 2019

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KUALA LUMPUR (Feb 8): The Penang Automation Cluster, a one-stop metal component supply chain hub initiative by Vitrox Holdings Bhd and Pentamaster Corp Bhd, is expected to start operating in the first half of 2019.

Penang Chief Minister Lim Guan Eng said about RM980 million revenue is expected to be generated by large local companies in the hub by 2021.

Lim told reporters that the spillover effect to the 18 small-medium enterprises (SMEs) under the cluster is estimated to be more than RM118 million.

The cluster, which is the first SME precision metal fabrication or automation cluster in Malaysia, would serve as a one-stop metal component supply chain hub for multinational companies (MNCs) and LLCs.

It aims to further support and enhance the development of existing supply chain ecosystem of industries and services in the State, primarily those in semiconductor, electronic and electrical, medical devices, LEDs and avionics segments.

Yesterday, both Vitrox and Pentamaster announced that its jointly-owned Penang Automation Cluster Sdn Bhd with Walta Engineering Sdn Bhd (PACSB) is acquiring a piece of 2.04ha land in the Batu Kawan Industrial Park on the Penang mainland for RM3.52 million from state investment arm Penang Development Corporation.

They said once approval from the Department of Environment is obtained, the cluster would carry out activities including precision engineering and sheet metal fabrication, tooling, machining, finishing and coating services.

Vitrox and Pentamaster each has 35% stake in PACSB while Walta Engineering holds the remaining 30%.

Meanwhile, Lim said Vitrox, Pentamaster and Walta are expanding their operations to Batu Kawan.

Vitrox is expected to invest RM120 million in its new ViTrox Campus 2.0, and RM50 million each by Pentamaster and Walta for their new facilities. "In terms of job creation, the cluster will create an estimated 500 skilled jobs, and qualified employees will be given the opportunity to attend the German Dual Vocational Training (GDVT).

"The Penang government has invested RM6 million for the GDVT programme, the first of its kind programme in the Malaysia's skills training programmes," he said.

The cluster would be developed within the 8.1ha SME Village with construction expected to begin by the second half of 2017 and targeted to commence operations by the first half of 2019.

Lim noted that the electrical and electronic industry (E&E) remains amongst the most significant contributors to Penang's economy. The sector also contributed 36.7% of the total Malaysia's exports in January – November 2016, an increase of 1% year-on-year, against Malaysian exports in the corresponding period in 2015.

"The Semiconductor Equipment and Materials International (SEMI) recently forecast that the semiconductor market is expected to grow by 11% in 2017 to reach US\$41.1 billion, while the global automation market is expected to exceed US\$350 billion in 2020.

"These augur well for Penang's key manufacturing sectors which also include medical devices, LEDs and avionics," he said.

At 4.13pm, Pentamaster dipped one sen or 0.61% to RM1.62 with 427,400 shares, giving it a market capitalisation of RM237.4 million.

Vitrox went up three sen or 0.77% to RM3.91 with 17,100 shares transacted, valuing it at RM910.8 million.

<http://www.theedgemarkets.com/my/article/vitrox-and-pentamasters-penang-automation-cluster-open-2019>