Fabrinet Thai facilities remain shuttered

The Associated Press

Manufacturing company Fabrinet said Monday that it expects its Chokchai plants in flood-hit Thailand to remain shuttered through the rest of the quarter.

Fabrinet, based in Bangkok, provides services and parts for optical, electro-mechanical and electronic manufacturing companies.

As of Saturday night, the company's offices and manufacturing floors at its Chokchai campus in Pathum Thani, Thailand were flooded, with the manufacturing buildings filled with about 3.5 feet of water, Fabrinet said.

Before the flooding started, Fabrinet said it attempted to move and protect its production and test equipment, inventory and tooling. The company hasn't been able to fully assess the damages yet, but said it's unlikely that production will restart at Chokchai before the end of the current quarter.

Fabrinet said the waters haven't breached its Pinehurst campus, located about seven miles north of Chokchai, but production there continues to be suspended as a result of local transportation and power issues.

The flooding began in August in northern Thailand and has been making its way toward Bangkok since. So far, it has killed 356 people in the country and delivered an economic blow to industry and agriculture. Damage is already estimated at $6 billion, but that could double if Bangkok is badly hit.

At least five major industrial estates north of Bangkok have been forced to suspend operations, contributing to an estimated 700,000 people put out of work by the flooding.

Among those affected are Japanese carmakers Toyota Motor Corp. and Honda Motor Co., which have halted major assembly operations. Toyota also said late last week that it would cut back manufacturing elsewhere in Asia due to parts shortages.

The electronics industry has also suffered, including computer hard drive maker Western Digital Corp., which has two major production facilities in the flood zone. Last week, the Irvine, Calif.-based company extended its suspension of operations in Thailand.

Meanwhile, computer makers have been forced to scale back production because of the shortage of storage drives. Thailand makes about a quarter of the world's hard drives and is the second-largest producer behind China, according to IHS iSuppli.

In morning trading Monday, Fabrinet's U.S. shares fell 60 cents, or 3.7 percent, to $15.49.

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