

## **Some flood-hit Thai tech firms aim to reopen by Dec**

Khettiya Jittapong and Ploy Ten Kate, Reuters

Some big Thai producers of electronic parts could have their flood-hit factories up and running again by the end of November, sooner than expected now that flooding in central provinces has stabilized, but the picture varies greatly across industry.

Avaplas (Thailand), a subsidiary of Cal-Comp Electronics (Thailand) Pcl, is scheduled to resume production of its molded plastic precision parts gradually from November 25.

Stars Microelectronics (Thailand) Pcl, which had to shut its hard drive part plant at Bang Pa-in estate in Ayutthaya province, said it would restart some production lines on December 1.

Stars Micro and Cal-Comp supply to clients such as hard drive maker Western Digital, which itself has two manufacturing facilities in Bang Pa-in estate and Nava Nakorn Industrial Park in Pathum Thani province, both of which have been severely hit by floods.

Thai printed circuit board (PCB) maker KCE Electronics Pcl said its affected plant might restart a little later in January.

KCE, which supplies PCBs to clients such as Bosch and Continental AG, and Cal-Comp's unit have factories at Hi-Tech Industrial Estate in Ayutthaya province.

"We will certainly resume operations in January. We have inspected the affected plant where floodwater is not as high as in other areas in the estate," KCE executive director Panja Senadisai told Reuters.

Flooding in central Ayutthaya province will affect KCE's fourth-quarter sales but the impact on the bottom line in that period should be limited, Panja said, adding that it would miss its 2011 revenue target by only a small amount after a strong first nine months.

Some analysts had forecast it would take about 6-12 months before the makers of electronics components could start producing normally again.

Shares in KCE have jumped more than 30 percent since Monday on talk that an improvement in the flood situation would allow it to resume operations. It rose nearly 3 percent on Tuesday while the main market index fell 1.9 percent.

### **DRAINING WATER**

Shares in Thailand's MCS Steel Pcl rose more than 4 percent after the company said

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some production line staff and support teams had resumed operations on November 1 to ensure some shipments.

The listed Rojana Industrial Park Pcl -- the estate worst hit by the floods -- could start draining out water next week.

"The situation is improving," Amara Charoengitwattanagun, director of the park, told Reuters. "The water at Rojana has now receded by about 30 cms measured from a peak around Rojana power plant area of 2.80 meters."

Nearly 200 factories, including one run by Japanese car maker Honda Motor Co Ltd, had to close at Rojana, about 70 km (45 miles) from the center of Bangkok.

Honda is the worst hit of the Japanese car firms in Thailand as it has lost its main assembly plant -- accounting for 5 percent of its global output -- as well as component factories.

Canon Inc, Nikon Corp, Hitachi Metals Ltd and Siam Cement also have operations on the Rojana estate, according to its website.

Amara said it would take roughly one month to drain away the floodwater. "Most operators on our estate are waiting for the water level to come down a bit more before getting to their sites to start assessing the real damage," she said.

Rojana planned to build a concrete dike up to 4 meters (13 feet) high around the estate to defend it in the future.

"We are working on details of the plan and could ask the government for help in terms of financial support and a soft loan," she said.

The government has already prepared 350 pumping machines to help drain water from the industrial estates.

"Once the water recedes to the same level of the dike of each estate, we would immediately get in and start the draining process," Amara said, expecting it would take up to 45 days after that before the situation returned to normal.

(\$1 = 30.81 Baht)

(Additional reporting by Wilawan Pongpitak; Editing by Alan Raybould)

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