



Haitima's expansion brings unique success

Under the current economic situation, the international market has been bringing a lot of challenges to those valve manufacturers which have a global focus. Yet some traditionally export-oriented valve companies still keep achieving new success in their major market places. The Taiwan-based valve manufacturer Haitima Corporation is just one of them. Throughout its 26-year-long history, the company has been well accepted by customers on a world wide scale, covering industry markets such as oil, gas, chemical, power generation, housing, and so on. By expanding the manufacturing facilities and products range in both Taiwan and mainland China bases, the management of the company expects more business to come in the near future. Valve World was invited to visit Haitima's manufacturing base in Zhongshan, China, and we talked to the company's President and CEO Mr Shen Ming-Shou and Production Manager Mr Joseph Shen, about Haitima's recent development, their future plans, and the reasons behind their success.

By Christian Borrmann and Yuzhong Shen

"At the moment our production capacity here in Zhongshan is almost full," says Mr Shen, "in comparison with last year, especially the period of economic downturn, our business has recovered a lot, and we are achieving an increase of 30-40% this year." And indeed, after the company established its first industrial ball valve factory in Taipei in 1984, it has constantly been growing at a rapid pace. After the first valves and fittings factory was built, the head office had to be moved to a bigger building in Taipei because of the ever increasing number of workers. The location was changed in 1998 and, in 2002, the Haitima Casting Company was established. "This led to an expansion of our standing range of products from not only industrial ball valves and fittings but also to include stainless steel castings," states Mr Shen Ming-Shou. "Moreover, in the same year, we further established



million Dollars into this place and so far it seems to have been a very good decision," smiles Mr Shen Ming-Show. In addition to that, Mr Shen also reveals that, at the moment, another new factory has been built in Taiwan, and it will start operation in a few weeks time. "We are moving the machines and everything to the new factory in Taiwan, and this new factory will cover machining and assembly of valves.

A lot of production going on

The Haitima Corporation is a quite unique company in terms of production, it actually manufactures all of its own products, and the only material it gets from outside is scrap. Mr Shen explains: "In terms of valve production, from casting through assembly and testing, to finally finishing the products and making them ready for shipment, everything is carried out by the company itself. By keeping all these tasks under one roof, we can guarantee the quality of our valves from start to finish. This is very important to our clients because they trust and rely on us and know that when we say that we produce high quality valves, we really mean it." In addition to this quality control aspect, another reason is that it allows the company not only to sell the valves but also the individual components that make up the valves: the castings, the parts, and also the Teflon. Says Mr Shen Ming-Show: "Some companies only want parts of the valves, the castings, or just the Teflon because they want to put the valves together themselves, and

we can provide them with the appropriate material to do so. We export 300 metric tonnes of castings per month in addition to roughly 200,000 balls to all sorts of locations around the world."

With a customer-oriented concept, the Haitima Corporation has come to realize that it's possible to achieve new developments by expanding the company's product range. Through years of investment and cooperation with partners, today, Haitima is able to provide not only valves, but also castings including pipes, fittings, flanges, and even pneumatic actuators, most of which are produced in this Zhongshan factory. "The initial idea behind this is that we realize sometimes if the customer buys the valves, probably he needs also the pipe and fittings, and if they have ordered the ball valves, probably the actuators are also needed. As Haitima has been quite famous for its valve quality among the established customers, we started providing some related products which have the same high quality as our valves, and the pneumatic actuator is just the latest development." Mr Joseph Shen continues, "Actually we have been doing this business for years through our partner company, but we started producing in our own factory last year. We have business experience in this field, we have the know-how and equipment in the factories with all the tools, testing machines etc to guarantee the production quality. Our actuator products have already been well accepted by some leading international

our first branch office in Shanghai and became a shareholder of a company that produces actuators. We decided to do this because a lot of people and companies order valves and actuators at the same time. So, for us, it seemed to be the next logical step in our expansion plans." Next to this large investment, the company opened its first valve production factory in Zhongshan, China, to increase production rates in compliance with valve market demands.

In 2005, the Haitima Corporation went on to open two new branch offices –one in Tokyo, Japan, and the other one in Vancouver, Canada. Also in the same year, the company set up a second valve factory in Zhongshan, again in order to increase the production of valves. "Next to our head office in Taiwan, our Zhongshan facility is the heart of our company. We have invested more than 16



Castings up to 12 inch.



Haitima President Mr Shen Ming-Show.

distributors in the flow control industry. Just a few weeks ago some of their experts carried out a production inspection in our factory and they are happy and satisfied with our products. Of course, we are also very pleased to work with those high end distributors which I believe will benefit both us and them." Currently, the Haitima Corporation produces a diverse range of valves, which have also been applied to various industries. The main products include 1-piece, 2-piece, and 3-piece flange and screwed-end ball valves, gate valves, globe check valves for the oil & gas, mining & mineral processing, chemical &

petrochemical industries, as well as the nuclear power sector. Mr Shen Ming-Show: "All the valves we produce for these industries are, of course, fire-safe and high-pressure approved. We produce valves up to 10 inches, DN 250 and small size fittings from 1/8 to 4 inches. Actuators up to 300 are also available here."

A global strategy

Targeting the international market, the Haitima Corporation has been doing 100% export business since 28 years ago. At the moment Europe and North America are the biggest market, however in South Asia, Middle East, South Africa,

and South America the markets have been growing and look promising. In order to enter the various market areas, the Haitima Corporation has spent a lot of energy and investment to those specifications that guarantee the quality of its products, Mr Shen says: "Currently we are in the process of obtaining API 6D, beside that we have already got DNV for our foundry, ISO 9001, API 607 fire-safe approval, CRN registered, DVGW, PED module H certificate, and 3A. These guarantees and the fact that we produce our valves according to European and American standards, as well as being able to deliver them either as single components or as a whole, show our customers our strengths and possibilities within the world of valves. Haitima holds the PED certificate which is required by producers to sell their products to Europe. In the US only a very few OEM products are needed by customers."

Future success

Despite the economic climate, Mr Shen sees Haitima's business continue growing. "It is good to see that more and more customers are planning to come to Asia to visit valve suppliers. Since March this year, we have had several customers visiting our factories and all of them were satisfied. As everybody knows, business was in quite a bad situation last year. So in order to get a bigger picture, I visited some customers in Europe who were affected by this. They told me that they



The Tainan factory.



The Zhongshan factory ,which is the heart of Haitima, next to the HQ in Taiwan.

expect this year to be worse because the raw material price might be going up again. This means for us that the customers tend to plan for the whole year of 2010, which results in them placing one single order and us shipping every few months. Now we see that a lot of business is coming back, which is really a good sign." When talking about the company's plans for the near future, Mr Shen is confident that Haitima will keep expanding and achieving new developments. He says: "We are planning to buy new facilities which mean some new equipment will be imported for the foundry to have a bigger capacity and better quality products. For example we are going to do the heat treatment in our own foundry. On the other hand, we will expand our current sales networks in some major geographical markets. We have already

set up one warehouse in Vancouver, Canada, branch offices in Tokyo, Japan, Philippines, China, and Taipei to support the distribution. And now the plan is that soon we are going to open a new warehouse in the Netherlands, near Venlo. For some time now I have frequently been getting phone calls from our Taipei sales headquarters, telling me that many customers say they need the goods as soon as possible. We have been thinking about opening this new warehouse in the Netherlands for years". Now Mr Shen Ming-Show has decided to buy a warehouse which is about 5,000 m². "With this new facility starting, we will ship the goods to the warehouse and by doing so we can better support our customers. Let me give you an example: if one customer wants 2" ball valves, and they can't wait for another two months of shipping from Taiwan or from China, they will be very glad to hear that I have something here that can be delivered within three days or a week's time."

Service is the key

President Mr Shen Ming-Show also emphasizes that the service has always been one main focus at Haitima, although quality is also one of the most important concerns. He continues: "Nobody can guarantee that they have 100% perfect products. However, we always try our best to help the customer if there's any problem with our products." In addition to this, he and his team constantly travel the world to keep up their very close and personal ties, not only with their existing clients, but also to find new and future customers. He describes the reasoning behind this as follows: "Obviously, it's necessary for companies to establish close

relationships with clients. However, in our case, they tend to be very fruitful. One reason for this is, maybe, that we strive to develop real friendship with most of the companies with whom we do business. So, we never have the feeling that we are just doing a business deal. I think that this is uncommon these days, especially in this tough and continually changing industry," he says with a smile.



Actuators and API 6D Valves.

Some facts and figures about the Haitima Corporation

- Head office: Taipei, Taiwan
- Branch office and facilities:
 - Haitima Corporation in Tokyo, Japan
 - Robinox Valves Inc. in Vancouver, Canada
- More than 800 employees
 - Taipei office: 30-35 Sales and Engineers
 - Tainan factory: 30 workers
 - Zhongshan factory: more than 500 workers
- Warehouses in Canada and the Netherlands (to be opened later this year)
- Quality certifications: ISO 9001 TRD-100, TA-Luft ISO 15848, REACH and RoHS, API 607, API 6D, Lloyd's, CRN, PED module H certificate 3A, ATEX, and DNV



CNC Machining.