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Scientex investing US\$25m to set up stretch film plant in the US

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KUALA LUMPUR: Scientex Bhd is investing US\$25 million (RM106.65 million) to set up a new stretch film manufacturing plant in Arizona, the US, to enable it to expand its geographical reach worldwide.

To embark on this vision, the packaging manufacturer and property developer has established a new subsidiary called Scientex Phoenix LLC along with manufacturing facilities to produce quality stretch film to serve the immediate market within the US.

“With closer proximity, it would be better able to serve its customers. It will also provide a suitable platform to seek opportunities to penetrate into new markets which the combined markets in the

North, Central and South Americas offer vast and relatively untapped market potential,” said Scientex in a bourse filing yesterday.

It added that the strategic location of the plant in relation to sources of raw materials will also enable Scientex Phoenix to procure its raw materials at highly competitive prices without delay.

In a separate statement, Scientex managing director Lim Peng Jin said the investment will be financed by internal funds and bank borrowings, which will be used to acquire the building facility and machineries, as well as for working capital.

“With the new Arizona plant, the group will bring into the market our proven Japanese quality stretch film, using our expertise in cost-efficient production,” he said.