

Kenda Rubber considers new tire plant in Taiwan

Taipei, Taiwan – The Taipei Times is reporting, “Taiwanese tire manufacturer Kenda Rubber Industrial Co. Ltd. said that it plans to invest NT \$10 billion (\$345.3 million) to build a new car tire plant in Taiwan, which will be a key part of its efforts to boost its revenue to NT \$50 billion within next five years through diversifying manufacturing sites.

The investment plan can only be achieved if the government helps the company find a 29.1 hectare plot of land, otherwise it will have to divert the investment to another destination, Kenda chairman Yang Ying-ming said in a press conference during a visit by the Council for Economic Planning and Development to Kenda’s car tire factory in Yunlin County.

The chairman said Kenda, a tire supplier to Giant Manufacturing Co. Ltd., General Motors Co. and Toyota Motor Corp., is seeking to expand its ability to grow annual revenue by 66.67 percent by 2018, from NT \$30.19 billion last year. Taiwan is its first choice for such investment, the company said. As Kenda’s research and development center and mold development division are all located in Taiwan, the company hopes to build a new car tire factory to facilitate development of its car tire products, Yang said. “As the costs involved in building a plant in China are still lower than those in Taiwan, we do not want to put all our eggs in one basket,” Yang said. According to Yang, the U.S. government has imposed a tariff of 25 percent to 35 percent on tires shipped from China starting in 2009, causing losses for the company.

Currently, Kenda has invested NT \$1.6 billion in a car tire factory in Yunlin, which can produce 4,000 tires a day. The manufacturing capacity of the factory will double to 8,000 tires a day after a production line is expanded by June.”