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DIE-CUTTING TOOL MANUFACTURING INDUSTRY

CEKD expects demand to grow

KUALA LUMPUR: The die-cutting tool manufacturing industry is expected to experience cyclical growth as the economy recovers and consumer sentiment stabilises.

CEKD Bhd managing director Yap Kai Ning said this growth was in tandem with a fluctuation in global economic growth and foreign exchange uncertainties.

"CEKD's outlook, as with the rest of the industry, depends on demand from industries, such as paper and paper products, electric and electronics and automotive. These industries, in turn, rely on CEKD's demand from consumers. Demand for our moulds is ultimately dependent on consumer sentiment.

"Despite the Covid-19 pandemic, there is still demand. We anticipate that it will grow," Yap told the *New Straits Times*.

The die-cutting tool manufacturing industry is expected to expand by a compound annual growth rate of 3.2 per cent from RM216.52 million in 2019 to RM261.04 million in 2025, according to the Independent Market Reports mentioned in the company's recently-launched prospectus.

Yap said CEKD would concentrate on three key plans and strategies for growth, namely to expand its current premises and increase production capacity, widen customer base by tapping new global markets and investments in technology and software.

"The growth in e-packaging is something we will also venture into as there is an increasing awareness of and a preference for environmentally friendly packaging."

Orders from overseas customers had reduced due to travel restrictions caused by the pandemic.

"Our overseas sales decreased by 18.2 per cent during the initial Movement Control Order period, falling to RM1.21 million between May and August last year from RM1.48 million between the same period in 2019.

"Our sales gradually rebounded by 6.0 per cent from June to September last year, compared to the same period for financial year 2019, and has remained stable up to May 2021."

Yap Kai Ning