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Swiss-based manufacturer to set up second plant in Batu Kawan Industrial Park

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LEADING global developer, manufacturer and supplier of high-end vacuum valves, VAT Group AG, will be expanding its operation in Penang with the new facility located in the Batu Kawan Industrial Park (BKIP).

The first plant of VAT Manufacturing Malaysia Sdn Bhd is located at Persiaran Cassia Selatan 1 and the upcoming new second plant is located at Persiaran Cassia Selatan 6 in BKIP.



The view of the new site of VAT Manufacturing Malaysia.

The new plant of the Swiss-based company costing RM600 million is introduced as the Factory 1b.



Ahmad Zakiyuddin (third from left), Paraveen (second from left), Reichlin (fifth from left) and Allison (fourth from left) taking a group photo together with other VVIPs during the ground-breaking ceremony today.

VAT Manufacturing Malaysia managing director Paraveen Singham said the new 39,200sq m plant is expected to be completed in 2024.

“This expansion project is expected to create 600 new jobs in the next five years, bringing VAT’s Malaysia total headcount in Penang to over 1,200.

“The new plant also will more than double the production capacity of VAT’s Malaysian operation, increasing factory output to over RM4.6 billion.

“Once completed and running at full capacity, the extension also is expected to contribute approximately 50 percent of VAT’s total global production capacity by 2028.

“In addition, VAT Malaysia will also set up a new apprentice training centre in Factory 1b to ensure that we are able to build up fresh talents in partnership with local vocational institutes.

“It aims to inspire young Malaysian graduates by offering both on-the-job training as well as employment after training,” he said in his speech before taking part in the ground-breaking ceremony of the new facility at Persiaran Cassia Selatan 6 in BKIP today.

Also participating in the ground-breaking ceremony were Deputy Chief Minister I Datuk Ahmad Zakiyuddin Abdul Rahman, Chief Minister of Penang special investment adviser Datuk Seri Lee Kah Choon, InvestPenang chief executive officer Datuk Loo Lee Lian, Swiss Ambassador to Malaysia Andrea Reichlin and VAT Group AG chief executive officer Mike Allison.

Ahmad Zakiyuddin, in his speech, congratulated VAT Group AG for the outstanding milestone.

“True to its reputation as the Silicon Valley of the East, Penang, aside from being one of the prominent hubs for electrical and electronics (E&E) manufacturing, is also a regional thriving hub in machinery and equipment (M&E) and medical devices. Penang accounts for an estimated 5% of global semiconductor sales.



Ahmad Zakiyuddin congratulated VAT Group AG for the outstanding milestone.

“Importantly, we are proud that Penang is gaining momentum in front-end equipment manufacturing, where VAT plays an important role in the value chain.

“The years of manufacturing excellence, coupled with agile talent pool and supportive infrastructure, have always been the competitive edges of Penang in attracting high quality investments.

“I am also pleased to note that VAT Manufacturing Malaysia is one of the pioneers to set up manufacturing facility in BKIP in 2012.

“Since then, VAT continues to increase its investment in Malaysia over the past 10 years, bringing advanced manufacturing processes and state-of-the-art vacuum valve technologies to Penang,” he said.

Ahmad Zakiyuddin added that with VAT’s expansion project, talents are not only offered job opportunities but also the chance to learn from the world’s leading supplier of high-performance vacuum valves and gaining the technical know-how in precision machining and advanced assembly.

“This is believed to further anchor Penang as the talent magnet in the northern region.

“Thus, I am confident that Penang will be benefiting from the exciting industry outlook.

"I would like to assure as well that the state government is fully committed to providing our best possible facilitation service for VAT's expansion project here.

"I look forward to deepening the partnership between VAT and the Penang government and I wish VAT every success," said Ahmad Zakiyuddin.

Paraveen said during the selection of the site for expansion, the company did receive strong support from Datuk Loo and the InvestPenang team.

"The Penang Development Corporation (PDC) also provided technical support in order to complete our due diligence assessment.

"For that, we would like to express our sincere gratitude to both parties for their professionalism and great collaboration in finalising our selection decision," he said.

According to Allison, a robust and competent local supply chain ecosystem is one of the factors that attracted VAT Group AG to Penang.

"After thoroughly assessing a number of options for expanding our production capacity, we concluded that Penang is the best location for a number of reasons.



Allison said a robust and competent local supply chain ecosystem is one of the factors that attracted VAT Group AG to Penang.

"Our team in Penang has already done a great job ramping up production in recent years to meet the needs of our fast-growing market, and our decision to expand further in Penang is an acknowledgement of their outstanding efforts.

"Several of our largest customers also have their operations in the region and by boosting our production there, it will enhance our ability to collaborate with them more effectively and deliver value faster and more efficiently," he said.

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