

# THAILAND A SPRINGBOARD FOR ANCA'S ASEAN EXPANSION PLANS

EXPORT CASE STUDY | NOVEMBER 2018

As the manufacturing powerhouse of ASEAN, Thailand was the ideal springboard for ANCA's international growth ambitions. The success of its Thai production base enabled the company to supply other businesses across ASEAN, as well as create around 50 high-skilled jobs at its Australian headquarters.

Since its foundation in 1974, ANCA has grown to become a world-leading manufacturer of Computerised Numerical Control (CNC) grinding machines, motion control systems and sheet metal. CNC grinding machines are widely used in manufacturing processes within the aerospace, medical, automotive, electronics and tool manufacturing industries. ANCA precision machines are used in the production of Apple iPhone casings – just one example of how Australian ingenuity is feeding into global supply chains.

Headquartered in Melbourne, 99 per cent of ANCA's products are exported to 45 countries. The company employs 400 staff in Australia, including 100 engineers, and 500 employees overseas. With offices in Brazil, China, India, Japan, Thailand, the UK and the US, ANCA was twice awarded Australian Exporter of the Year, and in 2016, was inducted into the Australian Export Awards Hall of Fame.

Contributing to ANCA's ongoing success is the company's strong focus on research and development, which is leading to enhanced manufacturing outcomes for its customers.

## Growing business across ASEAN

To allow its Australian operations to better respond to the increasing global demand for precision tool



ANCA's Thai engineers at ANCA's Thailand facility

**'Our success in building a sustainable production model in Thailand means we can effectively supply other businesses across ASEAN. The region's rapid development has generated strong demand for the advanced manufacturing tools that we specialise in.'**

Yanisa Ninlawong, General Manager, ANCA Manufacturing (Thailand)

grinding machines, ANCA researched locations in Asia to establish another production base. The company was attracted to Thailand due to the size of its manufacturing sector, proximity to major ASEAN customers and business-friendly environment. Thailand also shared free trade agreements with ANCA's major target markets, which helped make ANCA's products more competitive.

'Our success in building a sustainable production model in Thailand means we can effectively supply other businesses across ASEAN,' said Yanisa Ninlawong, General Manager, ANCA Manufacturing (Thailand). 'The region's rapid development has generated strong demand for the advanced manufacturing tools that we specialise in.'



Australian Government

Australian Trade and Investment Commission



ANCA established a production base in Thailand in 2005, which today has expanded to undertake sophisticated machine tool assembly with integrated automation systems. Although the company operates two facilities with 200 employees in Thailand, it has maintained its high-end design, research and development, and production capabilities in Australia. Around 50 high-skilled jobs have been created in its Australian headquarters as a result of its operations in Thailand.

### **Investing in its most important asset – its people**

Key to ANCA's success in attracting and retaining capable and motivated staff is its focus on investing in its people. To fill its highly skilled production and technical roles, ANCA provides ongoing and comprehensive training to ensure its employees have the right capabilities to produce its machines to exacting industry standards. For example, a group of its Thai engineers spent six weeks at ANCA's Australian headquarters for in-depth training as part of the custom solutions team.

Local teams have been key to ANCA's success over the years as an exporter. While Melbourne remains the global hub, with the expansion into the new facility, local engineering and sales teams have recently been recruited.

### **Succeeding overseas**

Seeking the advice of a wide range of stakeholders has been key to ANCA's success in Thailand. The company received on-the-ground support from a range of different organisations when it was establishing its operations in Thailand, including Austrade. ANCA recommends new market entrants be patient, consider their options and take a staged approach to expansion as they become more familiar with the market and its operating environment.

With the continued growth and expansion of Southeast Asia's economies, the demand for ANCA's machines is expected to grow. Being close to its customers enables the company to better understand their needs and capitalise on the wealth of opportunities that the ASEAN region offers.

ANCA is a strong example of Australian engineering and manufacturing ingenuity. As the company cements its position as a global player in CNC grinding machines, this will deliver benefits to its customers and to Australia's manufacturing sector.

### **About Austrade**

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
- › seek consular and passport services.

#### **Disclaimer**

Whereas every effort has been made to ensure the information given in this document is accurate, the Australian Trade and Investment Commission does not provide warranty or accept liability for any loss arising from reliance on such information.

©Commonwealth of Australia 2018