

## **Manufacturer eyes post-recession growth**

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A PLYMOUTH manufacturer which has made a conscious decision to focus on high end products believes that growth will return in 2011, with plans to grow its turnover to £60 million in the next few years.

Although Estover-based Fine Tubes believes the rest of 2010 will see business remain "flat", it is anticipating a return to growth next year that would allow it to resume its development plans.

The American-owned business, which was founded in 1947, makes high precision metal tubes in stainless steel, nickel alloys and titanium.

The firm announced two years ago that it was eschewing volume markets in favour of value added products in order to withstand increasing competition from low wage economies.

Its products are designed for the most challenging environments and can withstand extreme temperatures, pressures, seawater or acid corrosion.

Standards and specifications for these tubes and coils are extremely high and serve a wide range of markets like aerospace, medical, nuclear, oil and gas and chemical process.

Managing director Ronen Day said this decision had meant that the firm's turnover – after an initial drop – had now significantly improved.

"Five or six years ago turnover in our old areas was £16 million, and £6 million of that was in 'easy' markets that were more commercial," he said. "We lost that, but since then, we have grown from £10 million to £35 million.

"We made the decision some years ago to move into markets that were more defensible – markets where work is less likely to go to China.

"We looked at market sectors where we felt there was value added – nuclear, oil, gas and aerospace – and we put together a substantial organisational focus on those markets."

Once growth returns to the economy, the firm believes turnover will start growing again. It is expected to hit £60 million in three to four years.

The business is three years into a five-year investment programme that has seen "several millions" of pounds ploughed into the site.

"The new markets and new products have been traumatic for the factory," Mr Day said. "We have had to develop machines and equipment. The good news is that when things got difficult we didn't end up losing markets as we would have done if we had invested in the more commercial side of the business."

Fine Tubes has 335 employees and has recently been awarded "Rating 1" by business information firm Dun and Bradstreet, which means that it has a good creditworthiness.

Receiving the certificate last week, Mr Day said it would help the firm do business with new suppliers and customers.

"Doing business with us is low risk," he said. "Existing customers can continue to have confidence in us and new suppliers will be more willing to do business."

Fine Tubes exports its products to markets including America, China, Russia and Europe.

The business has recently opened offices in France and India as it seeks to increase market share there.

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