

# Mölnlycke Health Care

## Expanding in Thailand

Since Mölnlycke Health Care opened their first factory in Thailand in 1990 it has become their number one choice for production. At present they have two factories and continuously extend the production and increase their growth. The Swedish company is now moving products and machines from their factory in Czech Republic to Thailand.

*By Annelene Højvang Larsen*

If you've ever been in an European surgery room, you've probably seen some of Mölnlycke Health Care's products. They are one of the world's leading providers of single-use surgical and wound care products and services to the healthcare sector.

Their long list of products includes drapes to cover the patient during surgery and surgical gowns for the doctors. Most of the products are produced at their two Thai factories placed in industrial estates between Chonburi and Bangkok.

**Everything handmade**  
Mölnlycke Health Care opened their first factory in Bangplee Industrial Estate in 1990. Before that they had been looking at their opportunities in different countries in Asia, but decided to go for Thailand.

"I think there were several advantages here, but I actually don't know exactly why they decided for Thailand. Maybe they liked our food," jokes Mr. Prapat Phupinyokul, who has been the company's director and general manager in Thailand since the beginning.

More than the food however must have been attractive to the Swedes. Mölnlycke Health Care has offices and factories all over the world. Even so sizable numbers of the employees are situated in Thailand.

From a total of fifty employees in 1990 they now have about 2000 Thai employees of which 1400 are located at the main office in Bangplee. The Thai working force is crucial for the company since all of the products are made by hand from the first cut to sewing and packing.

### Extending Thai factories

From Mölnlycke Health Care's headquarter in Gothenburg the Thai factories have several times received new orders. The Thailand factories are among the biggest within the Mölnlycke Health Care group and it is the first choice to add products.

This means that productions from other of the company's factories are moved to Thailand. Mölnlycke Health Care in Thailand has earlier taken over production from Ireland and Estonia

and now they're going to take over products and machines from the factory in Czech Republic. This is to make space for expansion of other products in the European country.

"We have a high degree of quality, we're serious about our work and we have a lot of expertise," is Mr. Prapat Phupinyokul's explanation to the success in Thailand.

So far products have been transferred to Thailand 15 times of which four have been major transfers. One of the major transfers was in 2002, when Mölnlycke Health Care in Thailand was to take over the production of surgical gowns from Mexico. It then became necessary to build a new factory.

This was located in the Amata Industrial Estate 40 kilometers from the first factory in Bangplee Industrial Estate. Both industrial estates are close to Laem Chaband Deep Seaport, which is crucial for the company. Every week 25 containers take off from the factories.

"All of our products are for 100 per cent export. Mainly to Europe but we also export to Japan and Australia," says Mr. Prapat Phupinyokul.

Since it was built in 2002 the Amata factory has also expanded with a total investment of some MBHT 140. During 2008 Mölnlycke Health Care added extra buildings to the factory in order to prepare for the takeover of products from Czech Republic. Employees will start training trips to Europe in the beginning of 2009, and they expect the handing-over to be completed by next year.



### Fitness and fishing ponds

The expansion of the factories has not only meant more employees and an increasing production. A fitness room at the Amata factory has just been made for the employees to use.

"If you are not promoting health for your own people, how can you promote it for your costumers?," asks Mr. Prapat Phupinyokul, who himself is very fond of jogging.

"It is important to promote health for our people. They work very hard," he continues.

At the main factory in Bangplee there's also a fitness room and even a fishing pond. The general manager is very happy about the human resource management.

"It is better to improve before it is necessary for the employees to ask for improvements. And I can see that they're happy about the new initiatives," he says.

### In Sweden we trust

Mr. Prapat Phupinyokul has several times been to Sweden to visit the headquarters of the company. He is very impressed by his Swedish employer.

"The company is very good at decentralizing. They trust local people to do a good job," he says.

According to the Thai director it is very different from what he experienced when he worked with Japanese Toyota back in the 80s.

"I think that if you're bright, you have a better change of climbing up in this company than in many others," he adds.

Mr. Prapat Phupinyokul thinks that Mölnlycke Health Care still has a lot of possibilities in Thailand.

"We have committed employees, strong business growth and a high product quality," he says and continues:

"I believe that we have good opportunities to be both stronger and larger."

### Facts:

The average sale of Mölnlycke Health Care in Thailand is 26 % from 1992 – 2007.

In the beginning the factory in Thailand was a joint venture, but since 2002 Mölnlycke Health Care has been sole proprietor. Mölnlycke Health Care has 6100 employees in 24 offices across the world.

Their plants are located in Belgium, Czech Republic, Finland, Malaysia, Thailand and the UK.

Two thirds of Mölnlycke Health Care's products are for surgical care.

Mölnlycke Health Care is owned by Investor AB. It is the largest holding company in the Nordic Region.